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**State-Facilitated Retirement Savings Programs
Overview of Current Status, Lessons Learned, and Best Practices**

A Presentation to the Hawai'i Retirement Savings Board

Angela Antonelli
Research Professor and Executive Director
September 30, 2025

Who We Are

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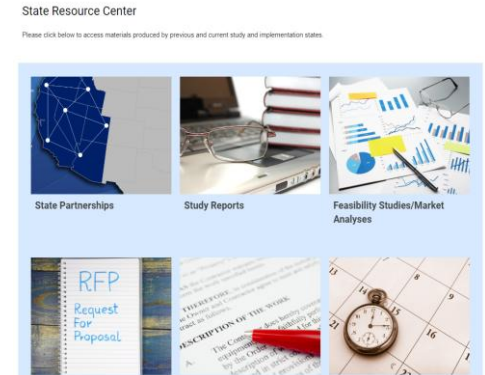
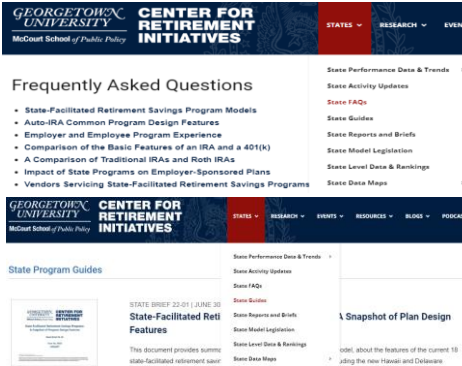
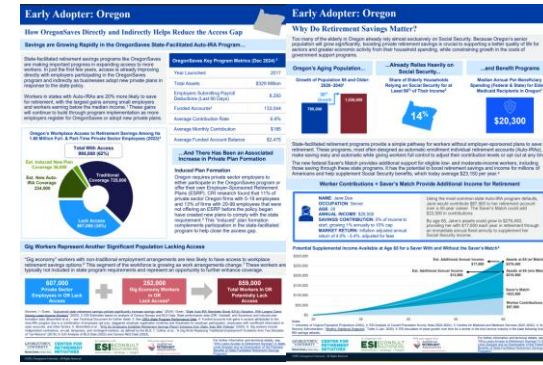
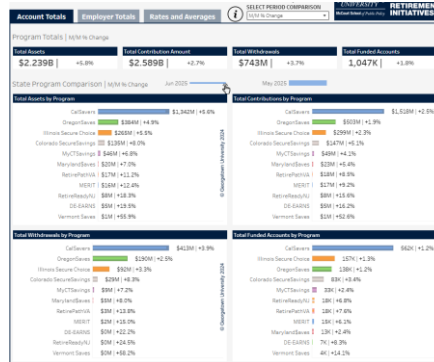
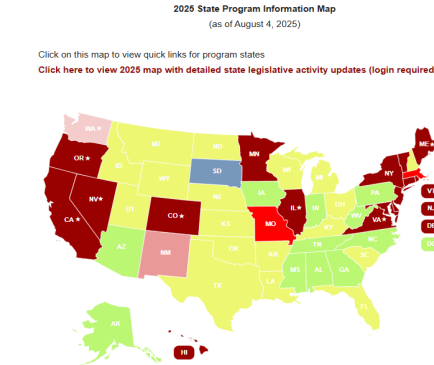
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The Georgetown Center for Retirement Initiatives

Working to close the access gap
for private sector workers since
2014

- Educate and inform about state-facilitated programs
- Host the network of the states (monthly and annual meetings)
- Provide technical assistance to the states to support legislative and program implementation
- Share resources to address legal, policy, and regulatory issues
- Maintain a State Resource Center for the states
- Maintain and disseminate state program performance data
- Share best practices and lessons learned



The Case for State Programs and the Current Landscape

The State's Demographics Are Changing, Population is Aging

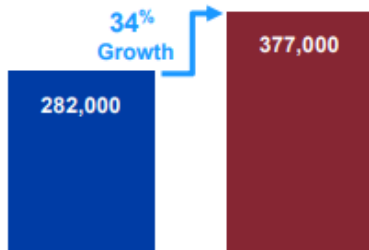
Hawaii

Why Do Retirement Savings Matter?

Too many of the elderly in Hawaii already rely almost exclusively on Social Security. Because Hawaii's senior population will grow significantly, boosting private retirement savings is crucial to supporting a better quality of life for seniors and greater economic activity from their household spending, while constraining growth in the costs of government support programs.

Hawaii's Aging Population...

Growth of Population 65 and Older:
2020–2040¹



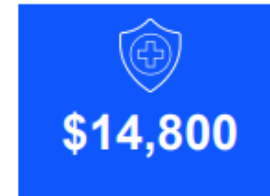
...Already Relies Heavily on Social Security...

