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McCourt School of Public Policy

CENTER FOR RETIREMENT INITIATIVES

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State Benefits of Expanding Access to Retirement Savings

In conjunction with

ESI ECONSULT SOLUTIONS INC.
economics | strategy | insight

Support for this research was provided by

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About the Center for Retirement Initiatives (CRI)

600 New Jersey Avenue, NW, 4th Floor
Washington, D.C. 20001
202-687-4901 · https://cri.georgetown.edu/

The Center for Retirement Initiatives (CRI) at Georgetown University is a research center of the McCourt School of Public Policy, one of the top-ranked public policy programs in the nation. Through its academic reputation and ability to engage with policymakers, business leaders, and other stakeholders, the McCourt School attracts world-class scholars and students who have become leaders in the public, private, and nonprofit sectors. The CRI is dedicated to:

- Strengthening retirement security by expanding access and coverage for the private sector workforce;
- Providing thought leadership and developing innovative new approaches to retirement savings, investment, and lifetime income;
- Serving as a trusted policy advisor to federal, state, and local policymakers and stakeholders.

Angela M. Antonelli is a Research Professor at Georgetown University and the Executive Director of the Center for Retirement Initiatives.

About Econsult Solutions, Inc. (ESI)

1435 Walnut Street, 4th Floor
Philadelphia, PA 19102
215-717-2777 · https://econsultsolutions.com/

Econsult Solutions, Inc. provides businesses and public policymakers with consulting services in urban economics, real estate, transportation, public infrastructure, public policy and finance, community and neighborhood development, planning, and thought leadership, as well as expert witness services for litigation support. Our technical expertise ranges from Big Data analysis to GIS-based spatial analytics, sophisticated benefit-cost analysis, and pro forma-based project feasibility analysis.

ESI's government and public policy practice combines rigorous analytical capabilities with a depth of experience to help evaluate and design effective public policies and benchmark and recommend sound governance practices. ESI has assisted policymakers at multiple levels of government to design and evaluate programs that help citizens increase their economic security.

About the Berggruen Institute

Bradbury Building
304 S. Broadway, Suite 500
Los Angeles, CA 90013
310-550-70983 · https://www.berggruen.org/

The Berggruen Institute's mission is to develop foundational ideas and shape political, economic, and social institutions for the 21st century. By providing critical analysis using an outwardly expansive and purposeful network, we bring together some of the best minds and most-authoritative voices from across cultural and political boundaries to explore fundamental questions of our time. Our objective is to have an enduring impact on the progress and direction of societies around the world. To date, projects inaugurated at the Berggruen Institute have helped develop a youth jobs plan for Europe; fostered a more-open and constructive dialogue between Chinese leadership and the West; strengthened the ballot initiative process in California; and launched Noema, a new publication that brings thought leaders from around the world together to share ideas. In addition, the Berggruen Prize, a $1 million award, is conferred annually by an independent jury to a thinker whose ideas are shaping human self-understanding to advance humankind.

Acknowledgments

The Georgetown University Center for Retirement Initiatives (CRI) is grateful to the Berggruen Institute for the generous support that has made this report possible, and to Econsult Solutions, Inc. (ESI) for a research collaboration that has allowed the Center's vision for this report to become a reality. We are honored to partner with these organizations to advance our shared mission of strengthening retirement security and promoting the expansion of access to savings options for millions of American workers who currently lack such access.

The CRI also thanks Courtney Eccles, Yakov Feygin, J. Mark Iwry, David John, Michael Kreps, and David Morse for their helpful consultations and feedback in the preparation of this report. The findings and conclusions expressed are solely those of the author and do not represent those of the Berggruen Institute, Econsult Solutions, Inc., or the Center for Retirement Initiatives.

Suggested Report Citation

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Introduction

Expanding Access to Retirement Savings

Workers in the United States are being asked to take responsibility for their financial well-being in retirement now more than ever. The shift over time from employer-provided pensions to defined contribution (DC) plans has put greater responsibility on workers to make complex savings and investment decisions that will affect the amount of money they have available in retirement. Americans who have access to retirement savings accounts through their workplaces often do not save enough to maintain their quality of life in retirement.

Making matters worse, while employer-sponsored retirement plans have become the primary way for private sector workers to build retirement savings, employers in the United States are not required to offer such plans. As a result, millions of Americans lack access to retirement savings through their workplaces, and are far less likely to save as a result. These access gaps are inequitably distributed, affecting more small businesses, and with larger gaps among lower-income workers, younger workers, minorities, and women.

Any effort to significantly improve retirement readiness must expand access to ways to save for retirement to as many workers as possible. Evidence from other countries, individual states, and private sector plans suggests that many would begin to do so, especially when encouraged using default options, such as automatic enrollment. Workers would benefit from the increased savings and the additional income in retirement. At the same time, the economy benefits from stronger savings, investment, and economic growth, and governments benefit from reduced fiscal pressures to support an aging population lacking sufficient retirement income.

National Analysis

The Center for Retirement Initiatives (CRI), in collaboration with Econsult Solutions, Inc. (ESI), released a December 2020 research report analyzing the potential benefits of national universal access to retirement savings.[1] The study examines several options for providing universal retirement savings access, including the effect of variables such as the type of account (payroll deduction Roth IRA or Roth 401(k)), exemptions for certain small employers, and voluntary versus mandatory employer contributions.

Regardless of the model selected, the report makes clear that the benefits to savers, retirees, and the nation's fiscal and economic well-being can be enormous. Depending on the design features, a national approach to universal access to retirement savings that would require some or all employers to offer their workers either a Roth IRA or Roth 401(k) could:

1. Increase the number of workers saving for retirement in the year 2040 by 28–40 million, with participation from about 50–70% of private sector workers who currently lack access;

2. Help a young worker with a modest income who starts saving early and follows program defaults for 40 years to save enough to generate as much as $14,320 in additional annual income for retirement, increasing to $21,300 in annual income if eligible to take advantage of a refundable Saver's Credit; and

3. Increase cumulative total retirement savings by $1.4–$1.9 trillion by the year 2040.

1 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.

State-Level Analysis

In the absence of national action, some states have started to adopt innovative public-private partnership models to expand savings access to their workers. A few of these new state programs have adopted and launched an Auto-IRA model, which requires employers that do not already offer their workers a retirement savings plan to automatically enroll their workers in the state-facilitated program to begin to save unless the worker opts out. These state programs are currently providing many employers and their employees with new ways to save, and the number of new accounts and assets is now growing at a steady pace.[2]

Information about participation and savings levels from these state efforts have provided an important input into projections of potential impacts at the national level. In turn, national estimates are used in this report as the basis for an analysis of the benefits of expanded access in each state in four categories:

1. **Demographic change** metrics show the projected aging of the population, which increases the relevance of retirement savings as an economic, fiscal, and quality of life issue.
2. **Retirement savings access** metrics show the number and share of private sector workers currently lacking access to savings accounts through their workplaces.
3. **Savings** metrics show the potential for additional retirement savings with expanded access, and the meaningful retirement income that savers could generate to supplement sources like Social Security.
4. **Economic and fiscal impact** metrics show the growing importance of the income available to seniors, to the economy, and to demand for government-funded benefit programs.

This report presents state-level analysis in the following sequence and format:

1. **State Profiles:** This section provides a two-page visual overview of the key benefits for each state and the District of Columbia.
2. **State Metrics:** This section describes each of the key measures calculated in this report, reflected in the individual state profiles, and presents tables of results for each state.
3. **Methodology**: The section details the specific data sources and methods used to derive state-level calculations.[3] State-level estimates broadly follow the assumptions, data sources, and methods used in the national analysis, and reconcile to the national results.

Why is this state analysis focused on the IRA rather than the 401(k)?

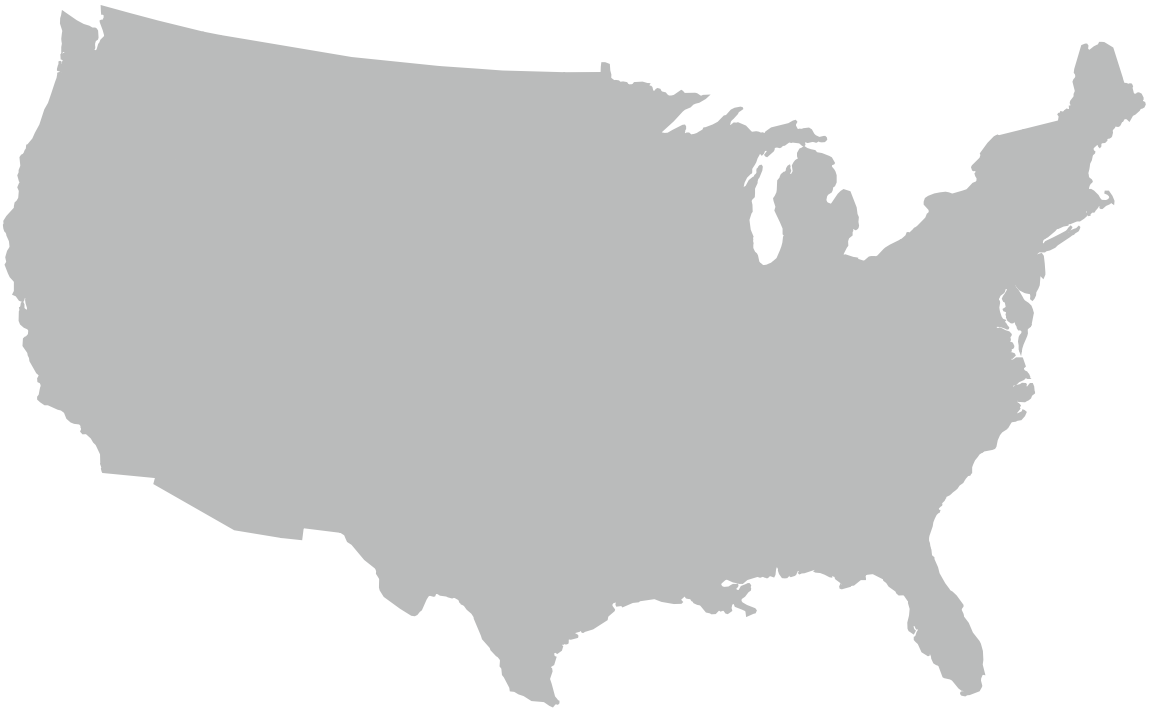
Retirement coverage provided through a 401k) or Multiple-Employer Plan (MEP) approach are considered employee benefit plans under the federal Employee Retirement Income Security Act (ERISA). As a result, states are pre-empted from requiring employers to offer a 401(k)/MEP unless there are changes in national policy, which limits their ability to significantly expand access to retirement savings independently through these vehicles.

To avoid any confusion, this analysis presents state data and analyses pertaining to an Individual Retirement Account (IRA) model only. This model requires employers that do not already offer their workers a savings or other retirement plan to automatically enroll their workers in the state-facilitated program, allowing them to begin to save unless the worker opts out. Such an auto-IRA program is presumed not to be subject to ERISA. The national report discusses the potential for a 401(k) coverage requirement on a federal level, the value of the 401(k) as a savings vehicle that maximizes asset accumulation among those that have access to it and choose to participate, and the potential trade-offs between potential policy designs.

2 Active programs in California (CalSavers), Illinois (Illinois Secure Choice), and Oregon (OregonSaves) follow this approach. As of December 2020, these three programs collectively have more than 263,000 funded accounts and $160 million in assets. For more information about state-facilitated programs, see: Center for Retirement Initiatives: State Program Performance Data.

3 This detail focuses on the methodology used to derive state-level estimates from existing national estimates. It should be understood as a supplement to the Methodology Appendix of the national analysis.

State Benefits of Expanding Access to Retirement Savings

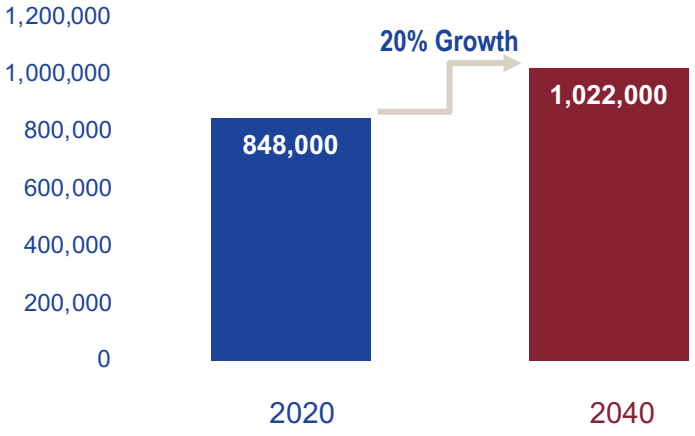


Alabama

State Benefits of Expanding Access to Retirement Savings

Demographic Change

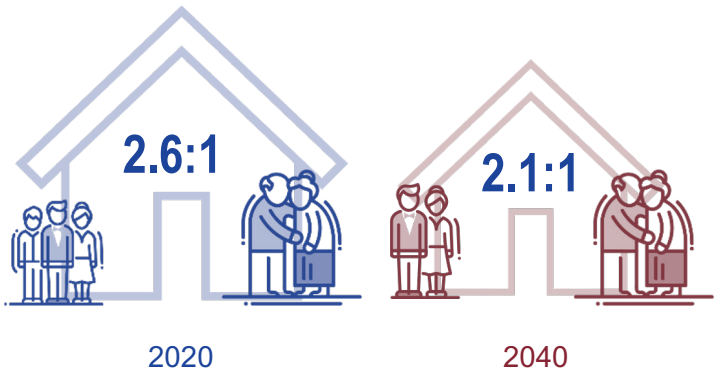
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



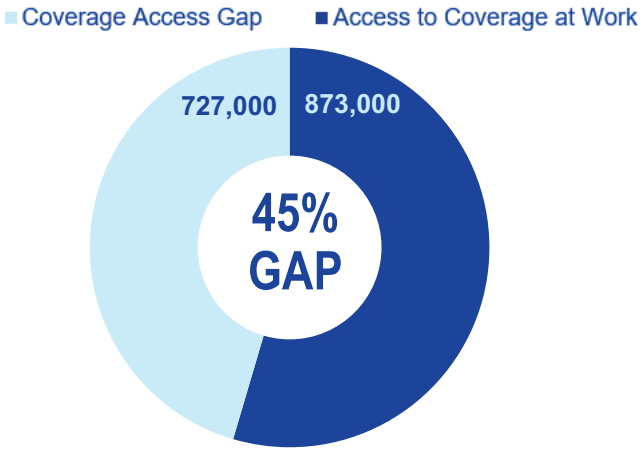
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	75,000	10%
<10 Employees	168,000	23%
<25 Employees	299,000	41%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	453,000	339,000
Average Contribution	$2,380	$2,500
Total Contributions	$1.08 Billion	$850 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

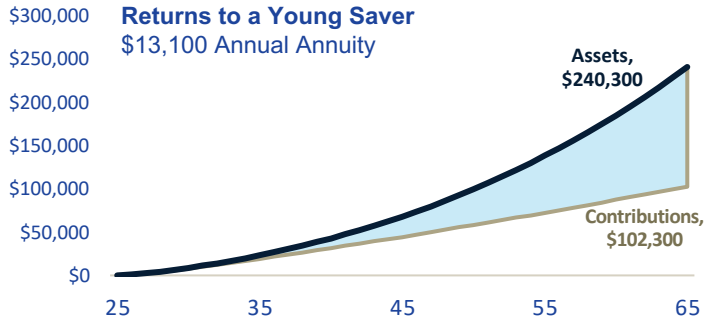
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

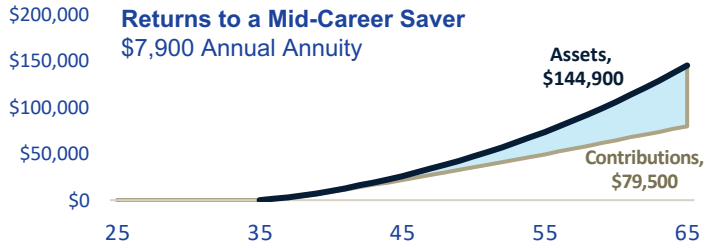
Many Seniors Rely Heavily on Social Security

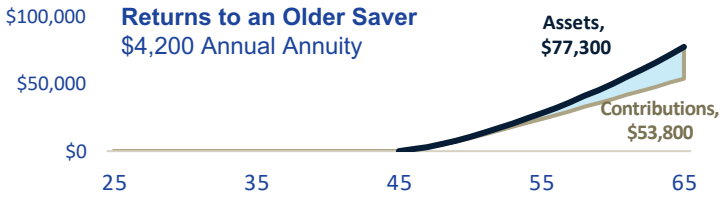
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





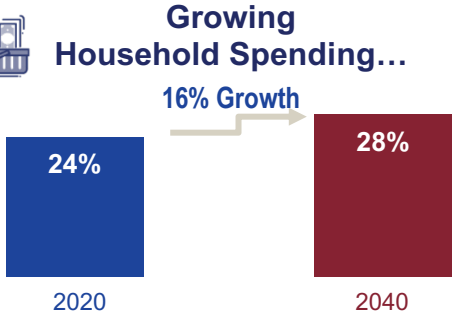


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$12,300

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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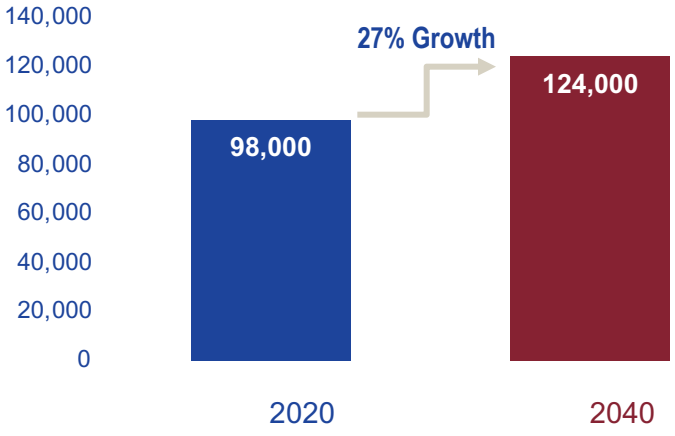
* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Alaska

State Benefits of Expanding Access to Retirement Savings

Demographic Change

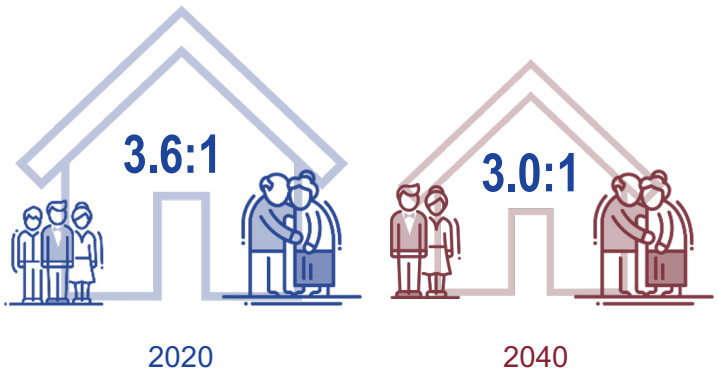
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



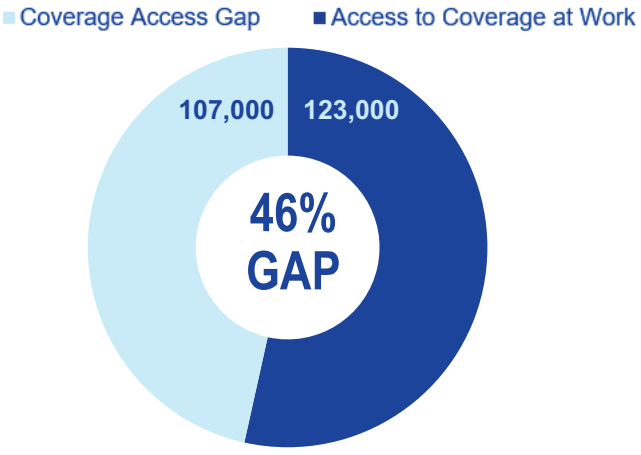
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	14,000	13%
<10 Employees	31,000	29%
<25 Employees	52,000	49%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

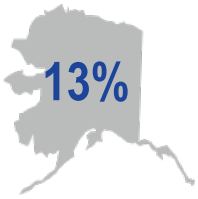
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	71,000	49,000
Average Contribution	$2,570	$2,680
Total Contributions	$180 Million	$130 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

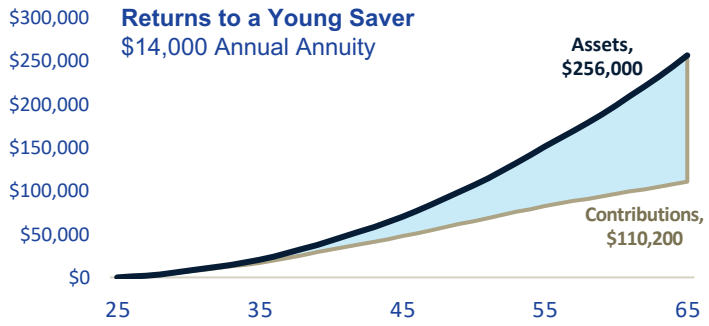
Many Seniors Rely Heavily on Social Security

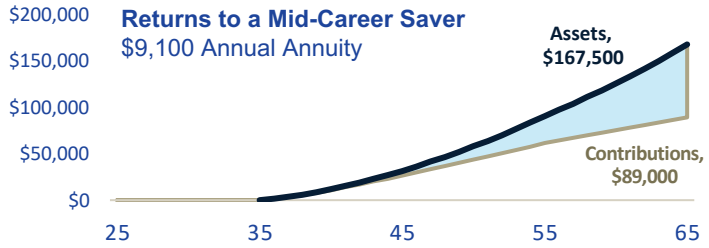


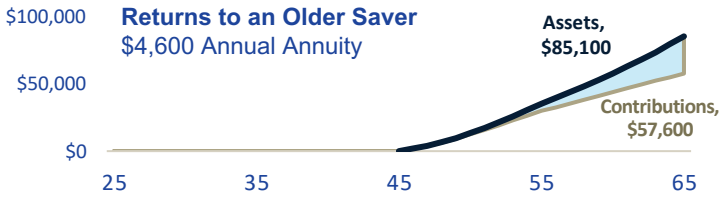
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





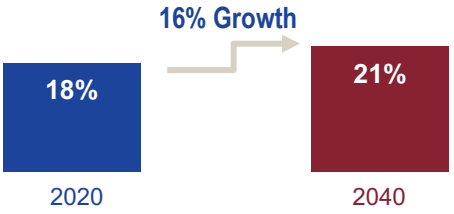


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$23,600

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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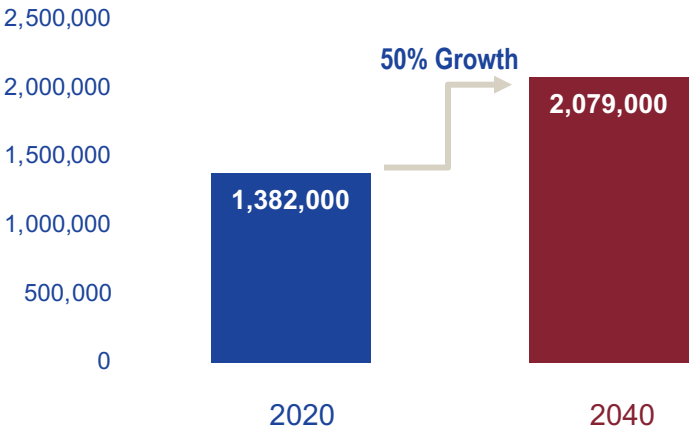
State Benefits of Expanding Access to Retirement Savings

Demographic Change

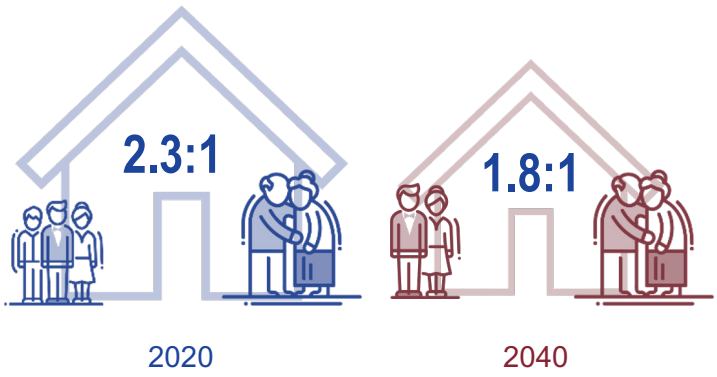
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



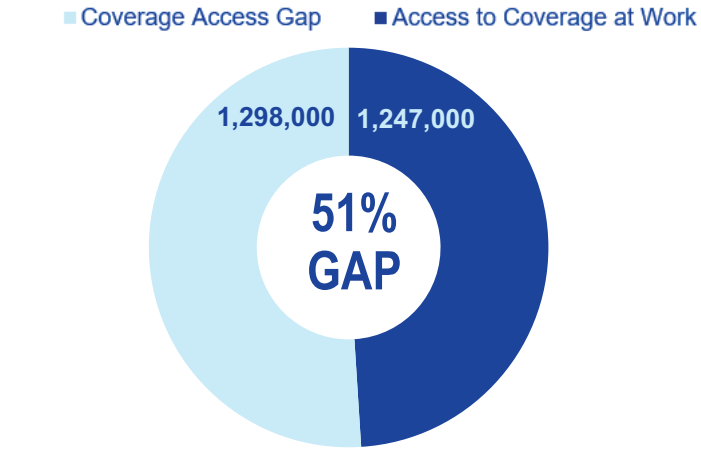
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	132,000	10%
<10 Employees	261,000	20%
<25 Employees	460,000	35%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

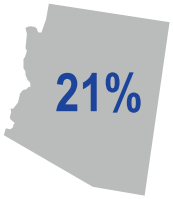
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,011,000	791,000
Average Contribution	$2,560	$2,700
Total Contributions	$2.59 Billion	$2.13 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

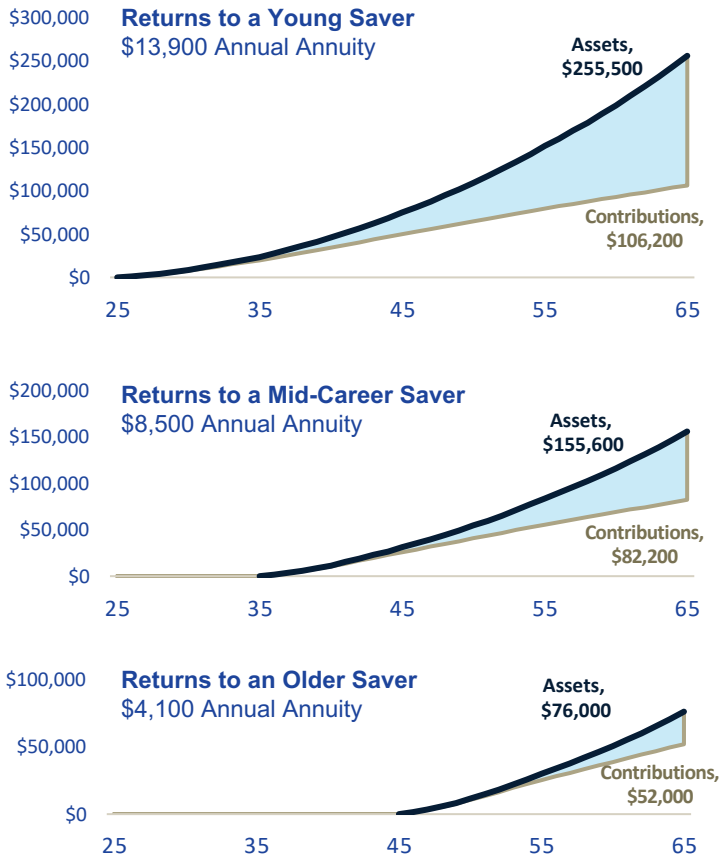
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

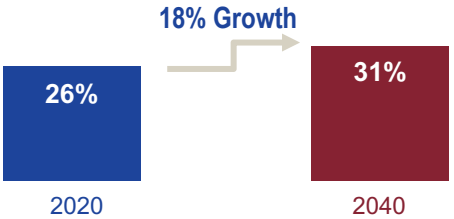


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$9,800

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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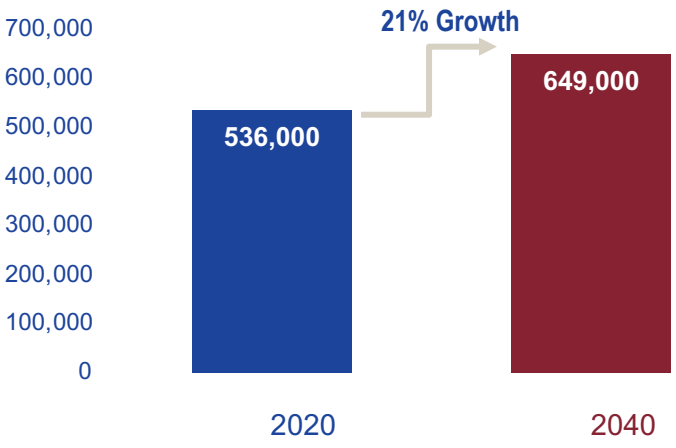
* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

State Benefits of Expanding Access to Retirement Savings

Demographic Change

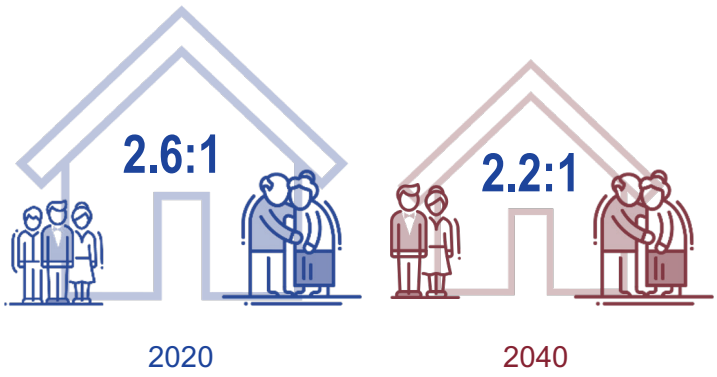
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



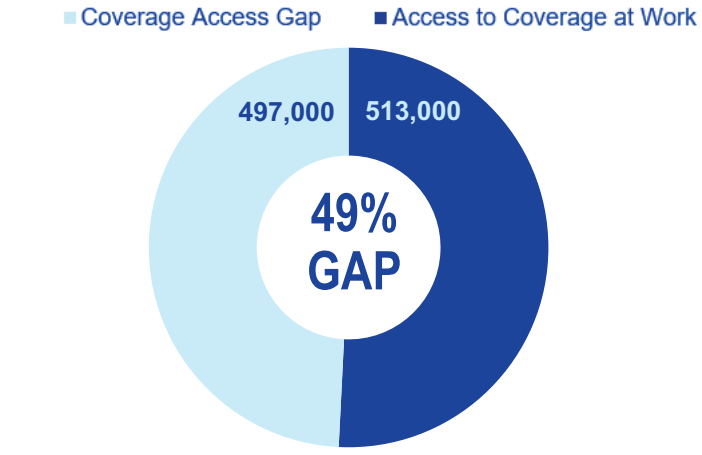
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	57,000	12%
<10 Employees	122,000	24%
<25 Employees	210,000	42%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

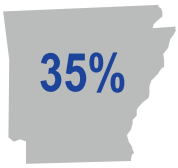
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	329,000	243,000
Average Contribution	$2,190	$2,300
Total Contributions	$720 Million	$560 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

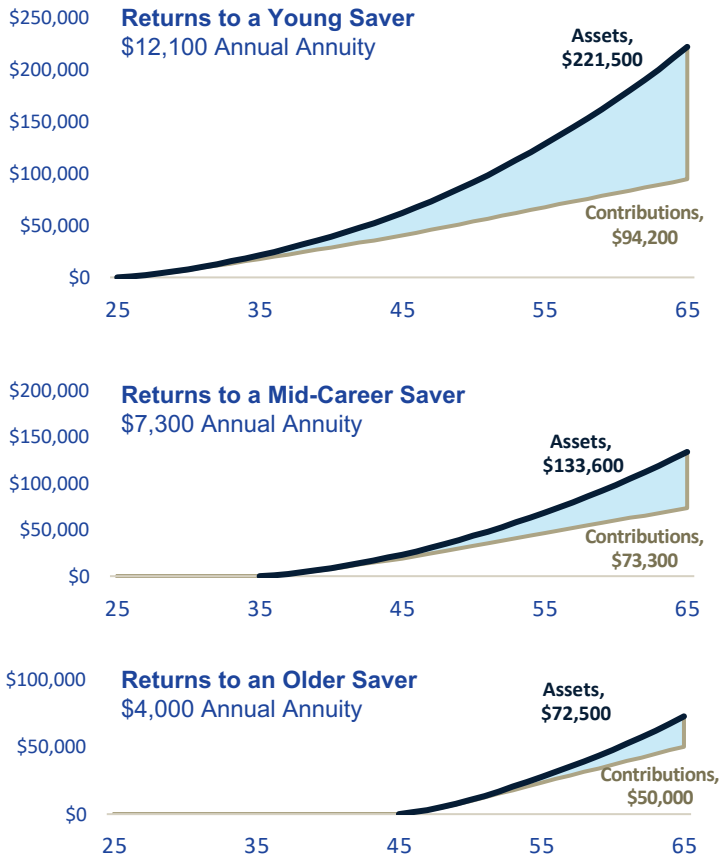
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

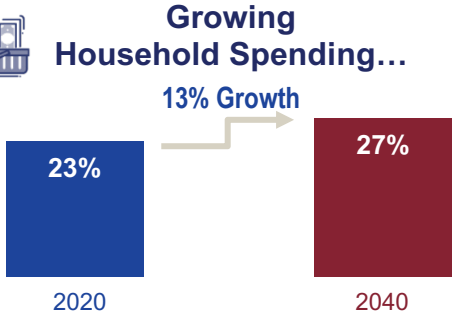


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$24,400

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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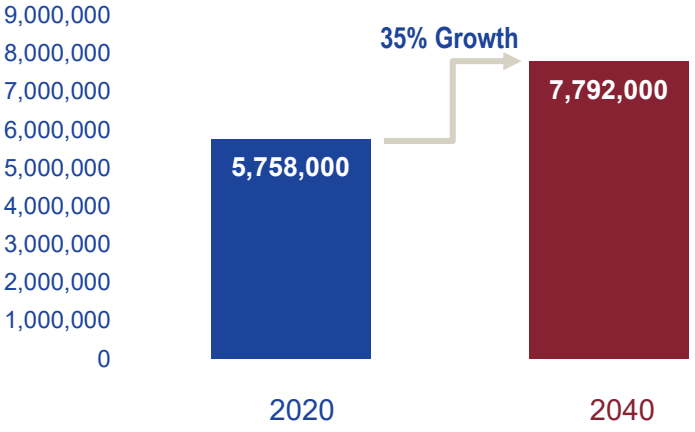
California

State Benefits of Expanding Access to Retirement Savings

Demographic Change

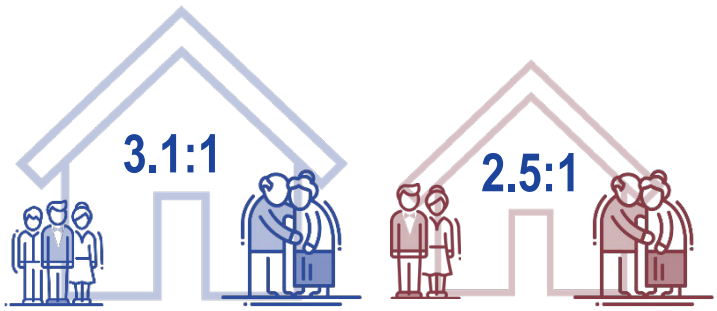
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



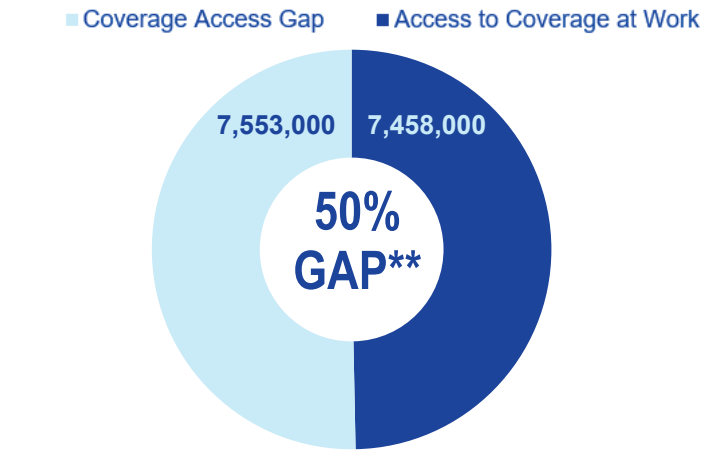
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

California is increasing access to retirement savings for private sector workers through CalSavers. Once fully implemented, businesses with at least 5 employees that do not offer qualified plans will be required to participate in the state-facilitated Auto-IRA program. Launched in 2019, CalSavers is one of the first state-facilitated programs of its type and serves a model for similar efforts in other states.

*** Adjusted to account for initial access increase through CalSavers as of December 2020*

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	5,605,000	3,957,000
Average Contribution	$2,780	$2,920
Total Contributions	$15.57 Billion	$11.56 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

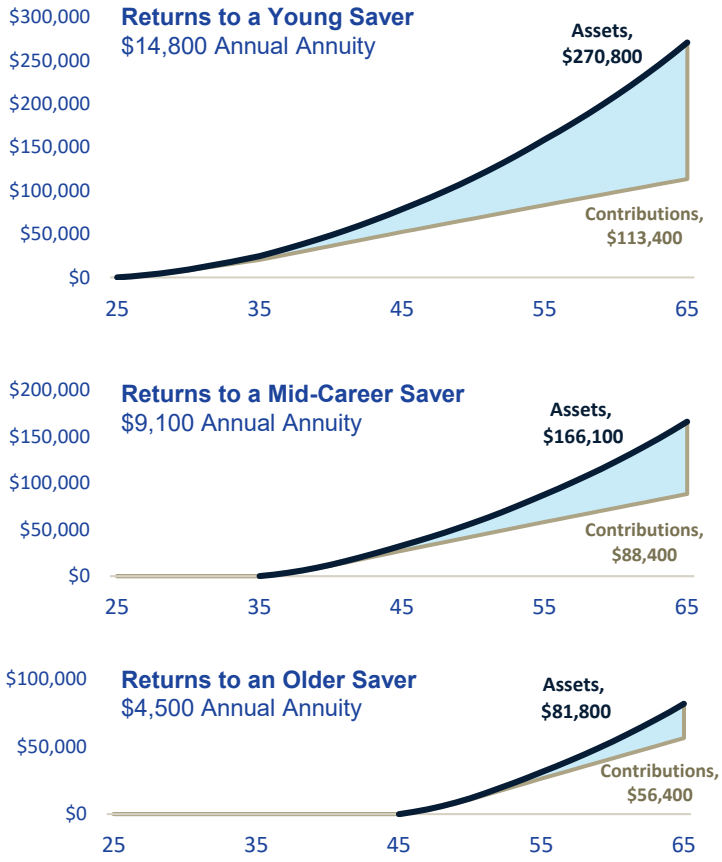
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

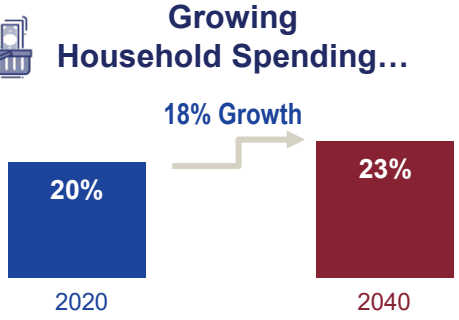


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$14,500

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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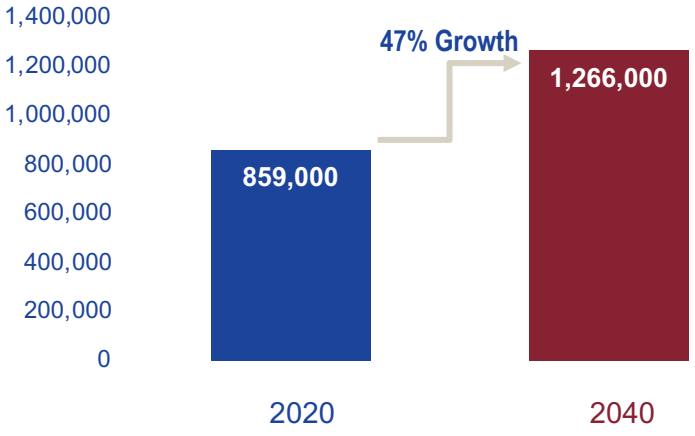
State Benefits of Expanding Access to Retirement Savings

Demographic Change

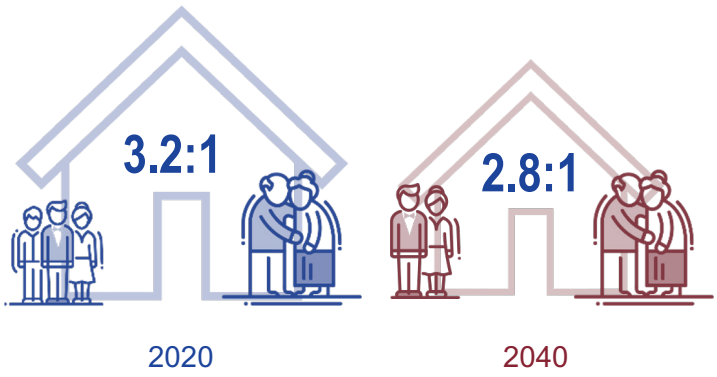
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



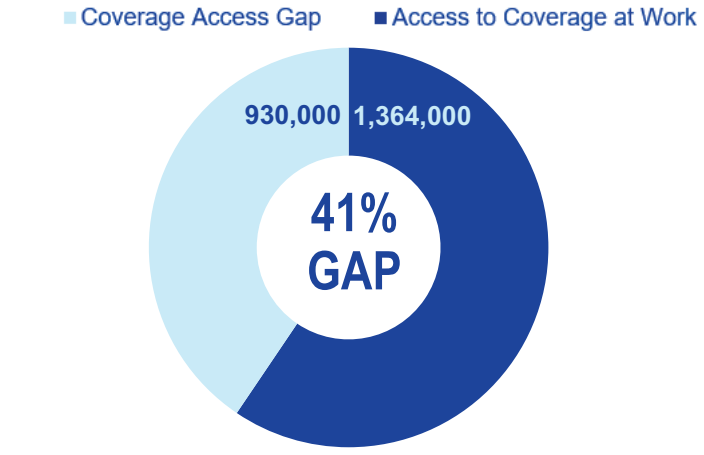
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	142,000	15%
<10 Employees	276,000	30%
<25 Employees	461,000	50%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	745,000	509,000
Average Contribution	$2,750	$2,880
Total Contributions	$2.05 Billion	$1.46 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

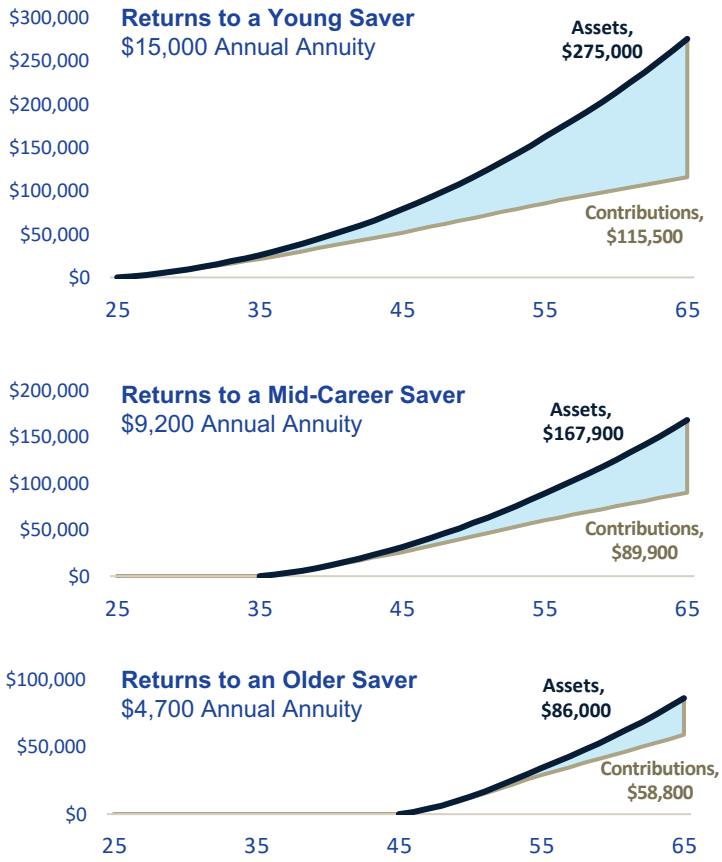
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

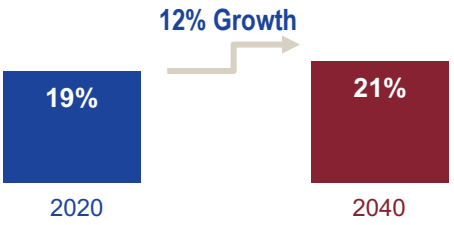


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$34,100

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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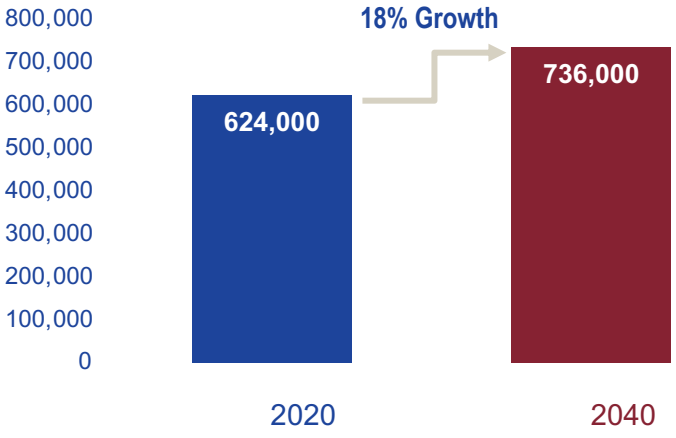
Connecticut

State Benefits of Expanding Access to Retirement Savings

Demographic Change

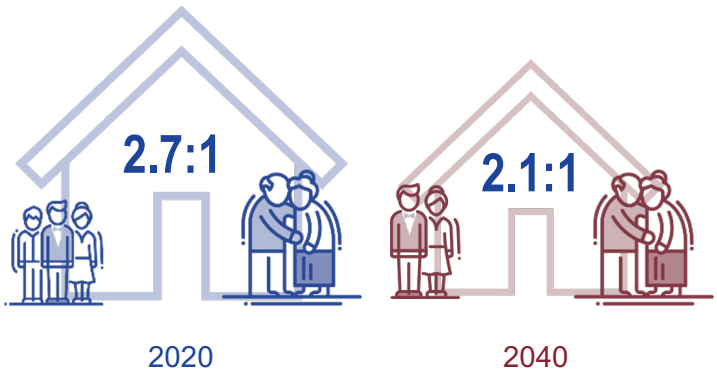
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



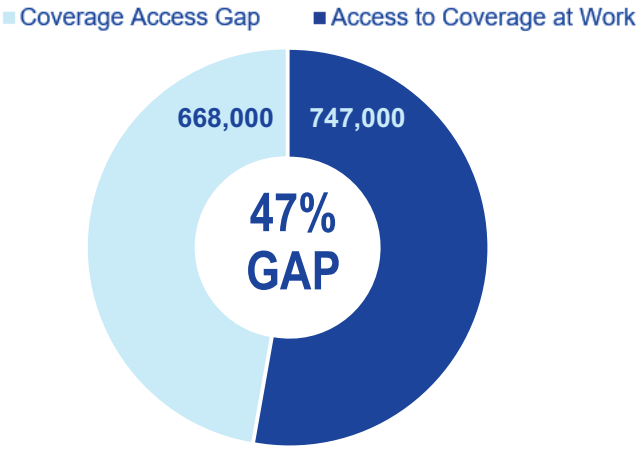
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	86,000	13%
<10 Employees	175,000	26%
<25 Employees	295,000	44%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

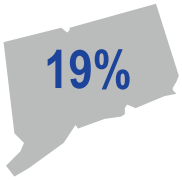
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	395,000	287,000
Average Contribution	$2,830	$2,970
Total Contributions	$1.12 Billion	$850 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

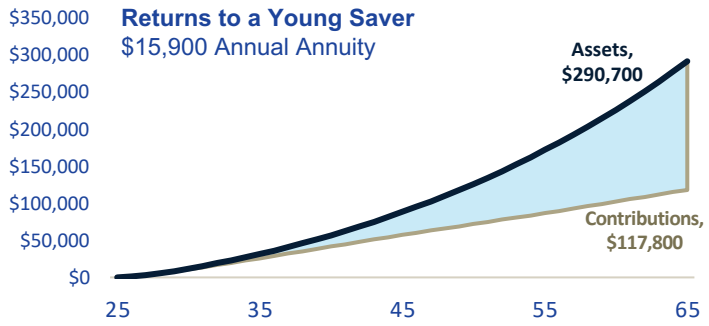
Many Seniors Rely Heavily on Social Security

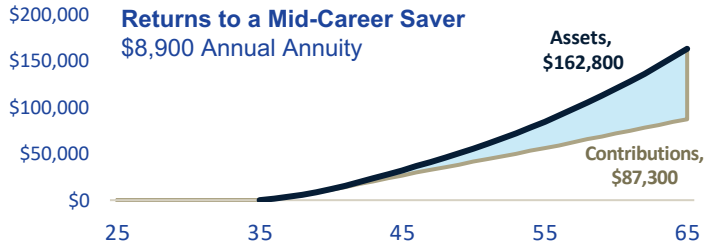


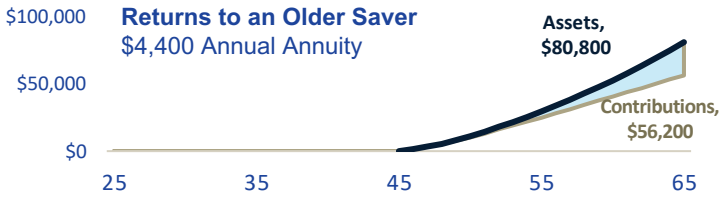
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





