

cri.georgetown.edu

**GEORGETOWN**  
**UNIVERSITY**

---

**McCourt School** *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**

**The Progress and Power of  
State-Facilitated Retirement Savings Programs**

**NIRS Annual Policy Conference**

**Angela Antonelli**

**Research Professor and Executive Director**

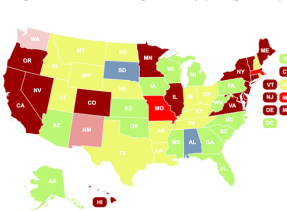
**February 27, 2024**

# The Georgetown Center for Retirement Initiatives

## State-Facilitated Retirement Savings Programs Research and Clearinghouse



**2024 State Program & Legislative Activity Map**  
 Click on the map below to view program information quick links (red shaded states)  
 Login to view detailed 2024 state legislative activity updates (green states)



© Copyright 2024, Georgetown University  
 Source: Georgetown University's Center for Retirement Initiatives

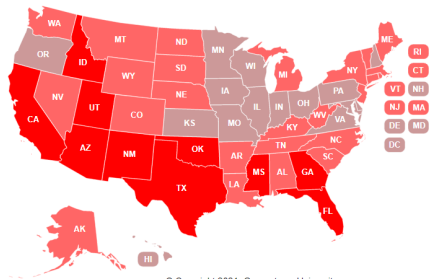
### State Program Action Updates

#### Upcoming board meetings:

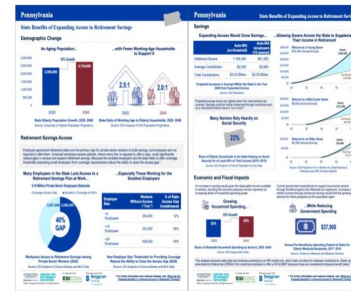
- MD: 3/8/24; CT: 3/15/24; NH: 3/15/24; IL: 3/15/24; VT: 4/12/24; ME: 4/17/24; CA: 5/14/24; OR: 5/14/24; DE: 6/20/24

#### Recent program action:

- CA, CO, CT, IL, MD and OR January 2024 program data available - **new!**
- State Treasurer Mike Piacicki announces the Vermont Save Advisory Board (press release)
- Congratulations! ME opens program to all eligible employers on January 17, 2024 (employer and saver portals)
- Annual continuous selector program executive director and program specialist
- View January 2024 monthly performance report. State programs reported exceeding \$1.2 billion in assets administered.
- View comparison of key auto-IRA



© Copyright 2021, Georgetown University  
 Source: Georgetown University's Center for Retirement Initiatives



### Monthly Individual State Program Specific Data & Trends

- California
- Illinois
- Oregon
- Connecticut
- Maryland
- Massachusetts
- Washington



### Frequently Asked Questions

State-Facilitated Retirement Savings Program Models  
 Auto-IRA Common Program Design Features  
 Employer and Employee Program Experience  
 Comparison of the Basic Features of an IRA and a 401(k)  
 A Comparison of Traditional IRAs and Roth IRAs  
 Impact of State Programs on Employer-Sponsored Plans  
 Vendors Servicing State-Facilitated Retirement Savings Programs



### State Program Guides

STATE BRIEF 22-01 | JUNE 30  
**State-Facilitated Reti Features**  
 This document provides summary state-facilitated retirement savin

- State Performance Data & Trends
- State Activity Updates
- State FAQs
- State Guides
- State Reports and Briefs
- State Model Legislation
- State Level Data & Rankings
- State Data Maps

### State Policy Reports and Briefs

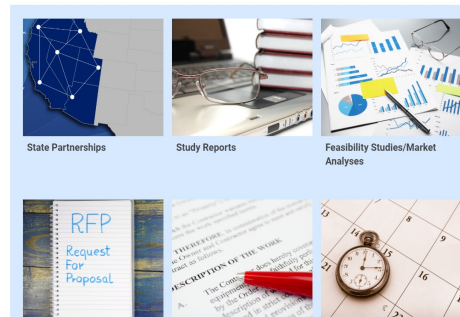


POLICY REPORT 21-02 | MAR  
**State-Facilitated Reti and the Tax Code for**  
 This paper provides polycrme negotiations pectives to IRAs and reviewing the question of ERISA and the Tax Code rules apply to 401(k)s, including the new rules allowing states (and others) to possibly lower 401(k) costs by sponsoring group 401(k)ERAs and PERAs