Share of Elderly Households
Relying on Social Security for at
Least 90% of Their Income²



...and Benefit Programs

Median Annual Per-Beneficiary
Spending (Federal & State) for Elderly
Medicaid Recipients in Hawaii³



Source: Georgetown University CRI © 2025, Georgetown University

The Access Gap is Large

Workplace Access to Retirement Savings Among Private Sector Employees in Hawaii, 2023²



Hawaii has 24,000 small businesses with employees.³ Employees at these businesses are less likely than those working at larger firms to have access to retirement savings through their workplaces.

Source: Georgetown University CRI © 2025, Georgetown University

The Benefits Can Be Great

Worker Contributions + Saver's Match Provide Additional Income for Retirement

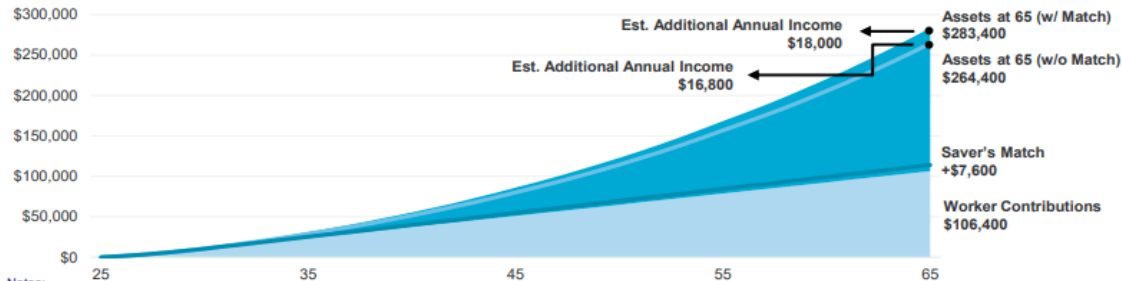


NAME: Jane Doe
OCCUPATION: Server
AGE: 25
ANNUAL INCOME: \$32,600
SAVINGS CONTRIBUTION: 5% of income to start, growing 1% annually to 10% cap
MARKET RETURN: Inflation adjusted annual return of 4.0% - 5.4%, adjusted for fees

Using the most common state Auto-IRA program defaults, Jane would contribute \$106,400 to her retirement account over a 40-year career. The Saver's Match could add \$7,600 in contributions.

By age 65, Jane's assets could grow to \$283,400, providing her with \$18,000 each year in retirement through an immediate annual fixed annuity to supplement her Social Security Income.

Potential Supplemental Income Available at Age 65 for a Saver With and Without the Saver's Match⁵



Notes:

1: University of Virginia Population Projections (2024); 2: ESI Analysis of Current Population Survey Data (2022-2024); 3: Centers for Medicaid and Medicare Services (2021-2022); 4: Social Security Administration, "Monthly Statistical Snapshot," Table 2 (Jan. 2025); 5: ESI simulation of asset growth over time for a worker in the food service industry in the state following Auto-IRA savings defaults.

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Working for America's Retirement

For further information and technical details, see:
"Who Lacks Access to Retirement Savings? A State-Level
Analysis and an Examination of the Potential Benefits of
State-Facilitated Retirement Savings Programs"

Source: Georgetown University CRI © 2025, Georgetown University

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While the Cost of Doing Nothing is Significant

Federal Budget Costs = \$964 billion/HI share is **\$3.8** billion between 2021 and 2040

State Budget Costs = \$334 billion/HI share is **\$1.2** billion between 2021 and 2040

Source: The Pew Charitable Trusts



States Are Driving Change by Designing and Adopting Universal Access Retirement Savings Programs (20 States)

Individual Retirement Account (Auto-IRA)= 17 states (12 open)			Voluntary Open Multiple Employer Plan (MEP)	Voluntary Payroll Deduction IRA	Voluntary Marketplace
California	Maine	Oregon	Massachusetts	New Mexico (TBD)	New Mexico (TBD)
Colorado	Maryland	Rhode Island (2025)	Missouri (TBD)		Washington
Connecticut	Minnesota (2026)	Vermont			
Delaware	Nevada	Virginia			
Hawai'i (2026)	New Jersey	Washington (2027)			
Illinois	New York (2025)				