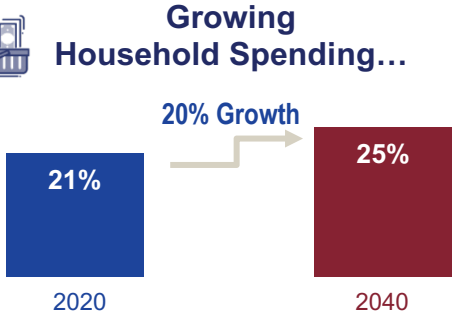


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$17,300

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

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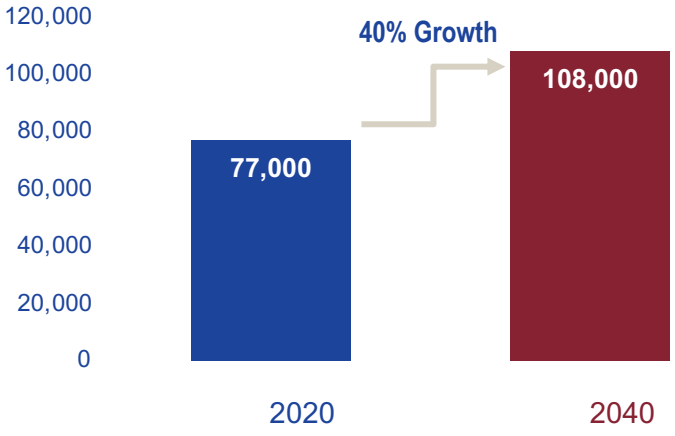
District of Columbia

State Benefits of Expanding Access to Retirement Savings

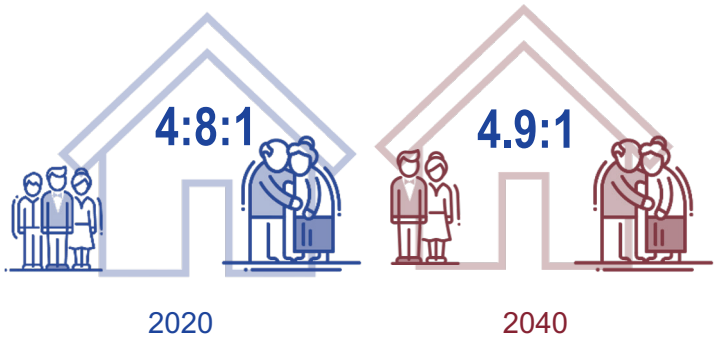
Demographic Change

An Aging Population



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections



Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

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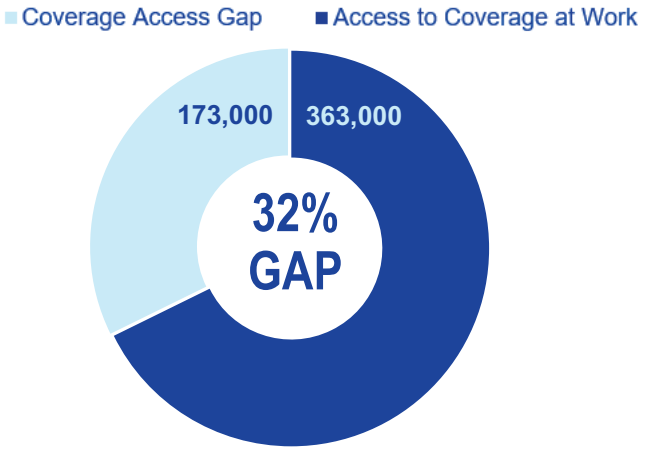
Many Employees Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	23,000	13%
<10 Employees	42,000	24%
<25 Employees	69,000	40%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

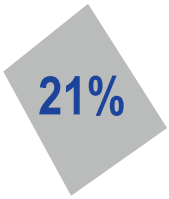
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	161,000	119,000
Average Contribution	$4,240	$4,440
Total Contributions	$680 Million	$530 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

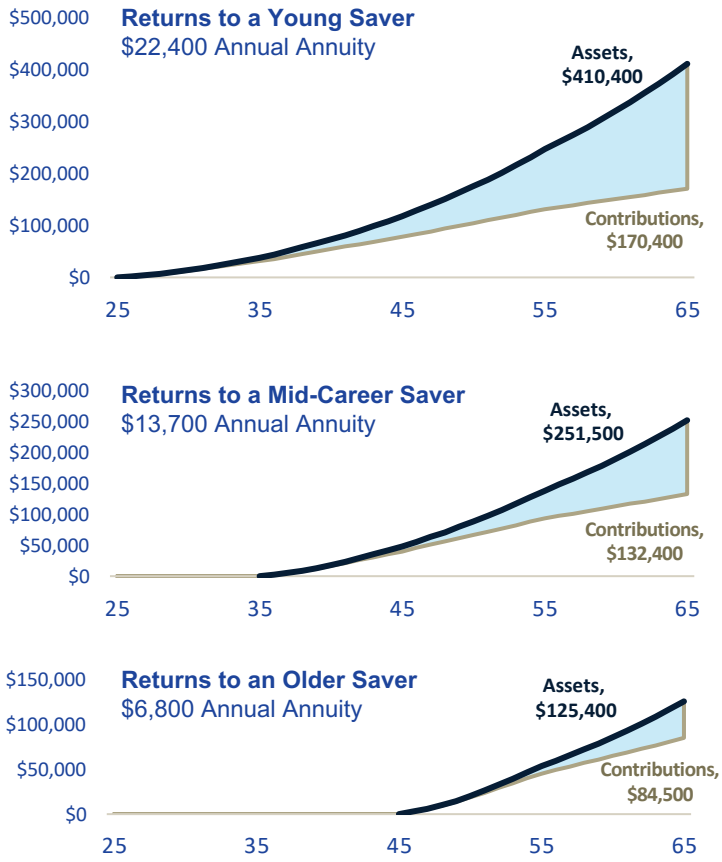
Many Seniors Rely Heavily on Social Security



Share of Elderly Households Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers to Supplement Their Income in Retirement

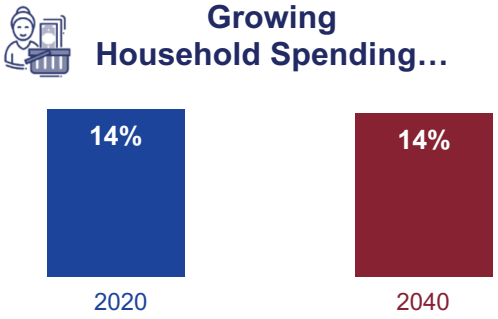


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$23,700

Annual Per-Beneficiary Spending (Federal & Local) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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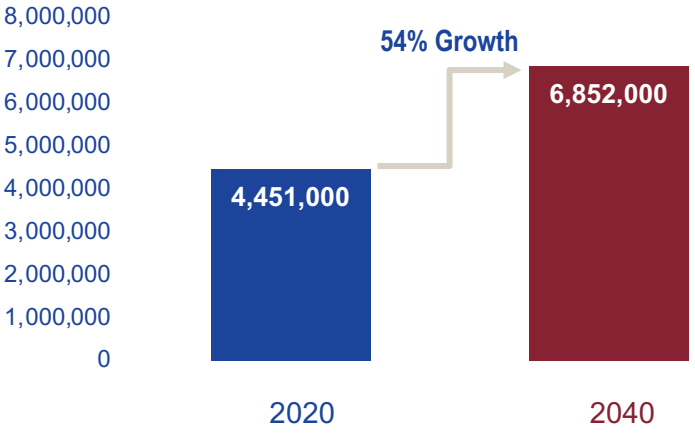
* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

State Benefits of Expanding Access to Retirement Savings

Demographic Change

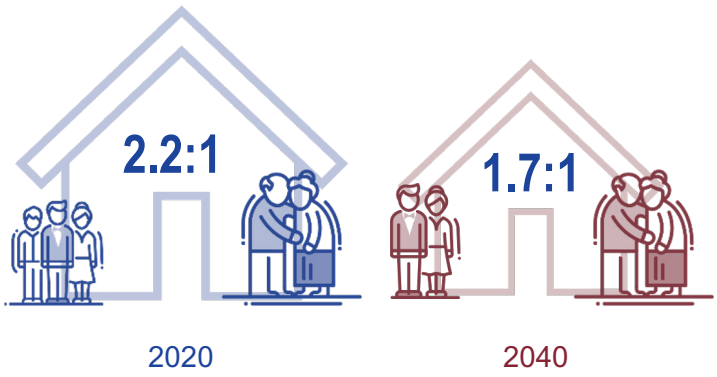
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



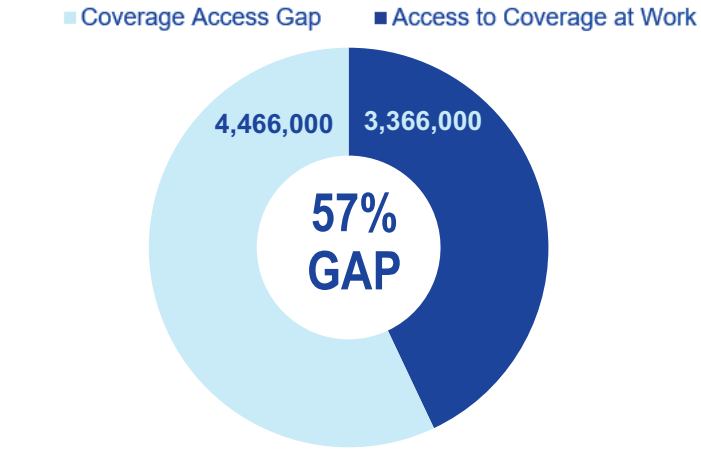
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	548,000	12%
<10 Employees	1,031,000	23%
<25 Employees	1,748,000	39%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

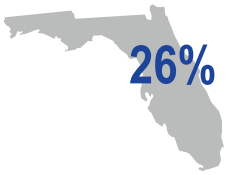
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	3,722,000	2,815,000
Average Contribution	$2,510	$2,640
Total Contributions	$9.34 Billion	$7.43 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

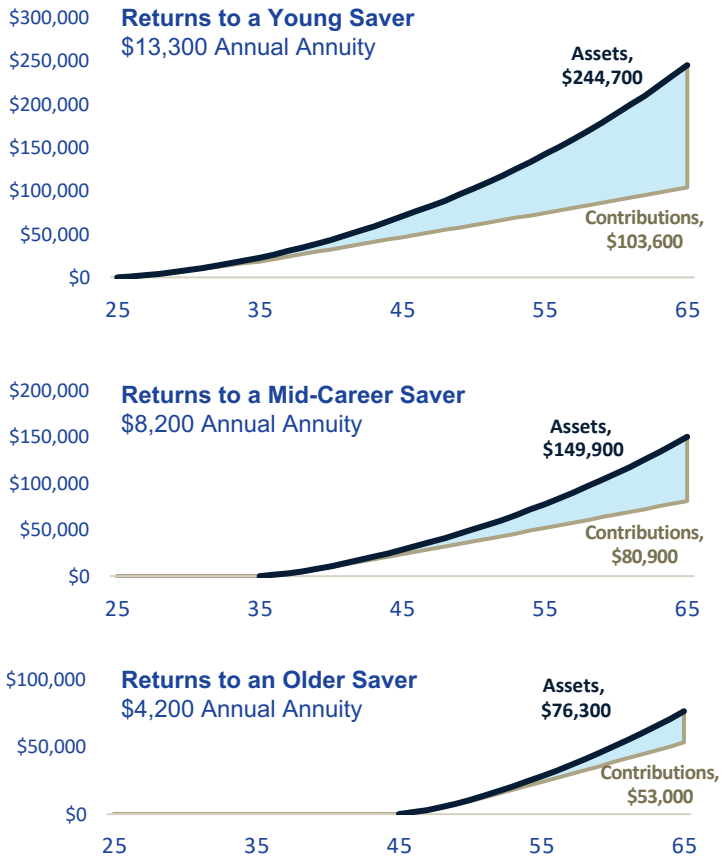
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement



Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

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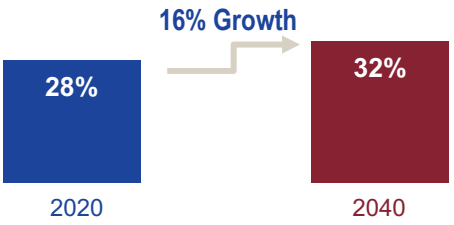
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

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Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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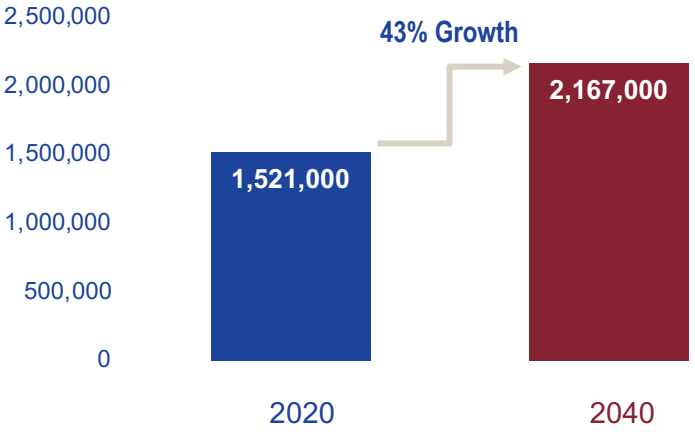
State Benefits of Expanding Access to Retirement Savings

Demographic Change

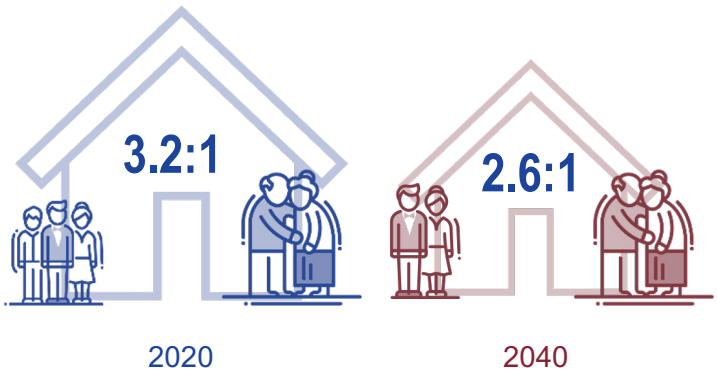
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

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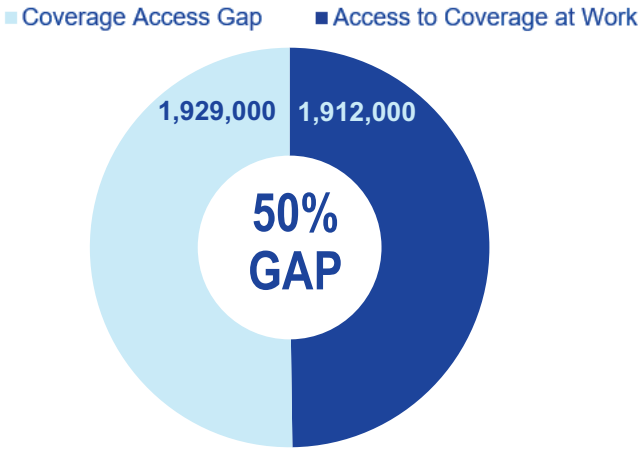

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	206,000	11%
<10 Employees	416,000	22%
<25 Employees	723,000	37%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,450,000	1,118,000
Average Contribution	$2,630	$2,770
Total Contributions	$3.81 Billion	$3.09 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

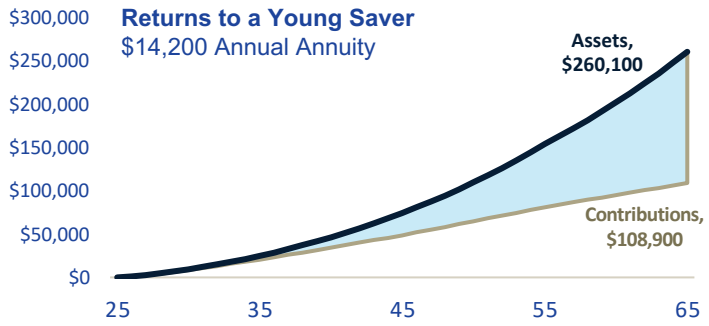
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

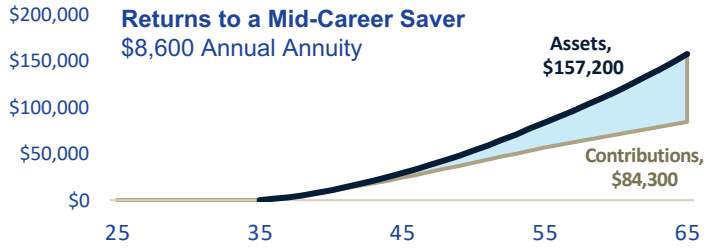
Many Seniors Rely Heavily on Social Security

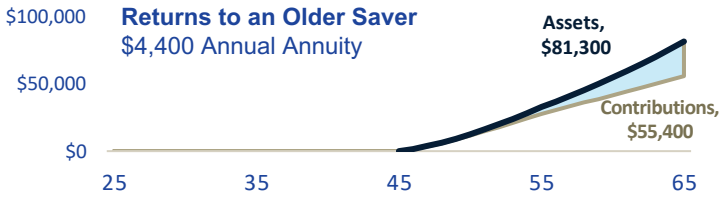
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement







Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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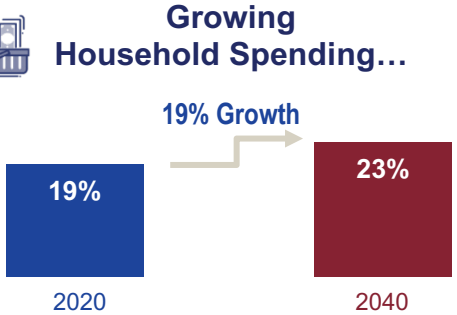
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

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Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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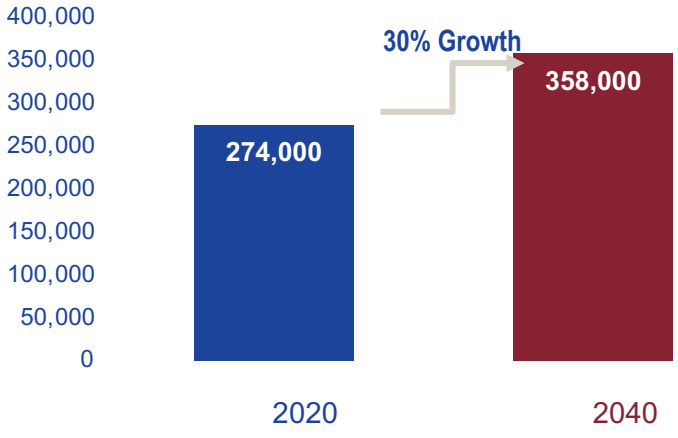
Hawaii

State Benefits of Expanding Access to Retirement Savings

Demographic Change

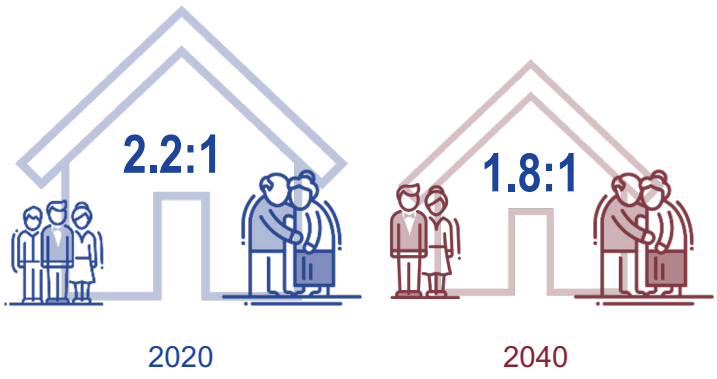
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



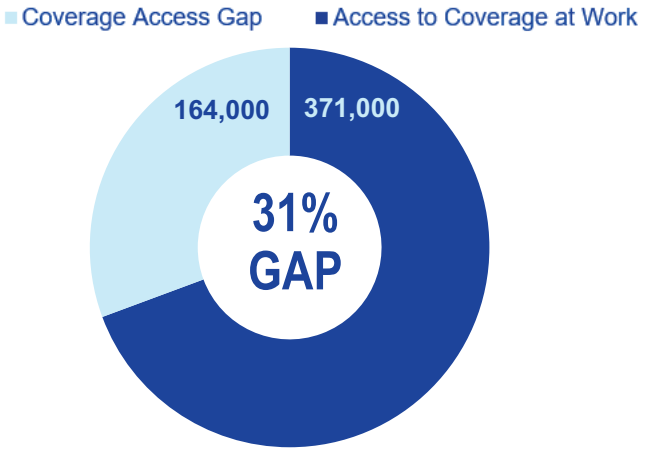
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	24,000	15%
<10 Employees	53,000	32%
<25 Employees	86,000	53%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

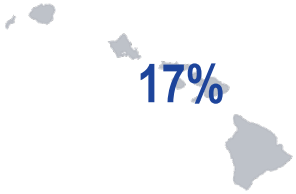
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	103,000	67,000
Average Contribution	$2,480	$2,570
Total Contributions	$260 Million	$170 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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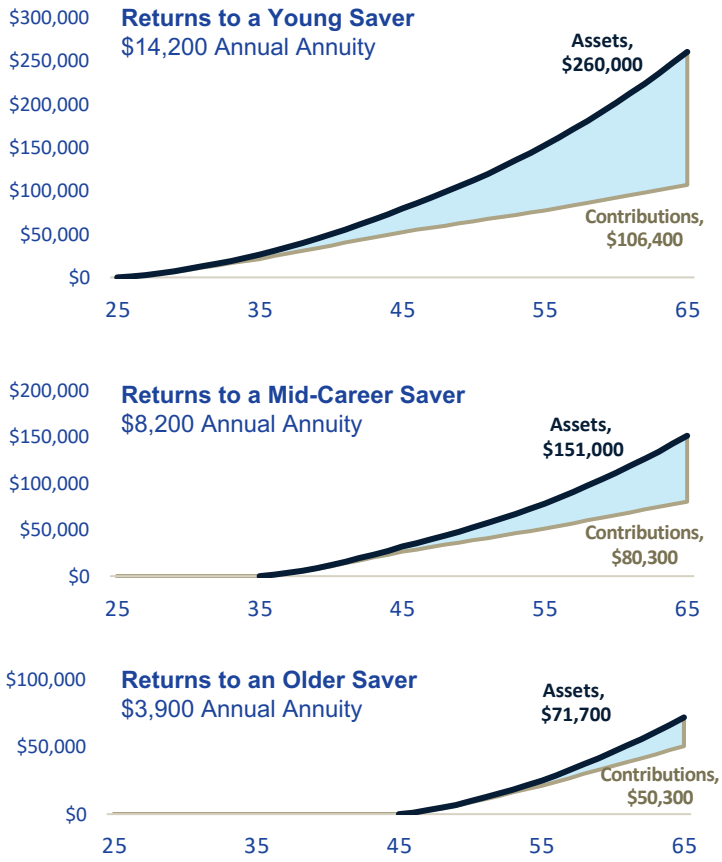

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

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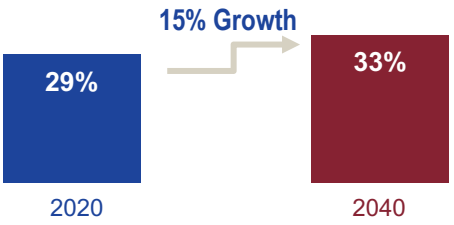

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$14,000

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

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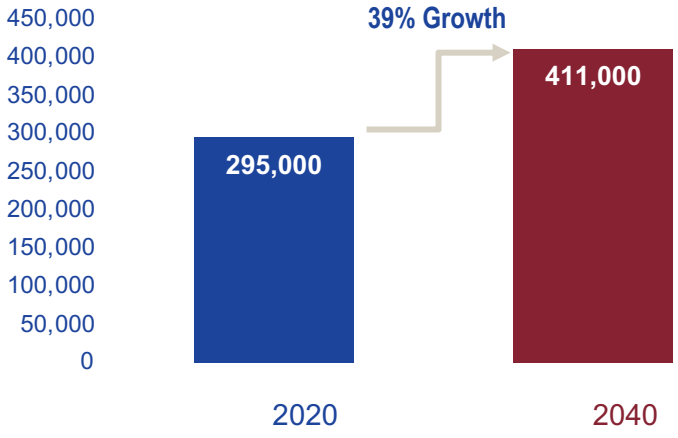
Idaho

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



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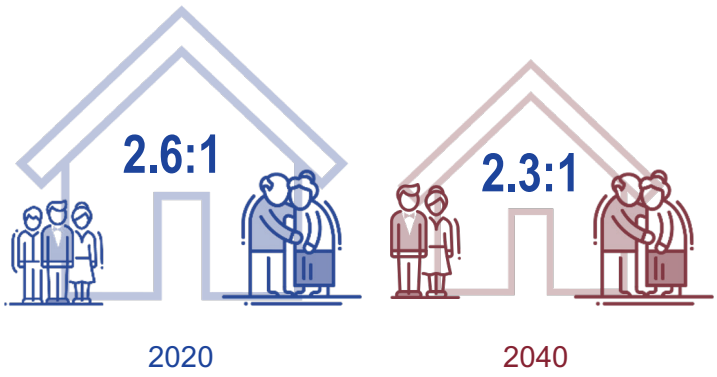

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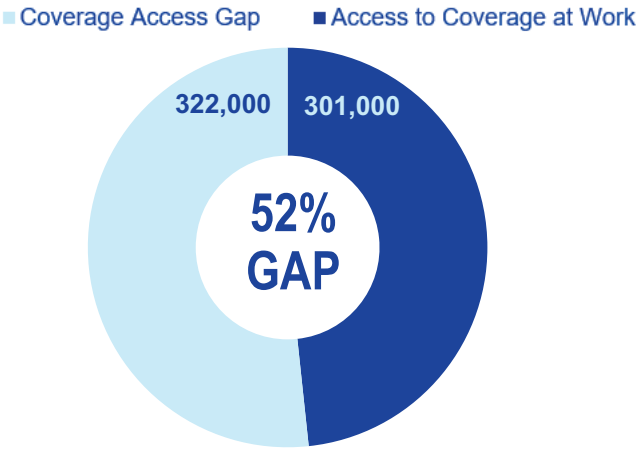

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Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	45,000	14%
<10 Employees	90,000	28%
<25 Employees	154,000	48%

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	243,000	171,000
Average Contribution	$2,250	$2,360
Total Contributions	$550 Million	$400 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

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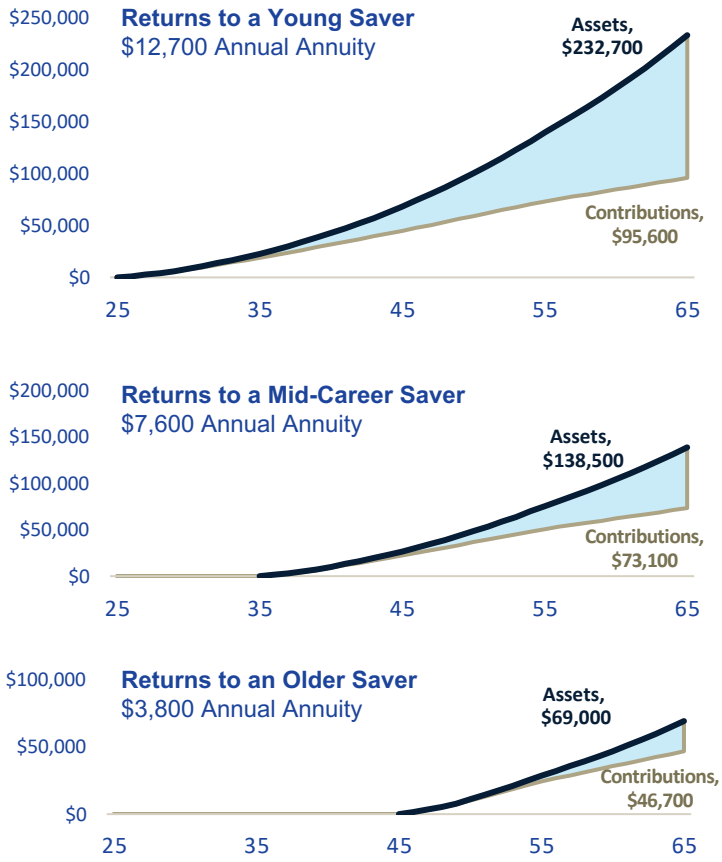

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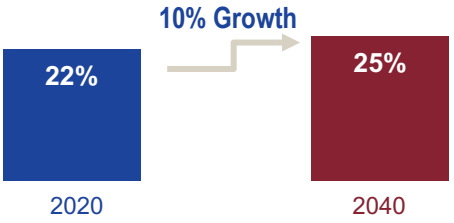

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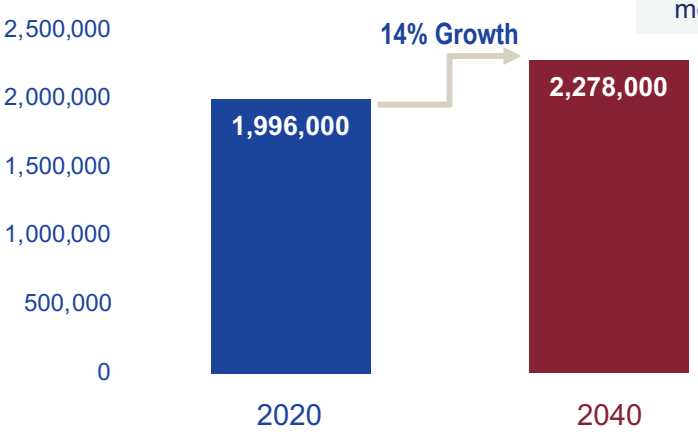
State Benefits of Expanding Access to Retirement Savings

Demographic Change

Illinois is increasing access to retirement savings for private sector workers through Illinois Secure Choice. Businesses with 25 or more employees that do not offer qualified plans are required to participate in the state-facilitated Auto-IRA program. Launched in 2018, Illinois Secure Choice is one of the first state-facilitated programs of its type and serves a model for similar efforts in other states.

An Aging Population...



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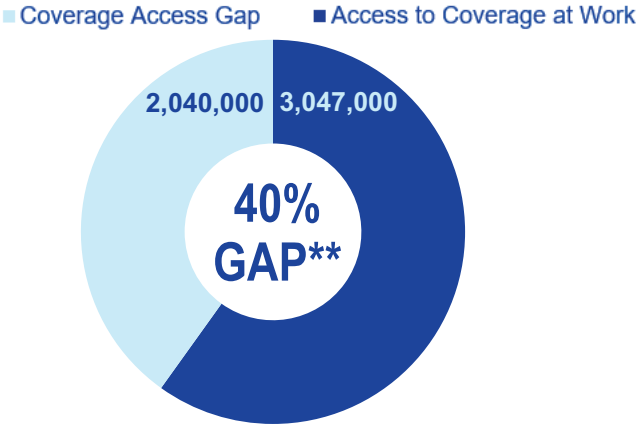
Many Employees in the State Lack Access to a Retirement Savings Plan at Work...

5.09 Million Private Sector Employees Statewide



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<10 Employees	543,000	27%
<25 Employees	915,000	45%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

*** Adjusted to account for initial access increase through Illinois Secure Choice as of December 2020*

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,265,000	924,000
Average Contribution	$2,720	$2,850
Total Contributions	$3.44 Billion	$2.63 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

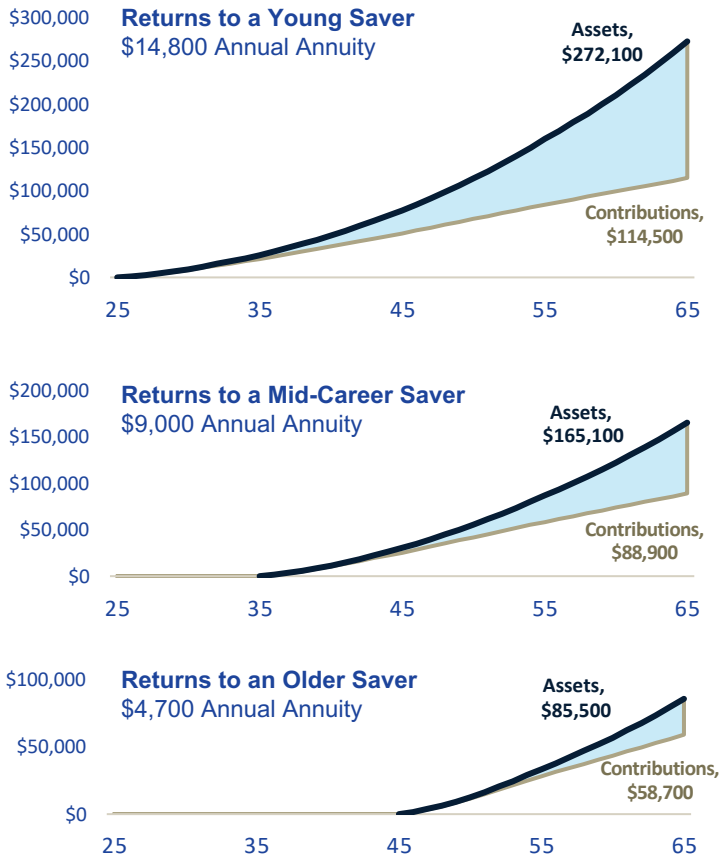
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

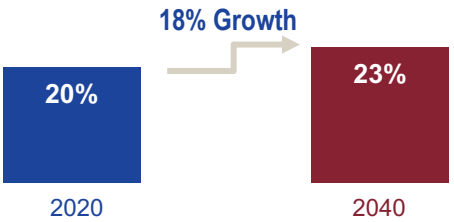


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$18,200

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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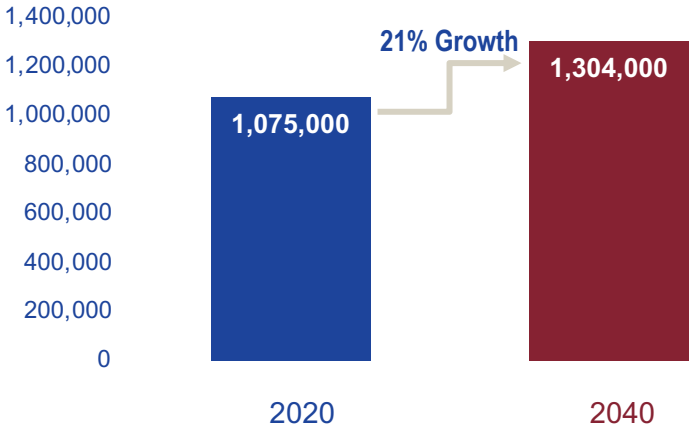
Indiana

State Benefits of Expanding Access to Retirement Savings

Demographic Change

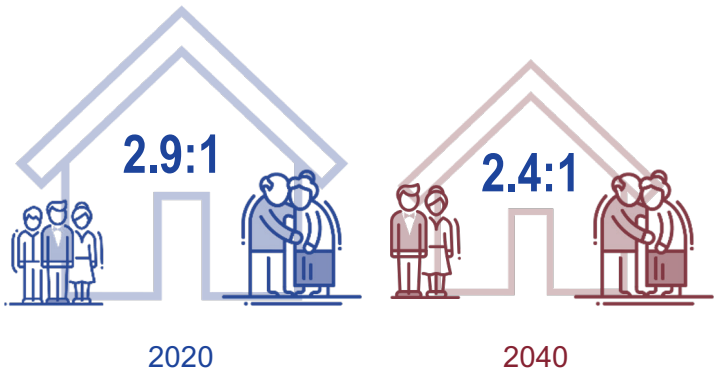
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



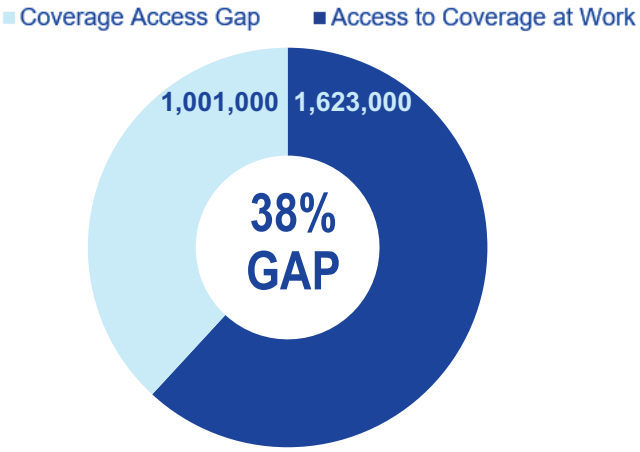
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	109,000	11%
<10 Employees	241,000	24%
<25 Employees	425,000	42%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	619,000	456,000
Average Contribution	$2,060	$2,150
Total Contributions	$1.28 Billion	$980 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

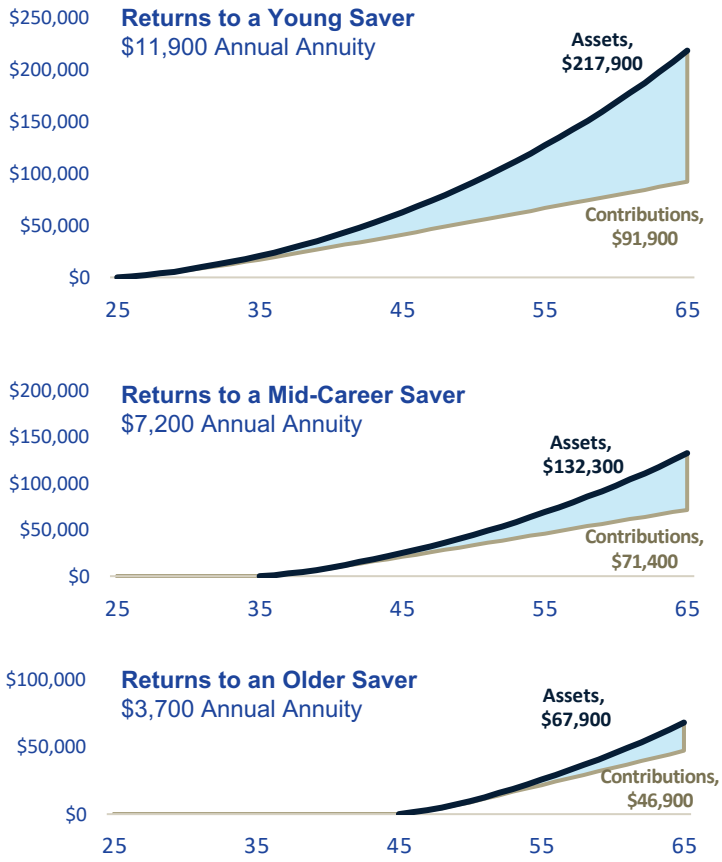
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

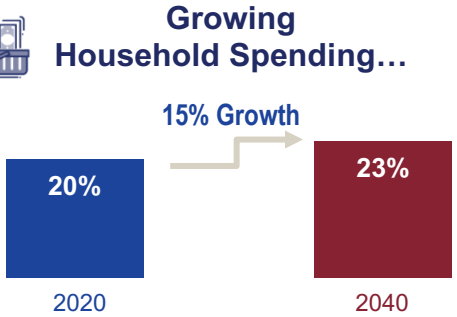


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$12,400

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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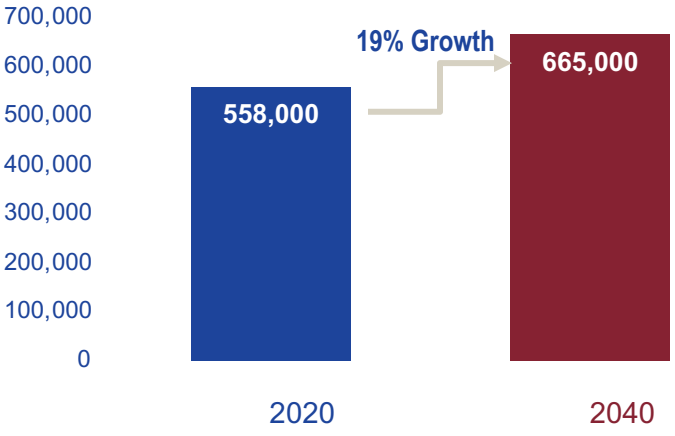
State Benefits of Expanding Access to Retirement Savings

Demographic Change

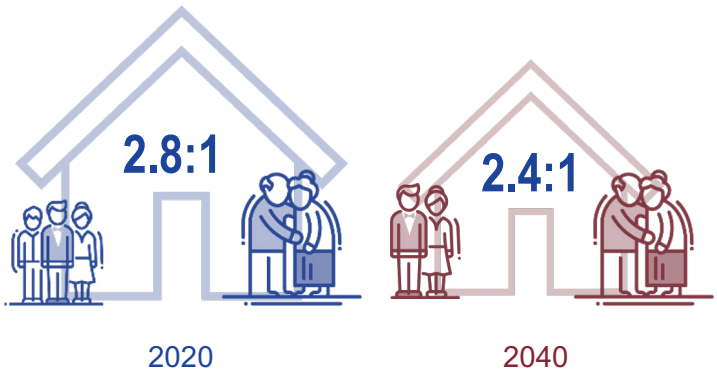
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

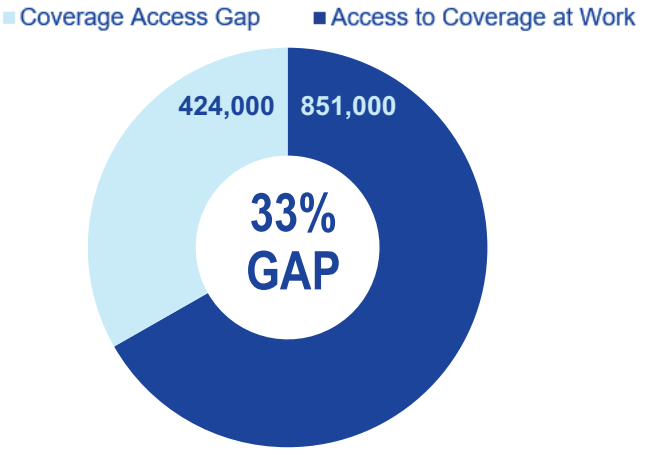
Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...

1.28 Million Private Sector Employees Statewide



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	64,000	15%
<10 Employees	136,000	32%
<25 Employees	230,000	54%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

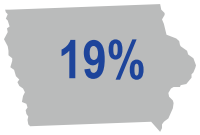
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	252,000	162,000
Average Contribution	$2,100	$2,170
Total Contributions	$530 Million	$350 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

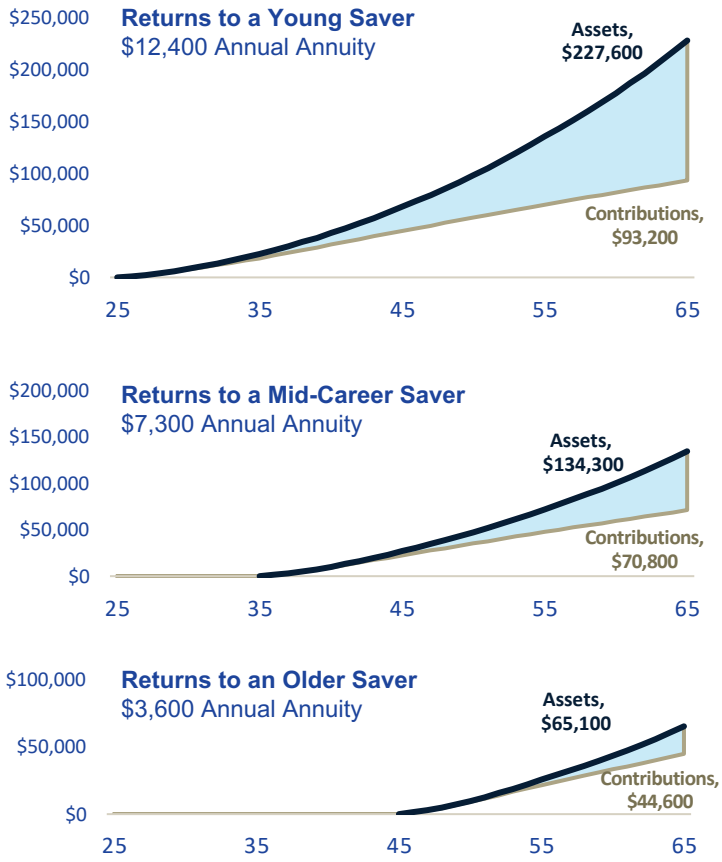
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

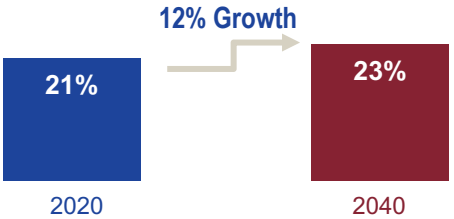


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$21,500

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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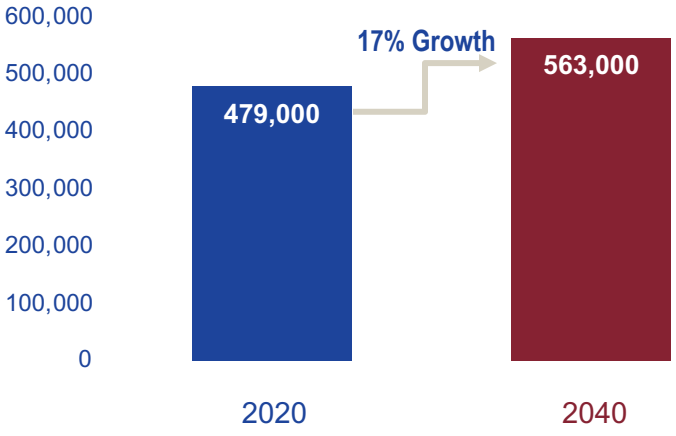
State Benefits of Expanding Access to Retirement Savings

Demographic Change

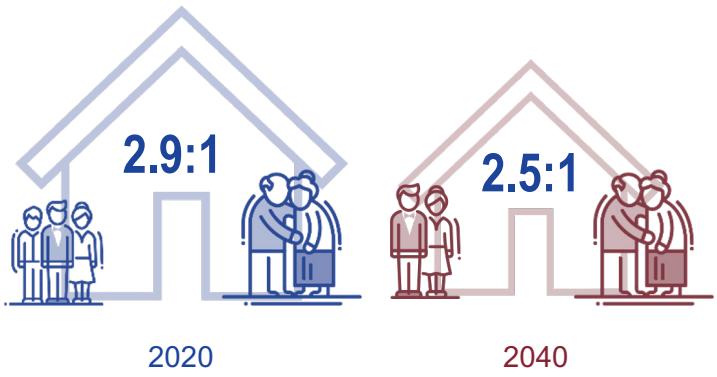
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

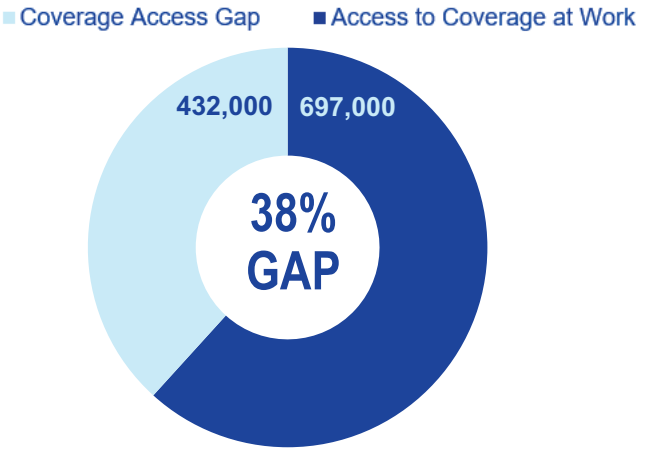
Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...