POLICY REPORT 18-01 | MAY 2018  
**State Benefits of Expanding Access to Retirement Savings**  
 This report provides state-level analysis of the benefits of expanding worker access to save for retirement through state-facilitated auto-IRA programs. This report follows CFP's earlier research on the potential benefits of national universal access to retirement savings options for U.S. workers (See Policy Report 04-02). Included in the analysis are 51 state (and DC) fact sheets that provide information on key state specific metrics including demographic trends related to the aging of the population, the size of the retirement savings access gap, the projected growth in savings with an auto-IRA program, and the economic and fiscal benefits to the state of adding new savers. (See State-by-State Interactive Map)

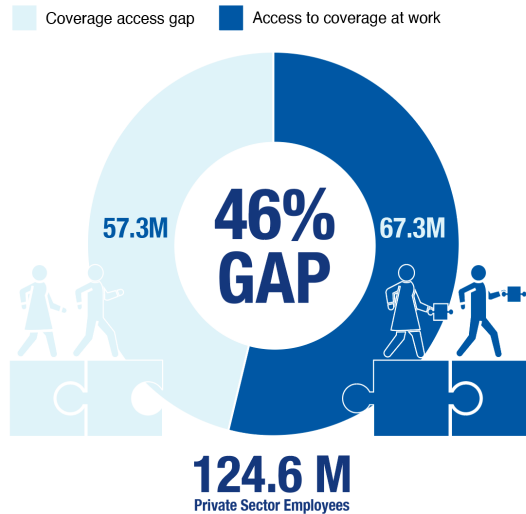
### State Resource Center

Please click below to access materials produced by previous and current study and implementation studies.



# Significant Gap in Access to Retirement Savings Among Private Sector Workers

More than 57 Million Employees Lack Access to a Retirement Savings Plan in their Workplace (2020)



ESI analysis of Census Bureau Current Population Survey and BLS National Compensation Survey Data.

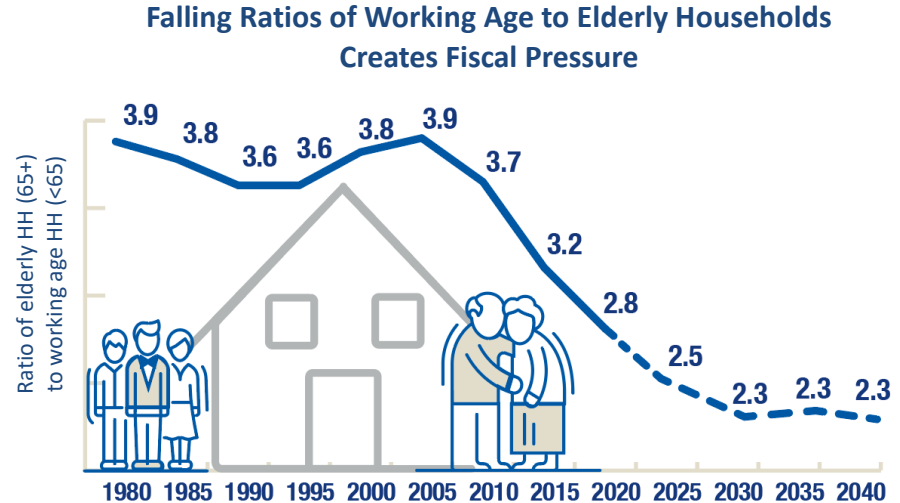
Source: [Antonelli \(2020\)](#). "What are the Potential Benefits of Universal Access to Retirement Savings?" Georgetown University Center for Retirement Initiatives in conjunction with Econsult Solutions, Inc.

