

What the Media and Others Are Saying About the Automatic IRA

The New York Times editorial (March 18, 2006):

"The best idea yet developed for making savings universal is an I.R.A. that is funded with automatic direct deposits from a paycheck. The brainchild of researchers from the Heritage Foundation and the Brookings Institution, the automatic I.R.A. would use a no-frills design and economies of scale to overcome the problem of high fees on small accounts. Congress should pass legislation to establish auto-I.R.A.'s, and the president should sign it."

National Bureau of Economic Research (Martin Feldstein, President Emeritus, June 10, 2008):

"I am a great enthusiast of automatic enrollment IRAs. I think as a policy, it's a no-brainer. I think the legislation should be enacted. I can't imagine why there would be any significant opposition from political players on either side of the aisle."

Wall Street Journal (Laura D'Andrea Tyson, Former Chair, President's Council of Economic Advisors, Oct. 30, 2007):

"To help the 75 million workers who don't have access to an employer-sponsored 401(k), a bipartisan group of legislators. . . . have introduced a bill to create an Automatic IRA. . . . The Automatic IRA allows employers to facilitate employee saving."

National Review (Ramesh Ponnuru, Feb. 2, 2009):

"Businesses that do not want to administer 401(k) programs. . . . could serve as a conduit for automatic paycheck deductions into tax-advantaged savings accounts. Employees would get some of the main benefits of a 401(k) without burdening businesses."

Newsweek (Jane Bryant Quinn, Feb. 26, 2007):

"Quinn: A Nest Egg for Low Earners. An idea has come along that's a start. It's called an 'automatic IRA,' designed for those with no ready access to retirement savings plans."

The Washington Times (Donald Lambro, Chief Political Correspondent, April 12, 2007):

"The savings rate in our country. . . . is abysmal. This [the Automatic IRA] would dramatically turn that rate around, helping millions to build wealth and some measure of retirement security."

The Washington Post (Feb. 19, 2006):

"A bold, bipartisan proposal for retirees who have no pensions. . . . And the sooner the better."

Marketwatch.com (Feb. 16, 2006):

". . . a solution that is elegant in its simplicity. . . . [L]awmakers, employers and employees should be willing to forge any river and climb any mountain to make this proposal more than just another white paper. "

AARP (David Certner, Director of Federal Affairs, Feb. 14, 2006):

"The right proposal at the right time. Congress should act now to expand this successful payroll deduction mechanism. . . ."

The 2006 National Summit on Retirement Savings (March 1-2, 2006), Final Report:

"This program, . . . an action plan for low-income workers, would also serve small-business owners and employees." The automatic IRA was one of the only proposals endorsed by the conference delegates that was included in more than one of the delegates' four action plans to promote retirement saving (for small business employees, for low-income workers, etc.).

Commission on the Regulation of U.S. Capital Markets in the 21st Century, Report and Recommendations, March 2007:

"The Commission believes that the use of automatic payroll deductions will encourage greater retirement savings by employees of companies that do not offer any type of retirement plan."

The co-authors of this Retirement Security Project proposal, Mark Iwry and David John, have described it in "Pursuing Universal Retirement Security through Automatic IRAs" and in congressional testimony, available at www.retirementsecurityproject.org. The proposal has been introduced in the 110th Congress as the "Automatic IRA Act of 2007", H.R. 2167, sponsored by Representative Richard Neal (D-MA) and Representative Phil English (R-PA), and S. 1141, sponsored by Senators Jeff Bingaman (D-NM) and Gordon Smith (R-OR).