1.13 Million Private Sector Employees Statewide



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	56,000	13%
<10 Employees	117,000	27%
<25 Employees	200,000	46%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	255,000	179,000
Average Contribution	$2,540	$2,650
Total Contributions	$650 Million	$470 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

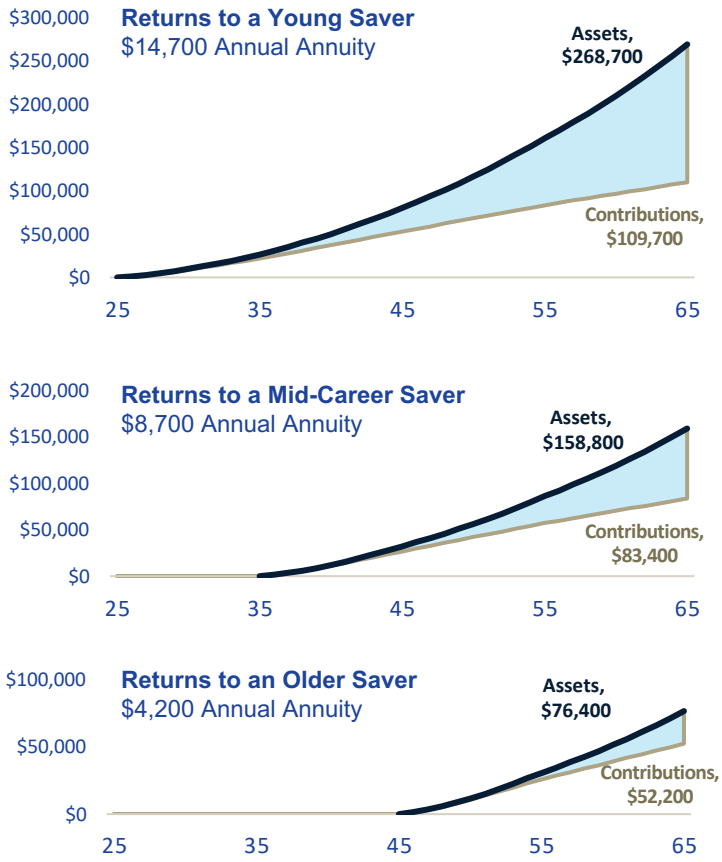
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

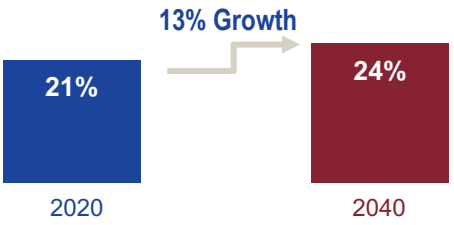


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$30,000

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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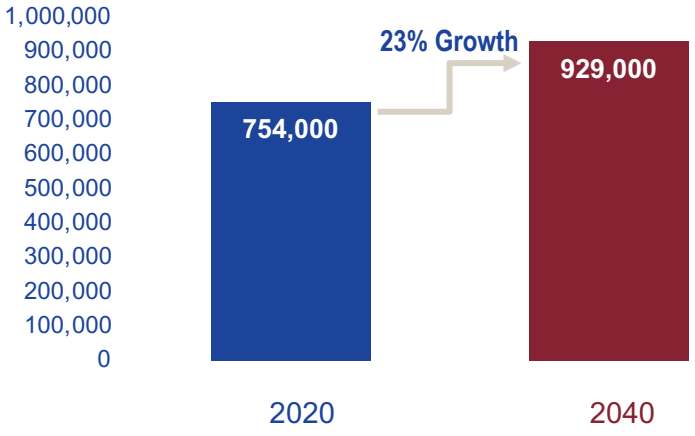
Kentucky

State Benefits of Expanding Access to Retirement Savings

Demographic Change

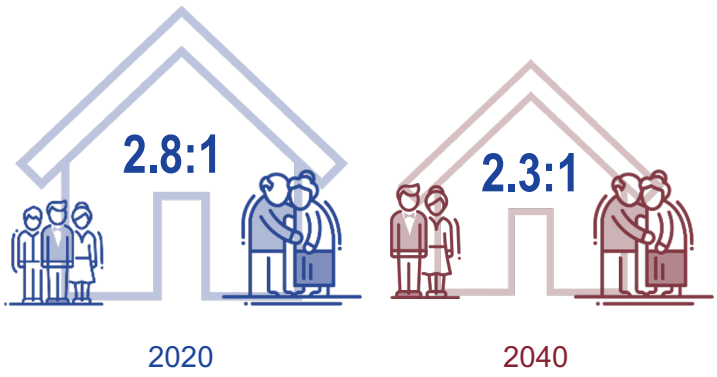
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



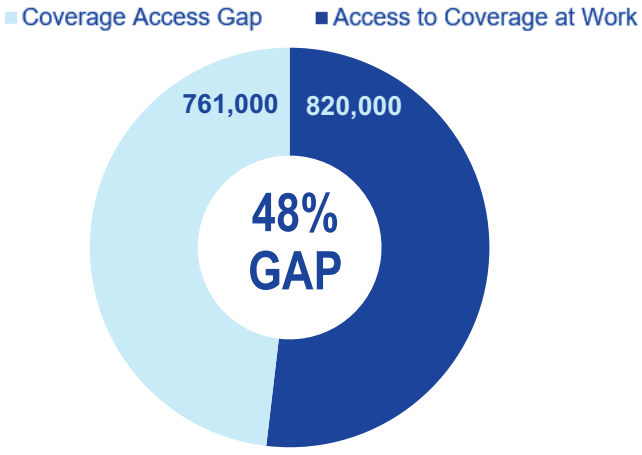
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	77,000	10%
<10 Employees	164,000	22%
<25 Employees	293,000	38%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	487,000	373,000
Average Contribution	$2,490	$2,620
Total Contributions	$1.21 Billion	$980 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

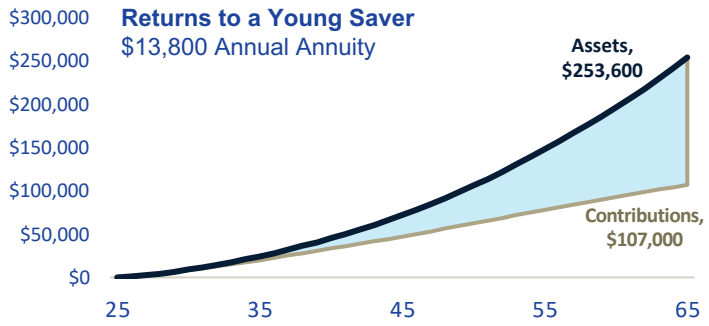
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

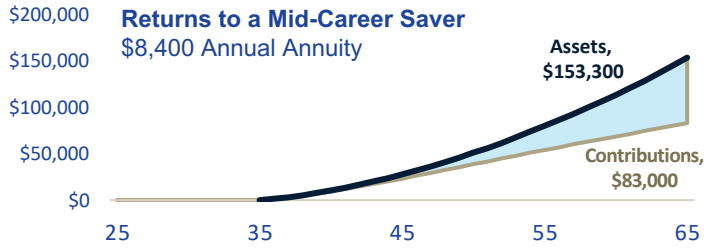
Many Seniors Rely Heavily on Social Security

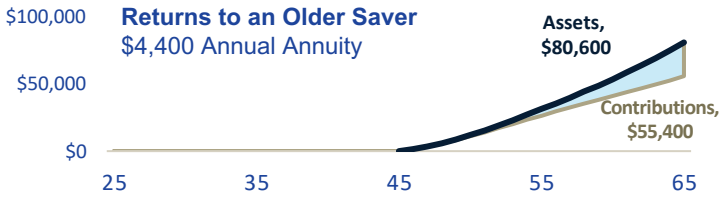
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement







Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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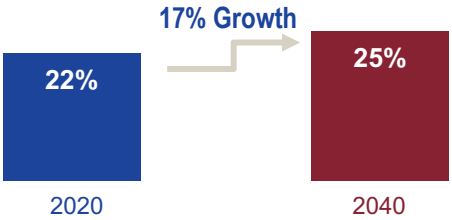
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

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...While Reducing Government Spending

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Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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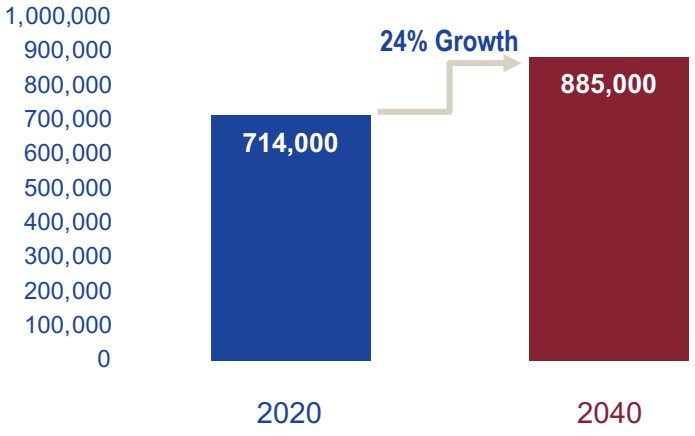
Louisiana

State Benefits of Expanding Access to Retirement Savings

Demographic Change

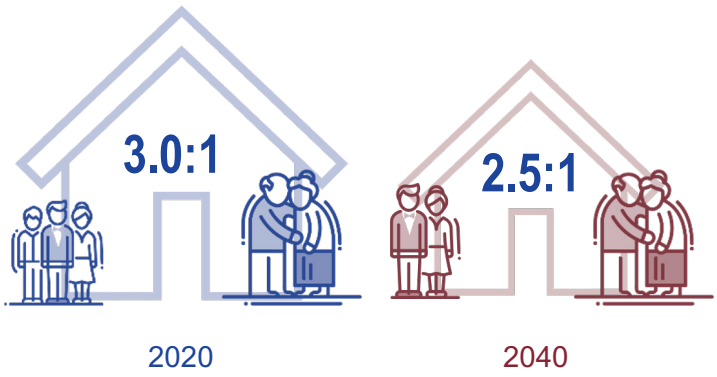
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

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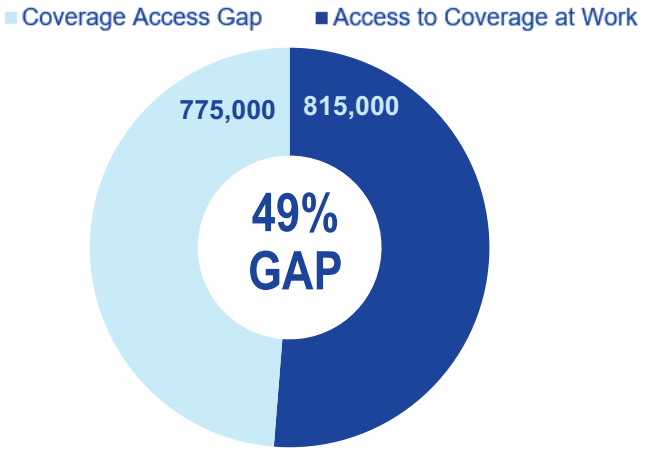
Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	77,000	10%
<10 Employees	175,000	23%
<25 Employees	313,000	40%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

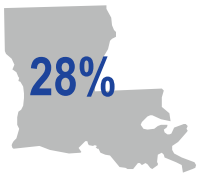
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	517,000	391,000
Average Contribution	$2,310	$2,430
Total Contributions	$1.20 Billion	$950 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

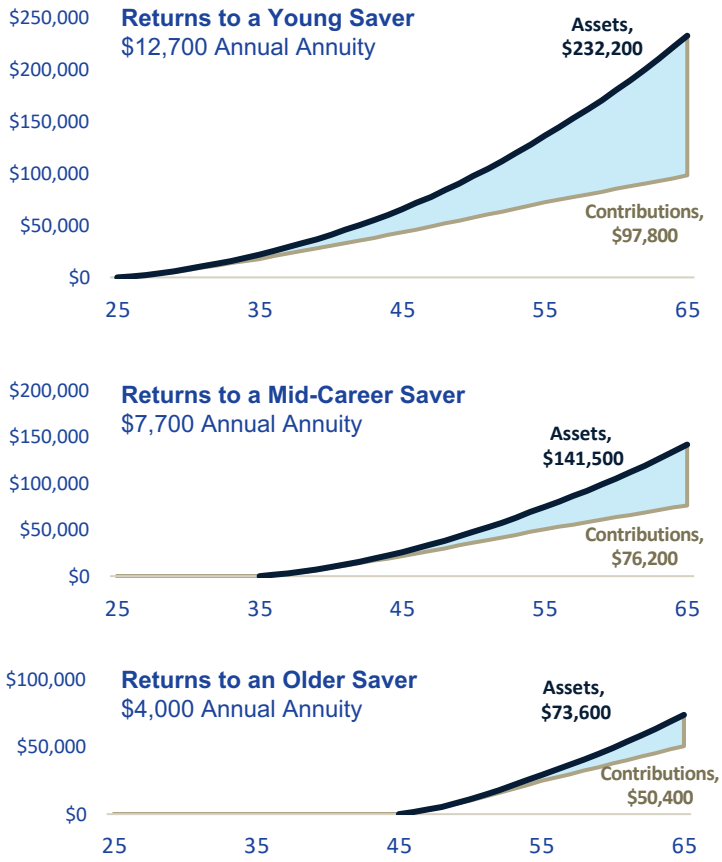
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

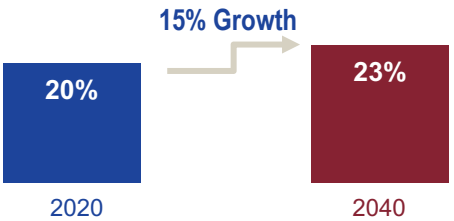


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$10,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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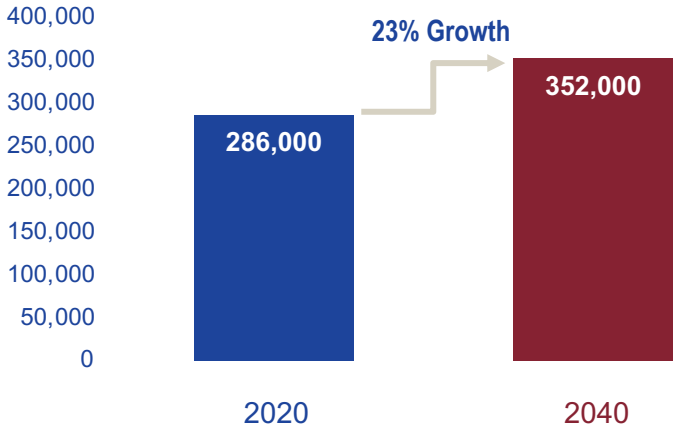
Maine

State Benefits of Expanding Access to Retirement Savings

Demographic Change

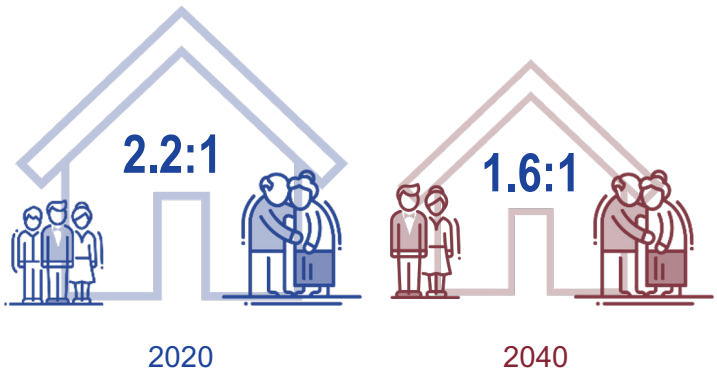
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

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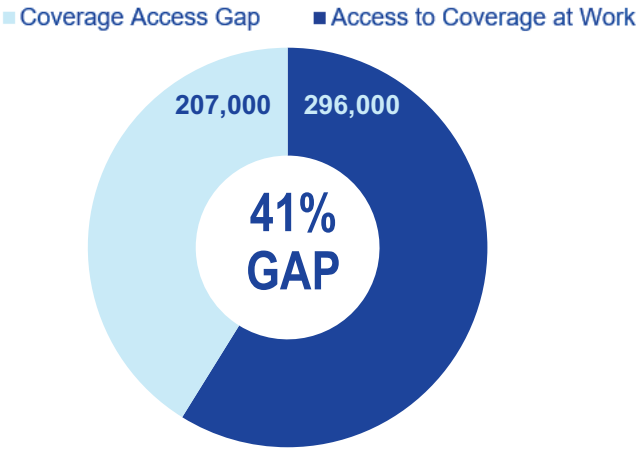

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	33,000	16%
<10 Employees	71,000	34%
<25 Employees	114,000	55%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

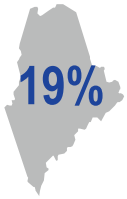
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	114,000	73,000
Average Contribution	$2,070	$2,150
Total Contributions	$240 Million	$160 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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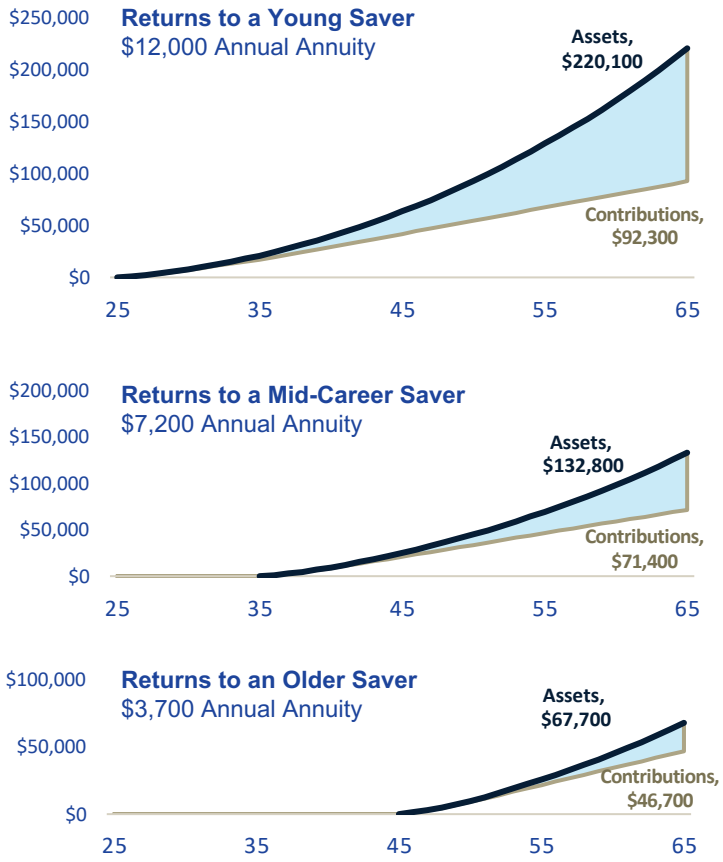

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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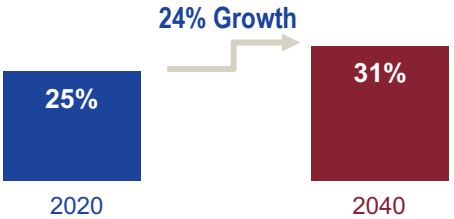
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$13,700

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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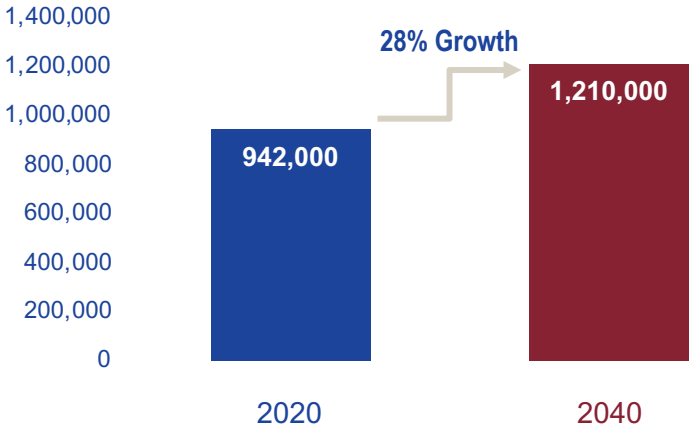
State Benefits of Expanding Access to Retirement Savings

Demographic Change

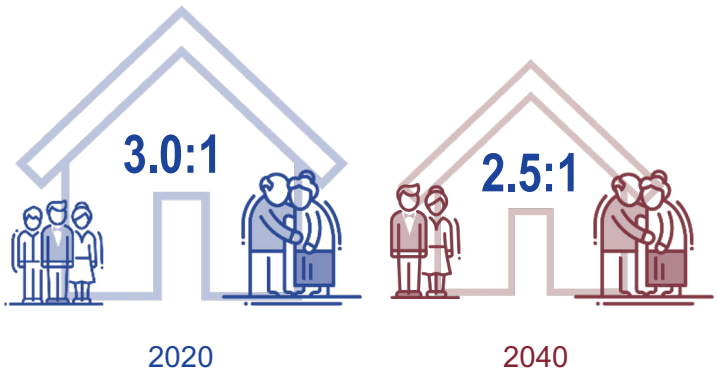
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

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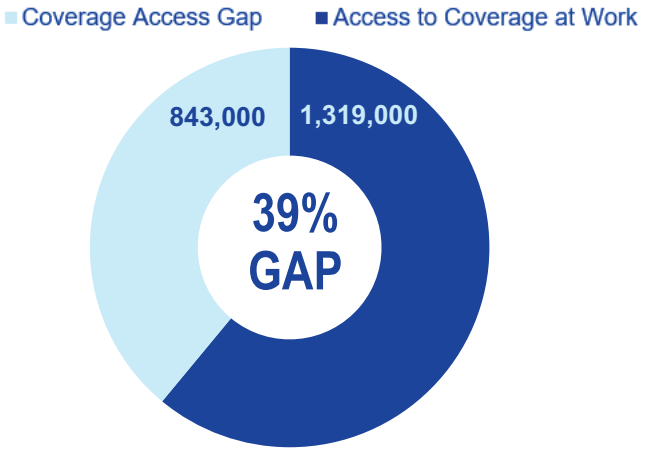

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	115,000	14%
<10 Employees	229,000	27%
<25 Employees	385,000	46%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

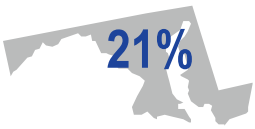
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	556,000	393,000
Average Contribution	$2,700	$2,810
Total Contributions	$1.50 Billion	$1.10 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

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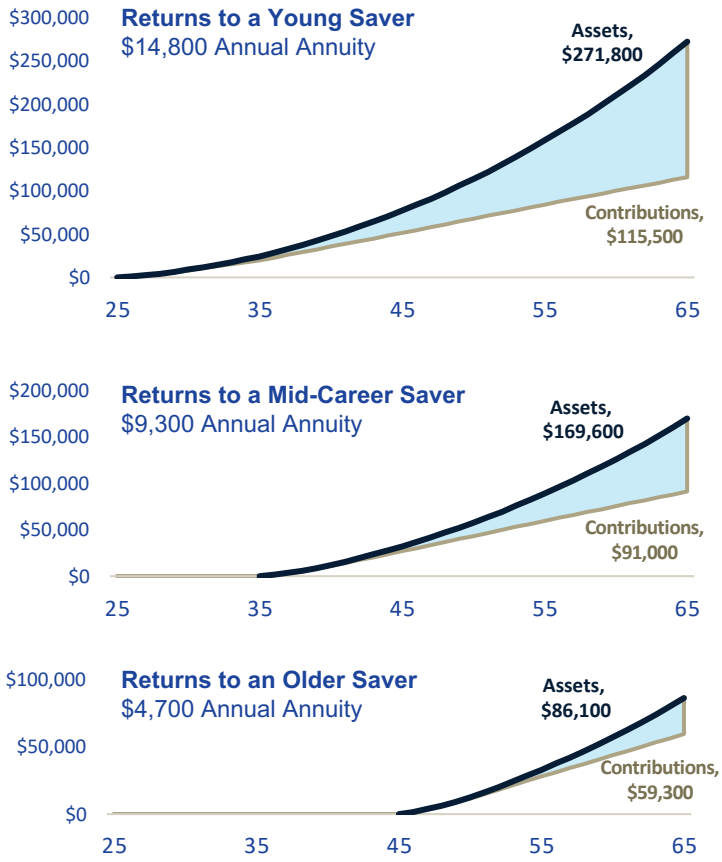

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

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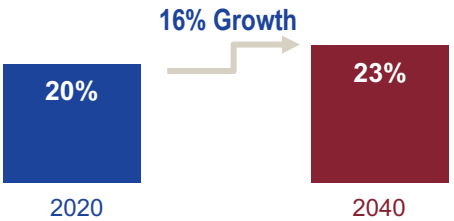

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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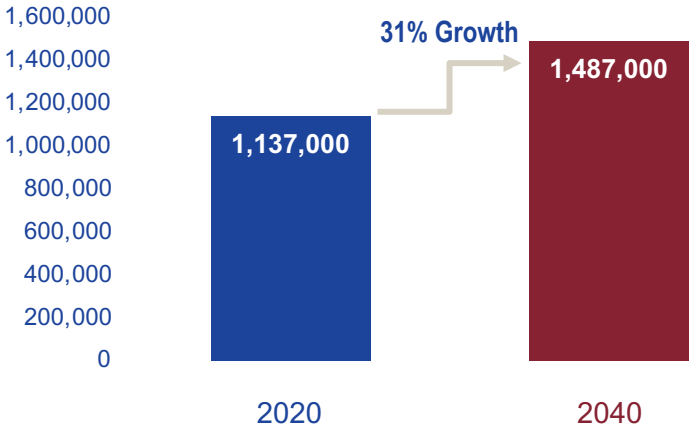
Massachusetts

State Benefits of Expanding Access to Retirement Savings

Demographic Change

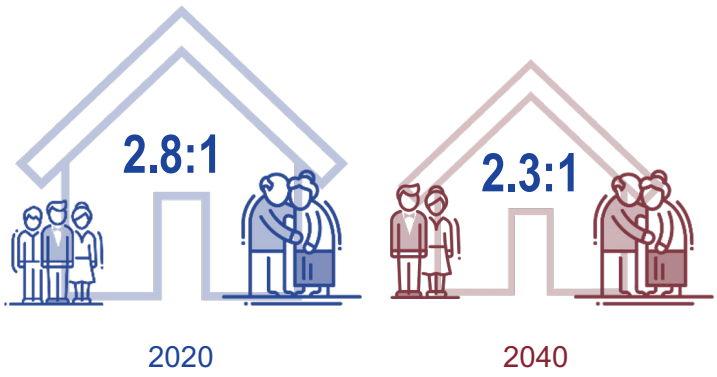
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

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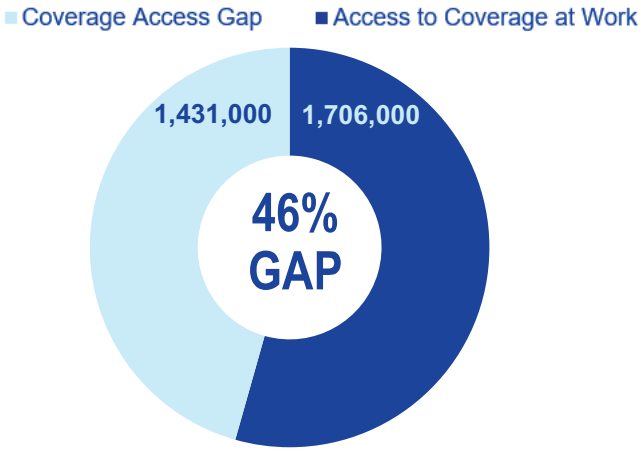

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	212,000	15%
<10 Employees	391,000	27%
<25 Employees	634,000	44%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

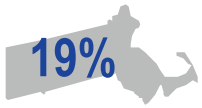
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	950,000	676,000
Average Contribution	$3,160	$3,310
Total Contributions	$3.00 Billion	$2.24 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



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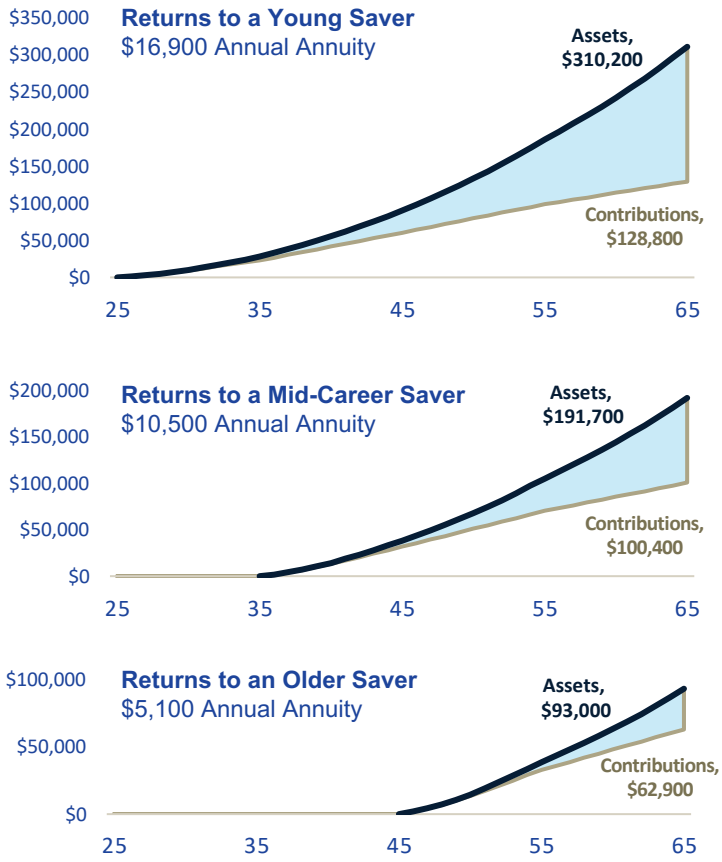

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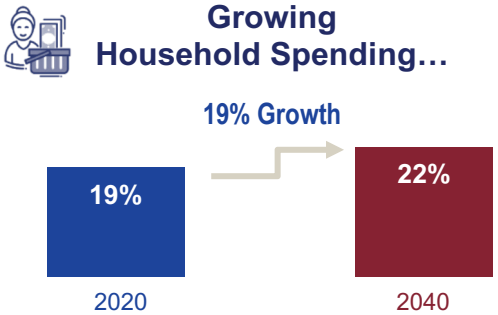

Share of Statewide Household Spending by Seniors, 2020–2040

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...While Reducing Government Spending

$24,800

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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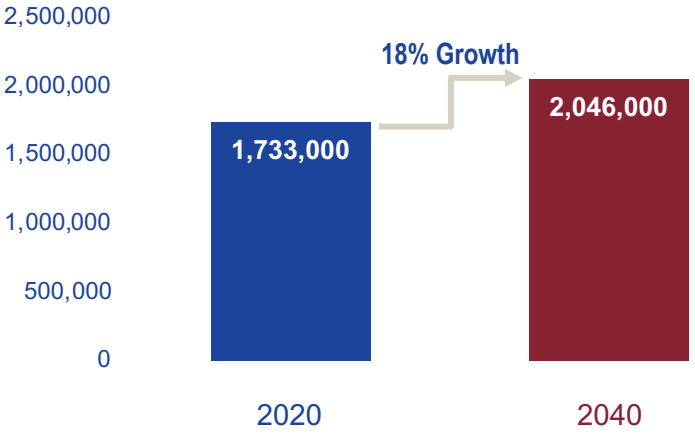
Michigan

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



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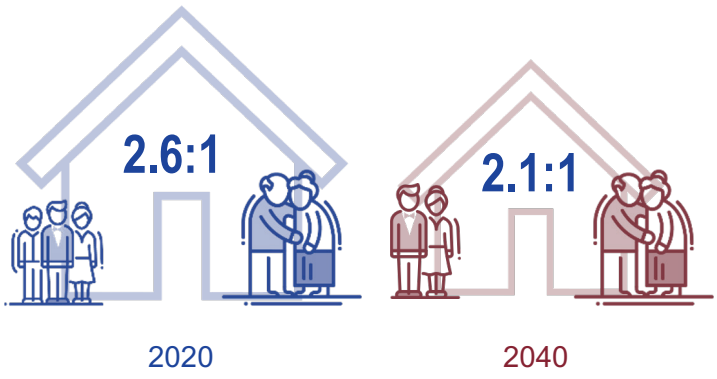

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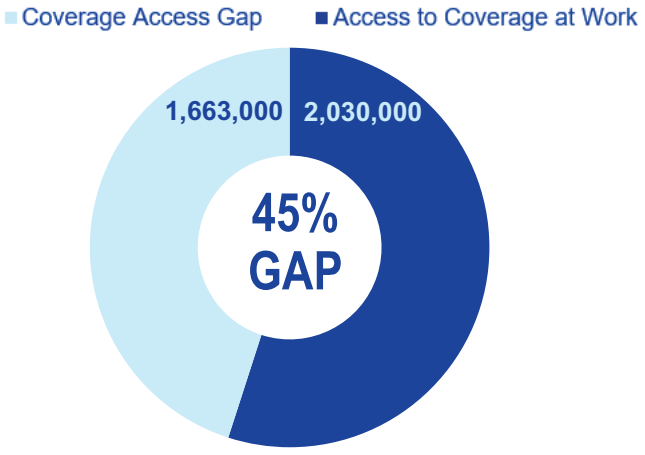

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Savings

Expanding Access Would Grow Savings...

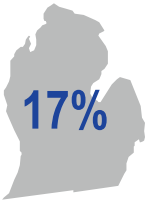
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,000,000	728,000
Average Contribution	$2,480	$2,610
Total Contributions	$2.48 Billion	$1.9 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



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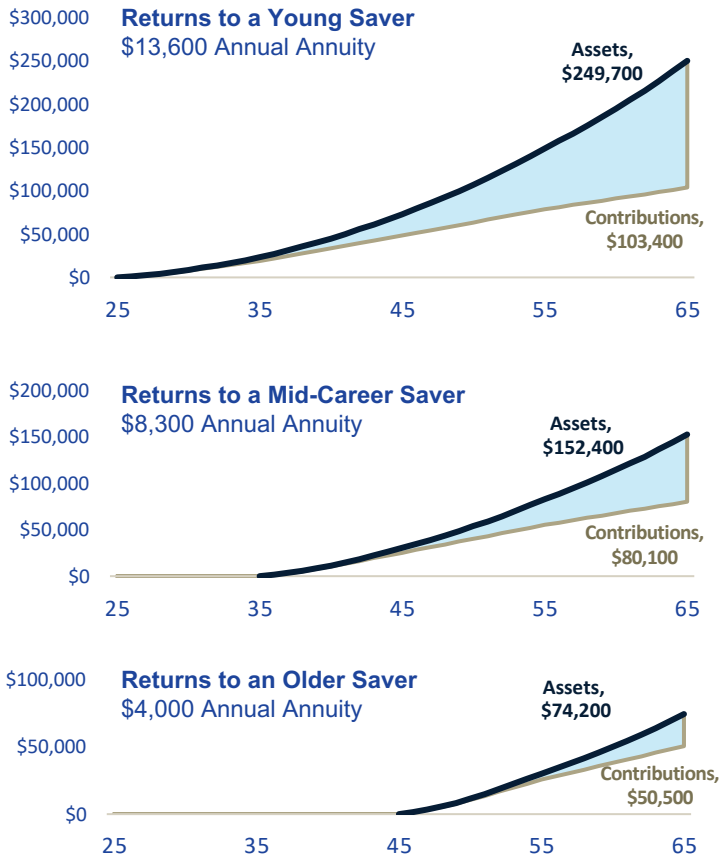

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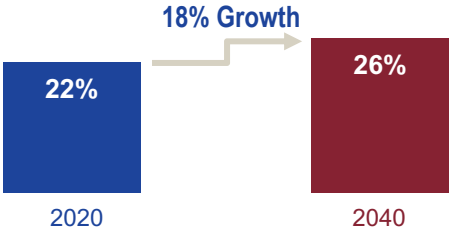

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Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$17,700

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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With grant support from Berggruen Institute ideas for a changing world

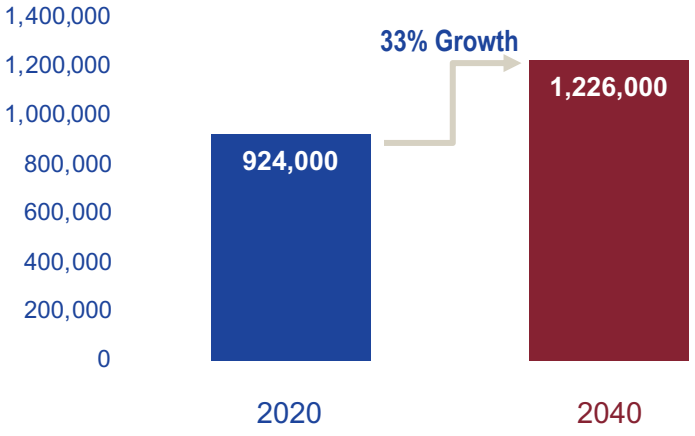
* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Minnesota

State Benefits of Expanding Access to Retirement Savings

Demographic Change

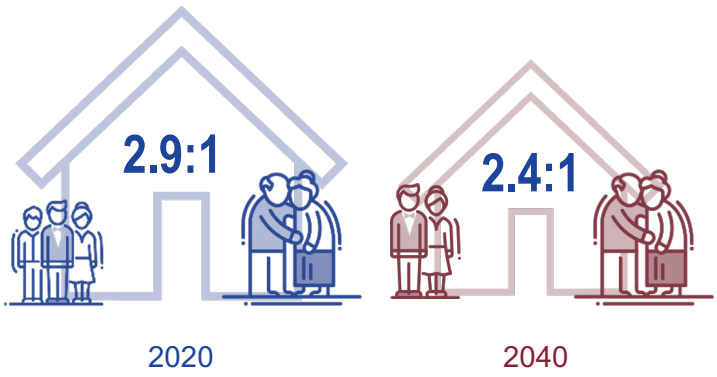
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



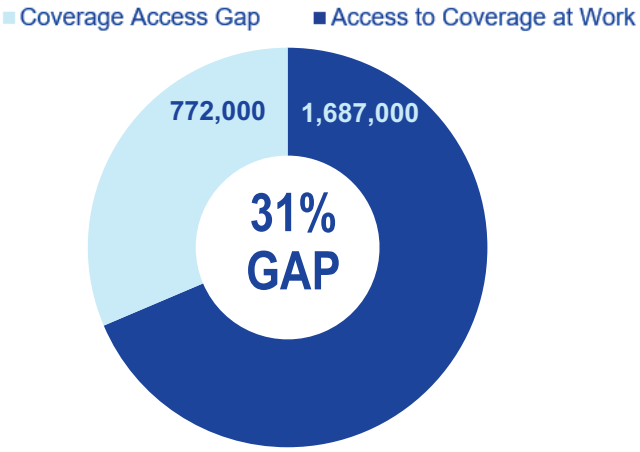
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	114,000	15%
<10 Employees	234,000	30%
<25 Employees	400,000	52%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

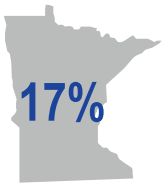
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	488,000	324,000
Average Contribution	$2,470	$2,570
Total Contributions	$1.21 Billion	$830 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

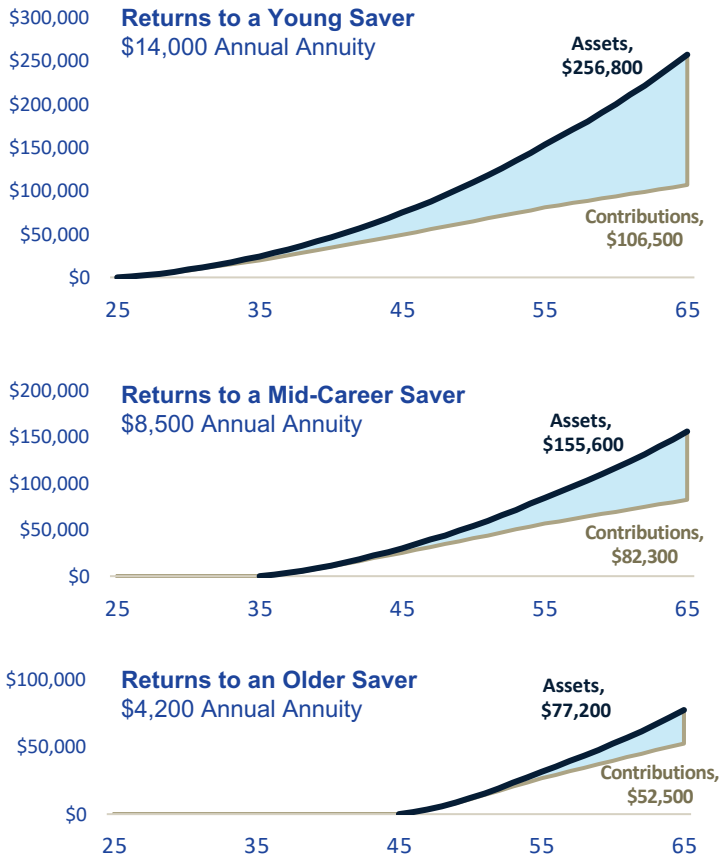
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

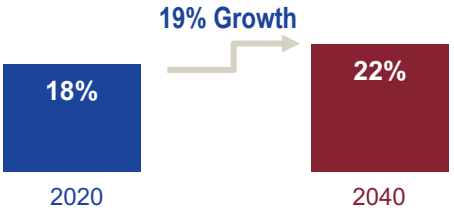


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$39,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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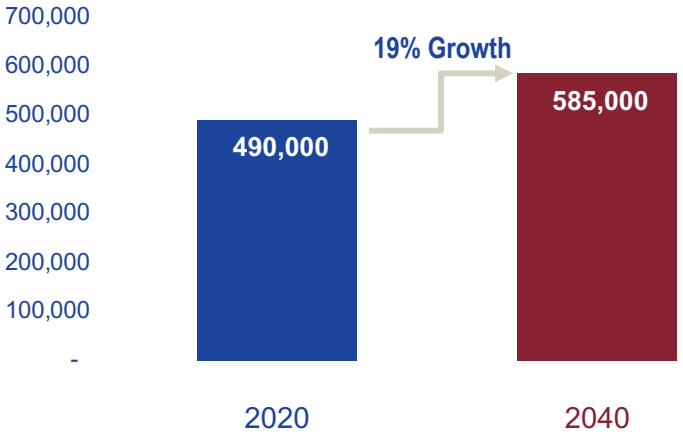
Mississippi

State Benefits of Expanding Access to Retirement Savings

Demographic Change

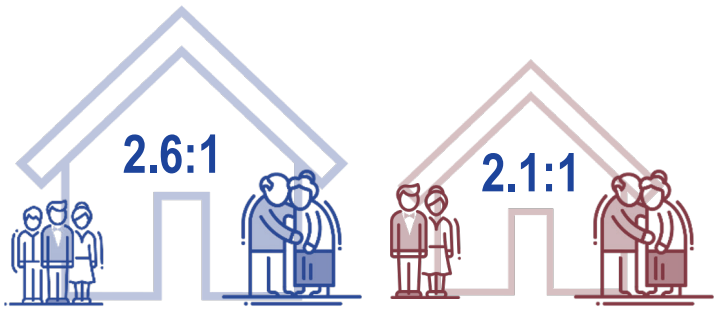
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Retirement Savings Access

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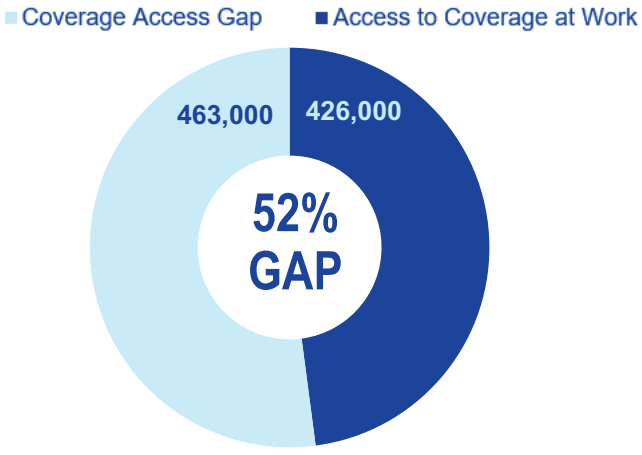

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	45,000	10%
<10 Employees	104,000	23%
<25 Employees	185,000	40%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

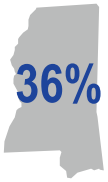
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	282,000	214,000
Average Contribution	$1,990	$2,090
Total Contributions	$560 Million	$450 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

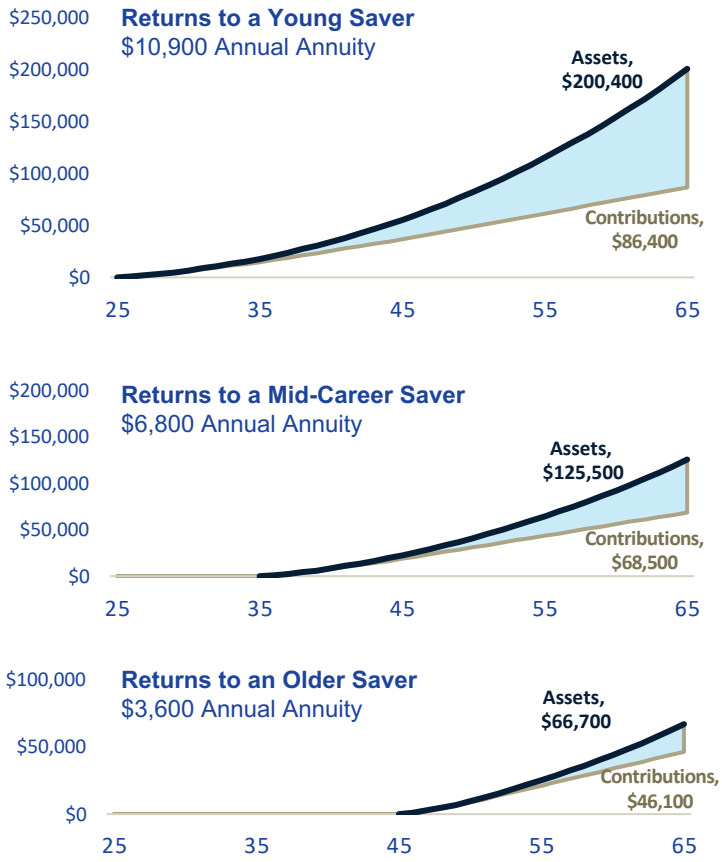
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement



Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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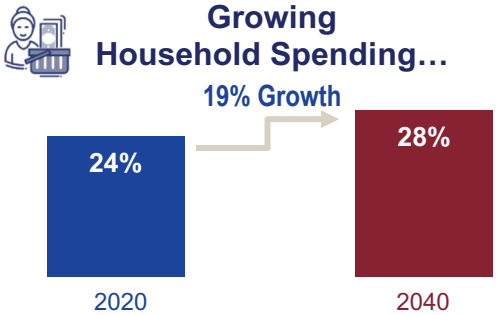
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$13,300

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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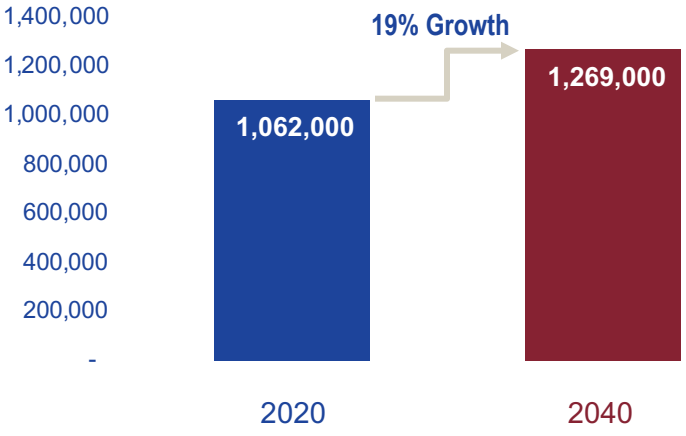
Missouri

State Benefits of Expanding Access to Retirement Savings

Demographic Change

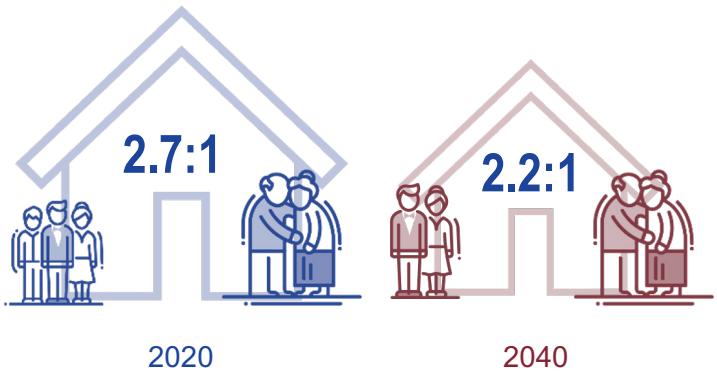
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



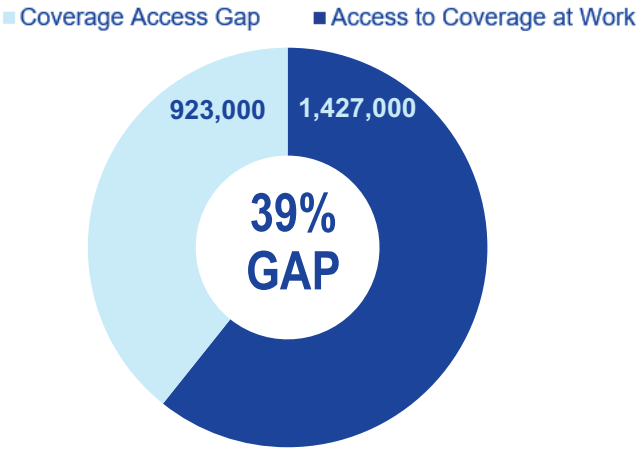
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	129,000	14%
<10 Employees	251,000	27%
<25 Employees	419,000	45%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

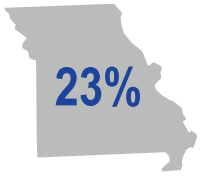
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	563,000	398,000
Average Contribution	$2,290	$2,390
Total Contributions	$1.29 Billion	$950 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

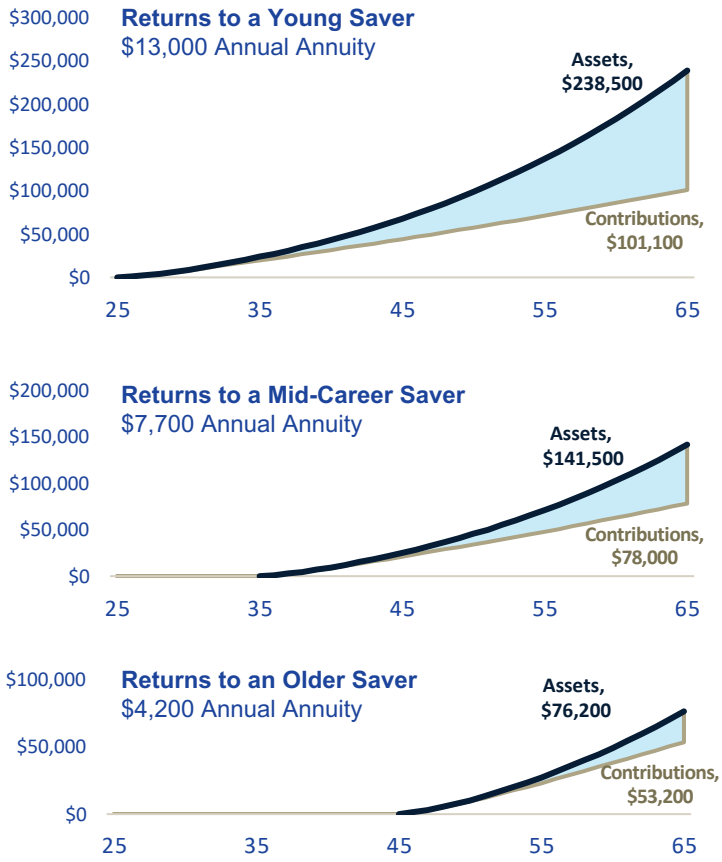
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

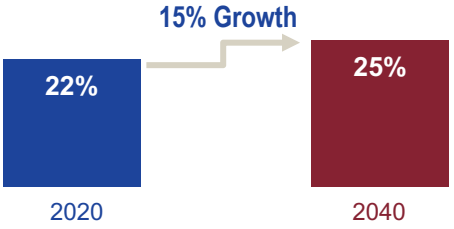


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$20,500

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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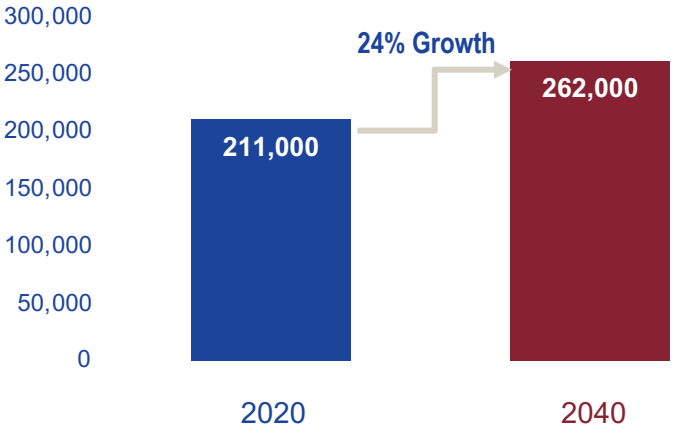
Montana

