Abstract: Automatic enrollment in retirement savings plans has been shown to increase participation and average savings rates in these plans. But how much of these increases are offset by borrowing outside the plan? We study a natural experiment created when the U.S. Army began automatically enrolling its newly hired civilian employees into the Thrift Savings Plan (TSP) at a default contribution rate of 3% of income. We match these employees’ payroll records to their credit reports. We find that four years after hire, as a percent of first-year annualized salary, automatic enrollment raises cumulative employer plus employee TSP contributions by 5.2% on average. However, automatic enrollment’s effect on wealth net of debt is only 3.3% on average, representing a 37% crowd-out.