Green = program now open to all eligible workers

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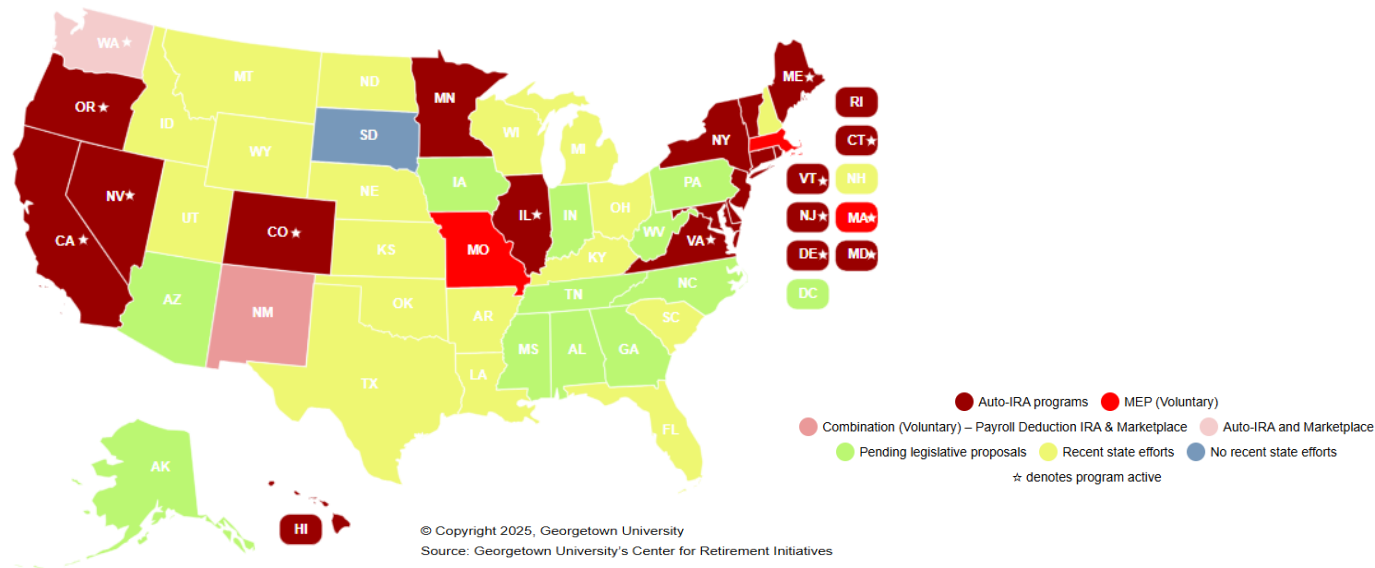
2025 State Programs and Legislative Activity

2025 State Program Information Map

(as of August 4, 2025)

Click on this map to view quick links for program states

[Click here to view 2025 map with detailed state legislative activity updates \(login required\)](#)



State Program Performance

State Program Performance (Auto-IRA States)



\$2.39+ Billion in Assets

CA, CO, CT, IL, ME, MD, OR, VA, VT, DE, NJ
as of 8/31/2025



**258,208 Registered
Employers**

CA, CO, CT, IL, ME, MD, OR, VA, VT, DE, NJ
as of 8/31/2025



**1,076,523 Funded
Accounts**

CA, CO, CT, IL, ME, MD, OR, VA, VT, DE, NJ
as of 8/31/2025

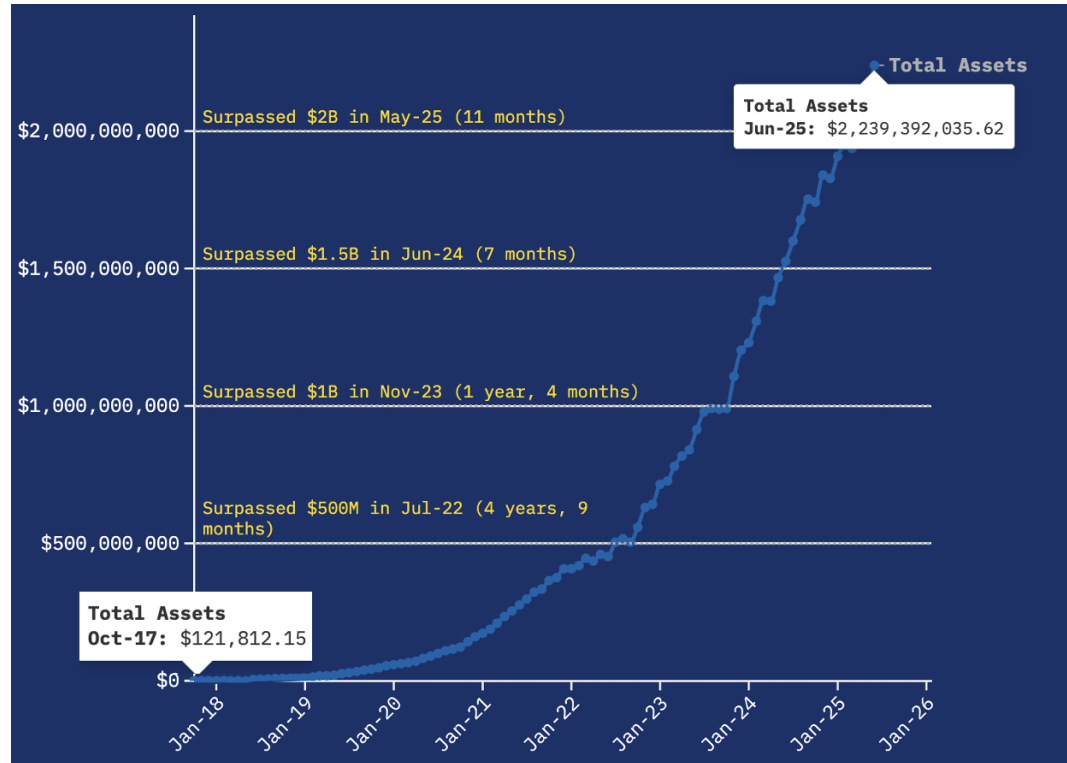
Source: Data compiled by Georgetown CRI from
state public and provided data