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

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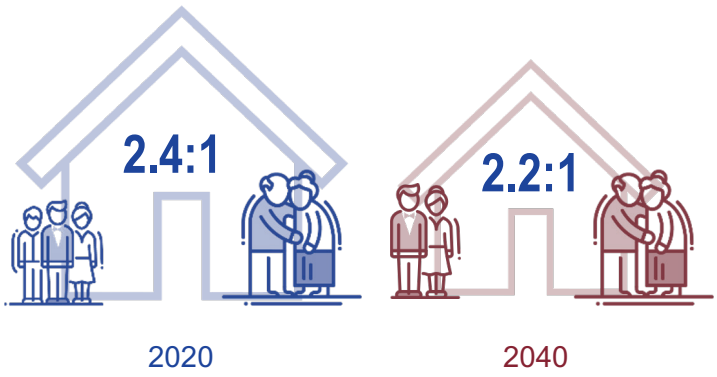

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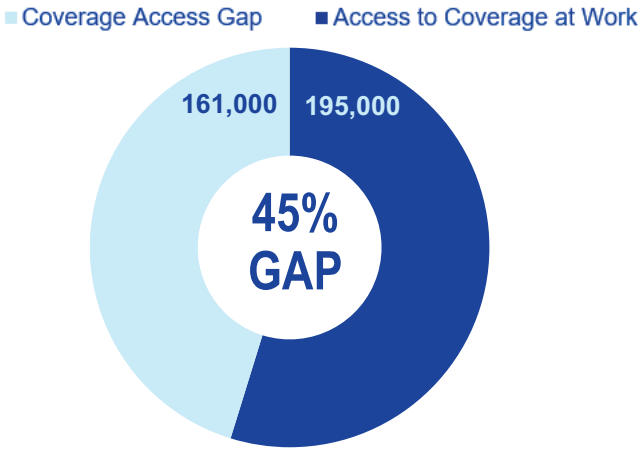

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	29,000	18%
<10 Employees	60,000	37%
<25 Employees	95,000	59%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

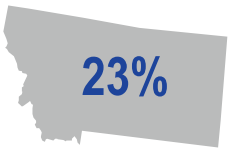
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	109,000	67,000
Average Contribution	$2,050	$2,140
Total Contributions	$220 Million	$140 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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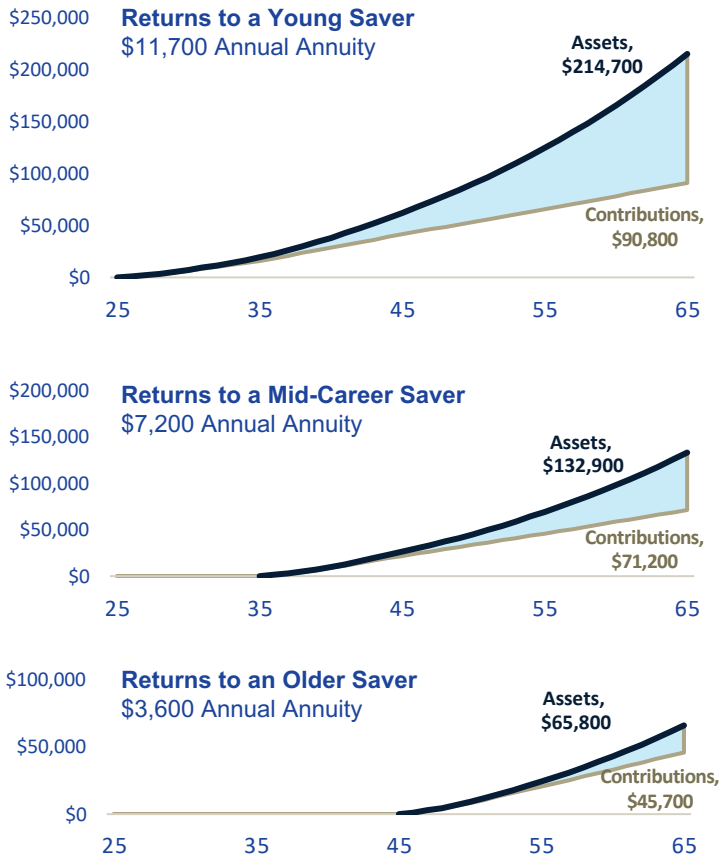

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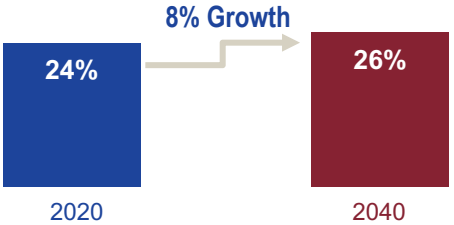

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$18,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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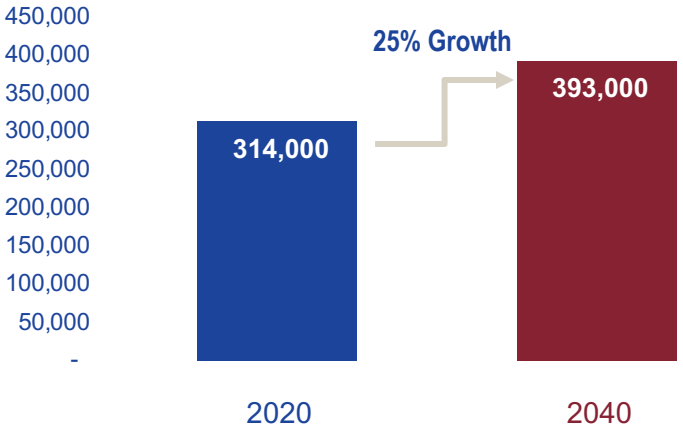
Nebraska

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



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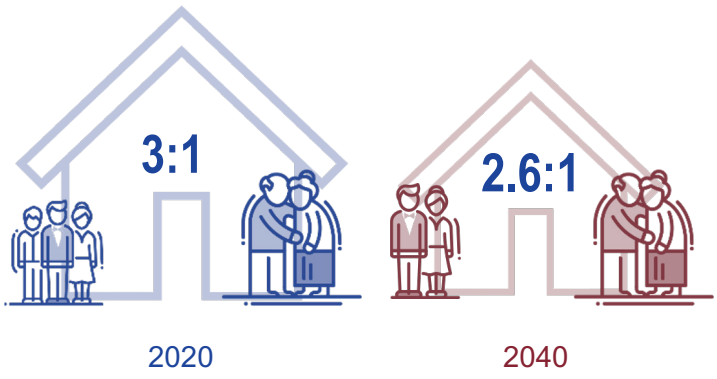

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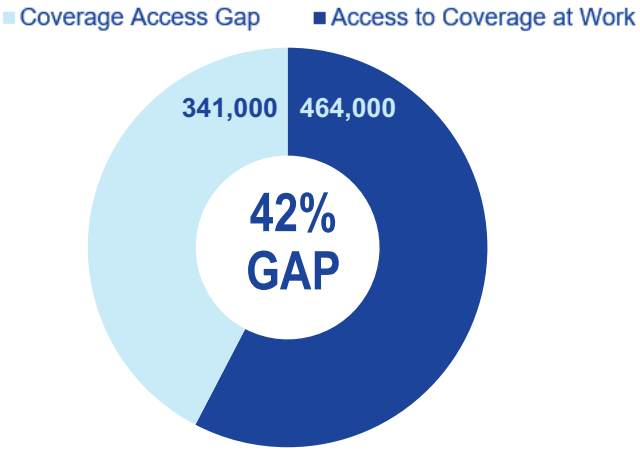

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	46,000	14%
<10 Employees	95,000	28%
<25 Employees	162,000	47%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

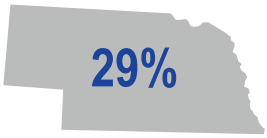
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	220,000	153,000
Average Contribution	$2,350	$2,450
Total Contributions	$520 Million	$370 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

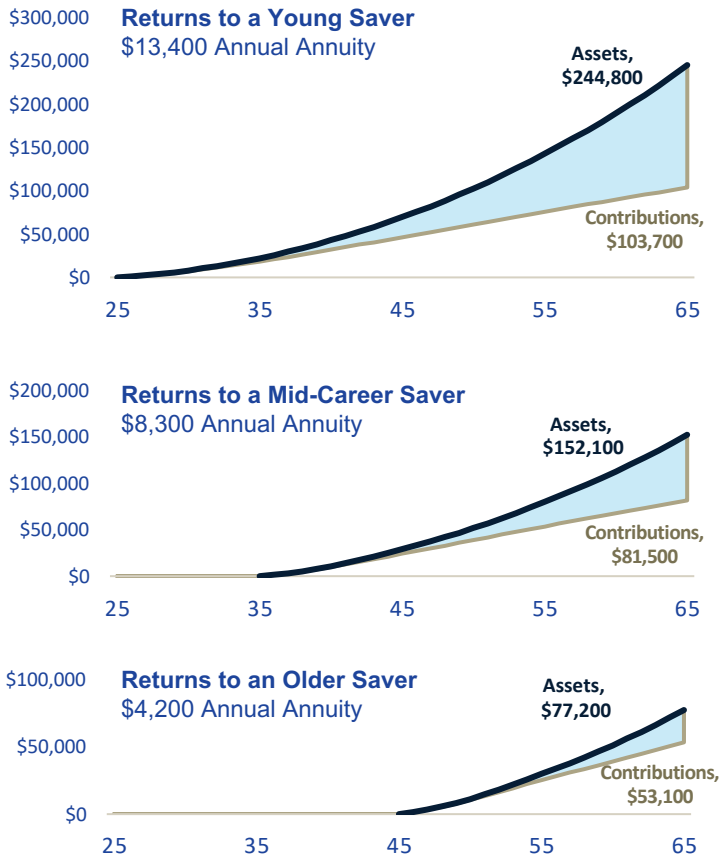
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

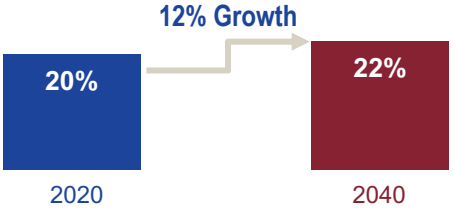


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$31,800

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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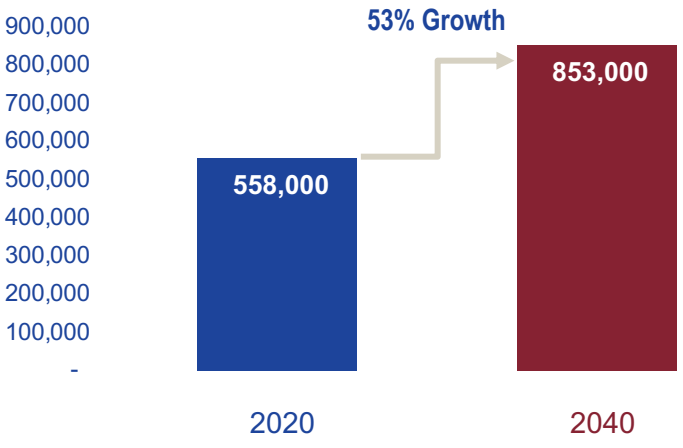
* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Nevada

State Benefits of Expanding Access to Retirement Savings

Demographic Change

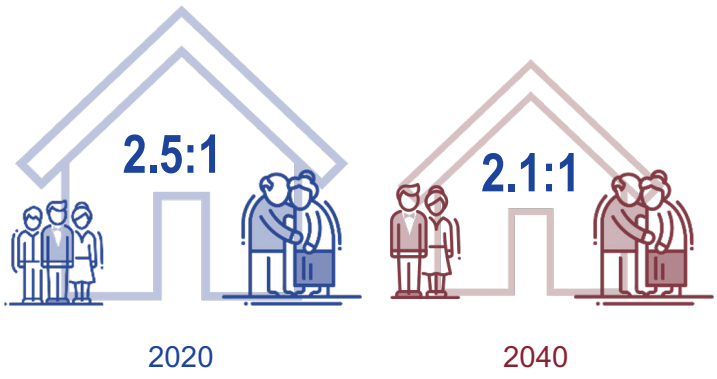
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



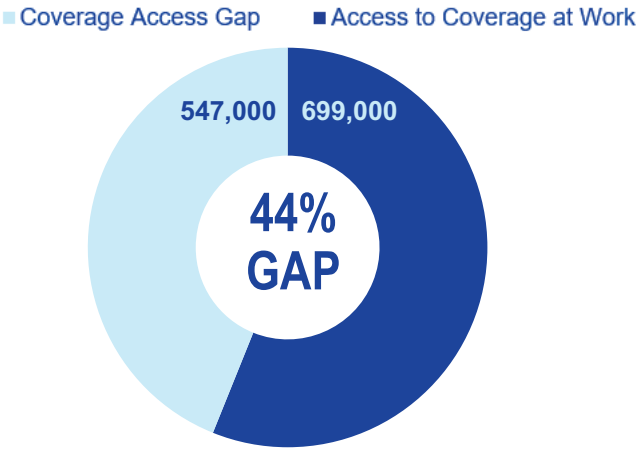
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	60,000	11%
<10 Employees	126,000	23%
<25 Employees	221,000	40%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	438,000	329,000
Average Contribution	$2,660	$2,790
Total Contributions	$1.16 Billion	$920 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

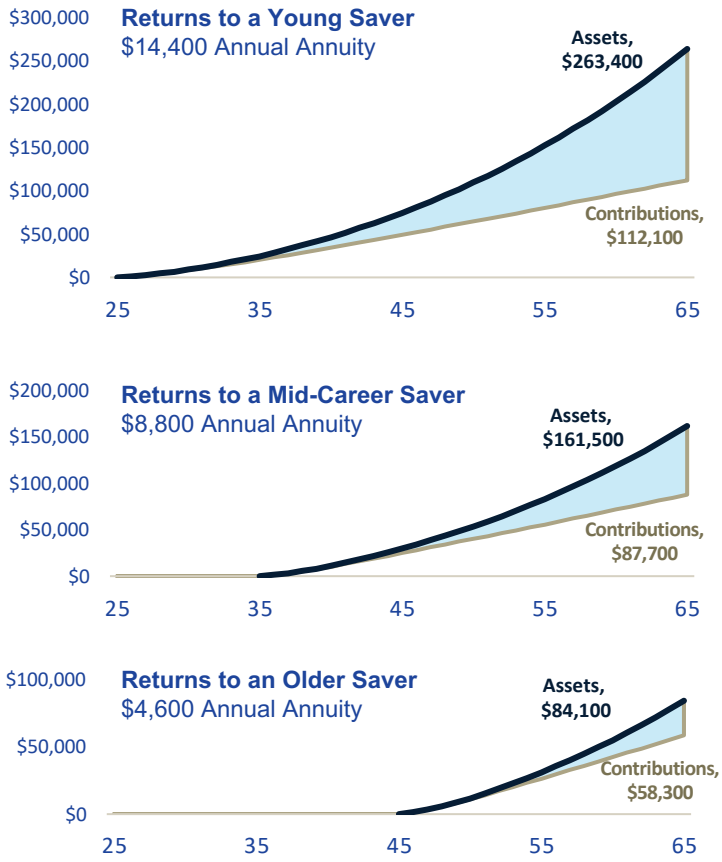
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement



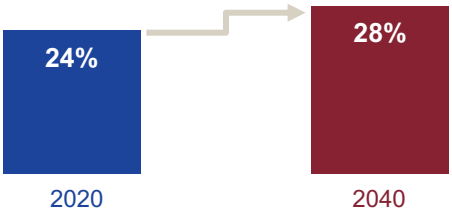
Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…

17% Growth



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$8,500

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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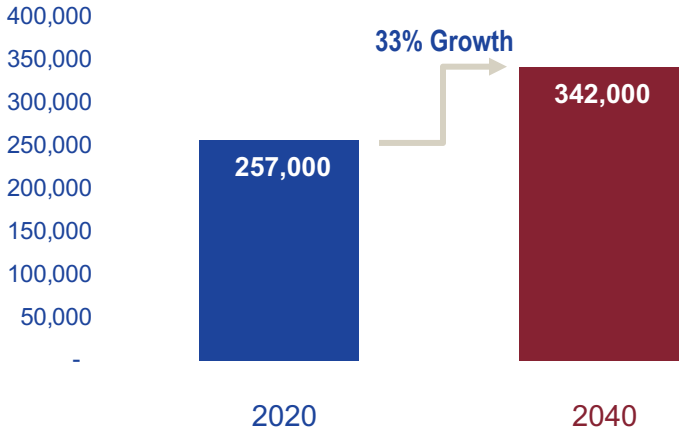
New Hampshire

State Benefits of Expanding Access to Retirement Savings

Demographic Change

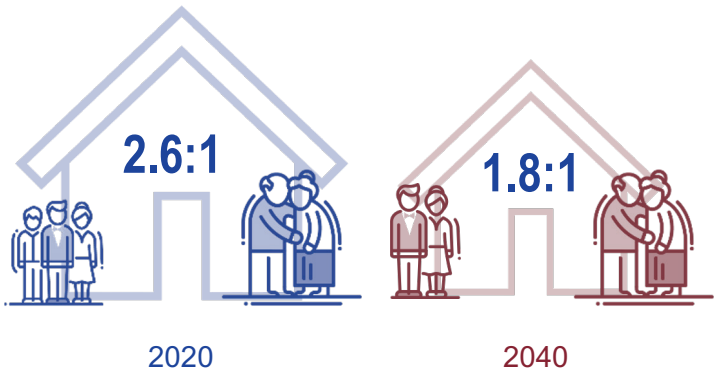
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



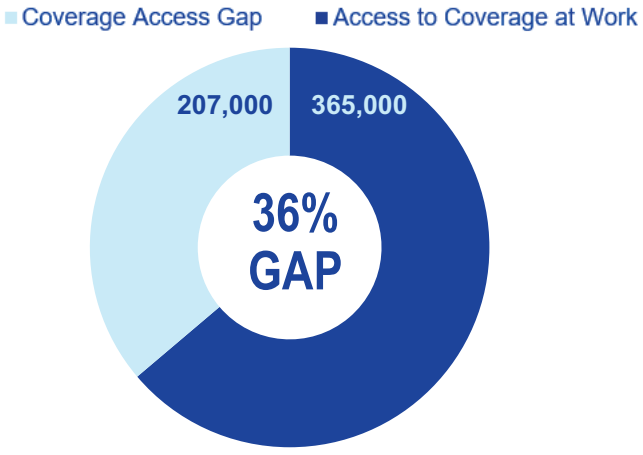
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	34,000	16%
<10 Employees	69,000	33%
<25 Employees	114,000	55%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	114,000	73,000
Average Contribution	$2,580	$2,660
Total Contributions	$290 Million	$190 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

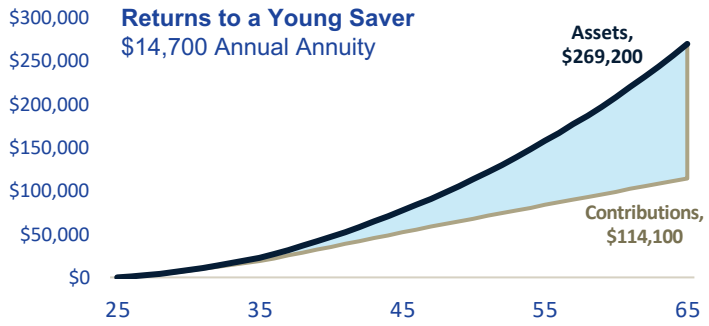
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

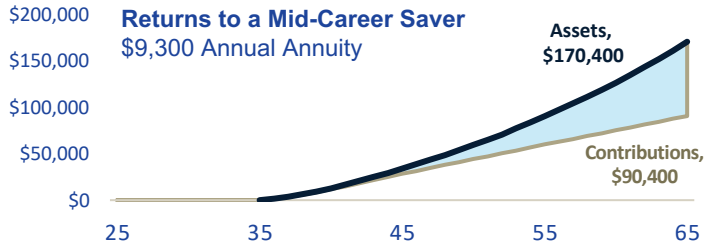
Many Seniors Rely Heavily on Social Security

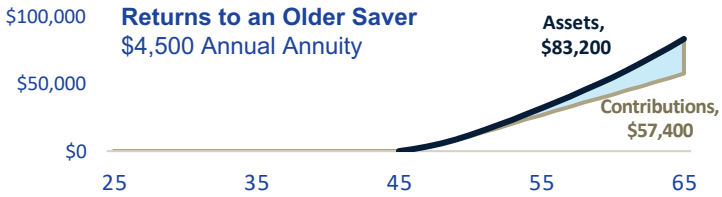
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





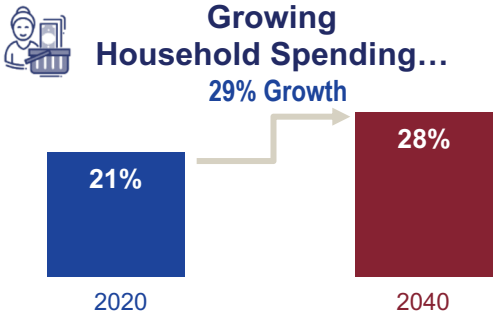


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$24,700

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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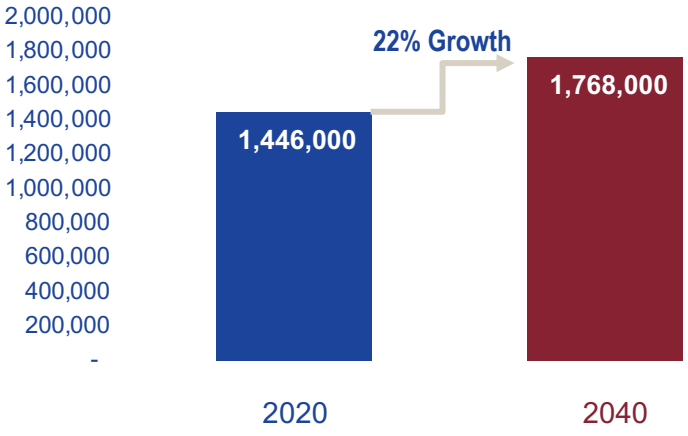
State Benefits of Expanding Access to Retirement Savings

Demographic Change

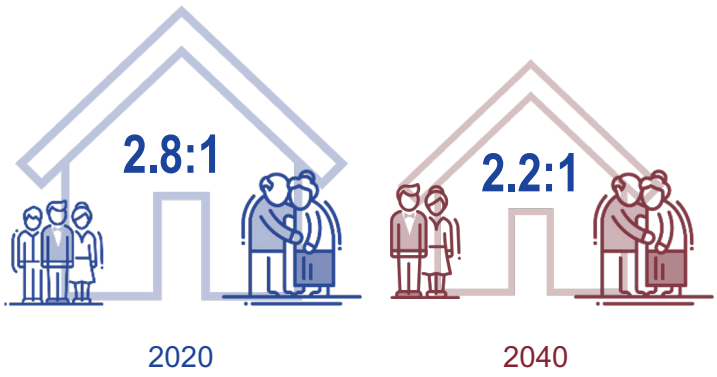
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

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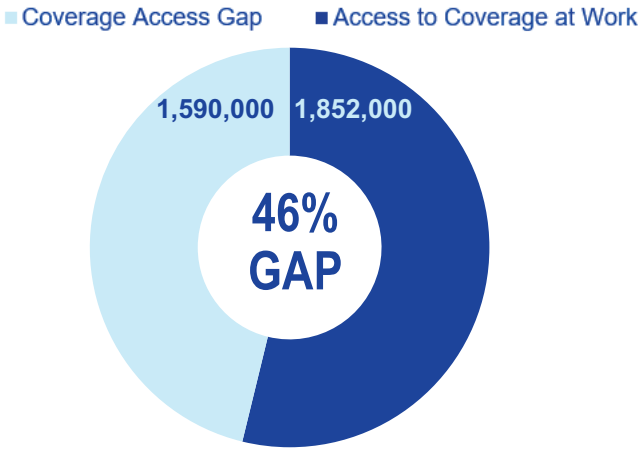

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	225,000	14%
<10 Employees	443,000	28%
<25 Employees	729,000	46%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

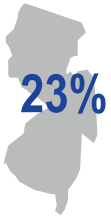
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	993,000	702,000
Average Contribution	$3,120	$3,260
Total Contributions	$3.1 Billion	$2.29 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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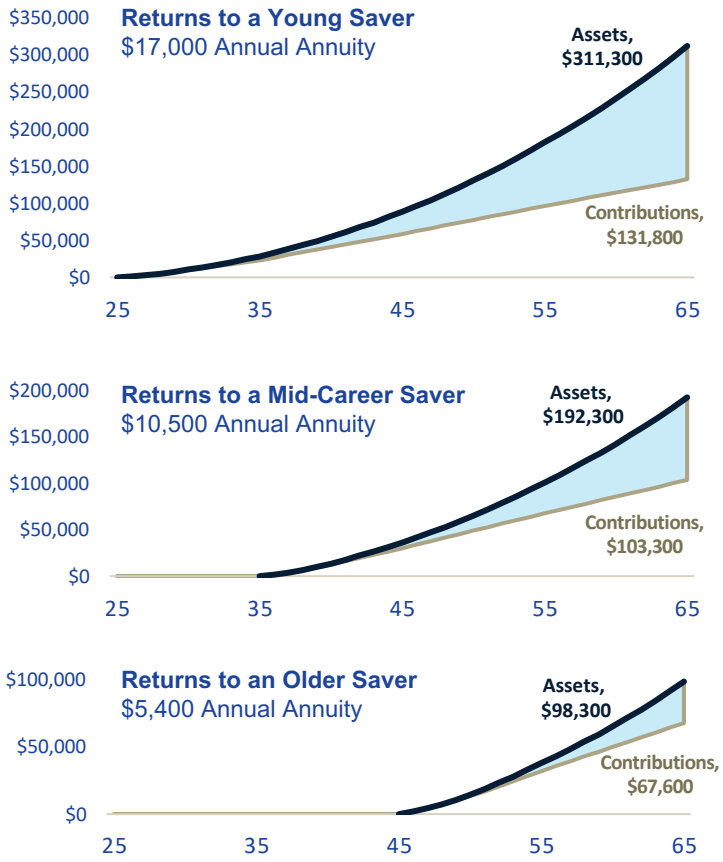

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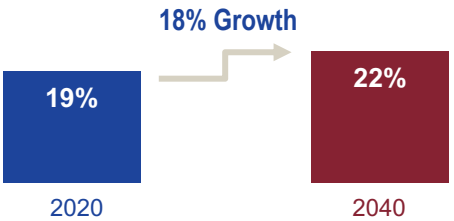

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$24,800

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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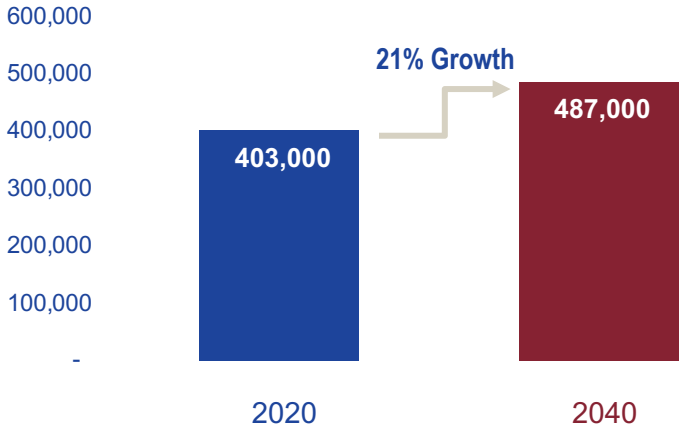
New Mexico

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



State Elderly Population Growth, 2020–2040

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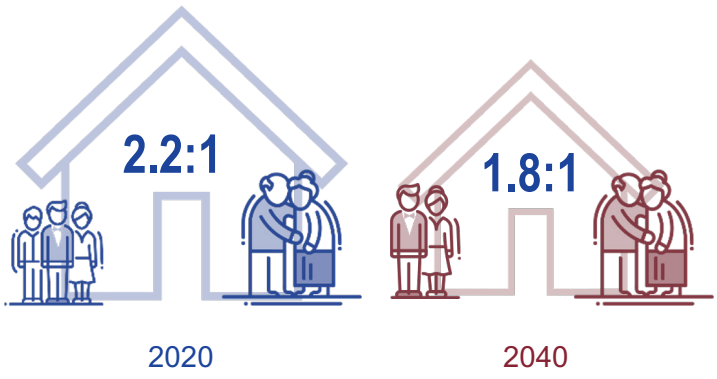
...with Fewer Working-Age Households to Support it



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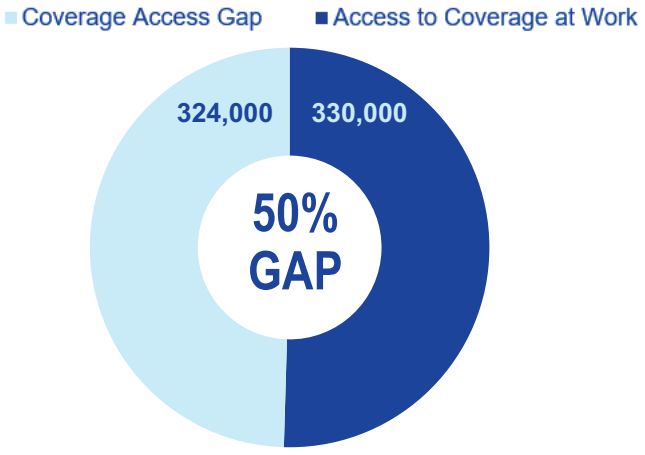

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	39,000	12%
<10 Employees	80,000	25%
<25 Employees	140,000	43%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	199,000	147,000
Average Contribution	$2,190	$2,300
Total Contributions	$440 Million	$340 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

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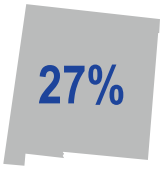
Many Seniors Rely Heavily on Social Security



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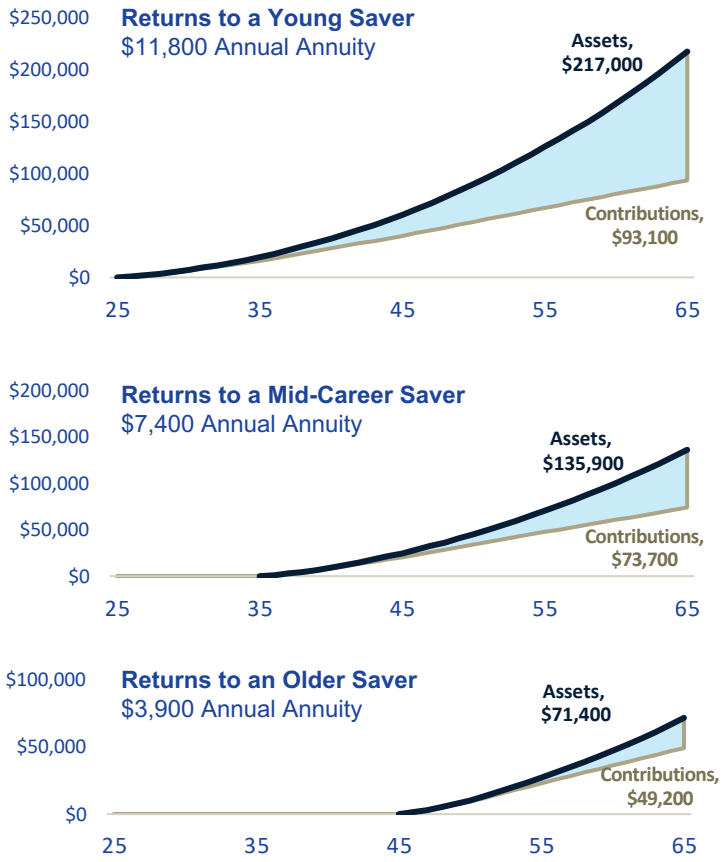

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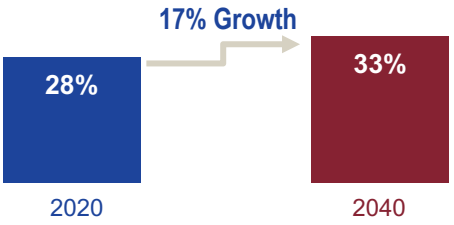

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Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$10,200

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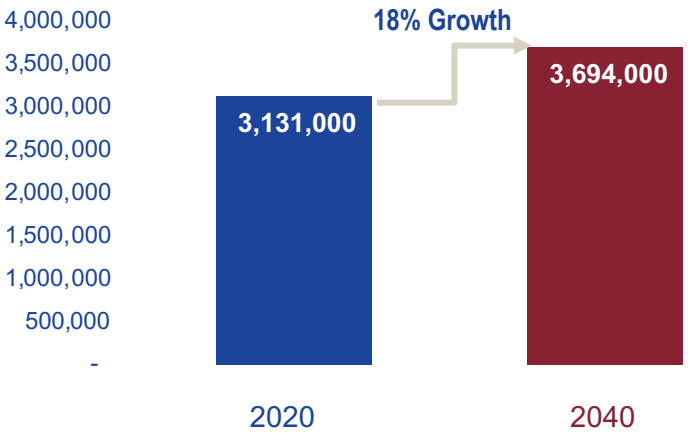
New York

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



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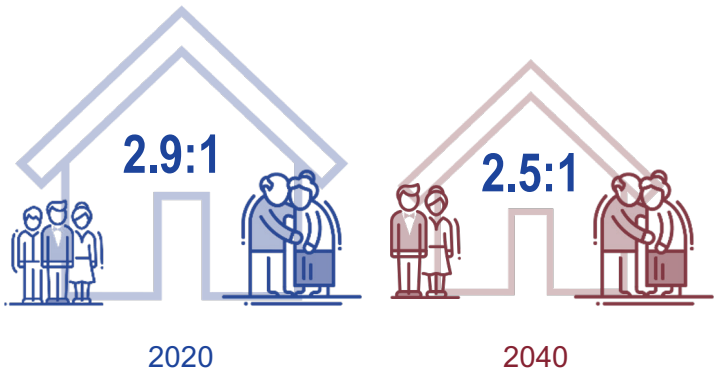

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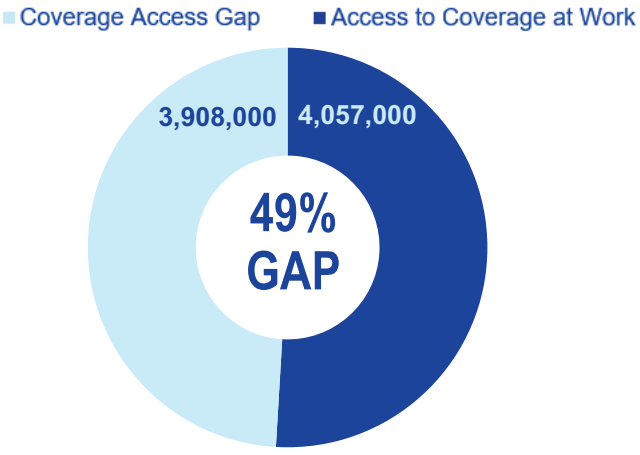

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<5 Employees	557,000	14%
<10 Employees	1,061,000	27%
<25 Employees	1,729,000	44%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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With grant support from Berggruen Institute — ideas for a changing world

* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

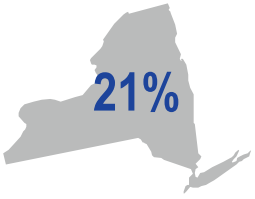
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	2,555,000	1,830,000
Average Contribution	$3,110	$3,270
Total Contributions	$7.96 Billion	$5.98 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

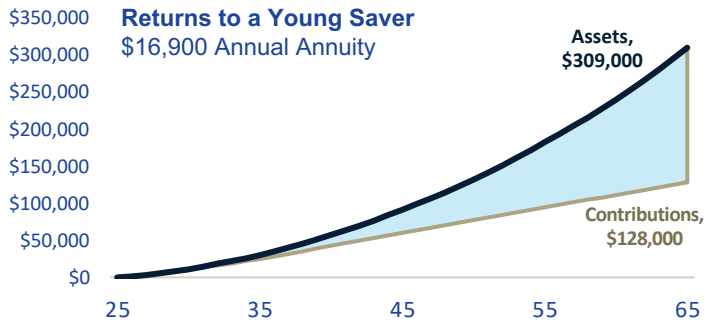
Many Seniors Rely Heavily on Social Security

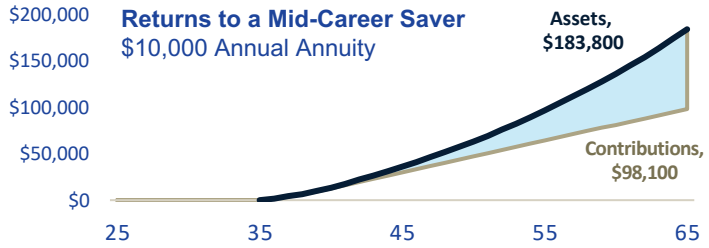


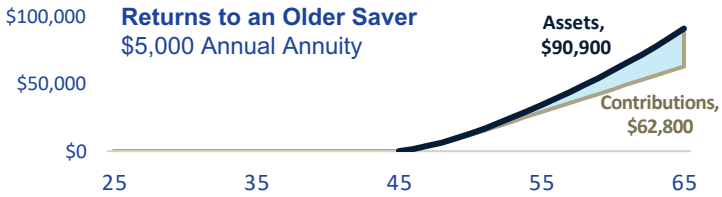
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





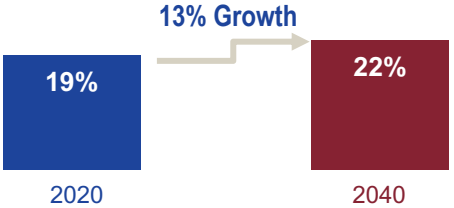


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$29,600

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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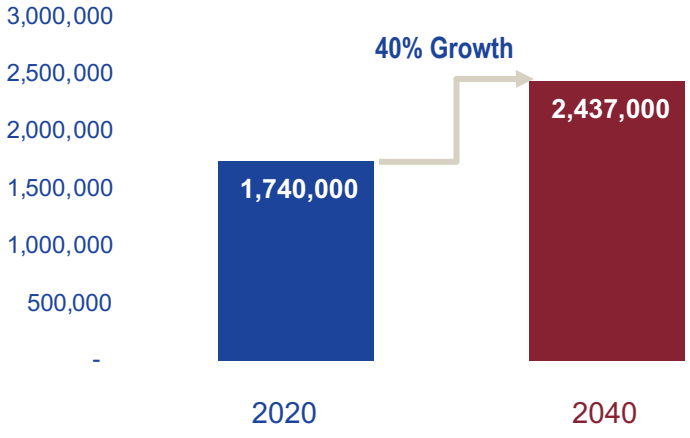
North Carolina

State Benefits of Expanding Access to Retirement Savings

Demographic Change

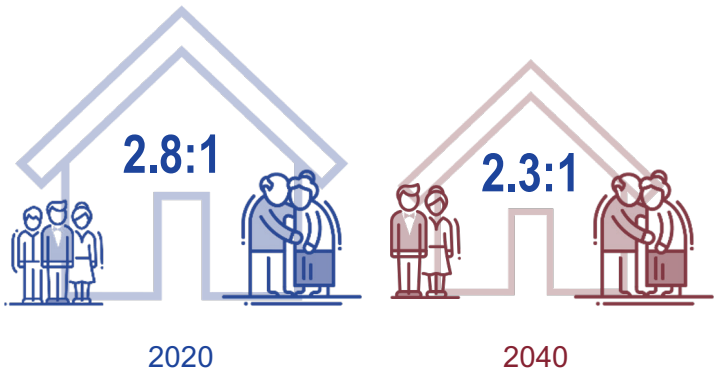
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



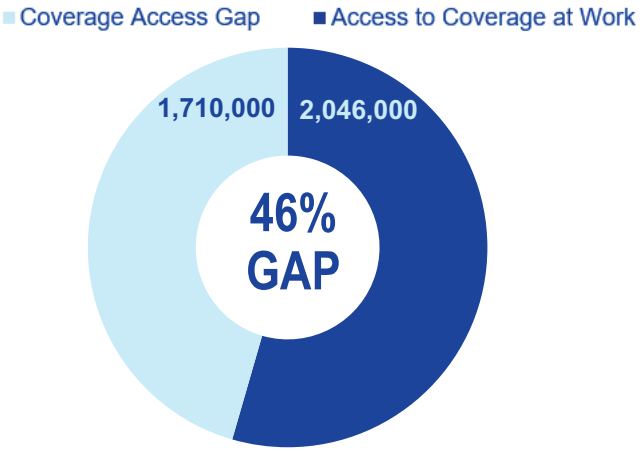
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	186,000	11%
<10 Employees	394,000	23%
<25 Employees	693,000	41%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

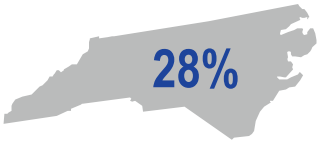
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,266,000	955,000
Average Contribution	$2,420	$2,540
Total Contributions	$3.06 Billion	$2.43 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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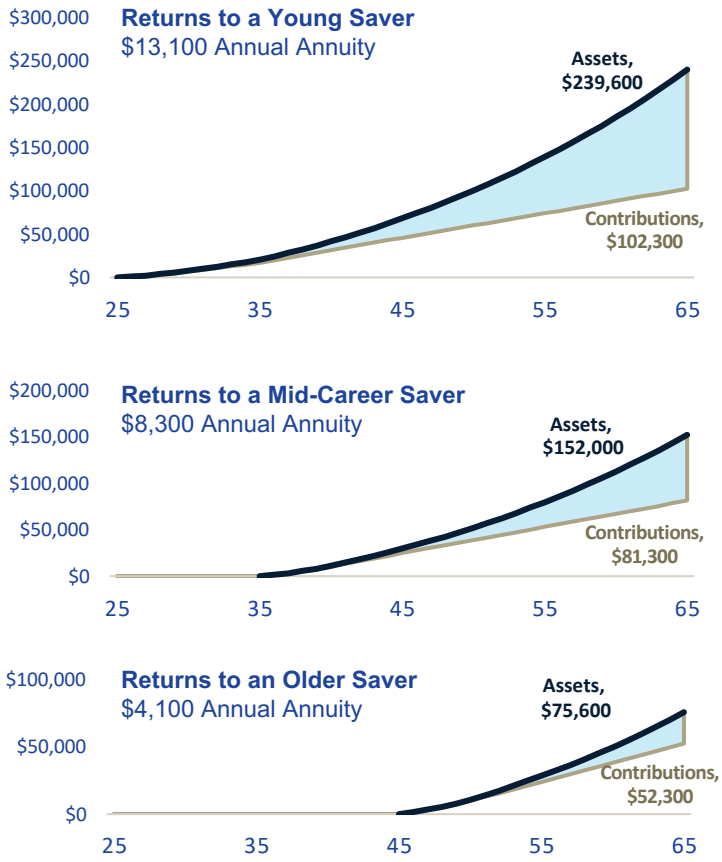
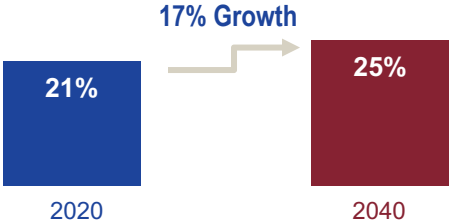


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$15,000

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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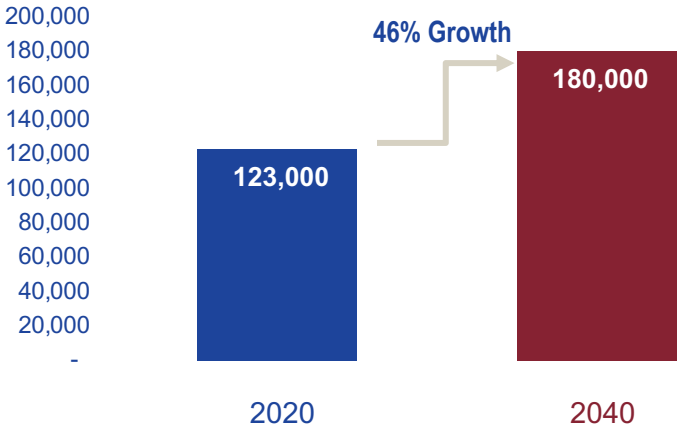
North Dakota

State Benefits of Expanding Access to Retirement Savings

Demographic Change

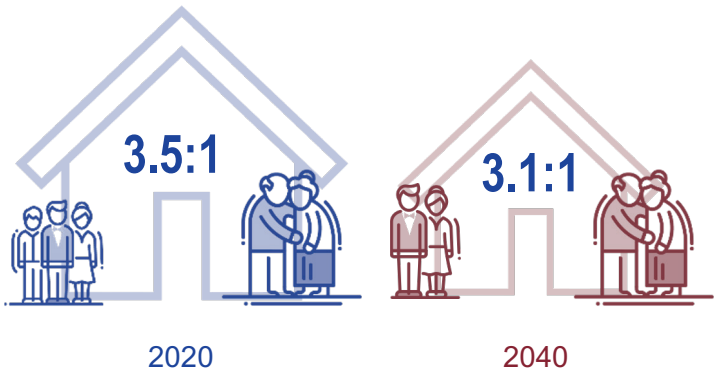
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

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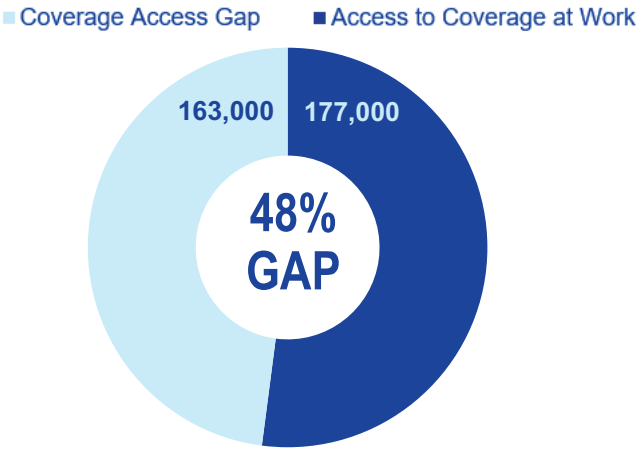

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	18,000	11%
<10 Employees	40,000	24%
<25 Employees	71,000	44%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

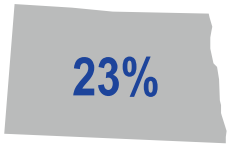
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	136,000	101,000
Average Contribution	$2,450	$2,580
Total Contributions	$330 Million	$260 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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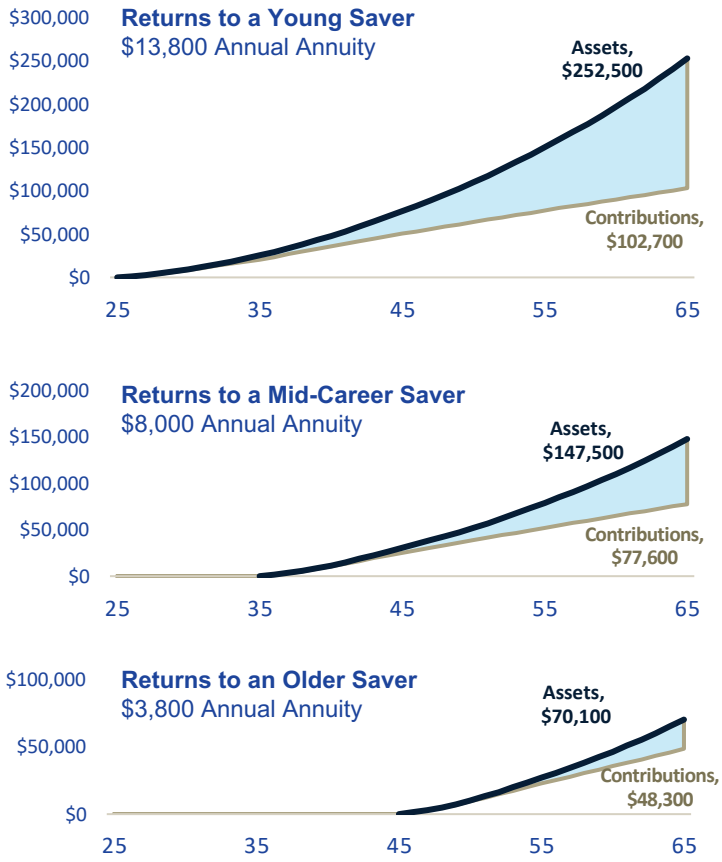

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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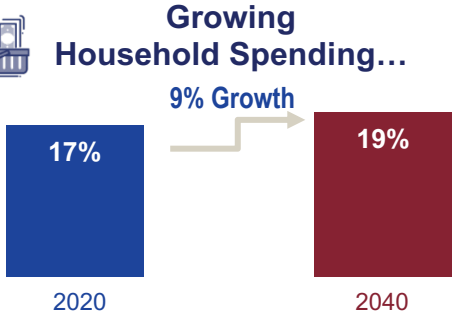
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$59,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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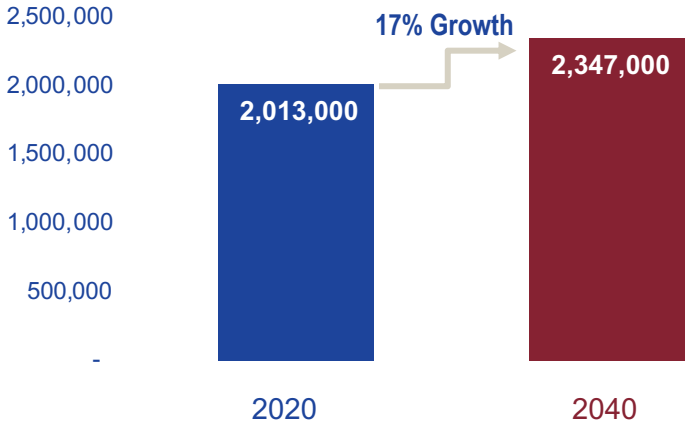
Ohio

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

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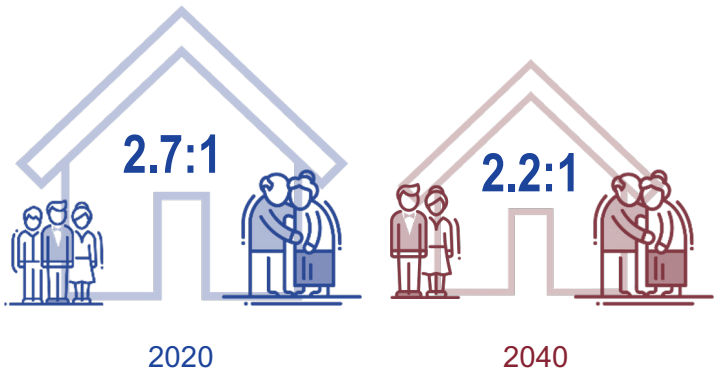

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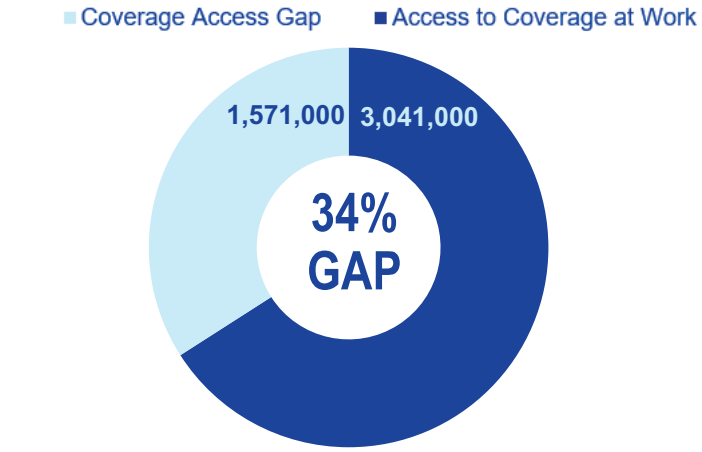

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

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...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	179,000	11%
<10 Employees	405,000	26%
<25 Employees	721,000	46%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	908,000	647,000
Average Contribution	$2,300	$2,380
Total Contributions	$2.08 Billion	$1.54 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

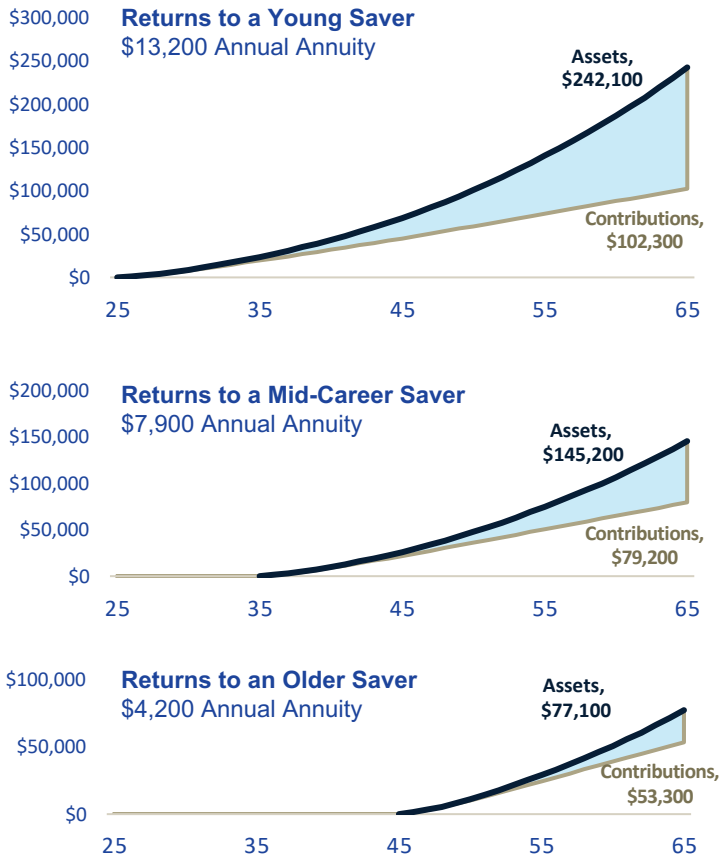
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement



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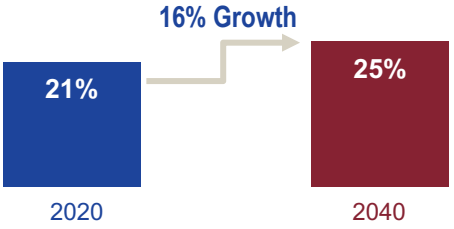
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$21,300

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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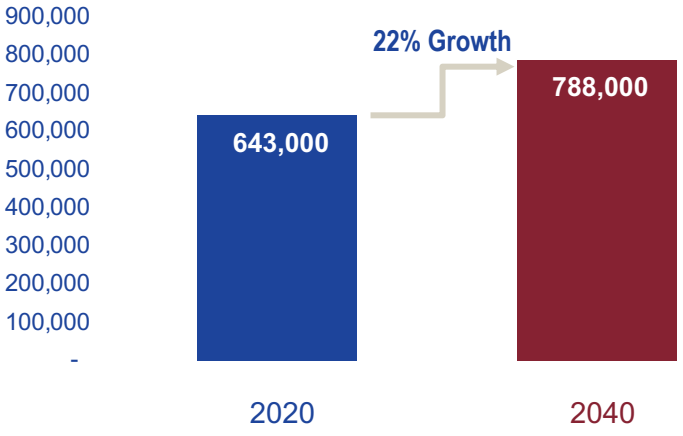
Oklahoma

State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



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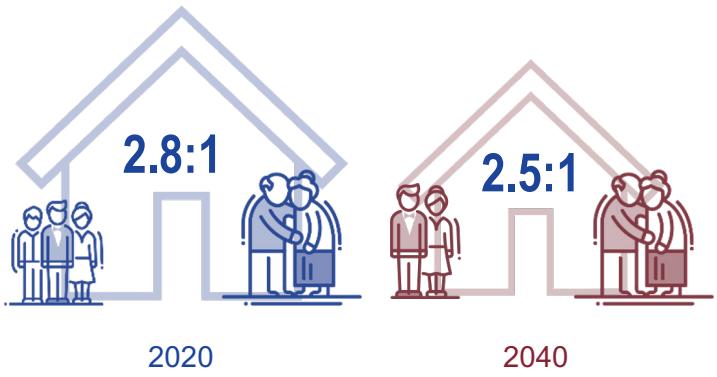

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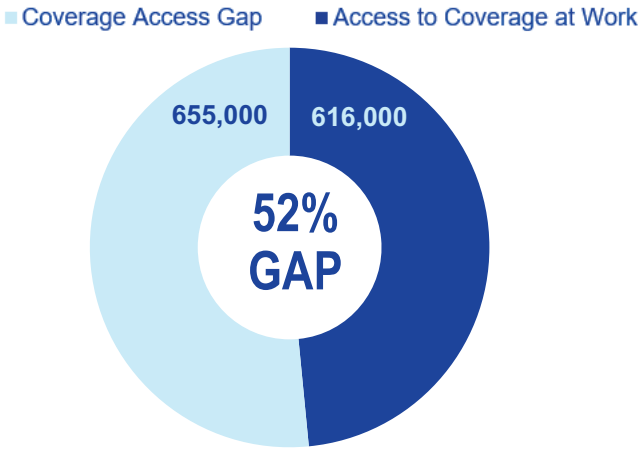

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Savings

Expanding Access Would Grow Savings...