© 2024, Georgetown University

- Disproportionately affects small businesses because of costs, administrative burden, and other responsibilities
- Disproportionately disadvantages women and people of color
- Cost of doing nothing too great for policymakers to ignore

# An Aging Population Increases the Urgency

- Senior households are growing in number and share of the population
- Increasing fiscal pressure from a decreasing share of working age households
- Generational shifts by 2040: Millennials and Gen Z will be in prime working years (30-60) and need to save for retirement



ESI analysis of US Census Bureau data and University of Virginia Population Projections.

Source: Antonelli (2020). "What are the Potential Benefits of Universal Access to Retirement Savings?" Georgetown University Center for Retirement Initiatives in conjunction with Econsult Solutions, Inc.

© 2024, Georgetown University

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

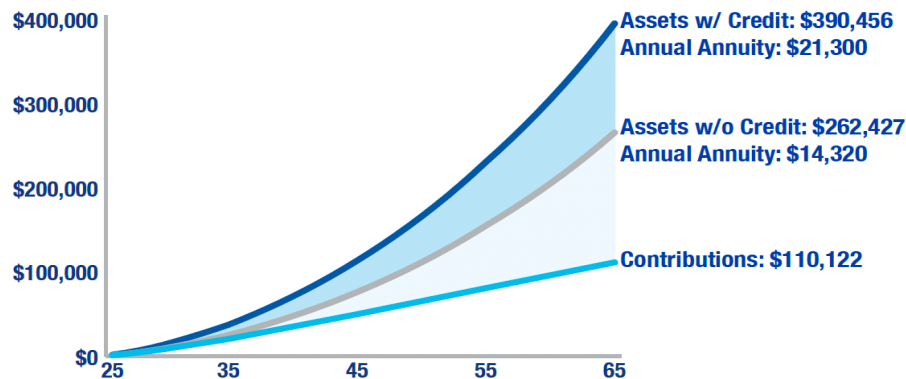
CENTER FOR  
RETIREMENT  
INITIATIVES

# Can Saving a Modest Amount Make a Difference? YES!

## Starting Sooner and Saving Longer Improves Retirement Outcomes

*By starting to save early through simple, automatic and consistent contributions, workers with average earnings levels will have the opportunity to build substantial private savings levels to increase their retirement incomes & supplement Social Security or help to defer starting Social Security (and boost benefits).*

**Figure 2.4: An Enhanced Saver's Credit Increases Lifetime Returns to a Young Auto-IRA Saver**



Source: [Antonelli \(2020\)](#). "What are the Potential Benefits of Universal Access to Retirement Savings?" Georgetown University Center for Retirement Initiatives in conjunction with Econsult Solutions, Inc.

© 2024, Georgetown University

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

# States Are Driving Change by Designing and Adopting Universal Access Retirement Savings Programs (19 States)

Individual Retirement Account (Auto-IRA)= 15 states			Voluntary Open Multiple Employer Plan (MEP)	Voluntary Payroll Deduction IRA	Voluntary Marketplace
California	Illinois	New Jersey	Massachusetts	New Mexico	New Mexico
Colorado	Maine	New York	Missouri		Washington
Connecticut	Maryland	Oregon			
Delaware	Minnesota	Vermont			
Hawai'i	Nevada	Virginia			

Green = program now open to all eligible workers

© 2024, Georgetown University

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

CENTER FOR  
RETIREMENT  
INITIATIVES

# Auto-IRA Program Model - Characteristics

- **Automatic** – workers are 20 times more likely to save when they are auto-enrolled
- **Voluntary** – workers have full control over their participation and can always opt-out of saving
- **Portable** – the savings account stays with the worker when changing jobs
- **No Cost** – to the state, taxpayers, or employers. Programs are self-sustaining from saver fees; start up loans to be repaid
- **Public-Private Partnerships** – professionally managed & advised by financial services firms with oversight by the state
- **Positive Effect on Retirement Market** – analysis of DOL 5500 plan data shows new plan formation *increasing* in states with auto-IRA programs.

