Auto Portability – Fast Facts

Why Do People Cash Out?

63%
of cash outs are made for non-emergency reasons

"Participants facing…"friction" prematurely cash out at alarming rates, depleting their retirement savings…" – *Eliminating Friction and Leaks in America's Defined Contribution System, Boston Research Group, 2013*

Preserving Small Savings Significantly Increases Retirement Savings

$86,912
The Value of Preserving $7k at age 25

$133,213
The Value of Preserving $7k at age 25 AND $7k at age 35

$157,878
The Value of Preserving $7k at age 25 AND $7k at age 35 AND $7k at age 45

Auto Portability's Benefits are Projected at $1.6 Trillion (for Balances Under $7,000)

Removing Friction is Proven to Reduce Cash Out Leakage by more than
50%

6.2 Million
No. of Annual Job-Changing 401(k) Participants with Account Balance less than $7,000

Annual

Generational
(40 years)

WITHOUT *Auto Portability*

4.5 Million
Participants Cashing Out, Annually
$11.2 Billion

247 Million
Participants Cashing Out, 40 yrs.
$617 Billion

WITH *Auto Portability*

4.3 Million
Participants Preserving Savings, Annually
$10.6 Billion

236 Million
Participants Preserving Savings, 40 yrs.
$1.6 Trillion
Incremental Savings

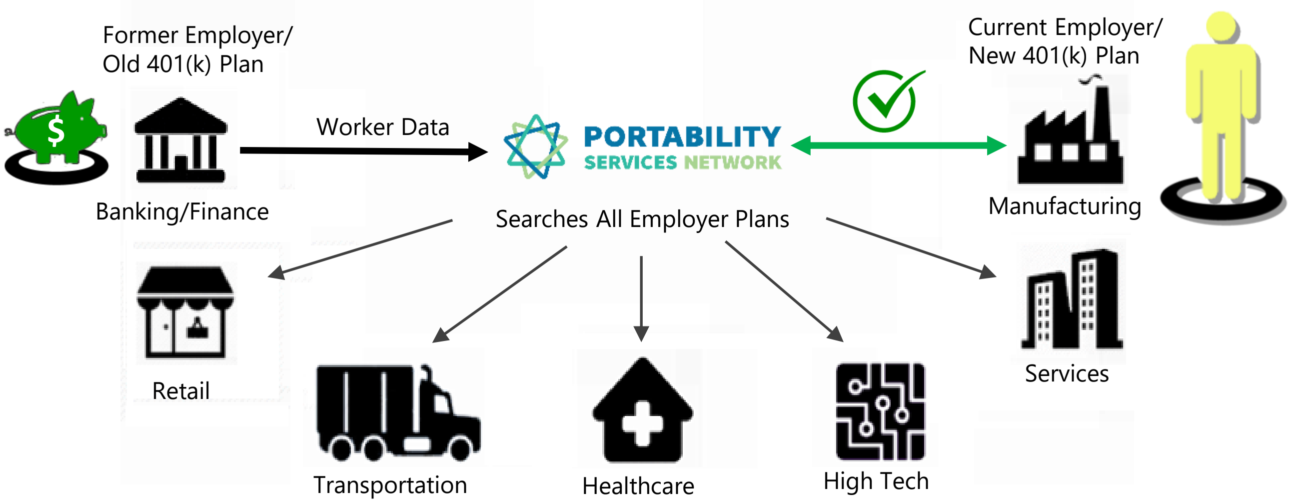
Nearly
9 in 10
Participants Want Auto Portability*

*EBRI 2021 Retirement Confidence Survey

How Auto Portability Works to Preserve Retirement Savings

STEP 1: Worker Changes Jobs

STEP 2: Locate Worker



STEP 3: Match Data

STEP 4: Account Follows Worker

Enhancing Retirement Security for America's Minorities

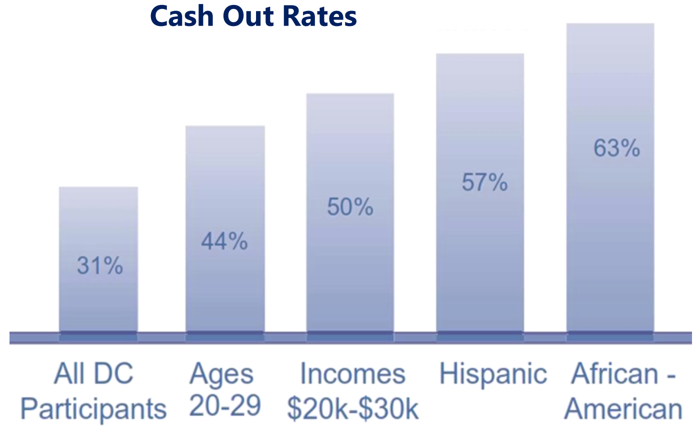
Minorities are under-represented in America's Defined Contribution system…

25%:
of defined contribution participants are minorities

39%:
of 2015 US population are minorities

…and face challenges preserving small-balance retirement savings.

Cash Out Rates



Auto Portability is Needed to Preserve Minorities' Retirement Savings

For All Minorities:

WITHOUT Auto Portability:

104 Million

Minority job-changers **cash out**, over a generation

$260 Billion
Cashouts

WITH Auto Portability:

98 Million

Minority job-changers **preserve savings**, over a generation

$744 Billion
Incremental Savings

For Black Americans:

WITHOUT Auto Portability:

32 Million

Black American job-changers **cash out**, over a generation

$79 Billion
Cashouts

WITH Auto Portability:

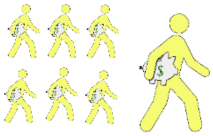
30 Million

Black American job-changers **preserve savings**, over a generation

$216 Billion
Incremental Savings

How Auto Portability Promotes Corporate Social Responsibility

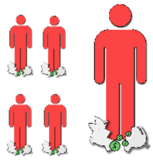
1. Dramatically improves participant outcomes



6.2 Million
401(k) Participants with <$7,000
Changing Jobs Annually

Source: Auto Portability Simulation

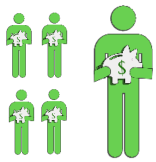
WITHOUT *Auto Portability*



4.5 Million
401(k) Participants
Cashing Out Annually

$11.2 Billion

WITH *Auto Portability*

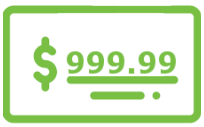


4.3 Million
401(k) Participants
Preserving Savings Annually

$10.6 Billion

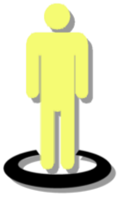
2. Provides an enhanced standard of participant care

Minimize time spent in a safe harbor IRA



No cashing out balances <$1,000

Improved participant communication



Robust participant searches

Transparent fee structure

3. Reduces plan expenses

A hypothetical, 10,000 participant 401(k) plan with auto portability would generate:

$2.6MM

in participant fee savings, over 40 years

Sources: Deloitte Consulting, Auto Portability Simulation

4. Improves financial wellness

Avg. age to "$10,000 Hurdle"

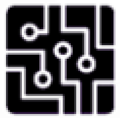
37
WITHOUT
Auto Portability

31
WITH
Auto Portability

Sources: Northern Trust, Auto Portability Simulation

5. Reduces cybersecurity risk

Auto portability reduces cyber-risk by:



1. **Reducing the cyber-threat "attack surface" via consolidation**

2. **Minimizing fraud-prone, small-balance accounts**

3. **Securely transferring retirement savings**

PORTABILITY SERVICES NETWORK