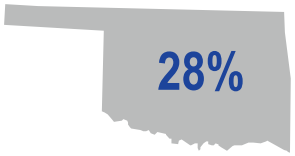
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	438,000	327,000
Average Contribution	$2,290	$2,400
Total Contributions	$1.00 Billion	$790 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

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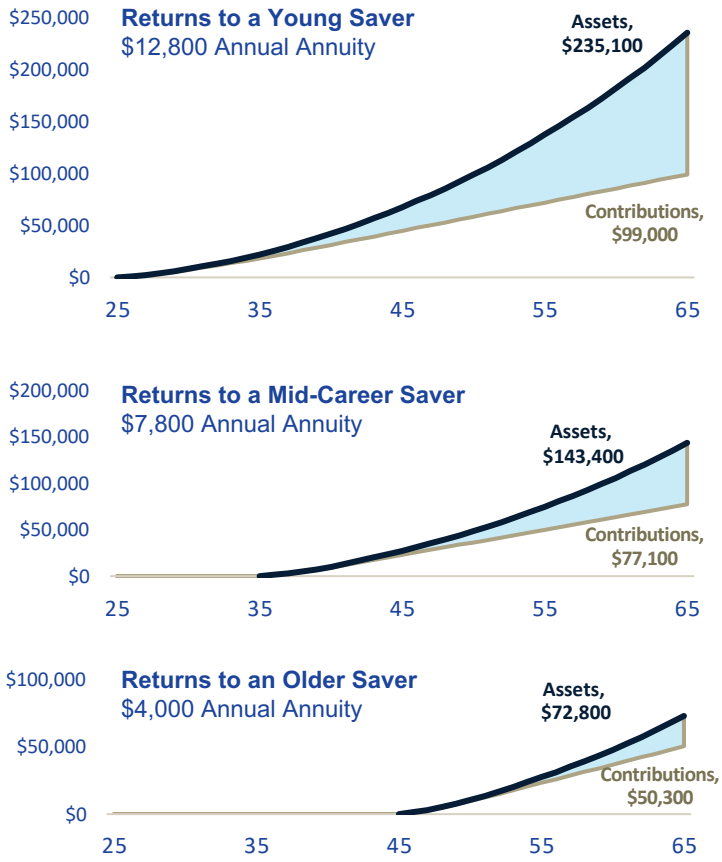

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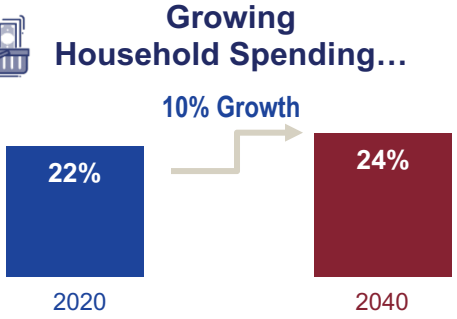

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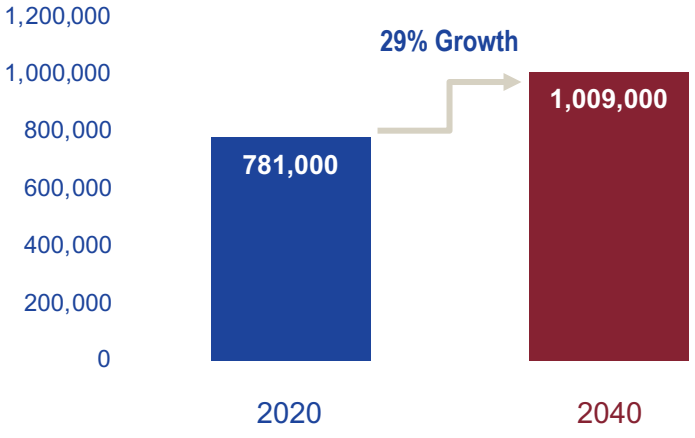
Oregon

State Benefits of Expanding Access to Retirement Savings

Demographic Change

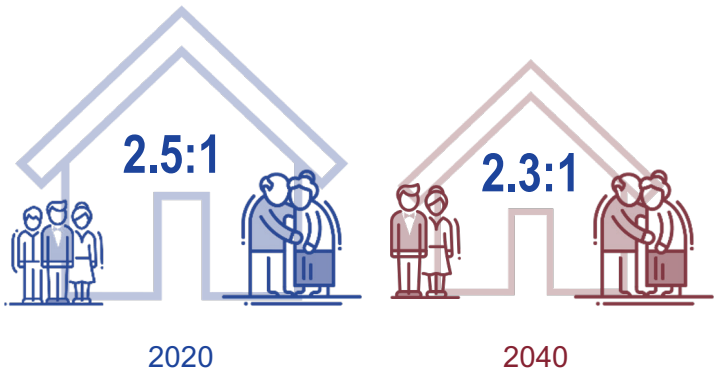
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



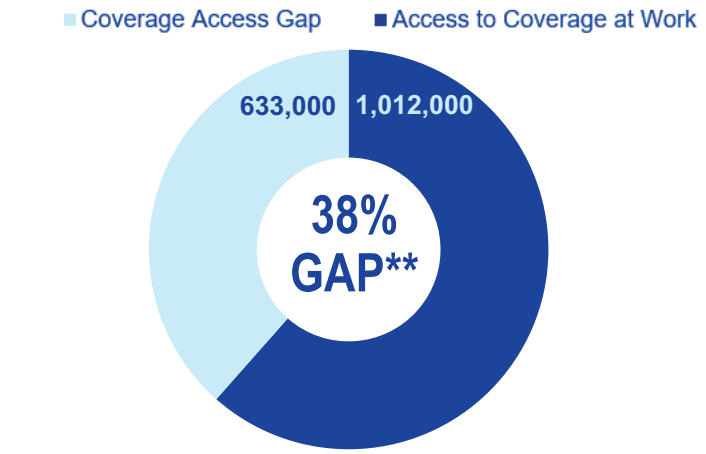
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

Oregon is increasing access to retirement savings for private sector workers through OregonSaves. All private sector businesses that do not offer qualified plans are required to participate in the state-facilitated Auto-IRA program. Launched in 2017, OregonSaves is one of the first state-facilitated programs of its type and serves a model for similar efforts in other states.

*** Adjusted to account for initial access increase through OregonSaves as of December 2020*

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

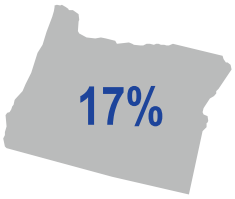
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	583,000	408,000
Average Contribution	$2,520	$2,650
Total Contributions	$1.47 Billion	$1.08 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

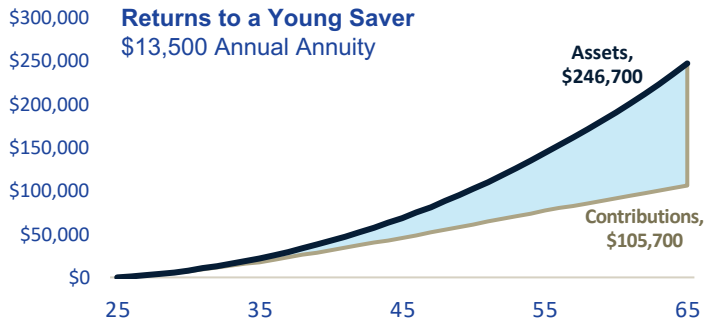
Many Seniors Rely Heavily on Social Security

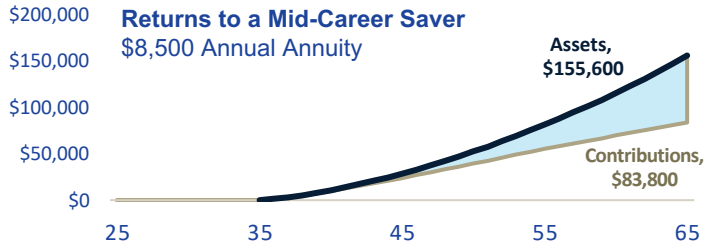


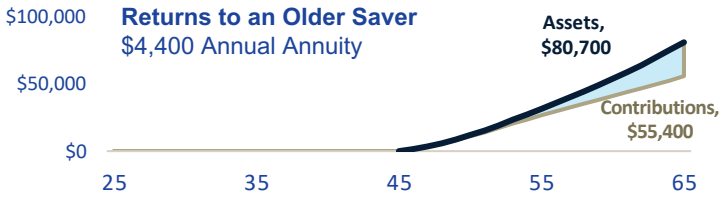
Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement





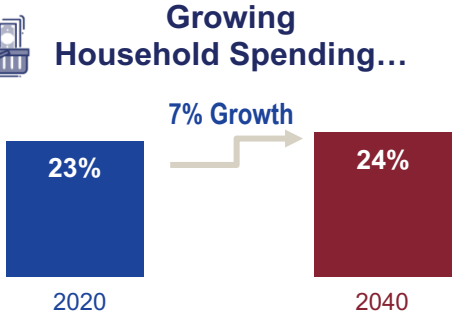


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$25,000

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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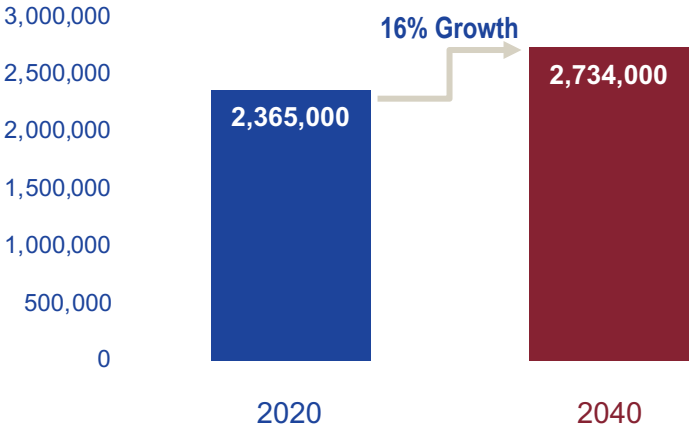
Pennsylvania

State Benefits of Expanding Access to Retirement Savings

Demographic Change

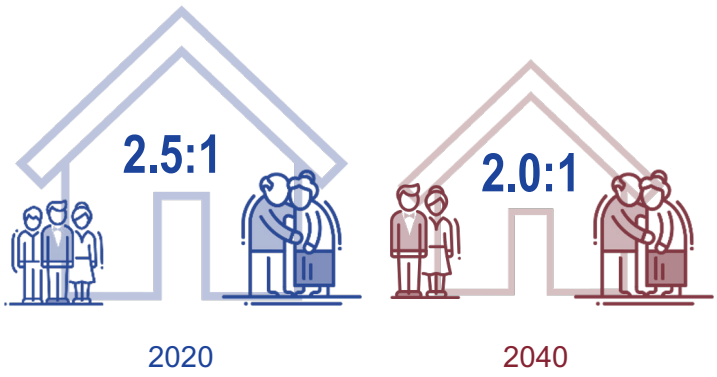
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



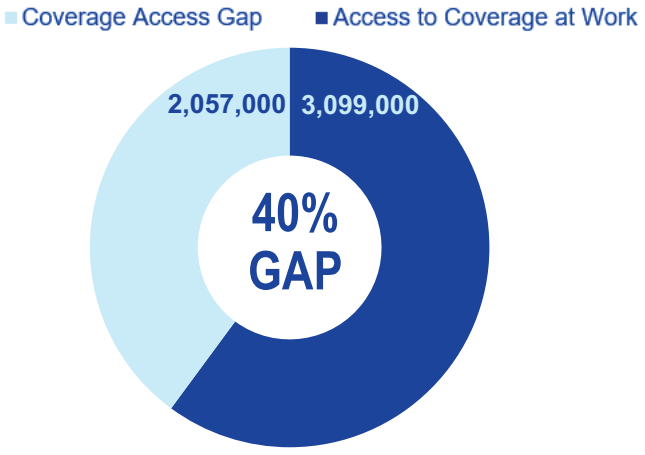
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	254,000	12%
<10 Employees	542,000	26%
<25 Employees	929,000	45%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

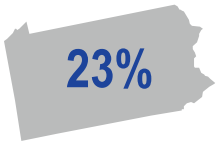
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	1,195,000	851,000
Average Contribution	$2,530	$2,650
Total Contributions	$3.03 Billion	$2.25 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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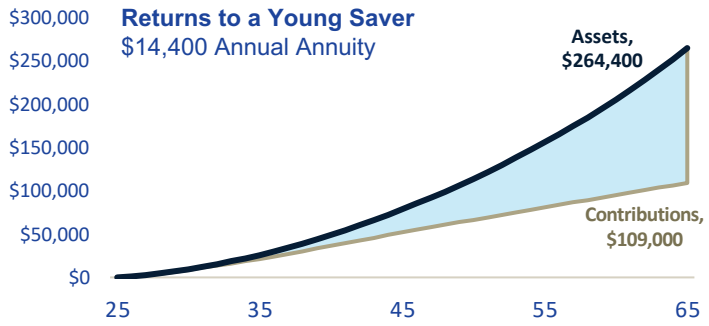
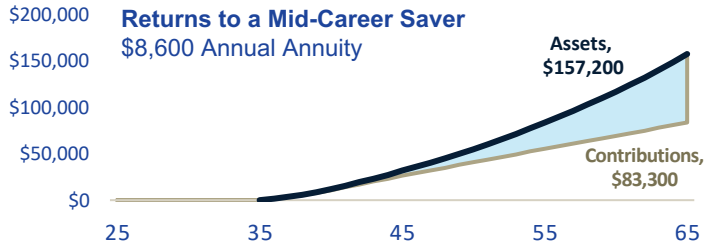
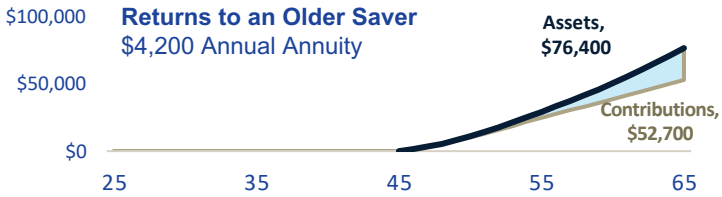




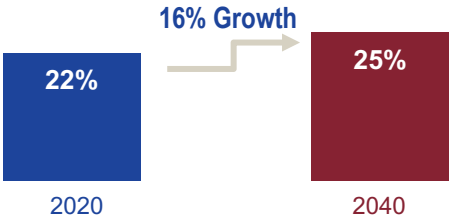


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$37,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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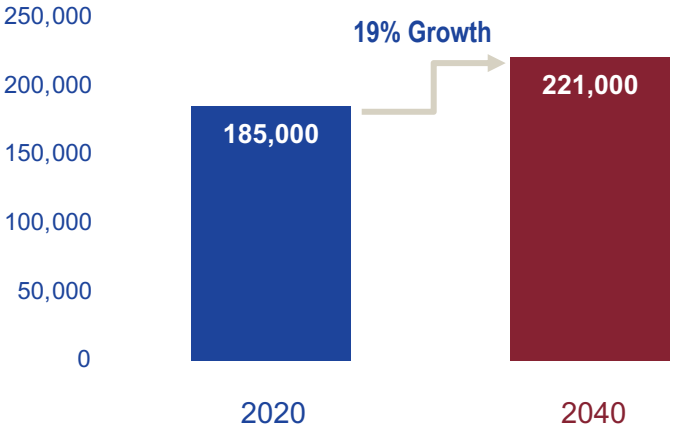
Rhode Island

State Benefits of Expanding Access to Retirement Savings

Demographic Change

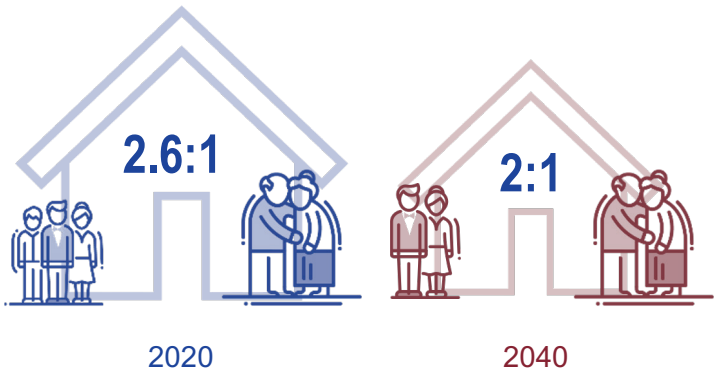
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

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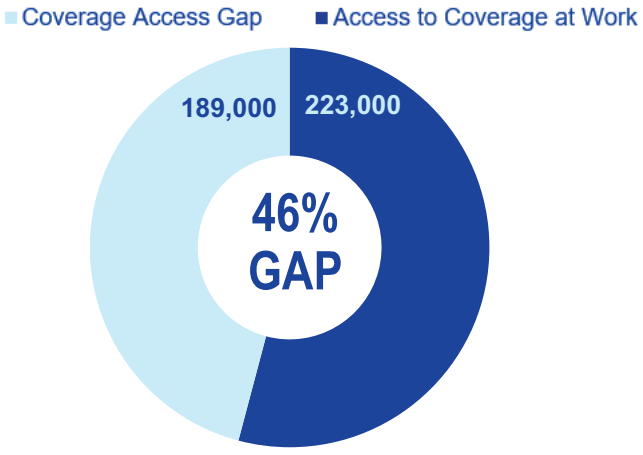

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	28,000	15%
<10 Employees	55,000	29%
<25 Employees	91,000	48%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

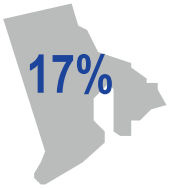
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	109,000	76,000
Average Contribution	$2,710	$2,840
Total Contributions	$300 Million	$210 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

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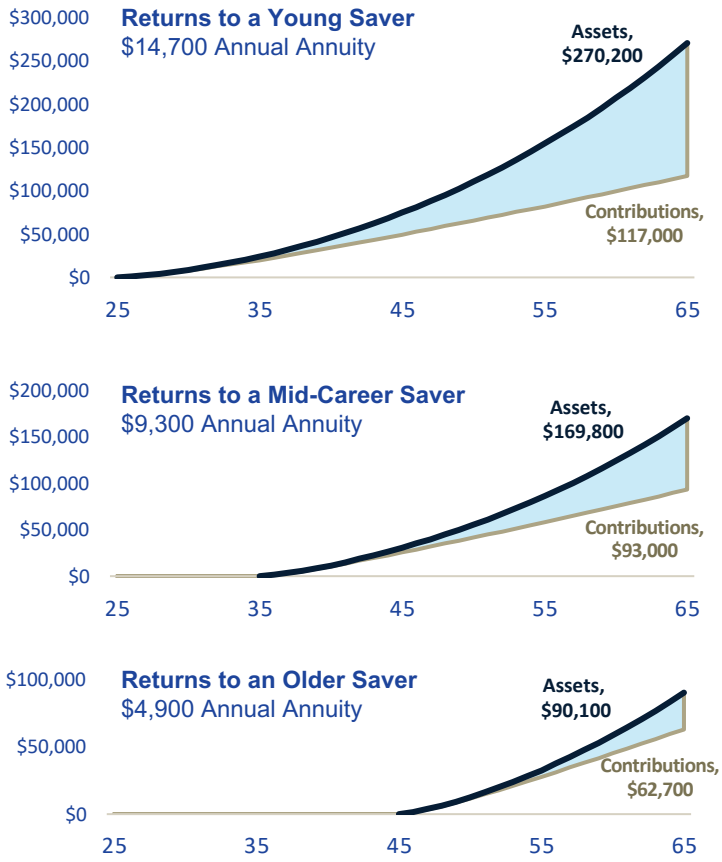

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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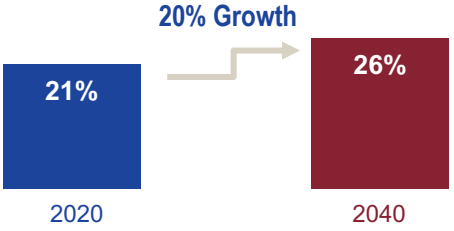

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$17,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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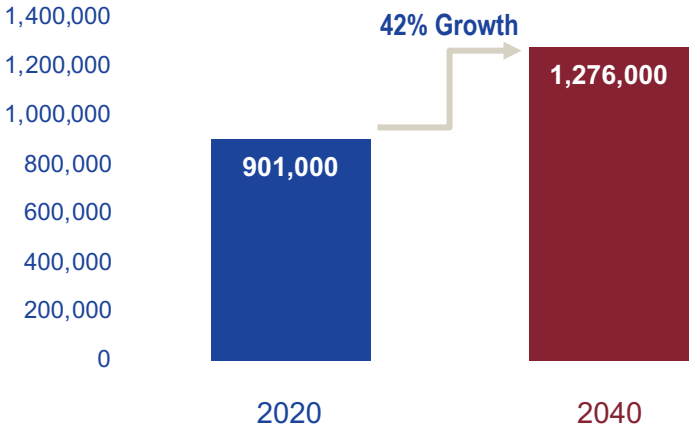
South Carolina

State Benefits of Expanding Access to Retirement Savings

Demographic Change

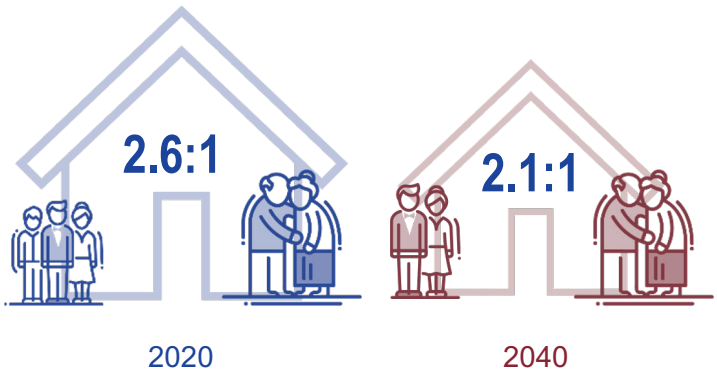
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

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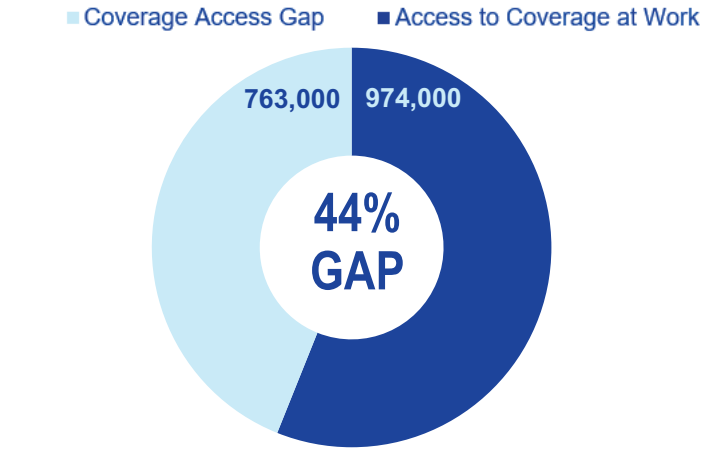

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	90,000	12%
<10 Employees	186,000	24%
<25 Employees	325,000	43%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

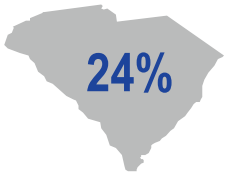
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	575,000	425,000
Average Contribution	$2,450	$2,580
Total Contributions	$1.41 Billion	$1.1 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



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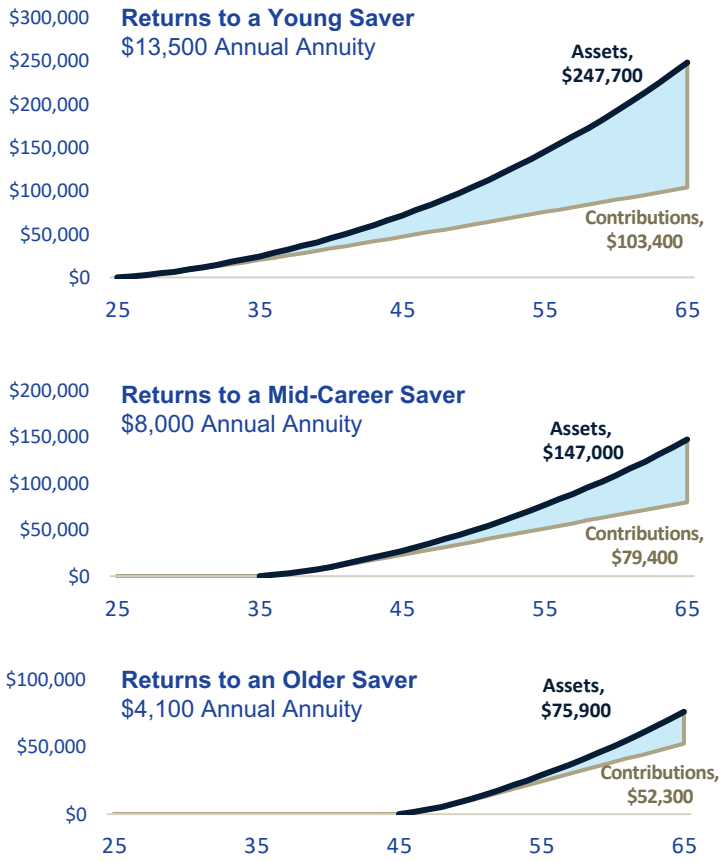

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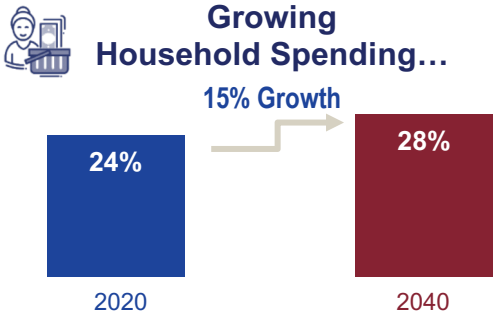

Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

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...While Reducing Government Spending

$10,700

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

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South Dakota

State Benefits of Expanding Access to Retirement Savings

Demographic Change

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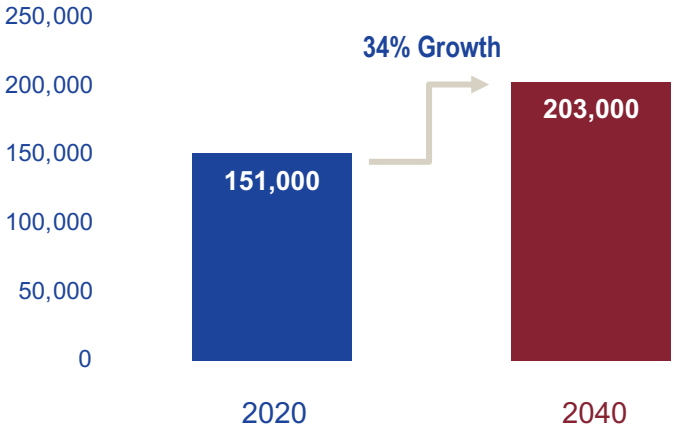

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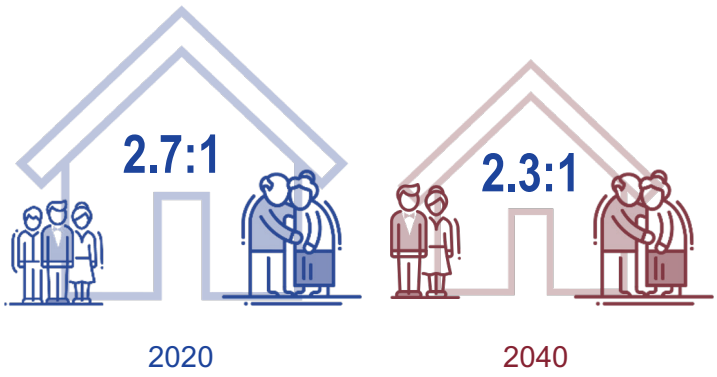

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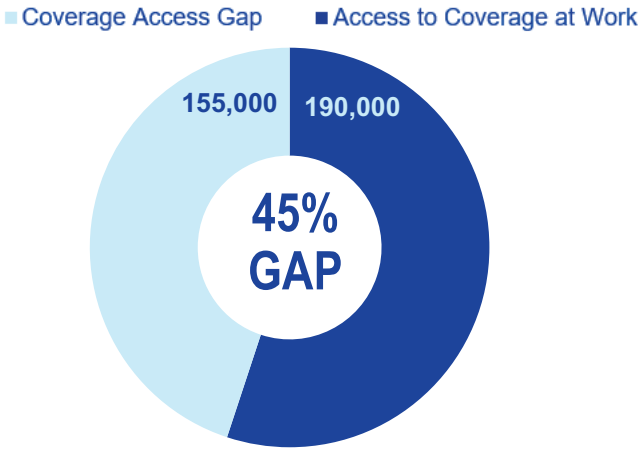

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Source: ESI Analysis of Census Bureau and BLS Data

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Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	22,000	14%
<10 Employees	46,000	30%
<25 Employees	79,000	51%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

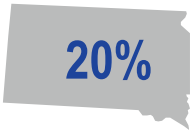
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	105,000	72,000
Average Contribution	$2,370	$2,480
Total Contributions	$250 Million	$180 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

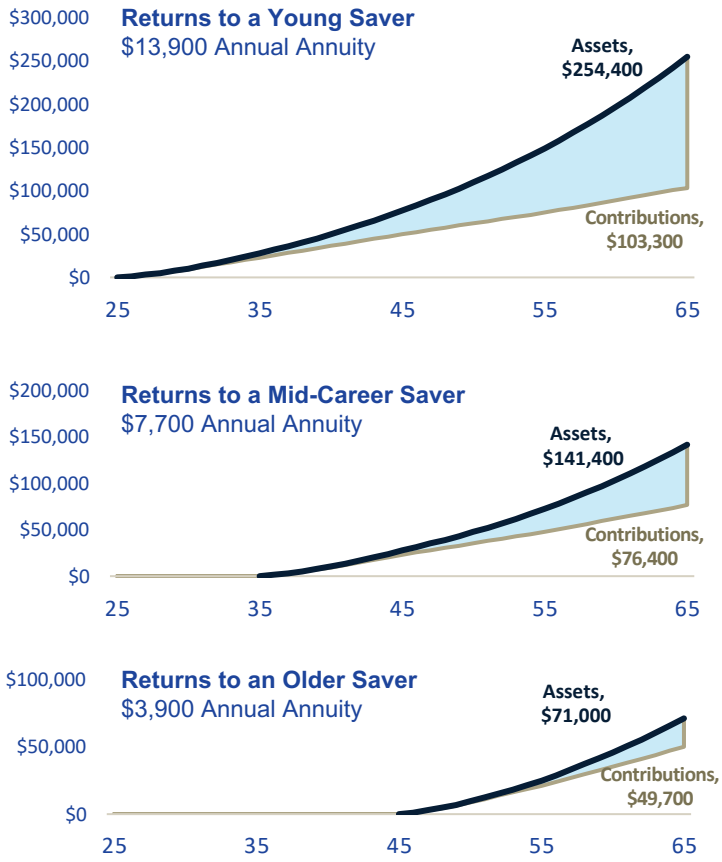
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

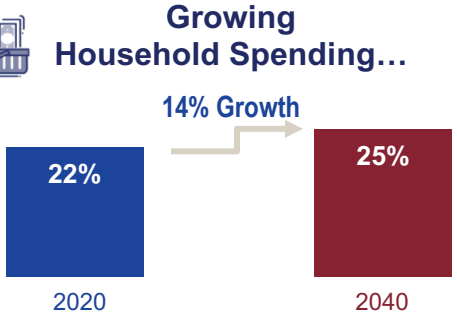


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$18,200

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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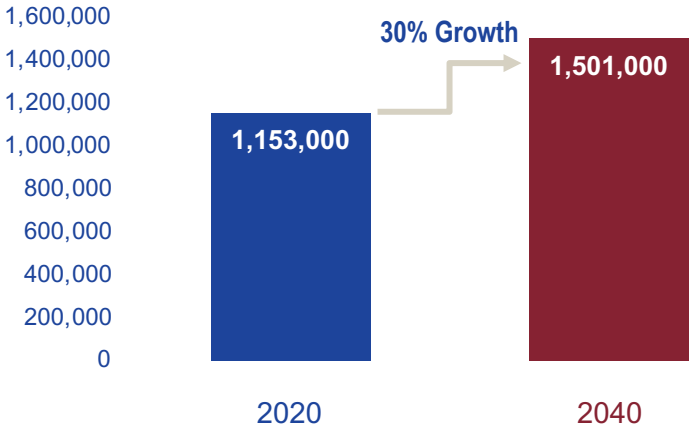
Tennessee

State Benefits of Expanding Access to Retirement Savings

Demographic Change

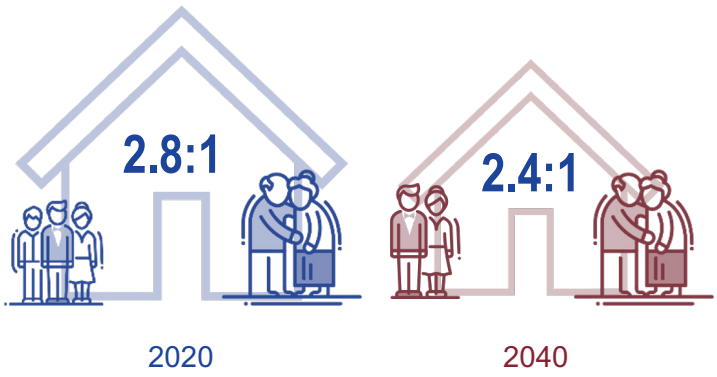
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



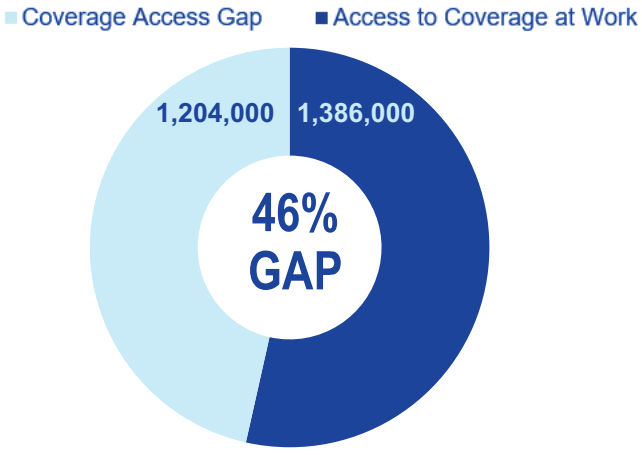
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	116,000	10%
<10 Employees	257,000	21%
<25 Employees	461,000	38%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

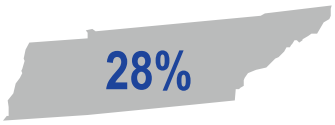
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	837,000	642,000
Average Contribution	$2,600	$2,730
Total Contributions	$2.17 Billion	$1.75 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security



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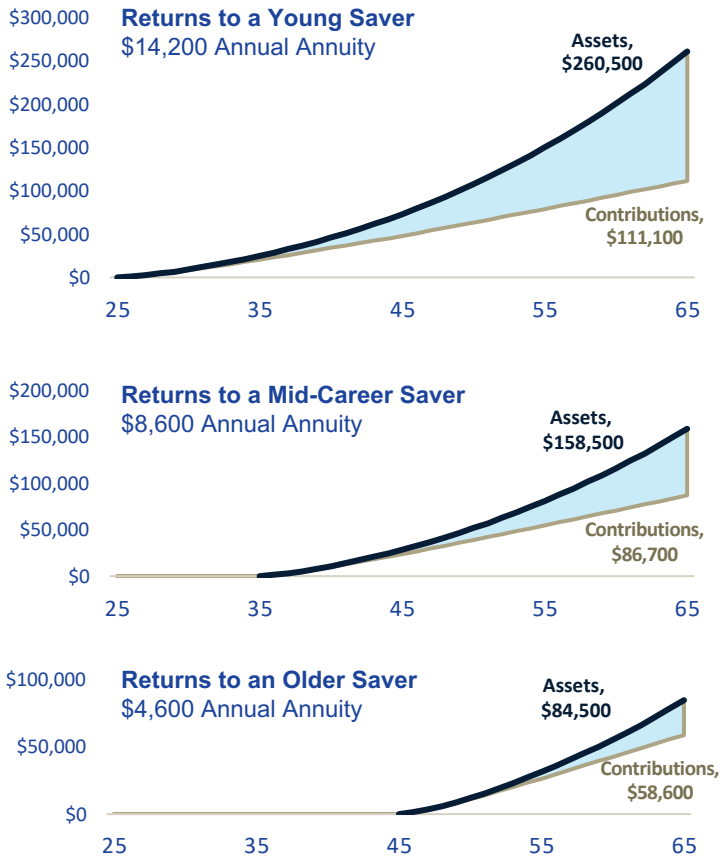

Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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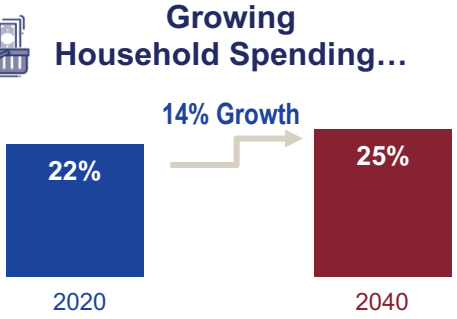
Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$14,200

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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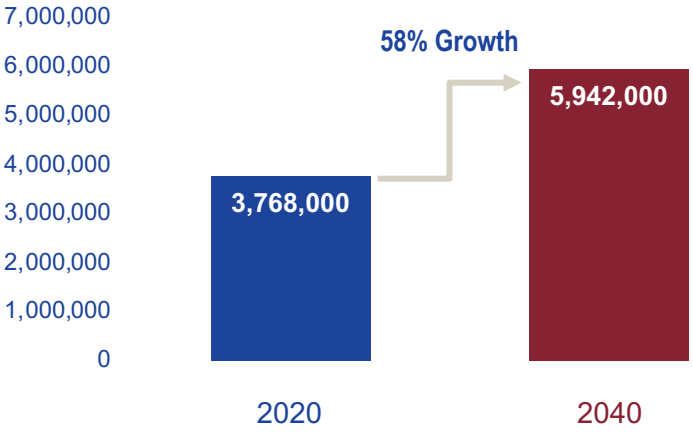
State Benefits of Expanding Access to Retirement Savings

Demographic Change

An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

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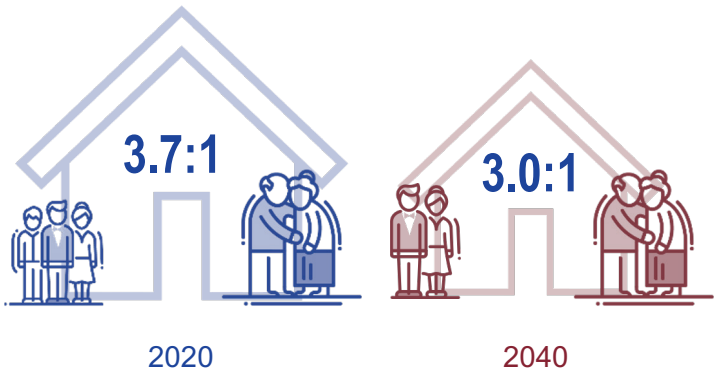


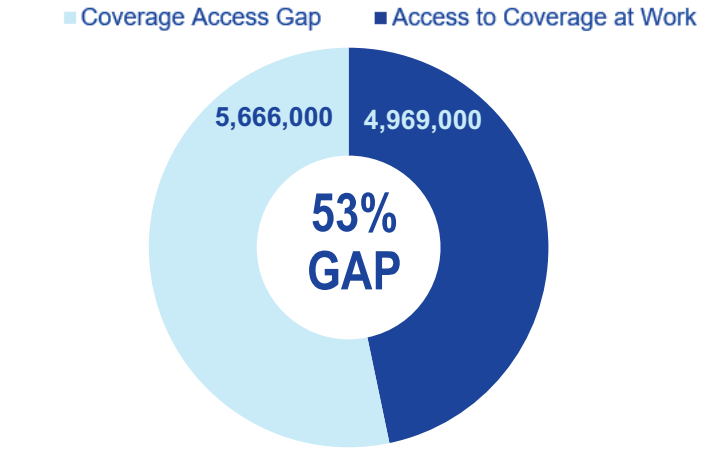
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	538,000	9%
<10 Employees	1,123,000	20%
<25 Employees	2,026,000	36%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	4,848,000	3,810,000
Average Contribution	$2,620	$2,760
Total Contributions	$12.7 Billion	$10.51 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

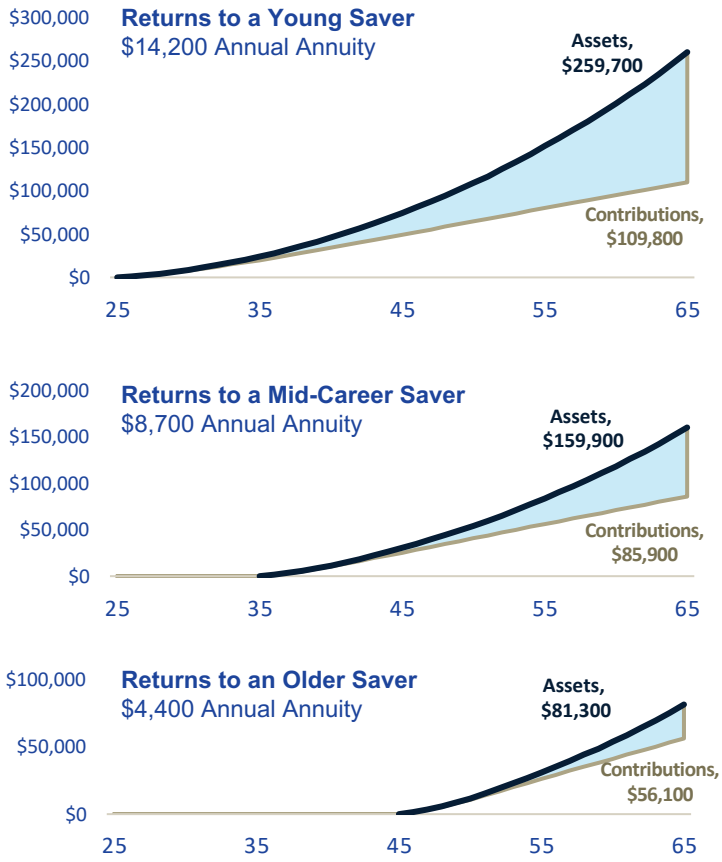
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

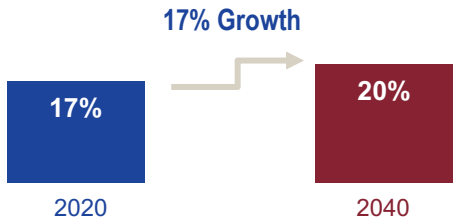


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$26,200

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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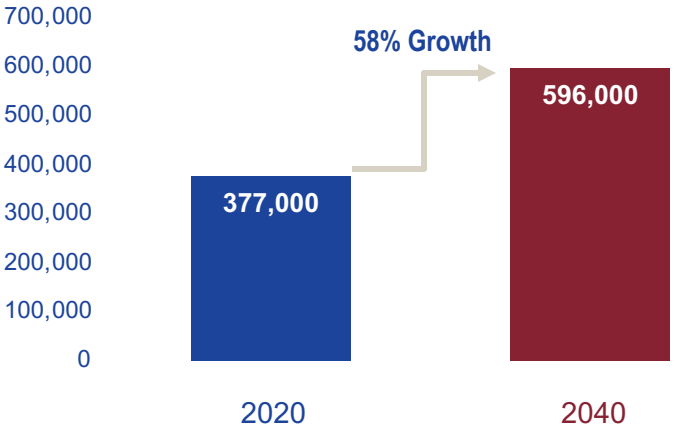
Utah