Auto-IRA Programs are increasingly becoming standardized in program design (which better supports inter-state partnerships):

- ✓ Lower employer thresholds
- ✓ 5% default contribution
- ✓ Auto-escalation of 1% to a cap
- ✓ Roth IRA
- ✓ Short asset holding periods
- ✓ Simple investment menus
- ✓ Shorter employer registration timelines

# Strong Public, Employer, and Employee Support

NIRS 2021 [survey](#) of views of state-facilitated retirement savings programs:

- 72 percent agree that state-facilitated retirement programs are a good idea with high support across party and generational lines.
- 75 percent say they would participate in state-facilitated retirement programs, consistent across party and generational lines.
- Many key features of state-facilitated retirement programs viewed favorably, especially portability (84 percent).

Pew 2019-2020 [survey](#) of 2,500 responding employers in Oregon:

- ✓ 79% of the businesses surveyed responded that they paid no out of pocket costs
- ✓ 80% of employers reported that they heard a little or nothing from their employees about participating in the program (assumption is that employees would express any dissatisfaction to their employer)
- ✓ 73% of employers reported being satisfied or neutral about the program overall



# Research Shows State Programs Help Private Plan Growth

## [Pew Charitable Trust](#)

- Evidence from CA, OR, and IL indicate state programs complement the private sector market for retirement plans
- Employers are not enticed by state programs to drop their existing plans
- Rate of introduction of new plans as a share of existing plans grew in all three states after program enrollment began (higher than national average): 1.3% in CA; 0.9% in IL; 1.8% in OR

## [Bloomfield, Lee, Philbrick, Slavov \(NBER, 2023\)](#)

- Auto-IRA legislation has a positive impact on the likelihood of employers offering retirement plans and employee participation
- Individuals in program states are 3.2% more likely to work for an employer who offers a retirement plan after auto-IRA policy implementation and employees 7% more likely to participate
- Firms in states with programs are 1.5-1.7% more likely to offer any employer-sponsored retirement plan relative to firms in states without and workers 3-5% more likely to participate in existing plans

# State Program Performance



## \$1.26 Billion in Assets

CA, CO, CT, IL, MD, OR=\$1.23 billion  
as of 1/31/2024  
+MA and WA



## 210,000+ Registered Employers

CA, CO, CT, IL, MD, & OR  
as of 1/31/24



## 830,000+ Funded Accounts

CA, CO, CT, IL, MD, & OR  
as of 1/31/24

Source: Data compiled by Georgetown CRI from state public and provided data

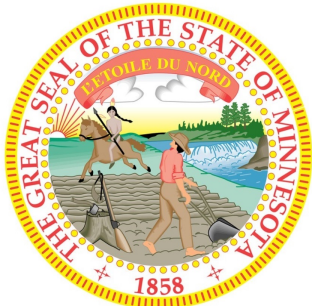
© 2024, Georgetown University

GEORGETOWN  
UNIVERSITY

McCourt School of Public Policy

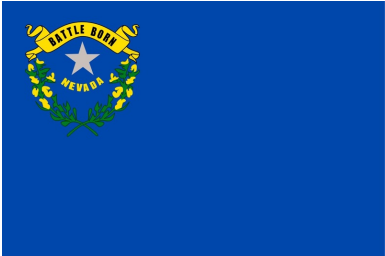
CENTER FOR  
RETIREMENT  
INITIATIVES

# 2023 New State Programs – Bipartisan Progress



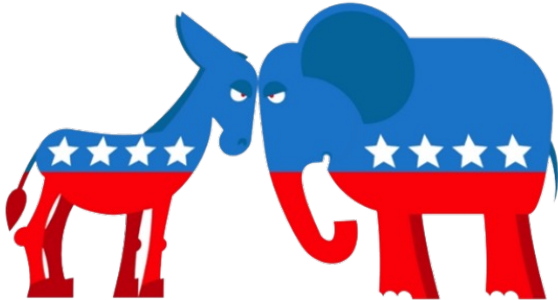
**Minnesota**  
**New State Program**  
**Auto-IRA**

