



# HOW STATE-SPONSORED RETIREMENT SAVINGS PLANS IMPACT FISCAL SAVINGS



State-sponsored retirement savings programs not only help individuals save more for retirement; they can save taxpayer dollars.

## SAVINGS IN MEDICAID SPENDING

Analysis by Segal Consulting shows a **positive correlation** between increased retirement savings, sufficient to remove a percentage of vulnerable households from the poverty rolls by the time they retire, and a reduction in Medicaid spending.



Over time, as individual accounts grow, the potential for savings on state Medicaid expenditures **increases exponentially**.



**15 states** would save more than **\$100 million** each, with total projected savings if available in all states approaching **\$5 billion** in the first 10 years.

## SAVINGS IN PUBLIC ASSISTANCE PROGRAMS

According to AARP, if retirees in the bottom two quintiles of retirement income increase their income by \$1,000 per year, states could see savings of roughly **\$8 billion** between 2018 to 2032 for programs like Medicaid, Supplemental Security Income, the Supplemental Nutritional Assistance Program, and housing assistance. The combined state and federal savings would be **\$33 billion**.