State Benefits of Expanding Access to Retirement Savings

Demographic Change

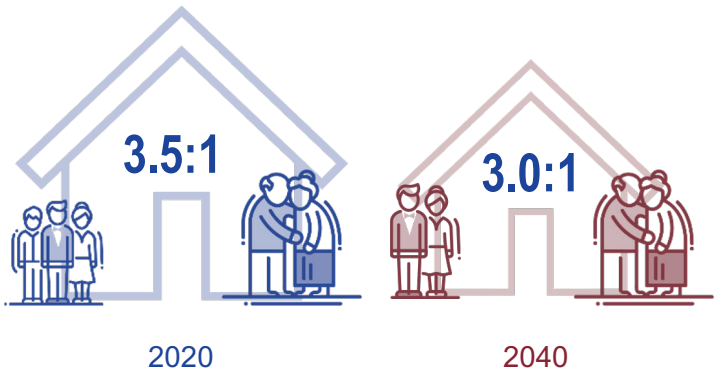
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



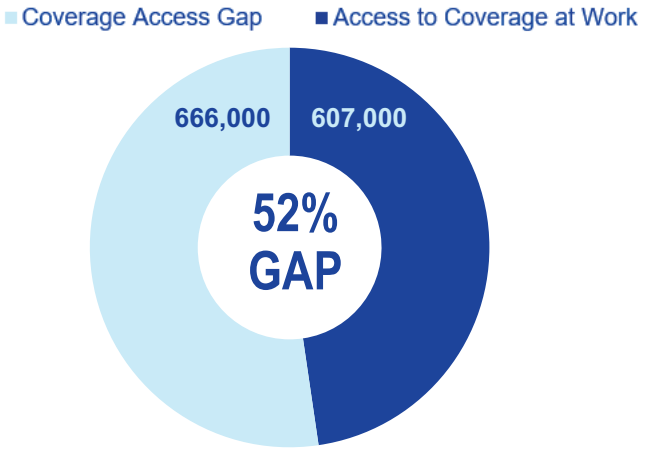
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	75,000	11%
<10 Employees	147,000	22%
<25 Employees	261,000	39%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

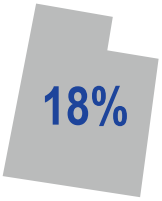
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	551,000	420,000
Average Contribution	$2,580	$2,710
Total Contributions	$1.42 Billion	$1.14 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

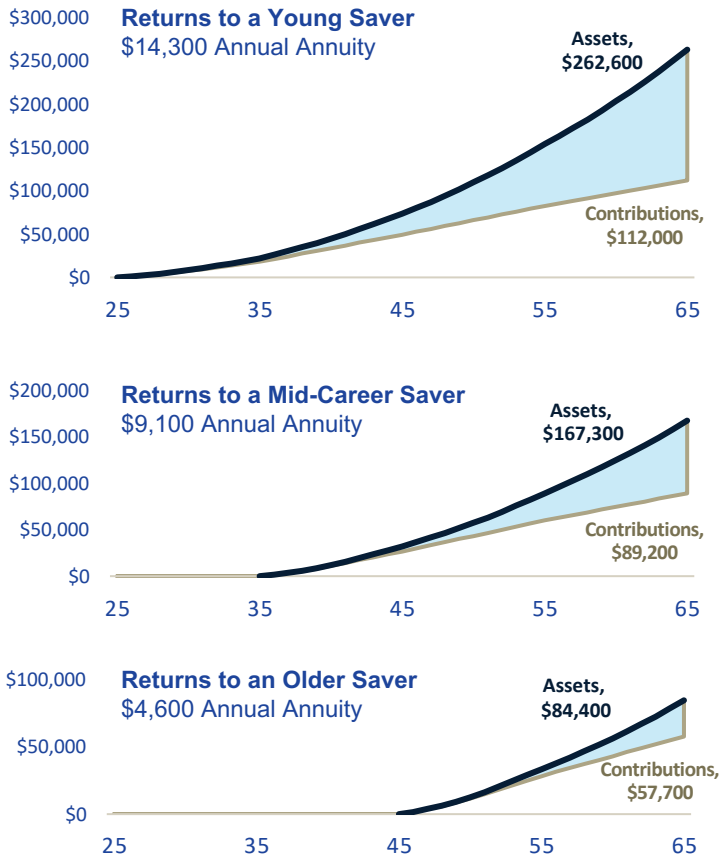
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

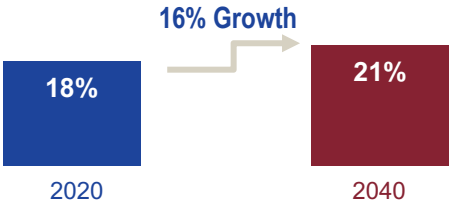


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$19,600

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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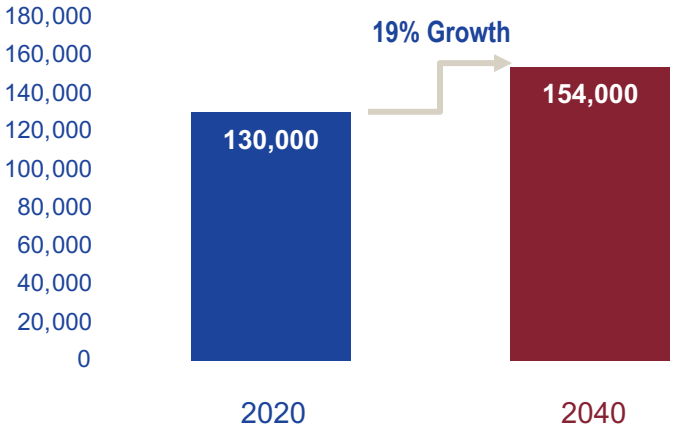
Vermont

State Benefits of Expanding Access to Retirement Savings

Demographic Change

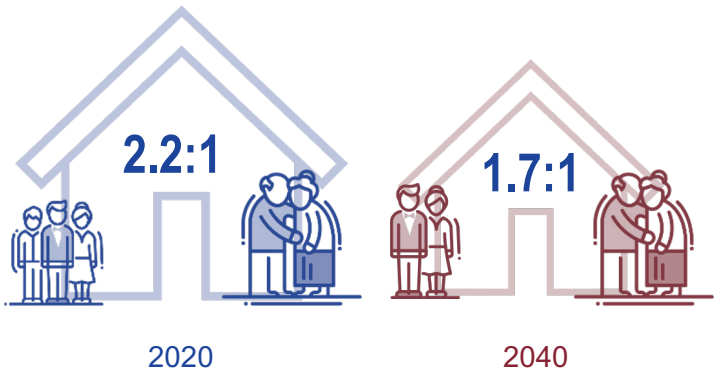
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

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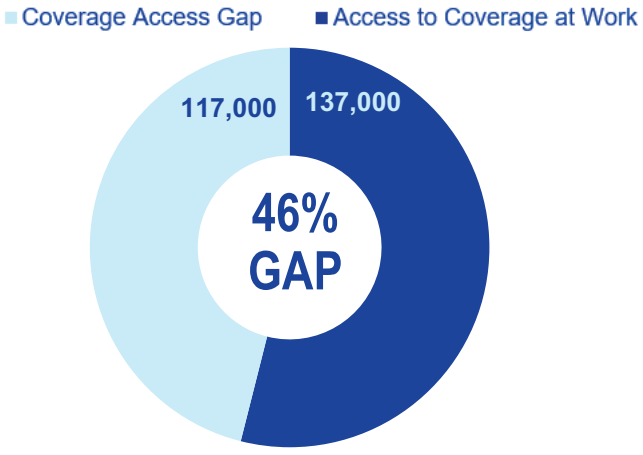

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	18,000	16%
<10 Employees	38,000	32%
<25 Employees	62,000	53%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	65,000	43,000
Average Contribution	$2,210	$2,320
Total Contributions	$140 Million	$100 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

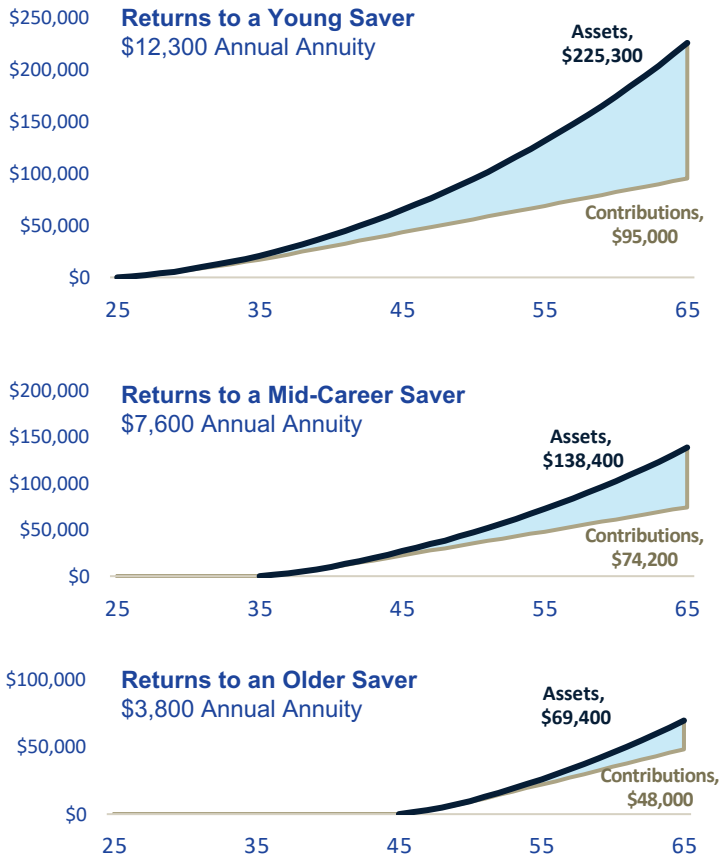
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement



Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

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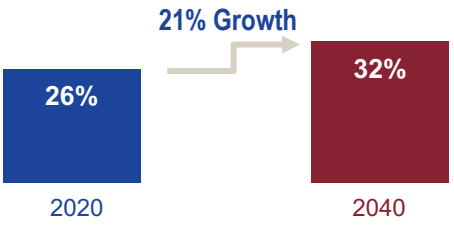
Growing Household Spending…



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...While Reducing Government Spending

$14,400

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

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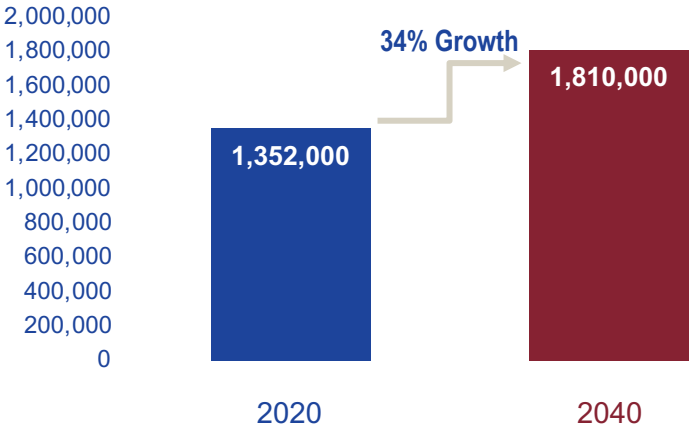
State Benefits of Expanding Access to Retirement Savings

Demographic Change

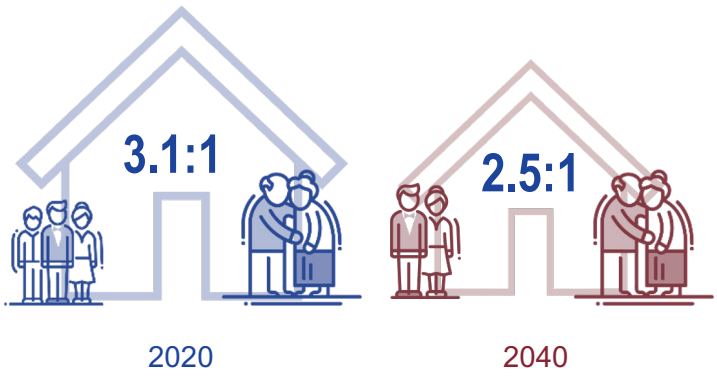
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



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Source: ESI Analysis of UVA Population Projections

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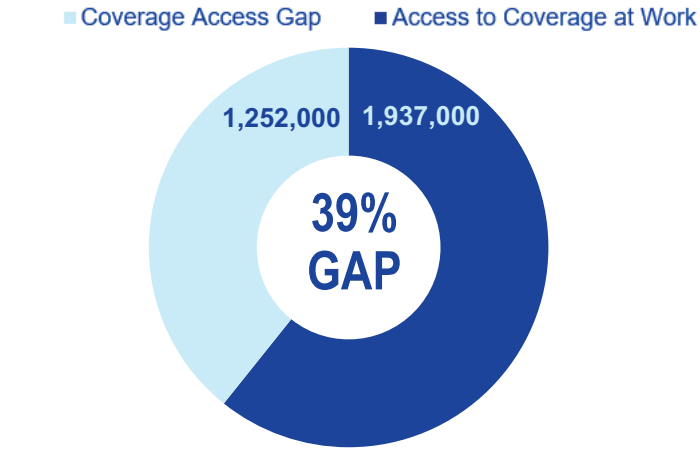

Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	172,000	14%
<10 Employees	339,000	27%
<25 Employees	575,000	46%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

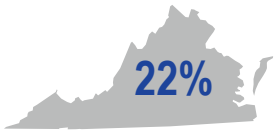
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	865,000	615,000
Average Contribution	$2,680	$2,810
Total Contributions	$2.32 Billion	$1.73 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

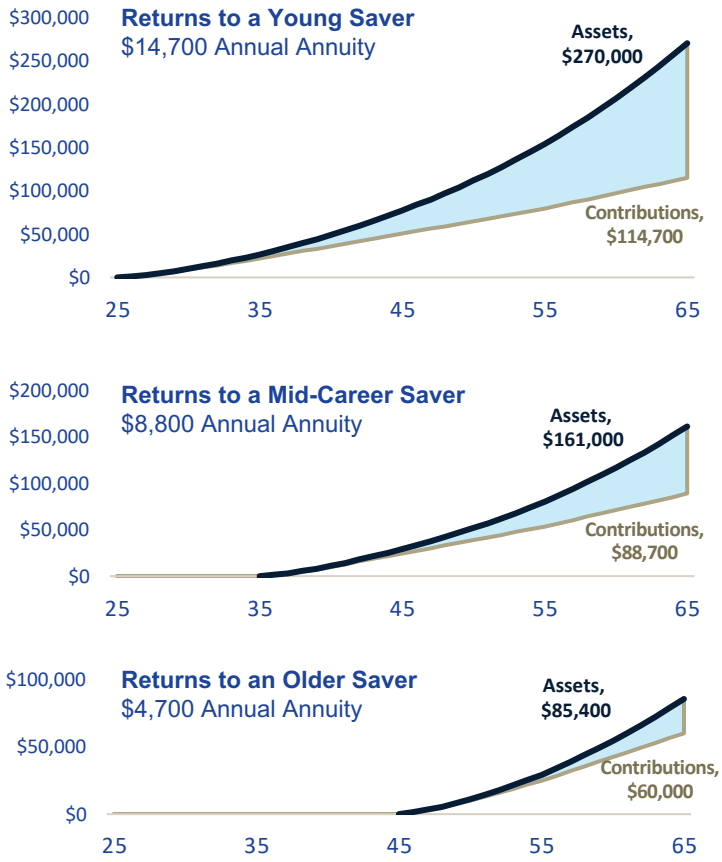
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

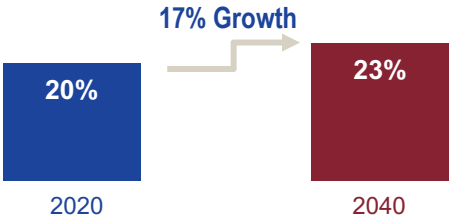


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$19,900

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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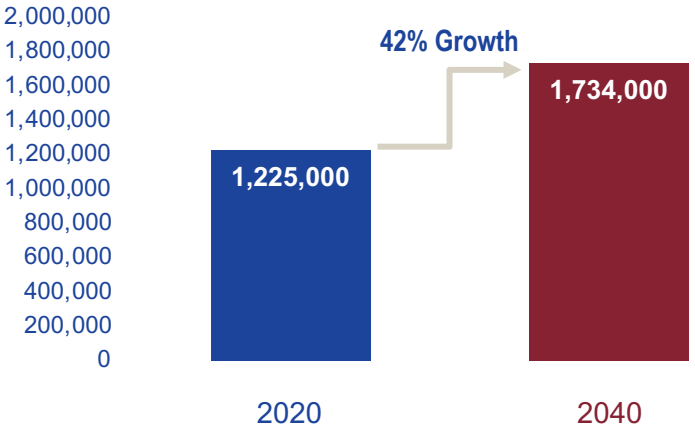
Washington

State Benefits of Expanding Access to Retirement Savings

Demographic Change

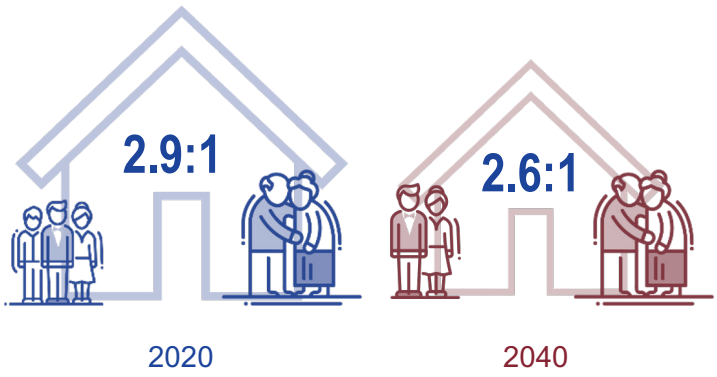
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



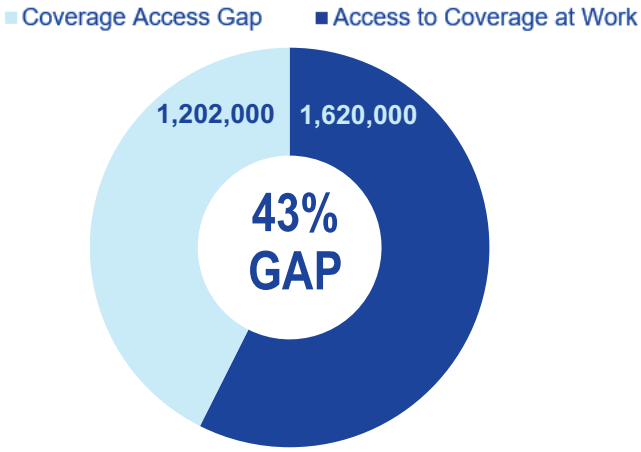
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	184,000	15%
<10 Employees	348,000	29%
<25 Employees	570,000	47%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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* For further information and national analysis, see: *What are the Potential Benefits to Universal Access to Retirement Savings?*

Savings

Expanding Access Would Grow Savings...

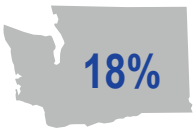
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	931,000	645,000
Average Contribution	$2,990	$3,130
Total Contributions	$2.78 Billion	$2.02 Billion

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

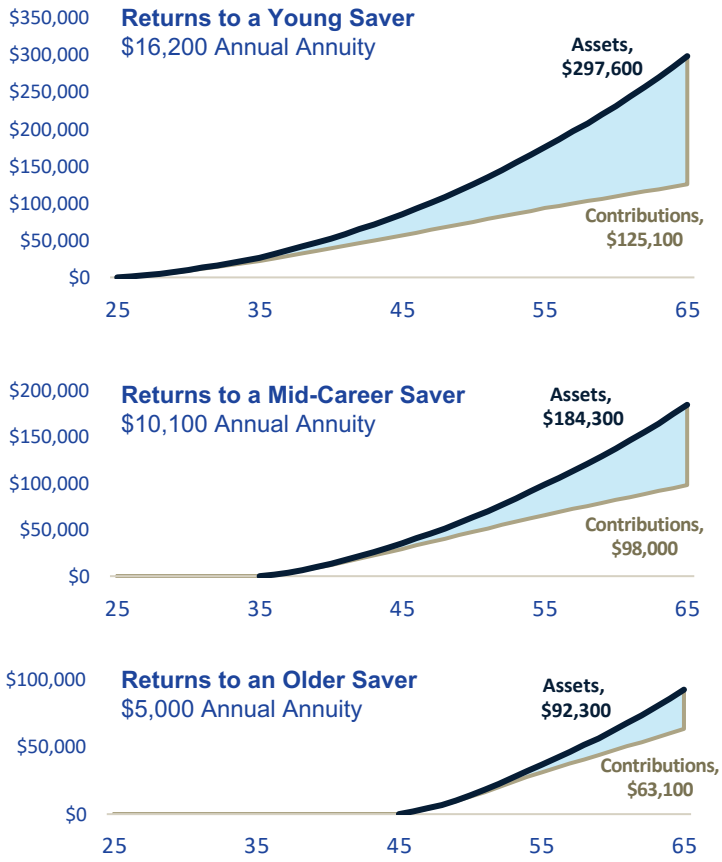
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

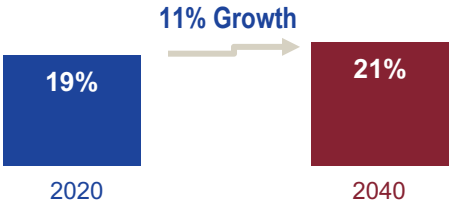


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$18,600

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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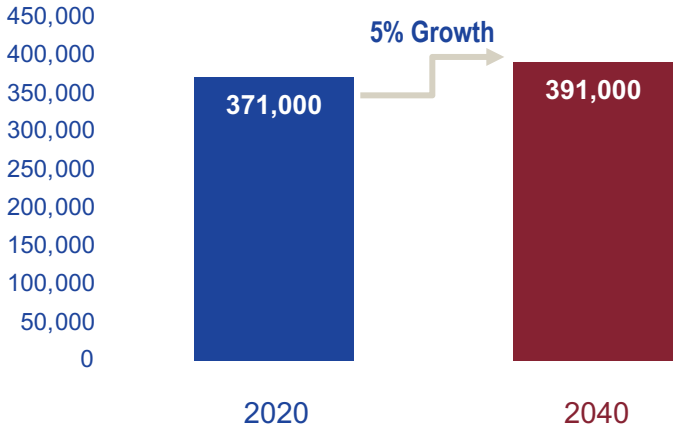
West Virginia

State Benefits of Expanding Access to Retirement Savings

Demographic Change

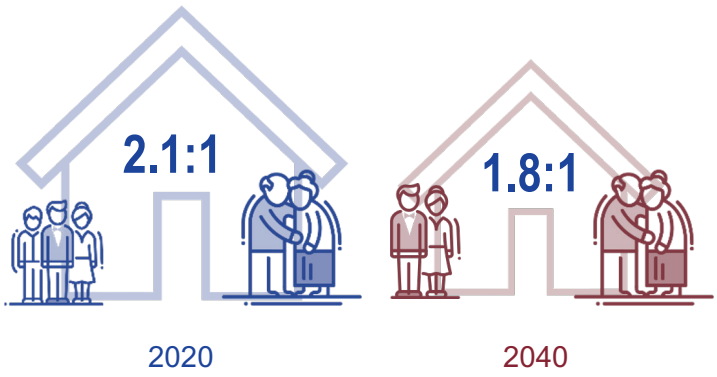
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



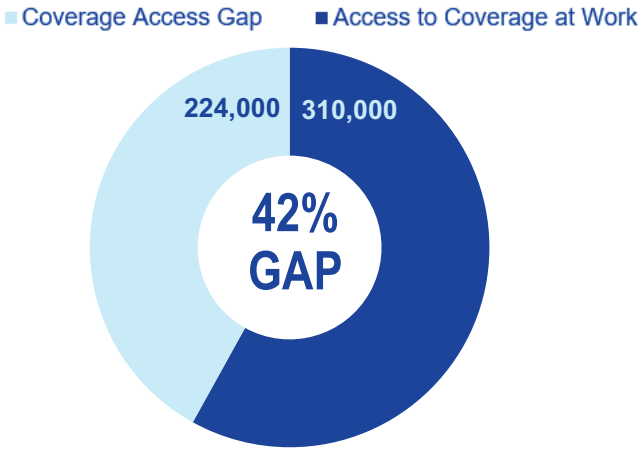
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	27,000	12%
<10 Employees	60,000	27%
<25 Employees	102,000	45%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

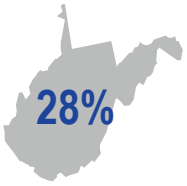
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	125,000	89,000
Average Contribution	$1,990	$2,080
Total Contributions	$250 Million	$190 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

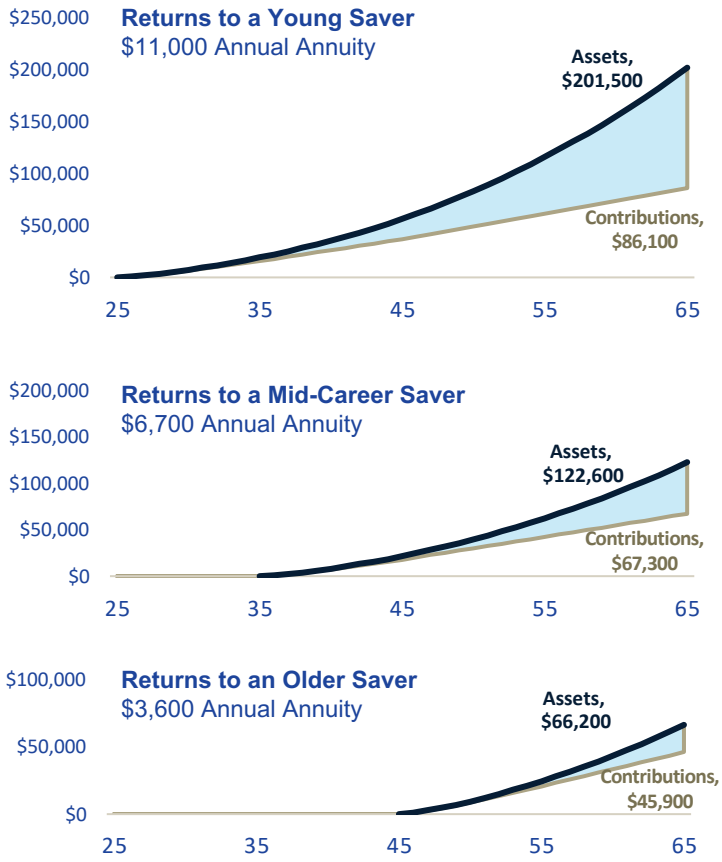
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

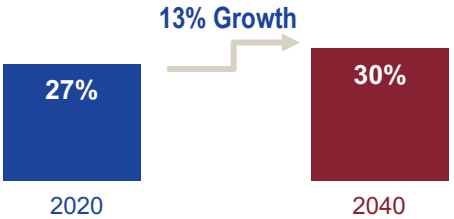


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$23,200

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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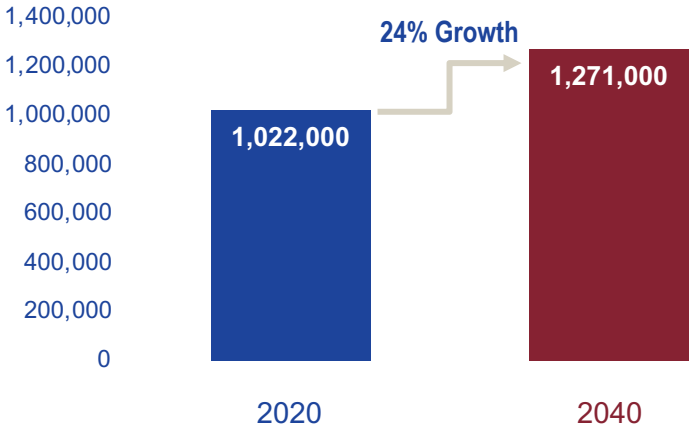
Wisconsin

State Benefits of Expanding Access to Retirement Savings

Demographic Change

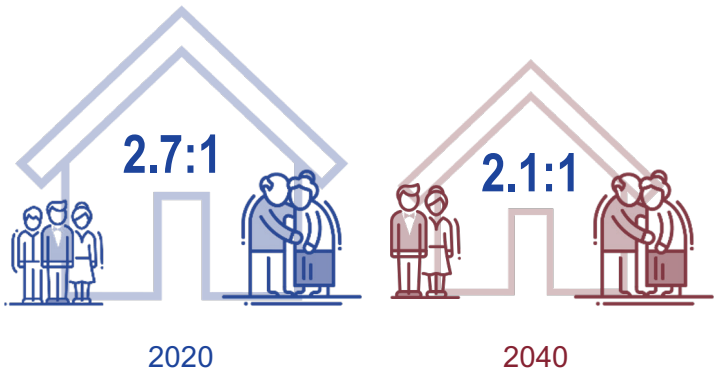
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



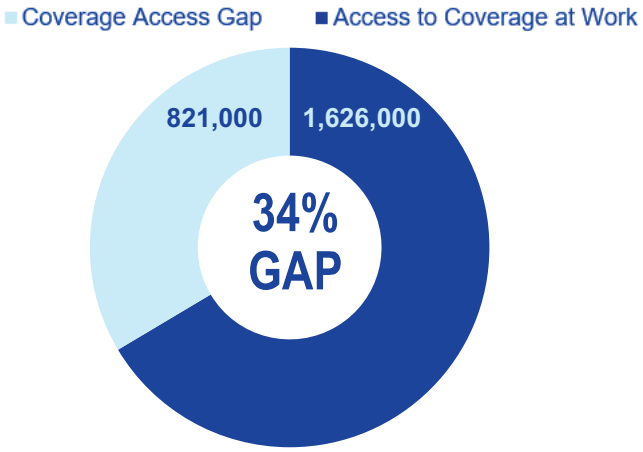
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	113,000	14%
<10 Employees	238,000	29%
<25 Employees	416,000	51%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	464,000	313,000
Average Contribution	$2,160	$2,240
Total Contributions	$1.00 Billion	$700 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

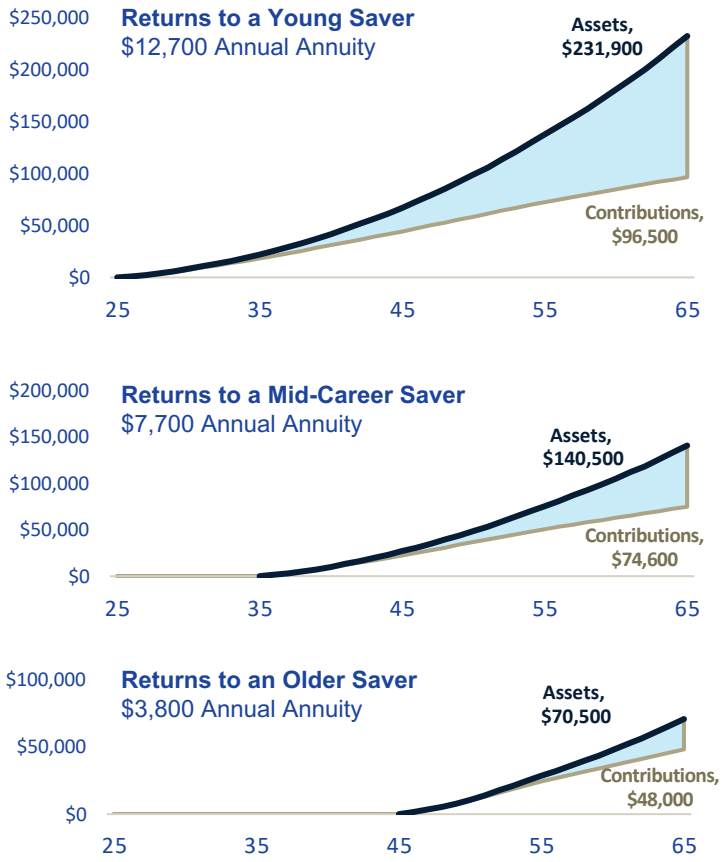
Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

Many Seniors Rely Heavily on Social Security

Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

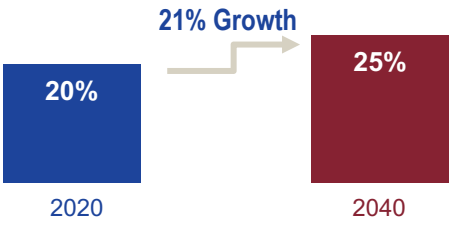


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$14,700

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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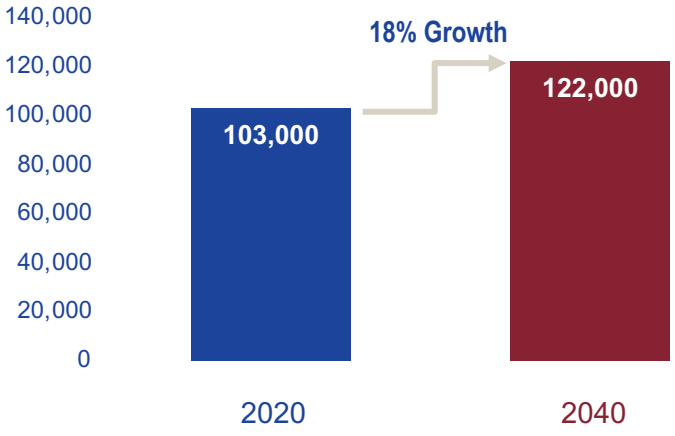
Wyoming

State Benefits of Expanding Access to Retirement Savings

Demographic Change

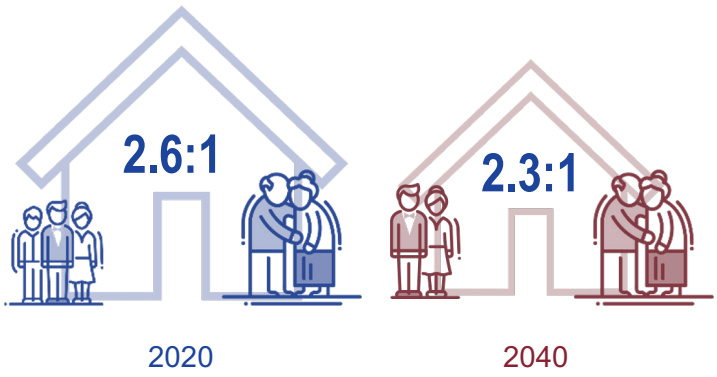
An Aging Population...



State Elderly Population Growth, 2020–2040

Source: University of Virginia Population Projections

...with Fewer Working-Age Households to Support it



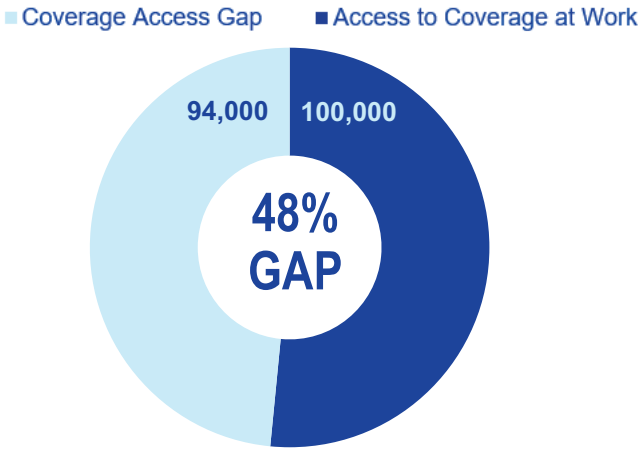
State Ratio of Working Age to Elderly Households, 2020–2040

Source: ESI Analysis of UVA Population Projections

Retirement Savings Access

Employer-sponsored retirement plans are the primary way for private sector workers to build savings, but employers are not required to offer them. Universal workplace access policies, where every firm is required to offer a plan, could significantly reduce gaps in access and expand retirement savings. Because the smallest employers are the least likely to offer coverage, thresholds exempting small employers from coverage requirements reduce the ability to close the access gap.*

Many Employees in the State Lack Access to a Retirement Savings Plan at Work...



Workplace Access to Retirement Savings Among Private Sector Workers (2020)

Source: ESI Analysis of Census Bureau and BLS Data

...Especially Those Working for the Smallest Employers

Employer Size	Workers Without Access ("Gap")	% of State Access Gap Unaddressed
<5 Employees	16,000	17%
<10 Employees	33,000	35%
<25 Employees	54,000	58%

How Employer Size Thresholds for Providing Coverage Reduce the Ability to Close the Access Gap (2020)

Source: ESI Analysis of Census Bureau and BLS Data

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Savings

Expanding Access Would Grow Savings...

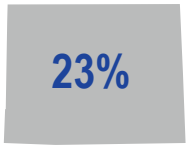
	Auto-IRA (no threshold)	Auto-IRA (employers <10 exempt)
Additional Savers	58,000	36,000
Average Contribution	$2,120	$2,210
Total Contributions	$120 Million	$80 Million

Projected Increases in Savings Within the State in the Year 2040 from Expanded Access

Source: ESI Projections

Projected savings levels are highest when the most workers are covered. Savings could be further enhanced through incentives such as a refundable federal Saver's Tax Credit.*

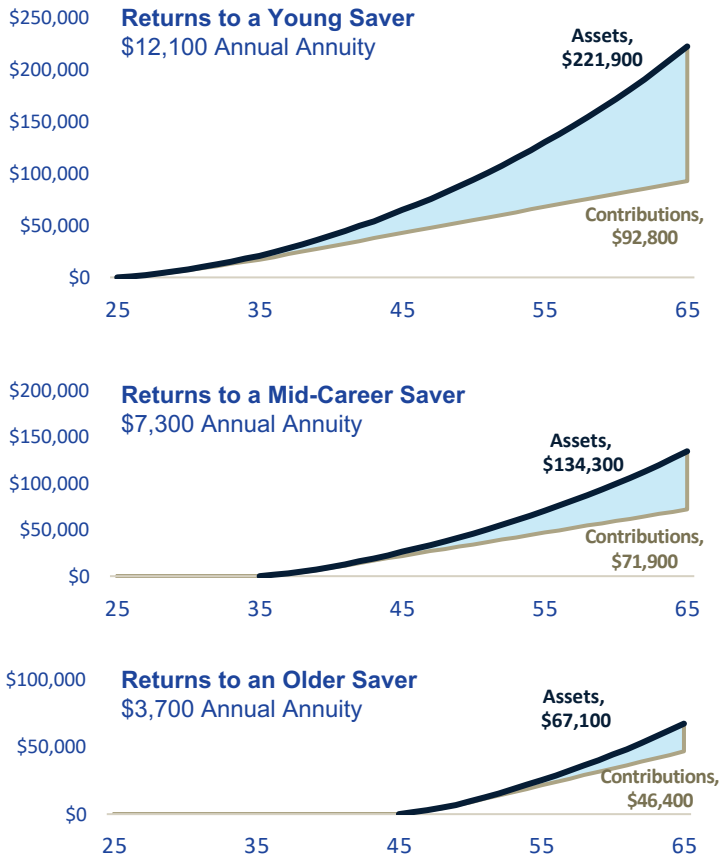
Many Seniors Rely Heavily on Social Security



Share of Elderly Households in the State Relying on Social Security for at Least 90% of Their Income (2018–2019)

Source: ESI Analysis of Current Population Survey Data

...Allowing Savers Across the State to Supplement Their Income in Retirement

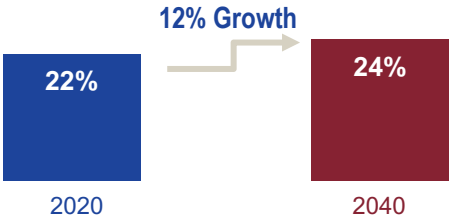


Source: ESI Projections for a Worker at a Small Business Following Auto-IRA Savings Defaults

Economic and Fiscal Impacts

An increase in savings would grow the disposable income available to retirees, boosting the economy because seniors represent an increasing share of household spending power.

Growing Household Spending…



Share of Statewide Household Spending by Seniors, 2020–2040

Source: ESI Analysis BLS Data

Current government expenditures to support low-income seniors through benefit programs like Medicaid are significant. Increases in retiree incomes through enhanced savings would limit the growing demand for these programs as the population ages.

...While Reducing Government Spending

$21,400

Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients, 2017–2018

Source: Centers for Medicaid and Medicare Services

This analysis presents state data and analyses pertaining to an IRA model only, which does not allow for employer contributions. States are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP because those are considered employee benefit plans.*

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State Metrics

Metrics Overview

The metrics analyzed for each state are described below. Results for each metric are incorporated into the state profiles, and presented in table format for all states in this section. Further detail about the calculation approach to each metric is provided in the methodology section that follows.

Elderly Population Growth (2020–2040)

Population projections by age cohort demonstrate the rapid aging of the population and increased urgency of the issue of retirement security. Nationally, the elderly population is anticipated to increase from 54 million in 2020 to 71 million by 2040, a growth rate of 32% or about three times the rate of the non-elderly population.

State estimates for this metric (see Figure 1 and Figure 2) are based on population projections issued by the Demographics Research Group at the University of Virginia's Weldon Cooper Center. Through this analysis, "elderly" is defined as the population 65 years of age and older.

Ratio of Working Age to Elderly Households ("Dependency Ratio") (2020–2040)

The dependency ratio compares the number of working-age households to the number of retirement-age households. This ratio is used as an indicator of fiscal stability, since working-age households are the main supporters of the tax base, while elderly-age households are net recipients of support from public programs. Nationally, the dependency ratio is projected to fall from 2.8 working-age households per retiree household in 2020 to 2.3 in 2040, indicating an increasing fiscal burden on the working-age population.

State estimates for this metric (see Figure 3 and Figure 4) are based on ESI analysis of University of Virginia population projections, as well as the ratio between population and households by age group from the U.S. Census Bureau. The dependency ratio at any point in time is calculated by dividing the number of households headed by a "householder" under the age of 65 by the number of households headed by a householder 65 or older.

Private Sector Workers Without Access to Coverage ("Gap") (2020)

Workers are much more likely to save for retirement if they have access to an employer-sponsored retirement savings plan. Unfortunately, many employers do not provide access to such coverage, which greatly reduces the share of the workforce that is saving. Nationally, 46% of private sectors workers are estimated to lack access to retirement savings through their workplaces, an "access gap" of 57 million workers as of 2020.

State estimates for this metric (see Figure 5 and Figure 6) are based on ESI analysis of data from the Current Population Survey (CPS) of the U.S. Census Bureau and the National Compensation Survey from the Bureau of Labor Statistics (BLS).[4] This analysis considers only "employees" as defined by the BLS and excludes gig workers and independent contractors.

Workers Without Access to Coverage by Employer Size (2020)

Retirement savings access levels vary by employer type, with the smallest firms being the least likely to offer access to coverage for their workforces. Employer size and industry access patterns contribute to lower levels of access among lower-income workers, younger workers, minorities, and women. These patterns also mean that policy approaches that exempt small employers from coverage requirements reduce the ability to close the access gap. Nationally, 7.4 million workers at employers with fewer than five employees are estimated to lack access (13% of the 57 million coverage gap), growing to 14.5 million at employers with fewer than 10 employees (25%) and 24.6 million at employers with fewer than 25 employees (43%).

4 State-level analysis of the access gap as of 2020 makes an adjustment to account for increases in access due to state-facilitated Auto-IRA programs in California, Illinois, and Oregon that are not reflected in the underlying CPS data (drawn from 2018–2019). These adjustments are also reflected in the national figures reported in this analysis, which therefore differ slightly on this metric from results reported in the national study, which did not include this adjustment.

State estimates for this metric (see Figure 7) are based on ESI analysis of data from the U.S. Census Bureau on variation in access rates by employer size and from the BLS on the mix of private sector employment by employer size in each state. Workers without access under each employer size threshold include those under lower thresholds (i.e., workers without access at businesses of under five employees are also included in the count of businesses with under 10 employees, and businesses of under 10 in the count of businesses under 25). The share of the access gap that remains unaddressed under each threshold is calculated by dividing the number of private sector workers without access under each threshold by the total number of private sector workers without access.

Additional Savers With Expanded Access (2040)

Expanded workplace access could significantly reduce the access gap and expand retirement savings, with the greatest gains under the broadest approach. National analysis by CRI and ESI finds that federal policies could reduce the access gap and expand retirement savings coverage by 28 to 40 million workers (depending on the chosen design features) by the year 2040, with additional participation from 50% to 70% of private sector workers currently lacking access. Since employees can opt out, no scenario will achieve 100% participation among those workers currently lacking access.

State estimates for this metric (see Figure 8) are based on ESI projections of the number of additional private sector workers contributing to retirement accounts through their workplaces in the year 2040. Projections account for a mix of economic and demographic data in each state.

Results are shown for an Auto-IRA approach in which all firms are required to provide coverage regardless of size, and an Auto-IRA with a "threshold" exempting businesses with fewer than 10 employees and those in existence for less than two years from the coverage requirements.[5]

Additional Savings With Expanded Access (2040)

Increased participation translates to increased contributions to savings accounts. Projected savings levels are highest when the most workers are covered, with $106 billion in employee contributions projected under a national universal-access Auto-IRA model by 2040. Average savings levels among those who participate are slightly higher under alternative approaches, with a trade-off of lower coverage levels. Savings levels could be increased through complementary policies such an enhanced, refundable federal Saver's Credit.

State estimates for this metric (see Figure 9 and Figure 10) are based on ESI projections through modeling of participation, worker incomes, and contributions as a share of income as of the year 2040.[6] Average employee contributions levels are anticipated to grow over time, due to a default auto-escalation approach built into the modeled Roth Auto-IRA policy options, which increase contribution levels from 5% to 10% of post-tax income over time. Total annual contributions are divided by the number of participants to estimate the average contribution among the additional savers. Annual employee contributions and average contributions per participant are shown for the additional savers under Auto-IRA approaches with and without a threshold exempting business with fewer than 10 employees. Additional modeling shows the impact on total annual contributions by state with a refundable federal Saver's Credit.[7]

5 These scenarios align with the "Baseline Auto-IRA" and "Threshold Auto-IRA" policy models described and analyzed in detail in the national report. State analysis focuses on IRA rather than 401(k) approaches because states are preempted by federal law (ERISA) from requiring employers to offer a 401(k)/MEP.

6 Employer contributions are not allowed under the Auto-IRA approach modeled in this report.

7 The contribution levels and income limits used for modeling an enhanced Saver's Credit match those proposed in the Secure Act 2.0 introduced in Congress in October 2020. In addition, a refundable structure is assumed, which is not reflected in the Secure Act 2.0 proposal but has been suggested by policy experts such as AARP and the Brookings Institution. See the Methodology Appendix to the national report for further information.

Supplemental Lifetime Income at 65 for Auto-IRA Participants

Increased access to retirement savings for private sector workers means opportunities for lower- and middle-income households to use simple, automatic, and consistent contributions to generate meaningful account balances by end of their working careers.

State estimates for this metric (see Figure 11, Figure 12, Figure 13, and Figure 14) are presented for three representative savers to show how workers could generate meaningful assets to supplement other sources of income (such as Social Security) to enhance their retirement security. Each saver earns an average salary for workers of their age at a small employer (fewer than 20 employees) gaining access to coverage in their state:

1. A "young saver" starting their account at age 25 and saving over the remaining 40 years of their career;
2. A "mid-career saver" starting their account at age 35 and saving over the remaining 30 years of their career;
3. An "older saver" starting their account at age 45 and saving over the remaining 20 years of their career.

Each of these savers shares the same earnings trajectory over time (increasing their real earnings as they age) for the years in which they are saving. Contribution levels, fees, and market returns are applied for each saver based on the defaults and assumptions used in modeling Auto-IRA policy results. These inputs are used to project total savings ("contributions") and a growing account balance ("assets") through the age of 65. Assets are also shown based on the annual income stream they could generate for a saver in their retirement years (ages 65–95) if the lump sum is used to purchase an immediate fixed annuity at the age of 65.[8] For the young saver, results are also shown with an enhanced, refundable federal Saver's Credit.

Households with High Reliance on Social Security (2018–2019)

Social Security is intended to provide a basic retirement income floor for retirees, supplemented by employer-based and personal savings. Unfortunately, many elderly households rely heavily on Social Security as their source of retirement income: Nationally, 23% of elderly households report deriving at least 90% of their family income from Social Security.

State estimates for this metric (see Figure 15) are based on ESI analysis using data from the 2018–2019 waves of the Current Population Survey (CPS). This analysis updates prior published research by the Policy Institute of the American Association of Retired Persons (AARP), which calculated this metric using earlier waves of CPS data.[9]

8 Immediate annuity values are calculated based on market rates reflected in CRI's 2019 analysis, in conjunction with WillisTowerWatson, which modeled annual income solutions for retirees from age 65–95. Antonelli, et al. (2019), *Generating and Protecting Retirement Income in Defined Contribution Plans: An Analysis of How Different Solutions Address Participant Needs*. Georgetown University Center for Retirement Initiatives, in conjunction with WillisTowerWatson. Rates are adjusted to reflect the declining value of a consistent nominal income stream in real terms.

9 AARP Public Policy Institute (2015). *People Aged 65 and Older Who Rely on Social Security for 90% of Family Income (in 2013) and Average Monthly Benefit (December, 2014) by State*.

Share of Household Spending by Seniors (2020–2040)

As the elderly population grows, household spending by seniors will become an increasingly important part of the economy. Enhanced retirement security increases the disposable income that senior households will have to spend in sectors such as travel and entertainment, food and beverage, and health care. Nationally, senior households are anticipated to represent nearly a quarter (24%) of household spending by the year 2040, up from around 20% in 2020. This means that the share of spending power accounted for by senior households is expected to grow by 16% over the next two decades.

State estimates for this metric (see Figure 16 and Figure 17) are based on ESI analysis using data from the 2019 Consumer Expenditure Survey (CES) of the BLS, matched with state-level income data by age from the American Community Survey and household projections derived from University of Virginia population projections. This calculation assumes consistent incomes and spending behavior by age group over time, with changes in shares of household expenditures driven entirely by the anticipated changes in the composition of the population.