**Nevada**  
**New State Program**  
**Auto-IRA**



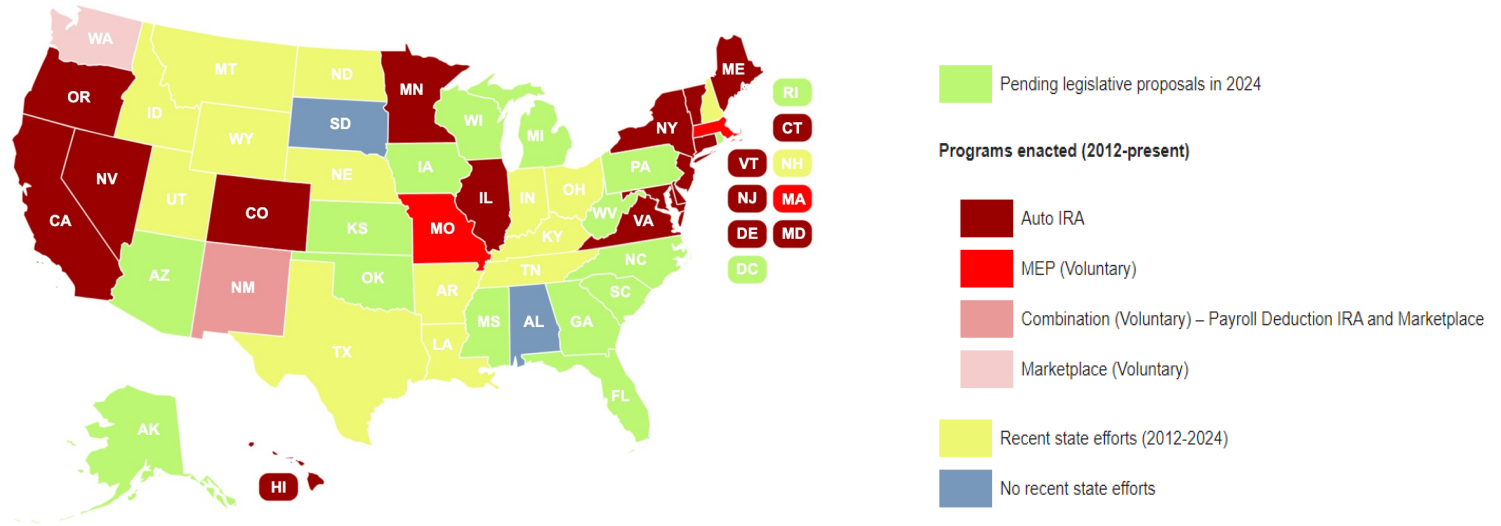
**Missouri**  
**New State Program**  
**MEP 401(k)**

**Vermont**  
**New State Program**  
**Auto-IRA**



© 2024, Georgetown University

# 2024 State Legislative Sessions



© Copyright 2024, Georgetown University

Source: Georgetown University's Center for Retirement Initiatives

# The Road Ahead

- ✓ Continue to add new state programs
- ✓ Continue to build bridges to increased bipartisan support, including more conservative states
- ✓ Build partnerships among states to streamline administration, keep costs low, and achieve greater efficiencies of scale
- ✓ Continue to monitor private provider progress with Secure and Secure 2.0 efforts to make it easier for more employers to adopt plans
- ✓ Federal legislative proposals to expand universal access (with state programs)

**Center for Retirement Initiatives**  
**McCourt School of Public Policy**

600 New Jersey Avenue NW, 3rd Floor, Washington, DC 20001  
202-306-8540 | [cri.georgetown.edu](http://cri.georgetown.edu)

Angela M. Antonelli  
Executive Director  
[ama288@georgetown.edu](mailto:ama288@georgetown.edu)

Follow us on social media for updates



---

*GEORGETOWN*  
*UNIVERSITY*

McCourt School *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**