Annual Per-Beneficiary Expenditures (Federal and State) for Aged Medicaid Enrollees (2017–2018)

Federal and state governments make significant expenditures on a range of support programs for elderly residents with demonstrated needs (including health care, nutrition, housing, and supplemental income). Medicaid, a shared federal and state program, represents the largest benefit program of this type, and its costs are expected to grow due in part to a growing need for long-term care. Demand for these programs will grow as a result of the aging population, with federal costs for means-tested benefit programs for the elderly expected to rise from $96 billion in 2020 to $171 billion in 2040.[10] Increasing savings and, in turn, the resulting income available to retirees reduces government expenditures by slowing the rate of growth in expenditures for these programs.

State estimates for this metric (see Figure 18) are based on data published by the federal Centers for Medicare and Medicaid Services (CMS) on the current annual federal and state spending per beneficiary qualifying for Medicaid based on their age and income status.[11] Per-beneficiary estimates produced by CMS for 2017 and 2018 for each state are averaged to produce an annualized estimate.

10 See Section 3 of the Methodology Appendix to the national report for a discussion of which programs are included in this analysis. Notably, this estimate excludes the two largest programs benefitting seniors — Social Security and Medicare — since eligibility for these programs is not directly tied to means-testing.

11 Centers for Medicare and Medicaid Services. *Medicaid per Capita Expenditures*. Accessed January 2021.

Figure 1: Elderly Population Growth, 2020–2040

Geography	65+ Pop 2020	65+ Pop 2040	65+ Pop % Growth	Total Pop 2020	Total Pop 2040	Total Pop % Growth
United States	53,777,000	71,125,000	32%	332,528,000	379,393,000	14%
Alabama	848,000	1,022,000	20%	4,911,000	5,057,000	3%
Alaska	98,000	124,000	27%	751,000	820,000	9%
Arizona	1,382,000	2,079,000	50%	7,269,000	9,166,000	26%
Arkansas	536,000	649,000	21%	3,038,000	3,218,000	6%
California	5,758,000	7,792,000	35%	40,439,000	46,467,000	15%
Colorado	859,000	1,266,000	47%	5,843,000	7,693,000	32%
Connecticut	624,000	736,000	18%	3,594,000	3,543,000	-1%
Delaware	180,000	251,000	39%	987,000	1,164,000	18%
District of Columbia	77,000	108,000	40%	733,000	1,059,000	45%
Florida	4,451,000	6,852,000	54%	21,877,000	28,887,000	32%
Georgia	1,521,000	2,167,000	43%	10,725,000	12,820,000	20%
Hawaii	274,000	358,000	30%	1,454,000	1,620,000	11%
Idaho	295,000	411,000	39%	1,777,000	2,228,000	25%
Illinois	1,996,000	2,278,000	14%	12,791,000	12,398,000	-3%
Indiana	1,075,000	1,304,000	21%	6,738,000	7,095,000	5%
Iowa	558,000	665,000	19%	3,184,000	3,393,000	7%
Kansas	479,000	563,000	17%	2,936,000	3,033,000	3%
Kentucky	754,000	929,000	23%	4,499,000	4,715,000	5%
Louisiana	714,000	885,000	24%	4,743,000	5,063,000	7%
Maine	286,000	352,000	23%	1,339,000	1,326,000	-1%
Maryland	942,000	1,210,000	28%	6,161,000	6,843,000	11%
Massachusetts	1,137,000	1,487,000	31%	6,982,000	7,743,000	11%
Michigan	1,733,000	2,046,000	18%	9,992,000	9,960,000	0%
Minnesota	924,000	1,226,000	33%	5,684,000	6,365,000	12%
Mississippi	490,000	585,000	19%	2,990,000	2,962,000	-1%
Missouri	1,062,000	1,269,000	19%	6,161,000	6,360,000	3%
Montana	211,000	262,000	24%	1,075,000	1,236,000	15%
Nebraska	314,000	393,000	25%	1,957,000	2,191,000	12%
Nevada	558,000	853,000	53%	3,119,000	4,058,000	30%
New Hampshire	257,000	342,000	33%	1,353,000	1,393,000	3%
New Jersey	1,446,000	1,768,000	22%	9,088,000	9,470,000	4%
New Mexico	403,000	487,000	21%	2,099,000	2,127,000	1%
New York	3,131,000	3,694,000	18%	20,031,000	20,873,000	4%
North Carolina	1,740,000	2,437,000	40%	10,568,000	12,659,000	20%
North Dakota	123,000	180,000	46%	789,000	1,060,000	34%
Ohio	2,013,000	2,347,000	17%	11,705,000	11,752,000	0%
Oklahoma	643,000	788,000	22%	4,001,000	4,439,000	11%
Oregon	781,000	1,009,000	29%	4,268,000	5,164,000	21%
Pennsylvania	2,365,000	2,734,000	16%	12,845,000	12,809,000	0%
Rhode Island	185,000	221,000	19%	1,062,000	1,055,000	-1%
South Carolina	901,000	1,276,000	42%	5,185,000	6,353,000	23%
South Dakota	151,000	203,000	34%	892,000	1,043,000	17%
Tennessee	1,153,000	1,501,000	30%	6,862,000	7,824,000	14%
Texas	3,768,000	5,942,000	58%	29,604,000	40,016,000	35%
Utah	377,000	596,000	58%	3,241,000	4,344,000	34%
Vermont	130,000	154,000	19%	623,000	602,000	-3%
Virginia	1,352,000	1,810,000	34%	8,655,000	9,877,000	14%
Washington	1,225,000	1,734,000	42%	7,682,000	9,776,000	27%
West Virginia	371,000	391,000	5%	1,802,000	1,662,000	-8%
Wisconsin	1,022,000	1,271,000	24%	5,837,000	5,997,000	3%
Wyoming	103,000	122,000	18%	585,000	616,000	5%

Source: University of Virginia Demographics Research Group Population Projections

Figure 2: Ranked: Elderly Population Growth % (2020–2040)

Rank	Geography	65+ Population 2020	65+ Population 2040	65+ Population Growth % 2020–2040
1	Utah	377,000	596,000	58.1%
2	Texas	3,768,000	5,942,000	57.7%
3	Florida	4,451,000	6,852,000	53.9%
4	Nevada	558,000	853,000	52.9%
5	Arizona	1,382,000	2,079,000	50.4%
6	Colorado	859,000	1,266,000	47.3%
7	North Dakota	123,000	180,000	46.4%
8	Georgia	1,521,000	2,167,000	42.5%
9	South Carolina	901,000	1,276,000	41.7%
10	Washington	1,225,000	1,734,000	41.6%
11	District of Columbia	77,000	108,000	40.3%
12	North Carolina	1,740,000	2,437,000	40.0%
13	Idaho	295,000	411,000	39.4%
14	Delaware	180,000	251,000	39.1%
15	California	5,758,000	7,792,000	35.3%
16	Virginia	1,352,000	1,810,000	33.8%
17	South Dakota	151,000	203,000	33.7%
18	New Hampshire	257,000	342,000	33.2%
19	Minnesota	924,000	1,226,000	32.8%
	United States	53,777,000	71,125,000	32.3%
20	Massachusetts	1,137,000	1,487,000	30.8%
21	Hawaii	274,000	358,000	30.4%
22	Tennessee	1,153,000	1,501,000	30.2%
23	Oregon	781,000	1,009,000	29.2%
24	Maryland	942,000	1,210,000	28.4%
25	Alaska	98,000	124,000	27.2%
26	Nebraska	314,000	393,000	25.5%
27	Montana	211,000	262,000	24.4%
28	Wisconsin	1,022,000	1,271,000	24.4%
29	Louisiana	714,000	885,000	24.0%
30	Kentucky	754,000	929,000	23.1%
31	Maine	286,000	352,000	23.0%
32	Oklahoma	643,000	788,000	22.5%
33	New Jersey	1,446,000	1,768,000	22.3%
34	Indiana	1,075,000	1,304,000	21.3%
35	Arkansas	536,000	649,000	20.9%
36	New Mexico	403,000	487,000	20.8%
37	Alabama	848,000	1,022,000	20.5%
38	Missouri	1,062,000	1,269,000	19.4%
39	Rhode Island	185,000	221,000	19.4%
40	Mississippi	490,000	585,000	19.3%
41	Iowa	558,000	665,000	19.3%
42	Vermont	130,000	154,000	18.8%
43	Wyoming	103,000	122,000	18.3%
44	Michigan	1,733,000	2,046,000	18.1%
45	New York	3,131,000	3,694,000	18.0%
46	Connecticut	624,000	736,000	17.9%
47	Kansas	479,000	563,000	17.4%
48	Ohio	2,013,000	2,347,000	16.6%
49	Pennsylvania	2,365,000	2,734,000	15.6%
50	Illinois	1,996,000	2,278,000	14.1%
51	West Virginia	371,000	391,000	5.2%

Source: ESI Analysis of University of Virginia Population Projections

Figure 3: Working-Age to Elderly-Age Household Dependency Ratio, 2020–2040

Geography	Households 65+ 2020	Households 65+ 2040	Households <65 2020	Households <65 2040	Dependency Ratio 2020	Dependency Ratio 2040	Dependency Ratio Net Chg
United States	32,837,000	43,430,000	92,172,000	100,466,000	2.8	2.3	-0.5
Alabama	539,000	649,000	1,381,000	1,359,000	2.6	2.1	-0.5
Alaska	58,000	74,000	210,000	222,000	3.6	3.0	-0.6
Arizona	830,000	1,249,000	1,877,000	2,229,000	2.3	1.8	-0.5
Arkansas	335,000	406,000	869,000	887,000	2.6	2.2	-0.4
California	3,276,000	4,433,000	10,127,000	11,075,000	3.1	2.5	-0.6
Colorado	532,000	784,000	1,726,000	2,208,000	3.2	2.8	-0.4
Connecticut	380,000	448,000	1,011,000	931,000	2.7	2.1	-0.6
Delaware	108,000	150,000	266,000	295,000	2.5	2.0	-0.5
District of Columbia	52,000	73,000	250,000	361,000	4.8	4.9	0.1
Florida	2,602,000	4,006,000	5,604,000	6,963,000	2.2	1.7	-0.4
Georgia	926,000	1,320,000	2,980,000	3,401,000	3.2	2.6	-0.6
Hawaii	150,000	196,000	329,000	348,000	2.2	1.8	-0.4
Idaho	182,000	254,000	482,000	591,000	2.6	2.3	-0.3
Illinois	1,248,000	1,423,000	3,615,000	3,348,000	2.9	2.4	-0.5
Indiana	676,000	820,000	1,971,000	1,993,000	2.9	2.4	-0.5
Iowa	352,000	420,000	968,000	999,000	2.8	2.4	-0.4
Kansas	301,000	353,000	867,000	865,000	2.9	2.5	-0.4
Kentucky	477,000	588,000	1,323,000	1,325,000	2.8	2.3	-0.5
Louisiana	450,000	558,000	1,347,000	1,393,000	3.0	2.5	-0.5
Maine	179,000	220,000	396,000	362,000	2.2	1.6	-0.6
Maryland	570,000	731,000	1,699,000	1,797,000	3.0	2.5	-0.5
Massachusetts	701,000	917,000	1,990,000	2,086,000	2.8	2.3	-0.6
Michigan	1,104,000	1,304,000	2,911,000	2,742,000	2.6	2.1	-0.5
Minnesota	578,000	768,000	1,702,000	1,820,000	2.9	2.4	-0.6
Mississippi	314,000	375,000	818,000	774,000	2.6	2.1	-0.5
Missouri	668,000	798,000	1,814,000	1,792,000	2.7	2.2	-0.5
Montana	132,000	164,000	322,000	364,000	2.4	2.2	-0.2
Nebraska	200,000	251,000	600,000	654,000	3.0	2.6	-0.4
Nevada	329,000	503,000	839,000	1,036,000	2.5	2.1	-0.5
New Hampshire	153,000	204,000	394,000	369,000	2.6	1.8	-0.8
New Jersey	868,000	1,062,000	2,429,000	2,388,000	2.8	2.2	-0.5
New Mexico	251,000	304,000	558,000	536,000	2.2	1.8	-0.5
New York	1,923,000	2,268,000	5,569,000	5,577,000	2.9	2.5	-0.4
North Carolina	1,084,000	1,518,000	3,039,000	3,467,000	2.8	2.3	-0.5
North Dakota	78,000	115,000	272,000	359,000	3.5	3.1	-0.3
Ohio	1,279,000	1,491,000	3,494,000	3,345,000	2.7	2.2	-0.5
Oklahoma	405,000	496,000	1,142,000	1,235,000	2.8	2.5	-0.3
Oregon	486,000	628,000	1,205,000	1,432,000	2.5	2.3	-0.2
Pennsylvania	1,479,000	1,709,000	3,649,000	3,456,000	2.5	2.0	-0.4
Rhode Island	115,000	138,000	298,000	277,000	2.6	2.0	-0.6
South Carolina	559,000	791,000	1,437,000	1,684,000	2.6	2.1	-0.4
South Dakota	96,000	128,000	259,000	293,000	2.7	2.3	-0.4
Tennessee	721,000	939,000	2,037,000	2,231,000	2.8	2.4	-0.4
Texas	2,231,000	3,518,000	8,166,000	10,666,000	3.7	3.0	-0.6
Utah	228,000	361,000	804,000	1,067,000	3.5	3.0	-0.6
Vermont	83,000	98,000	184,000	165,000	2.2	1.7	-0.5
Virginia	825,000	1,104,000	2,528,000	2,756,000	3.1	2.5	-0.6
Washington	752,000	1,066,000	2,206,000	2,724,000	2.9	2.6	-0.4
West Virginia	238,000	250,000	511,000	452,000	2.1	1.8	-0.3
Wisconsin	649,000	808,000	1,760,000	1,712,000	2.7	2.1	-0.6
Wyoming	66,000	78,000	174,000	179,000	2.6	2.3	-0.3

Source: ESI Analysis of University of Virginia Population Projections

Figure 4: Ranked: Dependency Ratio Net Change (2020–2040)

Rank	Geography	Dependency Ratio 2020	Dependency Ratio 2040	Dependency Ratio Net Chg 2020–2040
1	New Hampshire	2.58	1.81	-0.76
2	Georgia	3.22	2.58	-0.64
3	Texas	3.66	3.03	-0.63
4	Alaska	3.62	3.00	-0.61
5	California	3.09	2.50	-0.59
6	Wisconsin	2.71	2.12	-0.59
7	Connecticut	2.66	2.08	-0.58
8	Rhode Island	2.59	2.01	-0.57
9	Minnesota	2.94	2.37	-0.57
10	Maine	2.22	1.65	-0.57
11	Virginia	3.06	2.50	-0.57
12	Utah	3.53	2.96	-0.57
13	Massachusetts	2.84	2.27	-0.56
14	New Jersey	2.80	2.25	-0.55
15	Illinois	2.90	2.35	-0.54
16	Vermont	2.22	1.68	-0.54
17	Mississippi	2.61	2.07	-0.54
18	Michigan	2.64	2.10	-0.53
19	Maryland	2.98	2.46	-0.53
20	North Carolina	2.80	2.28	-0.52
21	Kentucky	2.77	2.25	-0.52
22	Delaware	2.46	1.96	-0.50
23	Louisiana	2.99	2.50	-0.50
	United States	2.81	2.31	-0.49
24	Nevada	2.55	2.06	-0.49
25	Ohio	2.73	2.24	-0.49
26	Indiana	2.92	2.43	-0.48
27	Arizona	2.26	1.79	-0.48
28	Alabama	2.56	2.09	-0.47
29	Missouri	2.72	2.25	-0.47
30	New Mexico	2.22	1.76	-0.45
31	Tennessee	2.82	2.38	-0.45
32	Pennsylvania	2.47	2.02	-0.45
33	South Carolina	2.57	2.13	-0.44
34	New York	2.90	2.46	-0.44
35	Kansas	2.89	2.45	-0.43
36	Colorado	3.24	2.82	-0.43
37	South Dakota	2.71	2.29	-0.42
38	Florida	2.15	1.74	-0.42
39	Hawaii	2.18	1.77	-0.41
40	Arkansas	2.59	2.19	-0.40
41	Nebraska	3.01	2.61	-0.40
42	Washington	2.93	2.56	-0.38
43	Iowa	2.75	2.38	-0.37
44	North Dakota	3.47	3.13	-0.35
45	Wyoming	2.64	2.30	-0.35
46	West Virginia	2.15	1.81	-0.34
47	Oklahoma	2.82	2.49	-0.33
48	Idaho	2.64	2.32	-0.32
49	Montana	2.44	2.21	-0.23
50	Oregon	2.48	2.28	-0.20
51	District of Columbia	4.79	4.93	0.13

Source: ESI Analysis of University of Virginia Population Projections

Figure 5: Private Sector Workers Without Access to Coverage, 2020

Geography	Private Sector Employment 2020	Workers With Access to Coverage 2020	Workers Without Access ("Gap") 2020*	Access Gap % 2020
United States*	124,588,000	67,647,000	56,941,000	46%
Alabama	1,600,000	873,000	727,000	45%
Alaska	230,000	123,000	107,000	46%
Arizona	2,545,000	1,247,000	1,298,000	51%
Arkansas	1,011,000	513,000	497,000	49%
California*	15,011,000	7,458,000	7,553,000	50%
Colorado	2,294,000	1,364,000	930,000	41%
Connecticut	1,416,000	747,000	668,000	47%
Delaware	378,000	231,000	147,000	39%
District of Columbia	536,000	363,000	173,000	32%
Florida	7,832,000	3,366,000	4,466,000	57%
Georgia	3,842,000	1,912,000	1,929,000	50%
Hawaii	535,000	371,000	164,000	31%
Idaho	623,000	301,000	322,000	52%
Illinois*	5,088,000	3,047,000	2,040,000	40%
Indiana	2,625,000	1,623,000	1,001,000	38%
Iowa	1,276,000	851,000	424,000	33%
Kansas	1,129,000	697,000	432,000	38%
Kentucky	1,581,000	820,000	761,000	48%
Louisiana	1,591,000	815,000	775,000	49%
Maine	504,000	296,000	207,000	41%
Maryland	2,162,000	1,319,000	843,000	39%
Massachusetts	3,137,000	1,706,000	1,431,000	46%
Michigan	3,694,000	2,030,000	1,663,000	45%
Minnesota	2,459,000	1,687,000	772,000	31%
Mississippi	889,000	426,000	463,000	52%
Missouri	2,351,000	1,427,000	923,000	39%
Montana	355,000	195,000	161,000	45%
Nebraska	805,000	464,000	341,000	42%
Nevada	1,246,000	699,000	547,000	44%
New Hampshire	572,000	365,000	207,000	36%
New Jersey	3,442,000	1,852,000	1,590,000	46%
New Mexico	655,000	330,000	324,000	50%
New York	7,965,000	4,057,000	3,908,000	49%
North Carolina	3,756,000	2,046,000	1,710,000	46%
North Dakota	340,000	177,000	163,000	48%
Ohio	4,613,000	3,041,000	1,571,000	34%
Oklahoma	1,271,000	616,000	655,000	52%
Oregon*	1,645,000	1,012,000	633,000	38%
Pennsylvania	5,156,000	3,099,000	2,057,000	40%
Rhode Island	412,000	223,000	189,000	46%
South Carolina	1,738,000	974,000	763,000	44%
South Dakota	346,000	190,000	155,000	45%
Tennessee	2,590,000	1,386,000	1,204,000	46%
Texas	10,635,000	4,969,000	5,666,000	53%
Utah	1,273,000	607,000	666,000	52%
Vermont	254,000	137,000	117,000	46%
Virginia	3,189,000	1,937,000	1,252,000	39%
Washington	2,822,000	1,620,000	1,202,000	43%
West Virginia	534,000	310,000	224,000	42%
Wisconsin	2,447,000	1,626,000	821,000	34%
Wyoming	193,000	100,000	94,000	48%

Source: ESI Analysis of Census Bureau Current Population Survey and BLS National Compensation Survey Data. Includes only "employees" as defined by the BLS, which does not include gig workers and independent contractors.

**Estimates are adjusted to account for initial access increases under state-facilitated Auto-IRA programs, accounting for differences with the results shown in the national report.*

Figure 6: Ranked: Private Sector Access Gap Percentage, 2020

Rank	Geography	Private Sector Employment 2020	Workers With Access to Coverage 2020	Workers Without Access ("Gap") 2020*	Access Gap % 2020
1	Florida	7,832,000	3,366,000	4,466,000	57.0%
2	Texas	10,635,000	4,969,000	5,666,000	53.3%
3	Utah	1,273,000	607,000	666,000	52.3%
4	Mississippi	889,000	426,000	463,000	52.0%
5	Idaho	623,000	301,000	322,000	51.6%
6	Oklahoma	1,271,000	616,000	655,000	51.5%
7	Arizona	2,545,000	1,247,000	1,298,000	51.0%
8	California*	15,011,000	7,458,000	7,553,000	50.3%
9	Georgia	3,842,000	1,912,000	1,929,000	50.2%
10	New Mexico	655,000	330,000	324,000	49.6%
11	Arkansas	1,011,000	513,000	497,000	49.2%
12	New York	7,965,000	4,057,000	3,908,000	49.1%
13	Louisiana	1,591,000	815,000	775,000	48.8%
14	Wyoming	193,000	100,000	94,000	48.4%
15	Kentucky	1,581,000	820,000	761,000	48.1%
16	North Dakota	340,000	177,000	163,000	47.8%
17	Connecticut	1,416,000	747,000	668,000	47.2%
18	Tennessee	2,590,000	1,386,000	1,204,000	46.5%
19	Alaska	230,000	123,000	107,000	46.5%
20	New Jersey	3,442,000	1,852,000	1,590,000	46.2%
21	Vermont	254,000	137,000	117,000	46.1%
22	Rhode Island	412,000	223,000	189,000	45.9%
	United States*	124,588,000	67,647,000	56,941,000	45.7%
23	Massachusetts	3,137,000	1,706,000	1,431,000	45.6%
24	North Carolina	3,756,000	2,046,000	1,710,000	45.5%
25	Alabama	1,600,000	873,000	727,000	45.5%
26	Montana	355,000	195,000	161,000	45.3%
27	Michigan	3,694,000	2,030,000	1,663,000	45.0%
28	South Dakota	346,000	190,000	155,000	44.9%
29	South Carolina	1,738,000	974,000	763,000	43.9%
30	Nevada	1,246,000	699,000	547,000	43.9%
31	Washington	2,822,000	1,620,000	1,202,000	42.6%
32	Nebraska	805,000	464,000	341,000	42.4%
33	West Virginia	534,000	310,000	224,000	41.9%
34	Maine	504,000	296,000	207,000	41.2%
35	Colorado	2,294,000	1,364,000	930,000	40.6%
36	Illinois*	5,088,000	3,047,000	2,040,000	40.1%
37	Pennsylvania	5,156,000	3,099,000	2,057,000	39.9%
38	Missouri	2,351,000	1,427,000	923,000	39.3%
39	Virginia	3,189,000	1,937,000	1,252,000	39.2%
40	Maryland	2,162,000	1,319,000	843,000	39.0%
41	Delaware	378,000	231,000	147,000	38.9%
42	Oregon*	1,645,000	1,012,000	633,000	38.5%
43	Kansas	1,129,000	697,000	432,000	38.3%
44	Indiana	2,625,000	1,623,000	1,001,000	38.1%
45	New Hampshire	572,000	365,000	207,000	36.2%
46	Ohio	4,613,000	3,041,000	1,571,000	34.1%
47	Wisconsin	2,447,000	1,626,000	821,000	33.6%
48	Iowa	1,276,000	851,000	424,000	33.3%
49	District of Columbia	536,000	363,000	173,000	32.3%
50	Minnesota	2,459,000	1,687,000	772,000	31.4%
51	Hawaii	535,000	371,000	164,000	30.7%

Source: ESI Analysis of Census Bureau Current Population Survey and BLS National Compensation Survey Data. Includes only "employees" as defined by the BLS, which does not include gig workers and independent contractors.

**Estimates are adjusted to account for initial access increases under state-facilitated Auto-IRA programs, accounting for differences with the results shown in the national report.*

Figure 7: Private Sector Workers Without Access to Coverage by Employer Size, 2020

Geography	Total Private Sector Workers Without Access ("Gap")*	Employer Size <5 Workers w/o Access	Employer Size <5 % of Gap Unaddressed	Employer Size <10 Workers w/o Access	Employer Size <10 % of Gap Unaddressed	Employer Size <25 Workers w/o Access	Employer Size <25 % of Gap Unaddressed
United States*	56,941,000	7,379,000	13%	14,509,000	25%	24,579,000	43%
Alabama	727,000	75,000	10%	168,000	23%	299,000	41%
Alaska	107,000	14,000	13%	31,000	29%	52,000	48%
Arizona	1,298,000	132,000	10%	261,000	20%	460,000	35%
Arkansas	497,000	57,000	12%	122,000	24%	210,000	42%
California*	7,553,000	1,293,000	17%	2,187,000	29%	3,500,000	46%
Colorado	930,000	142,000	15%	276,000	30%	461,000	50%
Connecticut	668,000	86,000	13%	175,000	26%	295,000	44%
Delaware	147,000	22,000	15%	43,000	29%	71,000	48%
District of Columbia	173,000	23,000	13%	42,000	24%	69,000	40%
Florida	4,466,000	548,000	12%	1,031,000	23%	1,748,000	39%
Georgia	1,929,000	206,000	11%	416,000	22%	723,000	37%
Hawaii	164,000	24,000	15%	53,000	32%	86,000	53%
Idaho	322,000	45,000	14%	90,000	28%	154,000	48%
Illinois*	2,040,000	276,000	14%	543,000	27%	915,000	45%
Indiana	1,001,000	109,000	11%	241,000	24%	425,000	42%
Iowa	424,000	64,000	15%	136,000	32%	230,000	54%
Kansas	432,000	56,000	13%	117,000	27%	200,000	46%
Kentucky	761,000	77,000	10%	164,000	22%	293,000	38%
Louisiana	775,000	77,000	10%	175,000	23%	313,000	40%
Maine	207,000	33,000	16%	71,000	34%	114,000	55%
Maryland	843,000	115,000	14%	229,000	27%	385,000	46%
Massachusetts	1,431,000	212,000	15%	391,000	27%	634,000	44%
Michigan	1,663,000	202,000	12%	425,000	26%	724,000	44%
Minnesota	772,000	114,000	15%	234,000	30%	400,000	52%
Mississippi	463,000	45,000	10%	104,000	23%	185,000	40%
Missouri	923,000	129,000	14%	251,000	27%	419,000	45%
Montana	161,000	29,000	18%	60,000	37%	95,000	59%
Nebraska	341,000	46,000	14%	95,000	28%	162,000	47%
Nevada	547,000	60,000	11%	126,000	23%	221,000	40%
New Hampshire	207,000	34,000	16%	69,000	33%	114,000	55%
New Jersey	1,590,000	225,000	14%	443,000	28%	729,000	46%
New Mexico	324,000	39,000	12%	80,000	25%	140,000	43%
New York	3,908,000	557,000	14%	1,061,000	27%	1,729,000	44%
North Carolina	1,710,000	186,000	11%	394,000	23%	693,000	41%
North Dakota	163,000	18,000	11%	40,000	24%	71,000	44%
Ohio	1,571,000	179,000	11%	405,000	26%	721,000	46%
Oklahoma	655,000	71,000	11%	152,000	23%	269,000	41%
Oregon*	633,000	106,000	17%	197,000	31%	319,000	50%
Pennsylvania	2,057,000	254,000	12%	542,000	26%	929,000	45%
Rhode Island	189,000	28,000	15%	55,000	29%	91,000	48%
South Carolina	763,000	90,000	12%	186,000	24%	325,000	43%
South Dakota	155,000	22,000	14%	46,000	30%	79,000	51%
Tennessee	1,204,000	116,000	10%	257,000	21%	461,000	38%
Texas	5,666,000	538,000	9%	1,123,000	20%	2,026,000	36%
Utah	666,000	75,000	11%	147,000	22%	261,000	39%
Vermont	117,000	18,000	16%	38,000	32%	62,000	53%
Virginia	1,252,000	172,000	14%	339,000	27%	575,000	46%
Washington	1,202,000	184,000	15%	348,000	29%	570,000	47%
West Virginia	224,000	27,000	12%	60,000	27%	102,000	45%
Wisconsin	821,000	113,000	14%	238,000	29%	416,000	51%
Wyoming	94,000	16,000	17%	33,000	35%	54,000	58%

Source: ESI Analysis of Census Bureau Current Population Survey and BLS National Compensation Survey Data. Includes only "employees" as defined by the BLS, which does not include gig workers and independent contractors.

**Estimates are adjusted to account for initial access increases under state-facilitated Auto-IRA programs, accounting for differences with the results shown in the national report.*

Figure 8: Additional Savers With Expanded Access (Auto-IRA), 2040

Geography	Workers <65 2040 Without Access ("Gap")	Additional Savers 2040 Auto-IRA (no threshold)	Share of Access Gap	Additional Savers 2040 Auto-IRA (employers <10 exempt)	Share of Access Gap
United States	58,389,000	40,428,000	69%	29,599,000	51%
Alabama	663,000	453,000	68%	339,000	51%
Alaska	106,000	71,000	67%	49,000	47%
Arizona	1,424,000	1,011,000	71%	791,000	56%
Arkansas	478,000	329,000	69%	243,000	51%
California	7,814,000	5,605,000	72%	3,957,000	51%
Colorado	1,081,000	745,000	69%	509,000	47%
Connecticut	573,000	395,000	69%	287,000	50%
Delaware	151,000	101,000	67%	70,000	47%
District of Columbia	230,000	161,000	70%	119,000	52%
Florida	5,203,000	3,722,000	72%	2,815,000	54%
Georgia	2,066,000	1,450,000	70%	1,118,000	54%
Hawaii	152,000	103,000	68%	67,000	44%
Idaho	366,000	243,000	66%	171,000	47%
Illinois	1,836,000	1,265,000	69%	924,000	50%
Indiana	940,000	619,000	66%	456,000	48%
Iowa	394,000	252,000	64%	162,000	41%
Kansas	384,000	255,000	66%	179,000	47%
Kentucky	716,000	487,000	68%	373,000	52%
Louisiana	746,000	517,000	69%	391,000	52%
Maine	173,000	114,000	66%	73,000	42%
Maryland	826,000	556,000	67%	393,000	48%
Massachusetts	1,398,000	950,000	68%	676,000	48%
Michigan	1,471,000	1,000,000	68%	728,000	50%
Minnesota	757,000	488,000	65%	324,000	43%
Mississippi	407,000	282,000	69%	214,000	52%
Missouri	847,000	563,000	66%	398,000	47%
Montana	163,000	109,000	67%	67,000	41%
Nebraska	333,000	220,000	66%	153,000	46%
Nevada	625,000	438,000	70%	329,000	53%
New Hampshire	177,000	114,000	65%	73,000	41%
New Jersey	1,449,000	993,000	69%	702,000	48%
New Mexico	284,000	199,000	70%	147,000	52%
New York	3,657,000	2,555,000	70%	1,830,000	50%
North Carolina	1,830,000	1,266,000	69%	955,000	52%
North Dakota	201,000	136,000	68%	101,000	50%
Ohio	1,391,000	908,000	65%	647,000	46%
Oklahoma	643,000	438,000	68%	327,000	51%
Oregon	825,000	583,000	71%	408,000	49%
Pennsylvania	1,789,000	1,195,000	67%	851,000	48%
Rhode Island	162,000	109,000	67%	76,000	46%
South Carolina	827,000	575,000	70%	425,000	51%
South Dakota	161,000	105,000	66%	72,000	45%
Tennessee	1,220,000	837,000	69%	642,000	53%
Texas	6,907,000	4,848,000	70%	3,810,000	55%
Utah	821,000	551,000	67%	420,000	51%
Vermont	96,000	65,000	68%	43,000	45%
Virginia	1,264,000	865,000	68%	615,000	49%
Washington	1,366,000	931,000	68%	645,000	47%
West Virginia	182,000	125,000	69%	89,000	49%
Wisconsin	722,000	464,000	64%	313,000	43%
Wyoming	87,000	58,000	67%	36,000	42%

Source: ESI Projections

Figure 9: Additional Savings With Expanded Access (Auto-IRA), 2040

	Auto-IRA (no threshold) 2040			Auto-IRA (employers <10 Exempt) 2040		
Geography	Additional Savers	Employee Contributions ($M)	Average Contribution	Additional Savers	Employee Contributions ($M)	Average Contribution
United States	40,428,000	$106,300	$2,630	29,599,000	$81,630	$2,760
Alabama	453,000	$1,080	$2,380	339,000	$850	$2,500
Alaska	71,000	$180	$2,570	49,000	$130	$2,680
Arizona	1,011,000	$2,590	$2,560	791,000	$2,130	$2,700
Arkansas	329,000	$720	$2,190	243,000	$560	$2,300
California	5,605,000	$15,570	$2,780	3,957,000	$11,560	$2,920
Colorado	745,000	$2,050	$2,750	509,000	$1,460	$2,880
Connecticut	395,000	$1,120	$2,830	287,000	$850	$2,970
Delaware	101,000	$240	$2,360	70,000	$170	$2,480
District of Columbia	161,000	$680	$4,240	119,000	$530	$4,440
Florida	3,722,000	$9,340	$2,510	2,815,000	$7,430	$2,640
Georgia	1,450,000	$3,810	$2,630	1,118,000	$3,090	$2,770
Hawaii	103,000	$260	$2,480	67,000	$170	$2,570
Idaho	243,000	$550	$2,250	171,000	$400	$2,360
Illinois	1,265,000	$3,440	$2,720	924,000	$2,630	$2,850
Indiana	619,000	$1,280	$2,060	456,000	$980	$2,150
Iowa	252,000	$530	$2,100	162,000	$350	$2,170
Kansas	255,000	$650	$2,540	179,000	$470	$2,650
Kentucky	487,000	$1,210	$2,490	373,000	$980	$2,620
Louisiana	517,000	$1,200	$2,310	391,000	$950	$2,430
Maine	114,000	$240	$2,070	73,000	$160	$2,150
Maryland	556,000	$1,500	$2,700	393,000	$1,100	$2,810
Massachusetts	950,000	$3,000	$3,160	676,000	$2,240	$3,310
Michigan	1,000,000	$2,480	$2,480	728,000	$1,900	$2,610
Minnesota	488,000	$1,210	$2,470	324,000	$830	$2,570
Mississippi	282,000	$560	$1,990	214,000	$450	$2,090
Missouri	563,000	$1,290	$2,290	398,000	$950	$2,390
Montana	109,000	$220	$2,050	67,000	$140	$2,140
Nebraska	220,000	$520	$2,350	153,000	$370	$2,450
Nevada	438,000	$1,160	$2,660	329,000	$920	$2,790
New Hampshire	114,000	$290	$2,580	73,000	$190	$2,660
New Jersey	993,000	$3,100	$3,120	702,000	$2,290	$3,260
New Mexico	199,000	$440	$2,190	147,000	$340	$2,300
New York	2,555,000	$7,960	$3,110	1,830,000	$5,980	$3,270
North Carolina	1,266,000	$3,060	$2,420	955,000	$2,430	$2,540
North Dakota	136,000	$330	$2,450	101,000	$260	$2,580
Ohio	908,000	$2,080	$2,300	647,000	$1,540	$2,380
Oklahoma	438,000	$1,000	$2,290	327,000	$790	$2,400
Oregon	583,000	$1,470	$2,520	408,000	$1,080	$2,650
Pennsylvania	1,195,000	$3,030	$2,530	851,000	$2,250	$2,650
Rhode Island	109,000	$300	$2,710	76,000	$210	$2,840
South Carolina	575,000	$1,410	$2,450	425,000	$1,100	$2,580
South Dakota	105,000	$250	$2,370	72,000	$180	$2,480
Tennessee	837,000	$2,170	$2,600	642,000	$1,750	$2,730
Texas	4,848,000	$12,700	$2,620	3,810,000	$10,510	$2,760
Utah	551,000	$1,420	$2,580	420,000	$1,140	$2,710
Vermont	65,000	$140	$2,210	43,000	$100	$2,320
Virginia	865,000	$2,320	$2,680	615,000	$1,730	$2,810
Washington	931,000	$2,780	$2,990	645,000	$2,020	$3,130
West Virginia	125,000	$250	$1,990	89,000	$190	$2,080
Wisconsin	464,000	$1,000	$2,160	313,000	$700	$2,240
Wyoming	58,000	$120	$2,120	36,000	$80	$2,210

Source: ESI Projections

Figure 10: Additional Savings With Expanded Access (Auto-IRA) — with Refundable Federal Saver's Credit, 2040 ($M)

	Auto-IRA (no threshold) 2040 ($M)			Auto-IRA (employers <10 Exempt) 2040 ($M)		
Geography	Employee Contributions	Saver's Credits	Total	Employee Contributions	Saver's Credit	Total
United States	$106,300	$26,130	$132,430	$81,630	$20,110	$101,740
Alabama	$1,080	$300	$1,380	$850	$230	$1,080
Alaska	$180	$40	$220	$130	$30	$160
Arizona	$2,590	$660	$3,250	$2,130	$540	$2,670
Arkansas	$720	$210	$930	$560	$160	$720
California	$15,560	$3,640	$19,200	$11,560	$2,700	$14,260
Colorado	$2,050	$480	$2,530	$1,460	$340	$1,800
Connecticut	$1,120	$260	$1,380	$850	$200	$1,050
Delaware	$240	$60	$300	$170	$40	$210
District of Columbia	$680	$100	$780	$530	$80	$610
Florida	$9,340	$2,580	$11,920	$7,430	$2,050	$9,480
Georgia	$3,810	$970	$4,780	$3,090	$790	$3,880
Hawaii	$260	$70	$330	$170	$50	$220
Idaho	$550	$160	$710	$400	$120	$520
Illinois	$3,440	$800	$4,240	$2,630	$620	$3,250
Indiana	$1,280	$390	$1,670	$980	$300	$1,280
Iowa	$530	$160	$690	$350	$100	$450
Kansas	$650	$170	$820	$470	$120	$590
Kentucky	$1,210	$330	$1,540	$980	$260	$1,240
Louisiana	$1,190	$320	$1,510	$950	$250	$1,200
Maine	$240	$70	$310	$160	$50	$210
Maryland	$1,500	$340	$1,840	$1,100	$260	$1,360
Massachusetts	$3,000	$540	$3,540	$2,240	$400	$2,640
Michigan	$2,480	$580	$3,060	$1,900	$440	$2,340
Minnesota	$1,210	$290	$1,500	$830	$200	$1,030
Mississippi	$560	$180	$740	$450	$140	$590
Missouri	$1,290	$340	$1,630	$950	$250	$1,200
Montana	$220	$60	$280	$140	$40	$180
Nebraska	$520	$140	$660	$370	$100	$470
Nevada	$1,170	$320	$1,490	$920	$250	$1,170
New Hampshire	$290	$60	$350	$190	$40	$230
New Jersey	$3,100	$640	$3,740	$2,290	$470	$2,760
New Mexico	$430	$140	$570	$340	$100	$440
New York	$7,950	$1,720	$9,670	$5,980	$1,290	$7,270
North Carolina	$3,060	$790	$3,850	$2,430	$630	$3,060
North Dakota	$330	$90	$420	$260	$70	$330
Ohio	$2,090	$550	$2,640	$1,540	$410	$1,950
Oklahoma	$1,000	$280	$1,280	$790	$220	$1,010
Oregon	$1,470	$350	$1,820	$1,080	$250	$1,330
Pennsylvania	$3,030	$710	$3,740	$2,250	$530	$2,780
Rhode Island	$300	$70	$370	$210	$50	$260
South Carolina	$1,410	$380	$1,790	$1,100	$290	$1,390
South Dakota	$250	$70	$320	$180	$50	$230
Tennessee	$2,170	$580	$2,750	$1,750	$470	$2,220
Texas	$12,700	$3,240	$15,940	$10,510	$2,670	$13,180
Utah	$1,420	$340	$1,760	$1,140	$270	$1,410
Vermont	$140	$40	$180	$100	$30	$130
Virginia	$2,320	$550	$2,870	$1,730	$410	$2,140
Washington	$2,780	$590	$3,370	$2,020	$430	$2,450
West Virginia	$250	$80	$330	$190	$60	$250
Wisconsin	$1,000	$280	$1,280	$700	$200	$900
Wyoming	$120	$30	$150	$80	$20	$100

Source: ESI Projections

Figure 11: Supplemental Lifetime Income at 65: Young Saver Participating in Auto-IRA (40 Yrs)

Geography	Average Earnings (25-64)	Total Employee Contributions	Assets Year 40	Annual Annuity
United States	$33,600	$110,100	$261,500	$14,300
Alabama	$31,000	$102,300	$240,300	$13,100
Alaska	$33,500	$110,200	$256,000	$14,000
Arizona	$32,300	$106,200	$255,500	$14,000
Arkansas	$28,400	$94,200	$221,500	$12,100
California	$34,700	$113,400	$270,800	$14,800
Colorado	$35,500	$115,500	$275,000	$15,000
Connecticut	$36,500	$117,800	$290,700	$15,900
Delaware	$31,000	$102,300	$238,400	$13,000
District of Columbia	$54,100	$170,400	$410,400	$22,400
Florida	$31,400	$103,600	$244,700	$13,400
Georgia	$33,200	$108,900	$260,100	$14,200
Hawaii	$32,500	$106,400	$260,000	$14,200
Idaho	$28,900	$95,600	$232,700	$12,700
Illinois	$35,100	$114,500	$272,100	$14,900
Indiana	$27,600	$91,900	$217,900	$11,900
Iowa	$28,100	$93,200	$227,600	$12,400
Kansas	$33,600	$109,700	$268,700	$14,700
Kentucky	$32,600	$107,000	$253,600	$13,800
Louisiana	$29,500	$97,800	$232,200	$12,700
Maine	$27,700	$92,300	$220,100	$12,000
Maryland	$35,400	$115,500	$271,800	$14,800
Massachusetts	$39,900	$128,800	$310,200	$16,900
Michigan	$31,400	$103,400	$249,700	$13,600
Minnesota	$32,400	$106,500	$256,800	$14,000
Mississippi	$25,700	$86,400	$200,400	$10,900
Missouri	$30,700	$101,100	$238,500	$13,000
Montana	$27,200	$90,800	$214,700	$11,700
Nebraska	$31,500	$103,700	$244,800	$13,400
Nevada	$34,300	$112,100	$263,400	$14,400
New Hampshire	$34,900	$114,100	$269,200	$14,700
New Jersey	$40,900	$131,800	$311,300	$17,000
New Mexico	$27,900	$93,100	$217,000	$11,800
New York	$39,800	$128,000	$309,000	$16,900
North Carolina	$30,900	$102,300	$239,600	$13,100
North Dakota	$31,300	$102,700	$252,500	$13,800
Ohio	$31,100	$102,300	$242,100	$13,200
Oklahoma	$29,900	$99,000	$235,100	$12,800
Oregon	$32,100	$105,700	$246,700	$13,500
Pennsylvania	$33,300	$109,000	$264,400	$14,400
Rhode Island	$35,900	$117,000	$270,200	$14,800
South Carolina	$31,400	$103,400	$247,700	$13,500
South Dakota	$31,600	$103,300	$254,400	$13,900
Tennessee	$34,000	$111,100	$260,500	$14,200
Texas	$33,500	$109,800	$259,700	$14,200
Utah	$34,200	$112,000	$262,600	$14,300
Vermont	$28,600	$95,000	$225,300	$12,300
Virginia	$35,200	$114,700	$270,000	$14,700
Washington	$38,700	$125,100	$297,600	$16,200
West Virginia	$25,700	$86,100	$201,500	$11,000
Wisconsin	$29,100	$96,500	$231,900	$12,700
Wyoming	$27,900	$92,800	$221,900	$12,100

Source: ESI Projections of a Worker at a Small Business Following Auto-IRA Savings Defaults

Figure 12: Supplemental Lifetime Income at 65: Young Saver Participating in Auto-IRA — With Refundable Federal Saver's Credit (40 Yrs)

Geography	Average Earnings (25-64)	Total Employee Contributions	Total Saver's Credits	Assets Year 40	Annual Annuity
United States	$33,600	$110,100	$54,600	$390,500	$21,300
Alabama	$31,000	$102,300	$51,000	$358,100	$19,600
Alaska	$33,500	$110,200	$52,200	$376,000	$20,500
Arizona	$32,300	$106,200	$52,900	$380,500	$20,800
Arkansas	$28,400	$94,200	$47,100	$330,200	$18,000
California	$34,700	$113,400	$55,100	$399,800	$21,800
Colorado	$35,500	$115,500	$55,400	$405,400	$22,100
Connecticut	$36,500	$117,800	$57,400	$430,200	$23,500
Delaware	$31,000	$102,300	$49,600	$353,300	$19,300
District of Columbia	$54,100	$170,400	$58,700	$555,000	$30,300
Florida	$31,400	$103,600	$51,800	$364,700	$19,900
Georgia	$33,200	$108,900	$53,200	$385,500	$21,000
Hawaii	$32,500	$106,400	$52,700	$386,200	$21,100
Idaho	$28,900	$95,600	$47,800	$346,900	$18,900
Illinois	$35,100	$114,500	$55,400	$402,400	$22,000
Indiana	$27,600	$91,900	$45,900	$324,900	$17,700
Iowa	$28,100	$93,200	$46,600	$339,300	$18,500
Kansas	$33,600	$109,700	$54,000	$398,300	$21,700
Kentucky	$32,600	$107,000	$53,000	$377,100	$20,600
Louisiana	$29,500	$97,800	$48,900	$346,100	$18,900
Maine	$27,700	$92,300	$46,200	$328,100	$17,900
Maryland	$35,400	$115,500	$54,900	$399,800	$21,800
Massachusetts	$39,900	$128,800	$56,400	$444,500	$24,300
Michigan	$31,400	$103,400	$51,700	$372,200	$20,300
Minnesota	$32,400	$106,500	$52,500	$381,600	$20,800
Mississippi	$25,700	$86,400	$43,200	$298,700	$16,300
Missouri	$30,700	$101,100	$50,400	$355,400	$19,400
Montana	$27,200	$90,800	$45,400	$320,000	$17,500
Nebraska	$31,500	$103,700	$51,900	$365,000	$19,900
Nevada	$34,300	$112,100	$54,600	$390,700	$21,300
New Hampshire	$34,900	$114,100	$54,300	$394,900	$21,600
New Jersey	$40,900	$131,800	$56,600	$446,400	$24,400
New Mexico	$27,900	$93,100	$46,600	$323,400	$17,700
New York	$39,800	$128,000	$57,300	$447,200	$24,400
North Carolina	$30,900	$102,300	$51,100	$357,200	$19,500
North Dakota	$31,300	$102,700	$51,400	$376,500	$20,600
Ohio	$31,100	$102,300	$51,200	$360,800	$19,700
Oklahoma	$29,900	$99,000	$49,500	$350,500	$19,100
Oregon	$32,100	$105,700	$52,200	$366,700	$20,000
Pennsylvania	$33,300	$109,000	$54,000	$392,900	$21,500
Rhode Island	$35,900	$117,000	$54,700	$397,500	$21,700
South Carolina	$31,400	$103,400	$51,700	$369,200	$20,200
South Dakota	$31,600	$103,300	$51,700	$379,300	$20,700
Tennessee	$34,000	$111,100	$53,900	$386,000	$21,100
Texas	$33,500	$109,800	$54,500	$386,500	$21,100
Utah	$34,200	$112,000	$53,800	$386,800	$21,100
Vermont	$28,600	$95,000	$47,500	$335,800	$18,300
Virginia	$35,200	$114,700	$54,700	$399,200	$21,800
Washington	$38,700	$125,100	$56,000	$430,100	$23,500
West Virginia	$25,700	$86,100	$43,100	$300,300	$16,400
Wisconsin	$29,100	$96,500	$48,200	$345,700	$18,900
Wyoming	$27,900	$92,800	$46,400	$330,800	$18,100

Source: ESI Projections of a Worker at a Small Business Following Auto-IRA Savings Defaults

Figure 13: Supplemental Lifetime Income at 65: Mid-Career Saver Participating in Auto-IRA (30 Yrs)

Geography	Average Earnings (35-64)	Total Employee Contributions	Assets Year 30	Annual Annuity
United States	$35,700	$85,600	$159,700	$8,700
Alabama	$32,800	$79,500	$144,900	$7,900
Alaska	$37,300	$89,000	$167,500	$9,100
Arizona	$34,300	$82,200	$155,600	$8,500
Arkansas	$29,900	$73,300	$133,600	$7,300
California	$37,100	$88,400	$166,100	$9,100
Colorado	$37,700	$89,900	$167,900	$9,200
Connecticut	$36,600	$87,300	$162,800	$8,900
Delaware	$33,800	$80,900	$149,500	$8,200
District of Columbia	$57,400	$132,400	$251,500	$13,700
Florida	$33,600	$80,900	$149,900	$8,200
Georgia	$35,100	$84,300	$157,200	$8,600
Hawaii	$33,500	$80,300	$151,000	$8,200
Idaho	$30,100	$73,100	$138,500	$7,600
Illinois	$37,200	$88,900	$165,100	$9,000
Indiana	$29,200	$71,400	$132,300	$7,200
Iowa	$29,100	$70,800	$134,300	$7,300
Kansas	$34,900	$83,400	$158,800	$8,700
Kentucky	$34,400	$83,000	$153,300	$8,400
Louisiana	$31,400	$76,200	$141,500	$7,700
Maine	$29,300	$71,400	$132,800	$7,200
Maryland	$38,200	$91,000	$169,600	$9,300
Massachusetts	$42,800	$100,400	$191,700	$10,500
Michigan	$33,300	$80,100	$152,400	$8,300
Minnesota	$34,300	$82,300	$155,600	$8,500
Mississippi	$27,800	$68,500	$125,500	$6,800
Missouri	$32,100	$78,000	$141,500	$7,700
Montana	$29,200	$71,200	$132,900	$7,200
Nebraska	$33,800	$81,500	$152,100	$8,300
Nevada	$36,600	$87,700	$161,500	$8,800
New Hampshire	$38,100	$90,400	$170,400	$9,300
New Jersey	$43,900	$103,300	$192,300	$10,500
New Mexico	$30,200	$73,700	$135,900	$7,400
New York	$41,600	$98,100	$183,800	$10,000
North Carolina	$33,800	$81,300	$152,000	$8,300
North Dakota	$32,200	$77,600	$147,500	$8,000
Ohio	$32,700	$79,200	$145,200	$7,900
Oklahoma	$31,800	$77,100	$143,400	$7,800
Oregon	$34,800	$83,800	$155,600	$8,500
Pennsylvania	$34,800	$83,300	$157,200	$8,600
Rhode Island	$39,000	$93,000	$169,800	$9,300
South Carolina	$32,800	$79,400	$147,000	$8,000
South Dakota	$31,500	$76,400	$141,400	$7,700
Tennessee	$36,100	$86,700	$158,500	$8,600
Texas	$35,800	$85,900	$159,900	$8,700
Utah	$37,400	$89,200	$167,300	$9,100
Vermont	$30,600	$74,200	$138,400	$7,600
Virginia	$37,000	$88,700	$161,000	$8,800
Washington	$41,500	$98,000	$184,300	$10,100
West Virginia	$27,300	$67,300	$122,600	$6,700
Wisconsin	$30,700	$74,600	$140,500	$7,700
Wyoming	$29,500	$71,900	$134,300	$7,300

Source: ESI Projections of a Worker at a Small Business Following Auto-IRA Savings Defaults

Figure 14: Supplemental Lifetime Income at 65: Older Saver Participating in Auto-IRA (20 Yrs)

Geography	Average Earnings (45-64)	Total Employee Contributions	Assets Year 20	Annual Annuity
United States	$35,800	$55,600	$80,800	$4,400
Alabama	$34,400	$53,800	$77,300	$4,200
Alaska	$37,600	$57,600	$85,100	$4,600
Arizona	$33,400	$52,000	$76,000	$4,100
Arkansas	$31,800	$50,000	$72,500	$4,000
California	$36,300	$56,400	$81,800	$4,500
Colorado	$38,200	$58,800	$86,000	$4,700
Connecticut	$36,100	$56,200	$80,800	$4,400
Delaware	$32,700	$51,900	$72,600	$4,000
District of Columbia	$57,000	$84,500	$125,400	$6,800
Florida	$33,800	$53,000	$76,300	$4,200
Georgia	$35,900	$55,400	$81,300	$4,400
Hawaii	$31,800	$50,300	$71,700	$3,900
Idaho	$29,900	$46,700	$69,000	$3,800
Illinois	$38,100	$58,700	$85,500	$4,700
Indiana	$29,700	$46,900	$67,900	$3,700
Iowa	$28,200	$44,600	$65,100	$3,600
Kansas	$33,600	$52,200	$76,400	$4,200
Kentucky	$35,700	$55,400	$80,600	$4,400
Louisiana	$32,200	$50,400	$73,600	$4,000
Maine	$29,500	$46,700	$67,700	$3,700
Maryland	$38,500	$59,300	$86,100	$4,700
Massachusetts	$41,400	$62,900	$93,000	$5,100
Michigan	$32,400	$50,500	$74,200	$4,000
Minnesota	$33,900	$52,500	$77,200	$4,200
Mississippi	$29,100	$46,100	$66,700	$3,600
Missouri	$33,900	$53,200	$76,200	$4,200
Montana	$28,800	$45,700	$65,800	$3,600
Nebraska	$34,100	$53,100	$77,200	$4,200
Nevada	$37,600	$58,300	$84,100	$4,600
New Hampshire	$37,100	$57,400	$83,200	$4,500
New Jersey	$44,500	$67,600	$98,300	$5,400
New Mexico	$31,300	$49,200	$71,400	$3,900
New York	$40,900	$62,800	$90,900	$5,000
North Carolina	$33,400	$52,300	$75,600	$4,100
North Dakota	$30,700	$48,300	$70,100	$3,800
Ohio	$34,100	$53,300	$77,100	$4,200
Oklahoma	$32,000	$50,300	$72,800	$4,000
Oregon	$35,700	$55,400	$80,700	$4,400
Pennsylvania	$33,800	$52,700	$76,400	$4,200
Rhode Island	$40,700	$62,700	$90,100	$4,900
South Carolina	$33,500	$52,300	$75,900	$4,100
South Dakota	$31,400	$49,700	$71,000	$3,900
Tennessee	$37,800	$58,600	$84,500	$4,600
Texas	$36,100	$56,100	$81,300	$4,400
Utah	$37,400	$57,700	$84,400	$4,600
Vermont	$30,400	$48,000	$69,400	$3,800
Virginia	$38,600	$60,000	$85,400	$4,700
Washington	$41,300	$63,100	$92,300	$5,000
West Virginia	$28,900	$45,900	$66,200	$3,600
Wisconsin	$30,700	$48,000	$70,500	$3,800
Wyoming	$29,300	$46,400	$67,100	$3,700

Source: ESI Projections of Saver Following Auto-IRA Defaults

Figure 15: Share of Elderly Households with >90% of Income from Social Security, 2018–2019

Geography	Share High Reliance on Social Security	Rank	Geography	Share High Reliance on Social Security
United States	23%			
Alabama	30%	1	Mississippi	36%
Alaska	13%	2	Arkansas	35%
Arizona	21%	3	Alabama	30%
Arkansas	35%	4	Nebraska	29%
California	22%	5	Kentucky	29%
Colorado	20%	6	West Virginia	28%
Connecticut	19%	7	Oklahoma	28%
Delaware	21%	8	Tennessee	28%
District of Columbia	21%	9	Louisiana	28%
Florida	26%	10	North Carolina	28%
Georgia	26%	11	Texas	27%
Hawaii	17%	12	New Mexico	27%
Idaho	25%	13	Florida	26%
Illinois	23%	14	Georgia	26%
Indiana	23%	15	Idaho	25%
Iowa	19%	16	South Carolina	24%
Kansas	22%	17	Vermont	23%
Kentucky	29%	18	North Dakota	23%
Louisiana	28%	19	Pennsylvania	23%
Maine	19%	20	Missouri	23%
Maryland	21%	21	Indiana	23%
Massachusetts	19%	22	Wyoming	23%
Michigan	17%	23	Montana	23%
Minnesota	17%	24	New Jersey	23%
Mississippi	36%	25	Nevada	23%
Missouri	23%	26	Illinois	23%
Montana	23%	27	Virginia	22%
Nebraska	29%	28	Kansas	22%
Nevada	23%	29	Ohio	22%
New Hampshire	18%	30	California	22%
New Jersey	23%	31	District of Columbia	21%
New Mexico	27%	32	New York	21%
New York	21%	33	Arizona	21%
North Carolina	28%	34	Delaware	21%
North Dakota	23%	35	Maryland	21%
Ohio	22%	36	Colorado	20%
Oklahoma	28%	37	South Dakota	20%
Oregon	17%	38	Wisconsin	19%
Pennsylvania	23%	39	Connecticut	19%
Rhode Island	17%	40	Massachusetts	19%
South Carolina	24%	41	Maine	19%
South Dakota	20%	42	Iowa	19%
Tennessee	28%	43	New Hampshire	18%
Texas	27%	44	Washington	18%
Utah	18%	45	Utah	18%
Vermont	23%	46	Rhode Island	17%
Virginia	22%	47	Minnesota	17%
Washington	18%	48	Oregon	17%
West Virginia	28%	49	Michigan	17%
Wisconsin	19%	50	Hawaii	17%
Wyoming	23%	51	Alaska	13%

Source: ESI Analysis of Census Bureau Current Population Survey Data

Figure 16: Share of Household Spending by Seniors, 2020–2040 ($Billions)

Geography	Household Spending 65+ 2020	Household Spending <65 2020	Share of Spending 65+ 2020	Household Spending 65+ 2040	Household Spending <65 2040	Share of Spending 65+ 2040	% Chg 65+ Share 2020-2040
United States	$1,732.8	$6,603.9	21%	$2,292.7	$7,207.1	24%	16%
Alabama	$24.0	$76.8	24%	$28.9	$75.7	28%	16%
Alaska	$3.7	$16.2	18%	$4.6	$17.2	21%	16%
Arizona	$42.3	$121.3	26%	$63.6	$144.4	31%	18%
Arkansas	$14.2	$46.5	23%	$17.2	$47.5	27%	13%
California	$211.4	$863.4	20%	$286.1	$948.9	23%	18%
Colorado	$30.5	$134.3	19%	$45.0	$172.2	21%	12%
Connecticut	$24.7	$92.4	21%	$29.1	$85.7	25%	20%
Delaware	$6.3	$18.9	25%	$8.8	$21.0	30%	18%
District of Columbia	$4.2	$25.2	14%	$5.9	$36.1	14%	-2%
Florida	$137.0	$357.3	28%	$210.9	$446.2	32%	16%
Georgia	$46.3	$195.2	19%	$66.1	$223.2	23%	19%
Hawaii	$10.9	$26.6	29%	$14.2	$28.1	33%	15%
Idaho	$8.2	$28.7	22%	$11.5	$35.2	25%	10%
Illinois	$66.1	$271.4	20%	$75.4	$252.2	23%	18%
Indiana	$30.2	$119.5	20%	$36.6	$121.2	23%	15%
Iowa	$16.3	$62.1	21%	$19.5	$64.2	23%	12%
Kansas	$14.7	$55.8	21%	$17.3	$55.7	24%	13%
Kentucky	$20.8	$74.7	22%	$25.6	$74.9	25%	17%
Louisiana	$19.6	$77.0	20%	$24.4	$79.6	23%	15%
Maine	$8.1	$24.7	25%	$10.0	$22.7	31%	24%
Maryland	$38.1	$151.0	20%	$48.9	$160.5	23%	16%
Massachusetts	$41.8	$183.4	19%	$54.8	$193.8	22%	19%
Michigan	$52.4	$183.6	22%	$61.9	$174.1	26%	18%
Minnesota	$29.4	$131.9	18%	$39.1	$141.4	22%	19%
Mississippi	$12.9	$41.0	24%	$15.3	$38.7	28%	19%
Missouri	$30.8	$111.4	22%	$36.8	$110.4	25%	15%
Montana	$6.2	$19.3	24%	$7.7	$21.8	26%	8%
Nebraska	$9.5	$39.1	20%	$12.0	$42.6	22%	12%
Nevada	$17.3	$54.0	24%	$26.5	$66.9	28%	17%
New Hampshire	$8.6	$31.9	21%	$11.5	$30.2	28%	29%
New Jersey	$53.7	$229.8	19%	$65.7	$227.3	22%	18%
New Mexico	$11.9	$30.2	28%	$14.4	$29.0	33%	17%
New York	$112.2	$464.0	19%	$132.3	$467.0	22%	13%
North Carolina	$50.6	$187.8	21%	$70.8	$214.5	25%	17%
North Dakota	$4.0	$19.0	17%	$5.8	$25.0	19%	9%
Ohio	$58.8	$217.6	21%	$68.5	$209.2	25%	16%
Oklahoma	$19.0	$66.3	22%	$23.2	$71.6	24%	10%
Oregon	$24.7	$82.8	23%	$31.9	$98.5	24%	7%
Pennsylvania	$70.9	$255.3	22%	$82.0	$243.2	25%	16%
Rhode Island	$5.9	$21.6	21%	$7.1	$20.2	26%	20%
South Carolina	$26.9	$83.9	24%	$38.1	$98.5	28%	15%
South Dakota	$4.5	$16.3	22%	$6.0	$18.4	25%	14%
Tennessee	$34.3	$120.3	22%	$44.6	$132.0	25%	14%
Texas	$116.8	$564.1	17%	$184.2	$736.8	20%	17%
Utah	$12.8	$59.0	18%	$20.2	$78.0	21%	16%
Vermont	$4.3	$12.1	26%	$5.1	$10.9	32%	21%
Virginia	$50.0	$204.0	20%	$66.9	$222.6	23%	17%
Washington	$42.3	$179.8	19%	$59.9	$222.6	21%	11%
West Virginia	$9.6	$26.4	27%	$10.1	$23.4	30%	13%
Wisconsin	$29.9	$117.1	20%	$37.2	$114.2	25%	21%
Wyoming	$3.2	$11.7	22%	$3.8	$12.0	24%	12%

Source: ESI Analysis of Bureau of Labor Statistics Consumer Expenditure Survey Data

Figure 17: Rank: Growth in Elderly Household Spending Share (2020–2040)

Rank	Geography	Share of Spending Households 65+ 2020	Share of Spending Households 65+ 2040	Share of Spending Households 65+ % Growth 2020-2040
1	New Hampshire	21.3%	27.5%	29.4%
2	Maine	24.7%	30.5%	23.5%
3	Vermont	26.1%	31.7%	21.4%
4	Wisconsin	20.3%	24.5%	20.8%
5	Rhode Island	21.5%	25.9%	20.5%
6	Connecticut	21.1%	25.3%	20.3%
7	Georgia	19.2%	22.8%	19.1%
8	Mississippi	23.9%	28.4%	18.8%
9	Minnesota	18.2%	21.7%	18.7%
10	Massachusetts	18.6%	22.0%	18.5%
11	New Jersey	18.9%	22.4%	18.3%
12	Arizona	25.8%	30.6%	18.3%
13	Michigan	22.2%	26.2%	18.1%
14	California	19.7%	23.2%	17.8%
15	Delaware	25.1%	29.5%	17.6%
16	Illinois	19.6%	23.0%	17.5%
17	Virginia	19.7%	23.1%	17.4%
18	North Carolina	28.3%	33.1%	17.0%
19	Kentucky	21.2%	24.8%	17.0%
20	New Mexico	21.8%	25.5%	17.0%
21	Nevada	24.3%	28.4%	16.8%
22	Texas	17.2%	20.0%	16.6%
	United States	20.8%	24.1%	16.1%
23	Alabama	23.8%	27.6%	16.1%
24	Ohio	21.3%	24.7%	16.0%
25	Pennsylvania	21.7%	25.2%	16.0%
26	Maryland	20.2%	23.4%	15.9%
27	Florida	27.7%	32.1%	15.8%
28	Utah	17.8%	20.6%	15.6%
29	Missouri	18.4%	21.2%	15.5%
30	Hawaii	21.6%	25.0%	15.4%
31	Alaska	29.0%	33.5%	15.4%
32	Louisiana	20.3%	23.4%	15.3%
33	Indiana	20.2%	23.2%	15.1%
34	South Carolina	24.3%	27.9%	14.9%
35	Tennessee	22.2%	25.3%	14.0%
36	South Dakota	21.6%	24.6%	13.8%
37	Kansas	23.4%	26.5%	13.5%
38	Arkansas	20.8%	23.6%	13.5%
39	New York	19.5%	22.1%	13.4%
40	West Virginia	26.5%	30.0%	13.2%
41	Colorado	19.6%	21.9%	11.9%
42	Iowa	20.8%	23.3%	11.9%
43	Nebraska	18.5%	20.7%	11.8%
44	Wyoming	21.7%	24.2%	11.7%
45	Washington	19.0%	21.2%	11.3%
46	Idaho	22.3%	24.6%	10.4%
47	Oklahoma	22.2%	24.5%	10.1%
48	North Dakota	17.3%	18.8%	9.1%
49	Montana	24.3%	26.2%	7.7%
50	Oregon	23.0%	24.5%	6.5%
51	District of Columbia	14.3%	14.1%	-1.6%

Source: ESI Analysis of Bureau of Labor Statistics Consumer Expenditure Survey Data

Figure 18: Annual Per-Participant Expenditures (Federal and State) for Aged Medicaid Enrollees, 2017–2018

Geography	Expenditure per Aged Medicaid Recipient	Rank	Geography	Expenditure per Aged Medicaid Recipient
Alabama	$12,300	1	North Dakota	$59,900
Alaska	$23,600	2	Minnesota	$39,900
Arizona	$9,800	3	Pennsylvania	$37,900
Arkansas	$24,400	4	Colorado	$34,100
California	$14,500	5	Nebraska	$31,800
Colorado	$34,100	6	Kansas	$30,000
Connecticut	$17,300	7	New York	$29,600
Delaware	$21,500	8	Texas	$26,200
District of Columbia	$23,700	9	Oregon	$25,000
Florida	$14,900	10	Massachusetts	$24,800
Georgia	$12,800	11	New Jersey	$24,800
Hawaii	$14,000	12	New Hampshire	$24,700
Idaho	$13,900	13	Arkansas	$24,400
Illinois	$18,200	14	District of Columbia	$23,700
Indiana	$12,400	15	Alaska	$23,600
Iowa	$21,500	16	West Virginia	$23,200
Kansas	$30,000	17	Iowa	$21,500
Kentucky	$11,400	18	Delaware	$21,500
Louisiana	$10,900	19	Wyoming	$21,400
Maine	$13,700	20	Ohio	$21,300
Maryland	$19,600	21	Missouri	$20,500
Massachusetts	$24,800	22	Virginia	$19,900
Michigan	$17,700	23	Maryland	$19,600
Minnesota	$39,900	24	Utah	$19,600
Mississippi	$13,300	25	Montana	$18,900
Missouri	$20,500	26	Washington	$18,600
Montana	$18,900	27	South Dakota	$18,200
Nebraska	$31,800	28	Illinois	$18,200
Nevada	$8,500	29	Rhode Island	$17,900
New Hampshire	$24,700	30	Michigan	$17,700
New Jersey	$24,800	31	Connecticut	$17,300
New Mexico	$10,200	32	Oklahoma	$15,300
New York	$29,600	33	North Carolina	$15,000
North Carolina	$15,000	34	Florida	$14,900
North Dakota	$59,900	35	Wisconsin	$14,700
Ohio	$21,300	36	California	$14,500
Oklahoma	$15,300	37	Vermont	$14,400
Oregon	$25,000	38	Tennessee	$14,200
Pennsylvania	$37,900	39	Hawaii	$14,000
Rhode Island	$17,900	40	Idaho	$13,900
South Carolina	$10,700	41	Maine	$13,700
South Dakota	$18,200	42	Mississippi	$13,300
Tennessee	$14,200	43	Georgia	$12,800
Texas	$26,200	44	Indiana	$12,400
Utah	$19,600	45	Alabama	$12,300
Vermont	$14,400	46	Kentucky	$11,400
Virginia	$19,900	47	Louisiana	$10,900
Washington	$18,600	48	South Carolina	$10,700
West Virginia	$23,200	49	New Mexico	$10,200
Wisconsin	$14,700	50	Arizona	$9,800
Wyoming	$21,400	51	Nevada	$8,500

Source: Centers for Medicare and Medicaid Services

Methodology

Demographic Change

Elderly Population Growth

Population projections are drawn from forecasts issued by the Demographics Research Group at the University of Virginia's Weldon Cooper Center for Public Service.[12] The projections, issued in 2018, are available for each state and nationally by five-year age cohorts for the years 2020, 2030, and 2040.

State-level forecasts for age groups 65 and older are summed to generate an estimate of the elderly population as of 2020, and again as of 2040. State-level estimates of the elderly (65+) population are shown along with the expected percentage change in the elderly population over this 2020–2040 time period (see Figure 1), and states are ranked by the anticipated growth in the elderly population (see Figure 2). State-level forecasts sum to match national forecasts used in the national analysis.

Ratio of Working-Age to Elderly-Age Households

Population projections are also translated into projections of the number of households headed by a "householder" within each age band to better understand the anticipated changes in the demographic composition of each state.

For each state, household estimates are derived by grouping the projected population into four age groups (under 25, 25–44, 45–64, and 65+). American Community Survey (ACS) data from 2018 are used to calculate the average household size for each cohort by dividing the number of householders by the population.[13] For the under-25 age group, national ACS household adjustments are adjusted to reconcile with 2018 estimates reported in the U.S. Census Bureau's historic household estimates time series.[14]

The resulting ratio between population and households (known as the "headship rate") is applied for each age group in each state to translate population estimates into household estimates for 2020. The same process is repeated for 2040, holding the headship rate constant within each age cohort.[15]

Household estimates by age group are then used to understand changes in the dependency ratio. The dependency ratio for each state is calculated by dividing the projected number of "working age" households (those headed by a householder under the age of 65) by the number of "elderly" households (those headed by a householder 65 or older). This calculation is undertaken for both 2020 and 2040 for each state. The net change in the ratio is calculated (see Figure 3), with states ranked by the anticipated net change (see Figure 4). A declining ratio indicates increasing fiscal pressure on a state's tax base.

Retirement Savings Access

Private Sector Workers without Access to Coverage

Workplace access to retirement savings for private sector workers is estimated in the national study by blending information from two frequently used data sets about access and participation: the National Compensation Survey from the Bureau of Labor Statistics (BLS) and the Current Population Survey (CPS) from the Census Bureau.

National Analysis

National access rates are defined through analysis of CPS data using 2018–2019 samples[16] and averaging these national results with nationwide access rates for private sector workers reported in the BLS 2019 National Employment Compensation

12 *National Population Projections* (2018). University of Virginia Weldon Cooper Center, Demographics Research Group.
13 ACS population estimates are drawn from Table BO101 (Sex by Age) and Household estimates are drawn from Table B19037 (Age of Householder) using 2018 1-Year Estimates.
14 U.S. Census Bureau, Historical Household Tables. Table 3: Households by Age of the Householder: 1960 to Present. State-level estimates for the under-25 age group are adjusted (upward) to adjust for the difference between data sets in the same proportion used at the national level. ACS household estimates for other age groups track closely with these estimates and do not require adjustment.
15 Note that the national and statewide headship rates shift slightly over time under this approach, due to compositional changes in population by age group.
16 This analysis updates a methodology defined in a previous Pew Charitable Trusts study with respect to the specific questions and definitions used, focusing on full-time, full-year private sector workers. See: Scott, John, et al. (2016), Who's In, Who's Out: A look at access to employer-based retirement plans and participation in the states.

Survey.[17] This blended approach yields an estimate that 54% of private sector workers have access to retirement savings options through their workplaces, while 46% do not have access. These shares are applied to the private sector workforce projections for 2020 to yield an estimated access gap of 57 million as of 2020 (compared to 67 million workers with access through their employers).

Variation in these rates is then estimated by age and employer size. Variation by age band is defined through the CPS analysis outlined above, while variation by employer size is drawn from a Social Security Administration analysis that defines access and participation by employer size based on data from the Survey of Income and Program Participation (SIPP).[18] Variations in access by age and firm size are weighted to the estimated composition of the private sector workforce to ensure that estimates by cohort sum to the national estimates when aggregated across all private sector workers. In general, access levels increase with age, and increase as employer size grows.

State Analysis

National estimates are translated into state estimates using two sources of state-level variation:

1. BLS data about the composition of the private sector workforce in each state; and
2. CPS data about access rates in each state and Census Bureau.

Since retirement savings access rates are correlated with employee age and employer size, the composition of each state's workforce is estimated along each of these dimensions. First, U.S. Census Bureau data from the Quarterly Workforce Indicators (QWI) program[19] for each state are analyzed and compared to ACS data about population by age band for 2018 to understand the employment-to-population ratio among private sector workers in each of the age bands used in the study.[20] This employment-to-population ratio for each age cohort is then held constant and applied to the forecasted population for 2020 to estimate the private sector labor force by age group.[21]

The projected private sector workforce in each age cohort is then further apportioned into employer sizes. QWI estimates are reconciled with data from Quarterly Census of Employment and Wages (QCEW) from the BLS, which is used to define the proportion of the workforce by employer size in each state. Together, these data sets are used to derive a profile of private sector employment by employee age and employer size as of 2020.

Next, estimates of workplace retirement savings access are generated for each age group in each state. Estimates are derived from analysis of CPS data by age group and state.[22] CPS results are adjusted based on the ratio between national CPS data and the blended BLS/CPS national estimate to ensure that the sum of results yielded by the state-level access analysis aligns with the national estimate.

17 2019 National Compensation Survey from the Bureau of Labor Statistics. Table 2.
18 Dushi, Iams, and Lichtenstein (2015), *Retirement Plan Coverage by Firm Size: An Update*. Social Security Administration, Office of Retirement and Disability Policy, Social Security Bulletin, Vol. 75, No. 2, 2015.
19 U.S. Census Bureau, Quarterly Workforce Indicators Time Series. Note that for the three smallest states, data by employer age and firm size were not available for 2018. For these states, the most-recent year available (2015) is used, with employment proportions extrapolated forward to estimate 2018 employment levels.
20 Notably, employment estimates used for this analysis include only traditional employees, as defined by the Bureau of Labor Statistics and Census Bureau, and exclude independent contractors and "gig workers." Any enhanced access among these independent workers would produce additional benefits beyond those modeled.
21 Note that this approach effectively applies 2020 employment ratios, and therefore economic conditions, to 2020. Accordingly, these estimates should be treated as representative of "steady state" economic conditions before the onset of COVID-19 and the associated economic disruptions, rather than a representation of actual employment conditions in 2020 as influenced by the pandemic.
22 Custom analysis of Current Population Annual Social and Economic Supplement data, 2018–2019.

The share of workers with and without access by age group is applied to estimates of the size and composition of the private sector workforce in each state as of 2020 to calculate the number of workers with and without access. The access gap share is calculated by dividing the number of private sector employees without workplace access by the total number of private sector employees in each state.

Results are reported for each state for the total number of private sector employees, the number with and without access to coverage, and the share without access (see Figure 5), and states are ranked based on the access gap share (see Figure 6).

Adjustment for State Auto-IRA Programs

State-facilitated Auto-IRA programs are active in California (CalSavers), Illinois (Illinois Secure Choice), and Oregon (OregonSaves). As of December 2020, these three programs collectively have more than 263,000 funded accounts and $160 million in assets.[23]

Since access estimates described above are derived from 2018–2019 CPS and 2019 BLS data, they largely do not account for the effect of these recently implemented programs in increasing access in these states. Adjustments are therefore made in state-level calculations for California, Illinois, and Oregon to account for workers newly gaining access through these programs. Adjustments for these states are then applied to adjust national estimates, which therefore differ slightly from those reported in the national study, where this adjustment was not undertaken.

Increases in access associated with the state-facilitated programs are estimated based on program participation and opt-out rates reported by the states.[24] Total funded accounts are divided by the effective participation rates (which are calculated as the inverse of the reported opt-out rate) to estimate additional workers gaining access.[25] These workers are added to the estimate (derived through the method above) of private sector employees with access to retirement savings through the workplace, and deducted from the estimate of workers without access.

Workers Without Access to Coverage by Employer Size

Some policy approaches to expand private sector workplace access to retirement savings exempt small employers from the requirement to provide access to coverage for their employees. Further detail about gaps in workplace access to coverage by employer size for each state provides information about the implications of different potential employer size "thresholds" for this exemption on the access gap that would remain unaddressed.

The methodology outlined above generates estimates of access to retirement savings by employee age and employer size. BLS QCEW data is used to apportion estimates of the private sector workforce for each state into employers with fewer than five, fewer than 10, and fewer than 25 workers, and applicable access rates are applied to each of these groups.[26] Results are summed across age cohorts to produce estimates by employer size threshold.

An adjustment is made for California, Illinois, and Oregon results to account for the workers estimated to be newly gaining access under state-facilitated Auto-IRA programs in those states. Since Illinois Secure Choice includes a threshold of 25 employees for the requirement to offer coverage and CalSavers has not yet implemented a coverage requirement for small employers, access gains in those two states are assumed to have been concentrated among

23 For more information about state-facilitated programs, see: Center for Retirement Initiatives: State Program Performance Data.
24 *Ibid*
25 For example, California reports an effective opt-out rate of 30.45% as of the end of 2020. The participation rate is therefore estimated as 69.55% (calculated as 100% - 30.45%)
26 Access rate estimate for employers with fewer than 10 employees are applied to the base of workers at employers with fewer than five employees, since unique data on access rates for these employers are not available. For employers with between 20–24 employees, a proportional share of the employers of between 20–49 employees is used.

employers with 25 or more workers. In Oregon, all businesses with five or more employees were required to offer coverage as of the end of 2020, with the requirement extending to all employers in early 2021. Workers gaining access under OregonSaves are distributed proportionally to the base of workers initially lacking access in all employer sizes required to participate as of the end of 2020 (all but those employers with under five employees).

For each state, the total private sector workforce without access to coverage ("access gap") is presented, along with the number of workers without access at employers with fewer than five, fewer than 10, and fewer than 25 employees (see Figure 7). Workers without access under each employer size threshold include those under lower thresholds.[27] The number of workers lacking access under each threshold is divided by the total number lacking access to define the share of the access gap that remains unaddressed at each employer size threshold.

Policy approaches with an employer size threshold may also include exemptions for firms below an age threshold (such as two or three years in existence). Firm age is not accounted for in this state-level analysis, meaning that an additional portion of the access gap may remain unaddressed beyond the estimates shown for each employer size.[28] National analysis of the interaction of firm size and firm age shows that firm size is the far-larger determinant of the number of workers at firms exempted from the coverage requirement, in part because the youngest firms also tend to be the smallest.[29]

Savings

Additional Savers With Expanded Access

Projections of additional savers and additional savings under policies that expand access workplace access to retirement savings are derived from policy scenarios outlined in the CRI and ESI's national analysis. National estimates are generated for four scenarios to understand the impact of certain policy variations, two of which rely on a Roth Auto-IRA model and two that use a Roth 401(k). As described in the introduction to this report, state-level analysis focuses on the IRA options since states are preempted by federal law (ERISA) from requiring employers to offer a 401(k) because such plans are considered employee benefit plans.

The Roth Auto-IRA models analyzed at the state level require employers that do not already offer their workers a savings or other retirement plan to automatically enroll their workers in a state-facilitated program, allowing them to begin to save unless the worker opts out. A first Auto-IRA scenario envisions this requirement to apply to all private sector employers, while a second Auto-IRA scenario includes an exemption for employers that have fewer than 10 employees or have been in existence for less than two years.[30]

Participation estimates are developed as of 2040 under these policy options. State-level modeling starts with an estimate of the size and composition of the base of workers gaining access to retirement savings in each state.

27 Workers without access at businesses of under five employees are also included in the count of businesses with under 10 employees, and businesses of under 10 in the count of businesses of under 25).
28 Conversely, some employers below the threshold to require coverage may opt to do so, a factor that would reduce the unaddressed access gap relative to the estimates shown.
29 Nationally, each increment in exempted firm size (from five to 10 to 20 employees) exempts firms employing several million workers nationally, while each additional year of firm age (from one to two to three years) exempts firms with a total workforce of closer to 1 million.
30 Under this scenario, estimates are made of the number of small or new firms that are exempt from the requirement to provide access, but choose to participate voluntarily, thus expanding access for their employees.

Estimates of the private sector workforce and access gap for retirement savings coverage as of 2020 described above are extrapolated to 2040. To do so, a consistent employment-to-population ratio and consistent distribution of employer size by age band is assumed for each state. These proportions, as estimated for 2020, are applied to the 2040 population projections from the University of Virginia by age group in each state. This approach produces an estimate of the private sector workforce in each state for 2040 that accounts for population growth, but otherwise reflects a "steady state" from recent (pre-COVID) economic conditions.

The ratios of workers with and without access by worker age and employer size estimated for 2020 are then applied to the projected 2040 workforce. This produces an estimate of the size and composition of the gap in access to workplace retirement savings as of 2040, absent any change in policy.

Next, retirement savings participation is estimated among those workers who gain access under each of the policy scenarios. Since employees can opt out, no scenario will achieve 100% participation among those workers gaining access. Based on benchmarks, including initial data from state Auto-IRA programs, employee "opt-in" rates are estimated at 70% nationally, with variation by employee age and employer size. Workers beyond the assumed retirement age of 65 are modeled to opt out, and calculations are presented among workers under 65 only.

These differentiated participation estimates are applied to the population of workers gaining access in each state under each policy option. Since the composition of each state's workforce without access is different, variations by worker age and employer size lead to variation in participation rates among workers gaining access by state and by policy approach.

This calculation produces an estimate of the number of additional savers in each state as of 2040. An "additional saver" is defined as a worker who would otherwise lack access and is contributing to a savings account in that year.

Due to normal churn from worker turnover, discontinued accounts, and retirements, the total number of account holders will be far greater than the number of active savers at any point in time.

For each state, estimates are presented of the number of workers under 65 lacking access as of 2040 under current policy, and participation among that population under the Auto-IRA options with and without an exemption for small employers. The number of additional savers is divided by the number of workers lacking access to estimate the share of those workers comprising the access gap that would be contributing to a savings account under each policy scenario (see Figure 8).

Additional Savings With Enhanced Access

National analysis also defines the level of savings as of 2040 from the additional savers gaining access under each of the policy scenarios. Savings levels are estimated in this study at the state level for the Auto-IRA scenarios in aggregate among all new savers and on a per-saver basis. All estimates throughout the national- and state-level analysis are presented in $2020, to allow for comparison of incomes and savings over time in consistent real-dollar terms. State level metrics reconcile with the published national estimates.

The participation estimates described above define the base of additional savers by employee age and employer size associated with each of the policy scenarios (Roth Auto-IRA models with and without an exemption for employers with fewer than 10 employees or in existence for less than two years).[31] Earnings are then estimated by age cohort based

31 Note that this analysis of a "threshold" for a requirement to offer coverage includes an exemption based on firm age, consistent with federal policy proposals including a threshold. State-level analysis of potential participation within this scenario retains this feature to align with national estimates. Earlier estimates of the access gap as of 2020 by employer size do not account for a potential exemption by business age.

on data from the Current Population Survey (CPS) in each state.[32] This analysis is limited to the population that does not currently have access to retirement programs, to better reflect the income profile of the population affected by expanded access policies.

An average contribution rate as a share of income for each age cohort is drawn from the national analysis. This analysis uses detailed modeling of auto-escalation and employee turnover patterns to estimate a weighted average contribution throughout the population as of 2040. Average contribution rates are estimated to stabilize after an initial implementation period because longer-tenured workers reach the auto-escalation cap of 10% assumed in the Auto-IRA policy options, combined with a regular churn of newer participants starting at the initial default rate of 5%.

For each state and age cohort, participation estimates are combined with earnings and contribution rate estimates to generate an initial estimate of employee contributions. These estimates are used as an input to estimate the share of nationwide savings for each state.[33] This approach ensures that the sum of savings estimates across states aligns with the national estimates.

For each state, estimates are presented of the employee contributions of the additional savers as of 2040 under the Auto-IRA options with and without an exemption for small employers (see Figure 9). Total employee contributions are also divided by the number of additional savers to estimate the average contribution levels.

The Saver's Tax Credit

Additional modeling is undertaken of the effect of an enhanced, refundable Saver's Tax Credit ("Saver's Credit"). Under the existing structure, filers under certain income thresholds can receive a credit against their federal tax liability based on a portion of their annual retirement savings contributions. The enhanced Saver's Credit modeled in the national study and in this analysis includes higher income limits, credit amounts, and maximum credits, matched to the October 2020 SECURE Act 2.0 proposal introduced in the House Ways and Means Committee by Chairperson Neal and Ranking Member Brady.[34] In addition, the enhanced version modeled in this analysis includes a refundable structure that provides for matching funds to be deposited directly into savers' accounts, replacing the current structure in which credits reduce federal tax liability. Since this policy variable is determined at the federal level, state analysis is shown with and without changes to the Saver's Credit.

Potential Saver's Credits are modeled by state based on the distribution of incomes for each state and age group drawn from the CPS data set. Following the approach in the national study, savers are sorted relative to the income cut-offs envisioned for the credit. This distribution is used to estimate the effective rate of Saver's Credits relative to employee contribution for each state and age group. For any individual saver, this rate can be as high as 50% (the maximum eligible credit amount), but in any broad population, the effective rate will be lower since some savers will be eligible at a lower matching level or ineligible due to their income levels.

These Saver's Credit effective rates are applied to the estimated contributions in each scenario by age cohort and state. State totals are scaled to ensure that the sum of credits across states aligns with the national estimates.

For each state, estimates are presented of employee contributions, Saver's Credits, and

32 Custom analysis of Current Population Annual Social and Economic Supplement data, 2018–2019.

33 Notably, these shares are calculated based on pre-tax incomes, while contributions at the national level are modeled using post-tax earnings, due to the use of post-tax Roth IRA savings accounts. Analysis of state-level variation in effective tax rates is beyond the scope of this study. Therefore, relative pre-tax income levels can be used to allocate savings from the national to the state level, provided that resulting state shares are reconciled to the post-tax national estimates.

34 Households below the initial income threshold ($80,000 for married filing jointly, $60,000 for head of household, and $40,000 for all other filers) are eligible for a 50% credit on qualified contributions up to $3,000. For the next $20,000 in earnings, the maximum qualified contribution decreases on a proportional scale, although the credit remains 50%. See: Information about provisions of SECURE Act 2.0 from the House Committee on Ways & Means (2020), The Securing a Strong Retirement Act of 2020 - Expanding Coverage and Increasing Retirement Savings – Section-by-Section Summary.

total savings (the sum of employee contributions and Saver's Credits) as of 2040 under the Auto-IRA options with and without an exemption for small employers (see Figure 10).

Supplemental Lifetime Income at 65 for Auto-IRA Participants

Examples of representative savers in this report as used to show the potential for workers with modest incomes to enhance their retirement security through consistent contributions and the power of time and compounding returns. Individuals are assumed to be participating in the Roth Auto-IRA approach outlined in the national analysis and detailed above, and to be following program defaults. Results for individual savers are shown beyond the analysis period used for modeling aggregate impacts (through 2040) for a better illustration of the potential impacts over the full career of a saver, as well as differentials in outcomes based on varied start dates for savers.

Starting ages for the savings scenarios are chosen to align with the starting points of age bands used in this study and contribution years are calculated based on a retirement age of 65, assuming continuous participation. Three savers are modeled:

1. A "young saver" starting their account at age 25 and saving over the remaining 40 years of their career;
2. A "mid-career saver" starting their account at age 35 and saving over the remaining 30 years of their career;
3. An "older saver" starting their account at age 45 and saving over the remaining 20 years of their career.

Financial implications are modeled for each saver based on the sequence of steps described below.

Pre-Tax Earnings

Each saver is assigned the average earnings for participants at a small employer (defined as fewer than 20 employees) for their age bracket in their state. Through this approach, participants are modeled to see modest changes in their real incomes over time as they move between age cohorts. This earnings trajectory is held consistent across each scenario, meaning that differences in assets at age 65 are driven by the starting point and length of savings.

Notably, this approach differs from the young, mid-career, and older savers modeled in the national study. In that study, the assumed employer size varied across the saver examples, producing variance in earnings trajectories among the different savers beyond just their age. The assumption of a consistent earnings trajectory within the state-level analysis isolates the impact more directly of starting to save early on and consistent contributions throughout a career on supplemental income available in retirement.

Earnings estimates by age group for workers at a small employer in each state are generated through analysis of CPS earnings data by age group and state among the population without access to retirement savings through their workplaces. State-level estimates are rescaled to ensure that the weighted average aligns with national estimates, retaining variation between age groups and between states.

Post-Tax Earnings

Pre-tax earnings estimates are then translated into post-tax earnings estimates, which form the base against which the contribution rate is applied in the Roth IRA post-tax savings vehicle. This parameter is drawn from analysis in the national study of effective take-home rates at different income levels in different tax environments, through which an equation was developed to describe post-tax income as a function of pre-tax income. This equation is applied to the pre-tax earnings for each year to estimate post-tax income.

This approach accounts for differential tax rates by earnings level, with lower-income workers seeing a somewhat-lower effective rate due to the progressive nature of the federal tax structure. Notably, this approach does not account for variation in state tax rates, which would require a degree of customized analysis by state that is beyond the scope of this study.

Contributions

Contribution rates are based on the default initial rate and auto-escalation rates under the Roth Auto-IRA policy scenarios defined in the national report. Default rates are set to 5% of post-tax earnings in the first year, and grow by 1% in each subsequent year up to an auto-escalation cap of 10%. Representative savers are assumed to follow these default levels in their initial years, and to remain at the 10% auto-escalation cap for the duration of their careers once they have reached it.

Modeling is also undertaken to compare potential account balances for a young saver over a 40-year time horizon with and without the enhanced federal Saver's Credit. Eligibility criteria are combined with the assumed earnings and contribution levels each year to define the credit received by the sample saver. This amount is assumed to be added to the saver's account, and is then subject to market returns and fees in the same manner as employee contributions. Notably, each sample saver may be eligible for a Saver's Credit under its current design, but within the current structure, this credit would yield a reduction in their federal tax liability, rather than a deposit into their savings account.

Asset Balances

Modeling of account balances over time follows a sequence of steps to estimate an end-of-year balance for each year. The end-of-year balance is calculated as a function of the starting balance, within-year contributions, market growth on the starting assets, and within-year contributions, net of fees. No early withdrawals are assumed in these individual examples.[35]

Market returns are estimated to vary by age group, while fees are calculated as a share of assets. Assumptions for each of these parameters are drawn from the scenarios defined in the national analysis and are consistent across all states. Calculated end-of-year balances become the starting balance for the following year, where the calculation is repeated with a new year of contributions, Saver's Credits as applicable, market returns, and fees.

Retirement Income

Modeled account balances at age 65 are then converted to the level of annual income they can support in retirement. Retirees have a range of potential financial approaches for using "lump sum" assets at retirement to generate income in their retirement years. A 2019 CRI 2019 report in conjunction with financial experts Willis Towers Watson reviews several "lifetime income" models that can protect assets and mitigate risk for retirees.[36]

This analysis uses the "immediate annual annuity" option identified in that analysis, which represents a straightforward and consistent benchmark for converting the value of lump sum savings into an annual income stream. It is recognized that in practice, participants reaching 65 would take a variety of financial approaches (and may, in some cases, continue to work and save beyond age 65).

The immediate annuity value is estimated based on market benchmarks calculated in the 2019 CRI report, which calculated annual incomes from ages 65–95 for representative savers under a variety of decumulation strategies. A ratio is derived between lump sum assets and an annual annuity payment. Since this annual payment does not increase in nominal terms, an inflation adjustment is applied to express the annual value of this income stream in real terms.[37] This inflation-adjusted rate is applied to the calculated lump sum balance in all states and savings scenarios to estimate the potential annual income stream for the representative savers from ages 65–95.

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35 Note that individual examples represent "model savers" who choose to participate when provided access through their employers, follow defaults, and do not diminish their savings by making early withdrawals. Aggregate savings analysis undertaken in the national study recognizes that across the population, these and other factors (such as job turnover) will diminish savings levels, and accounts for each of these parameters in developing estimates of aggregate estimates of policy impacts.

36 Antonelli, et al. (2019), Generating and Protecting Retirement Income in Defined Contribution Plans: An Analysis of How Different Solutions Address Participant Needs. Georgetown University Center for Retirement Initiatives, in conjunction with Willis Towers Watson.

37 An inflation rate of 2.2% is used, based on the long-term equilibrium reflected in the Congressional Budget Office's 2020 Long-Term Budget Outlook. This rate is applied across an average expected remaining lifespan of 20 years at age 65.

For each state, estimates are presented of financial outcomes at age 65 for the young saver (see Figure 11), mid-career saver (see Figure 13), and older saver (see Figure 14) after Auto-IRA savings defaults, as well as the young saver benefitting from an enhanced, refundable federal Saver's Credit (see Figure 12).

For each state and scenario, results are presented for:

1. Average annual earnings (based on average pre-tax earnings in the years in which the saver is contributing);
2. Total employee contributions (and Saver's Credit as applicable) in their years of savings;
3. Asset balances as of the age of 65; and
4. Annual income stream from ages 65–-95 supported by the lump sum asset balance if it is used to purchase an immediate annual annuity

Households With High Reliance on Social Security

Social Security is intended to provide a basic income floor for retirees. Unfortunately, many elderly households are heavily reliant on Social Security without a material supplement from private savings. The share of retirees who are highly reliant on Social Security serves as an indicator of shortfalls in private savings and retirement sufficiency, and the ability of the retiree population to maintain their quality of life.

A common measure of high reliance is the share of the elderly population who derive at least 90% of their income from Social Security. Prior published research from the Policy Institute of the American Association of Retired Persons (AARP) calculated this metric using 2012–2014 waves of data from the Current Population Survey.[38]

This study updates analysis of this metric using 2018–2019 waves of the CPS.[39] Survey respondents provide both their income from Social Security and total household income from all sources. These two values are compared to compute whether respondents derive at least 90% of their income from Social Security.

State estimates are presented of the share of elderly households deriving at least 90% of their income from Social Security, and states are ranked based on these shares (see Figure 15).

Notably, the Social Security Administration has published a similar measure of high reliance on Social Security at the national level using somewhat-different definitions. This measure, as published in the annual Social Security Fact Book in 2017, is based on analysis of Social Security beneficiaries only (rather than the full aged population) and also excludes total income "withdrawals from savings and non-annuitized IRA or 401(k)s"[40] from the calculation. Given the focus of this study on the role of private savings as an income supplement, the broader definition of the full elderly population and all income types is used rather than Social Security's more-narrow definition. This broader approach results in more-conservative estimates of the share of the population highly reliant on Social Security.

38 AARP Public Policy Institute (2015). *People Aged 65 and Older Who Rely on Social Security for 90% of Family Income (in 2013) and Average Monthly Benefit (December, 2014) by State*.
39 Notably, the Social Security Administration published a 2017 research note comparing results from the CPS to two other data products: the Survey of Income and Program Participation (SIPP) and the Health and Retirement Study (HRS). The study concludes that each of the three approaches yields similar results, with each indicating that about one-quarter of the aged live in households that receive at least 90 percent of family income from Social Security. Irena Dushi, Howard M. Iams, and Brad Trenkamp (2017). *The Importance of Social Security Benefits to the Income of the Aged Population*. Social Security Bulletin, Vol. 77 No. 2, 2017.
40 Social Security Administration (2015). *Fast Facts and Figures About Social Security, 2017*. Page 8: Relative Importance of Social Security.

Economic and Fiscal Impacts

Share of Household Spending by Seniors

Household spending shares are estimated through analysis of data from the BLS Consumer Expenditures Survey (CES), which defines spending patterns for households by age type. From these national data, income adjustments are undertaken for each state by age cohort. These estimates are matched with projections of demographic change to estimate the growth in the share of household spending accounted for by seniors in each state from 2020–2040.

The 2019 BLS Consumer Expenditure Survey[41] provides national estimates of the level and composition of household expenditures for households in 10-year age cohorts (15–24, 25–34, 35–44, 45–54, 55–64, 65+), as well as average incomes for survey respondents. Average incomes are compared to average expenditures to compute household spending as a share of income for each age cohort. Overall, household spending is around three-quarters (76%) of household income, with higher shares for the youngest (102%) and oldest (90%) cohorts, and shares of around 70% for prime working-age (25–64) households.

To develop estimates at a state level, data on average household incomes by age cohort in each state are drawn from the ACS.[42] Incomes for each age band are normalized using a national scalar so the weighted average of state incomes reconcile to the national incomes reported in the CES. Average household spending is then estimated for each state and age cohort by applying the national ratio between spending and incomes for each age band derived from the CES data.

Spending estimates per household for each state and age band are then matched to the demographic estimates of household by age derived from analysis of University of Virginia population projections above to produce estimates of total household spending by age in each state for both 2020 and 2040. Per-household expenditures by age group and state are held constant from 2020 to 2040, meaning that all changes in the estimated spending are driven by the expected changes in the demographic composition of the state's households.[43]

Estimates for working-age cohorts are summed to produce estimates of total household spending for households under 65 and elderly (65+) households in each state. The share of spending by elderly households is calculated for both 2020 and 2040, as well as the percentage change in these shares from 2020–2040 (see Figure 16), and states are ranked by the anticipated increase in the share of spending by elderly households (see Figure 17).

Annual Per-Beneficiary Expenditures (Federal and State) for Aged Medicaid Enrollees

Federal and state governments operate a range of support programs that support their older citizens. As the nation's population ages, the projected cost of federal benefit programs supporting seniors is anticipated to increase substantially. Helping future retirees increase their savings and the resources they have available in their retirement years also has the benefit of reducing their need for these programs, many of which are means-tested for either eligibility or benefit levels.

Within the national analysis, CRI and ESI analyze the potential savings from a range of federal programs, many of which also have state

41 Bureau of Labor Statistics, *Consumer Expenditure Survey: CE Tables*. Table 1300: Age of reference person: Annual expenditure means, shares, standard errors, and coefficients of variation.
42 ACS income data are drawn from Table B19037: Age of Householder by Household Income in the Past 12 Months. Note that average incomes are used rather than median incomes, both because average incomes are used in the national CES data and the average is the correct statistical metric for extrapolating population level totals from a known number of households.
43 Note that this calculation does not make any adjustment for trends in retirement savings, which would alter the balance between working-age and retiree incomes and savings. Rather, it seeks to isolate household spending implications from demographic change alone, holding all other factors constant.

components, from increases in savings through potential national universal access policies. The national study is estimating that these programs could result in savings of $7–$9 billion in federal and state benefit program expenditures by 2040, depending on the policy approach. Aggregate state expenditure savings are derived from ratios between federal and state expenditures for shared programs. Increasing retiree incomes could generate additional savings on state-level programs that provide benefits such as property tax relief, transportation, medical cost assistance, and other support services to low-income seniors.[44]

State-level estimates of potential program savings from increased retiree incomes require detailed analysis of state budget and program data on an individual basis that is outside the scope of this analysis. As an indicator of the magnitude of potential future expenditures on the elderly population, current expenditures (federal and state) per aged Medicaid enrollee are shown. Medicaid is the largest shared program analyzed in the national study, and accounts for the majority of the identified potential state expenditure reductions from increased savings.

The federal Centers for Medicare and Medicaid Services (CMS) publishes annual estimates of Medicaid expenditures per capita by state and enrollee type for various eligibility groups.[45]

"Aged" enrollees are those who qualify based on a combination of their age and the applicable income and asset standards in their state. Notably, a significant share of spending for aged enrollees is generated by the need for long-term care, which is often housed within the Medicaid program (with specific structures varying by state).

Estimated per-enrollee spending is calculated by CMS based on a "spending reported by states to the Medicaid Budget and Expenditure System (MBES) and the number of enrollees and their expenditures reported by states in the Transformed Medicaid Statistical Information System (T-MSIS)."[46] Expenditures include both federal and state funds, and are presented as an average per enrollee.

This analysis averages results from 2017 and 2018 (the most-recent years available) to provide a larger sample size for an annualized estimate. Annualized state levels results for total expenditures (federal and state) per aged Medicaid beneficiary are presented, and states are ranked by the total per-beneficiary spending level (see Figure 18).

44 ESI has studied the fiscal impact of insufficient retirement savings at the state level in support of government task forces in Pennsylvania, Colorado, and Virginia. These studies have identified a range of state and local expenditure categories that are affected by insufficient retirement savings. Importantly, these studies do not examine the impact of any potential policy or program model, but rather, estimate the fiscal cost of the total gap in retirement savings sufficiency in the state.

See: *The Impact of Insufficient Retirement Savings on the Commonwealth of Pennsylvania,* Econsult Solutions (2018);

The Fiscal Impacts of Insufficient Retirement Savings in Colorado, Econsult Solutions (2020);

The Cost of Doing Nothing: Potential Impacts of Insufficient Retirement Savings in Virginia, 2020-2035. Econsult Solutions (2020). Appendix C.

45 Centers for Medicare and Medicaid Services. *Medicaid per Capita Expenditures*. Accessed January 2021.

46 *Ibid*.

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