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Acceleration in the Growth of Total Assets, 2017-2025

Start to see rapid acceleration in 2023

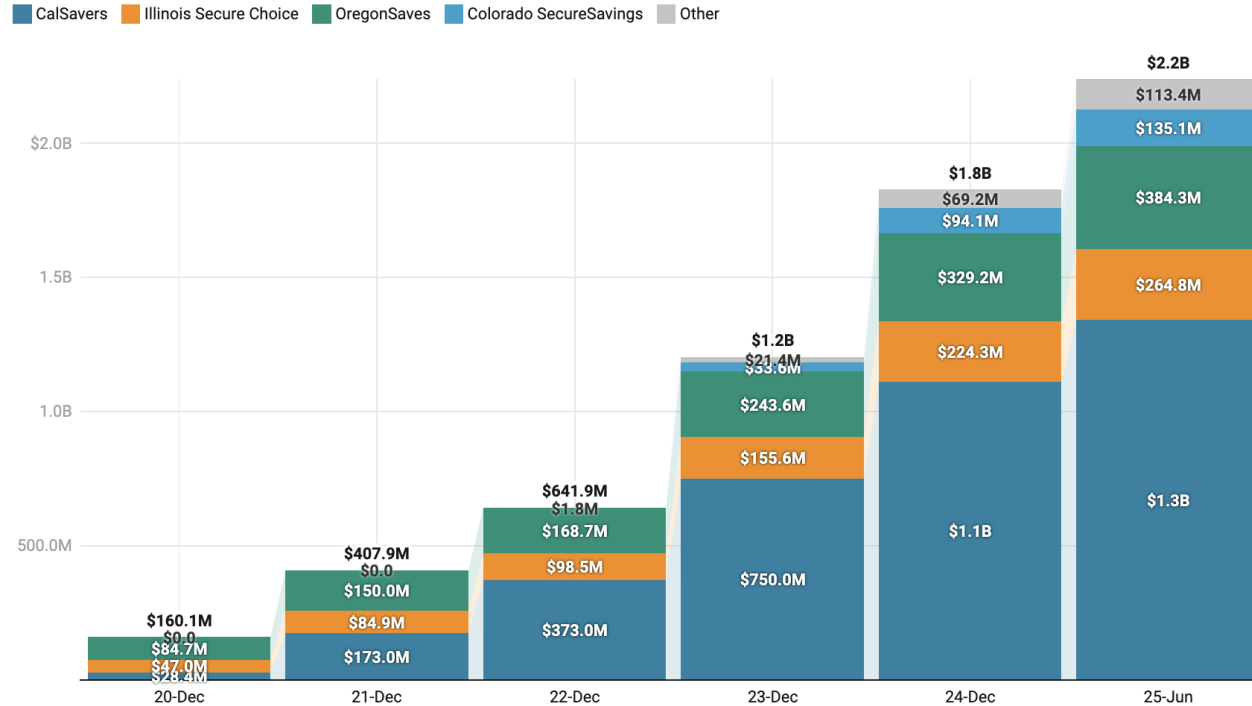
- ✓ CA and IL begin enforcement
- ✓ Several other states launch programs beginning in 2022 and 2023 & move more quickly to enforcement



Source: Georgetown CRI's state program performance database; not all data included here and provided to CRI by state programs are publicly available.

Total Assets by Program, 2020-2025

Total Assets by Program (December 2020 to June 2025)



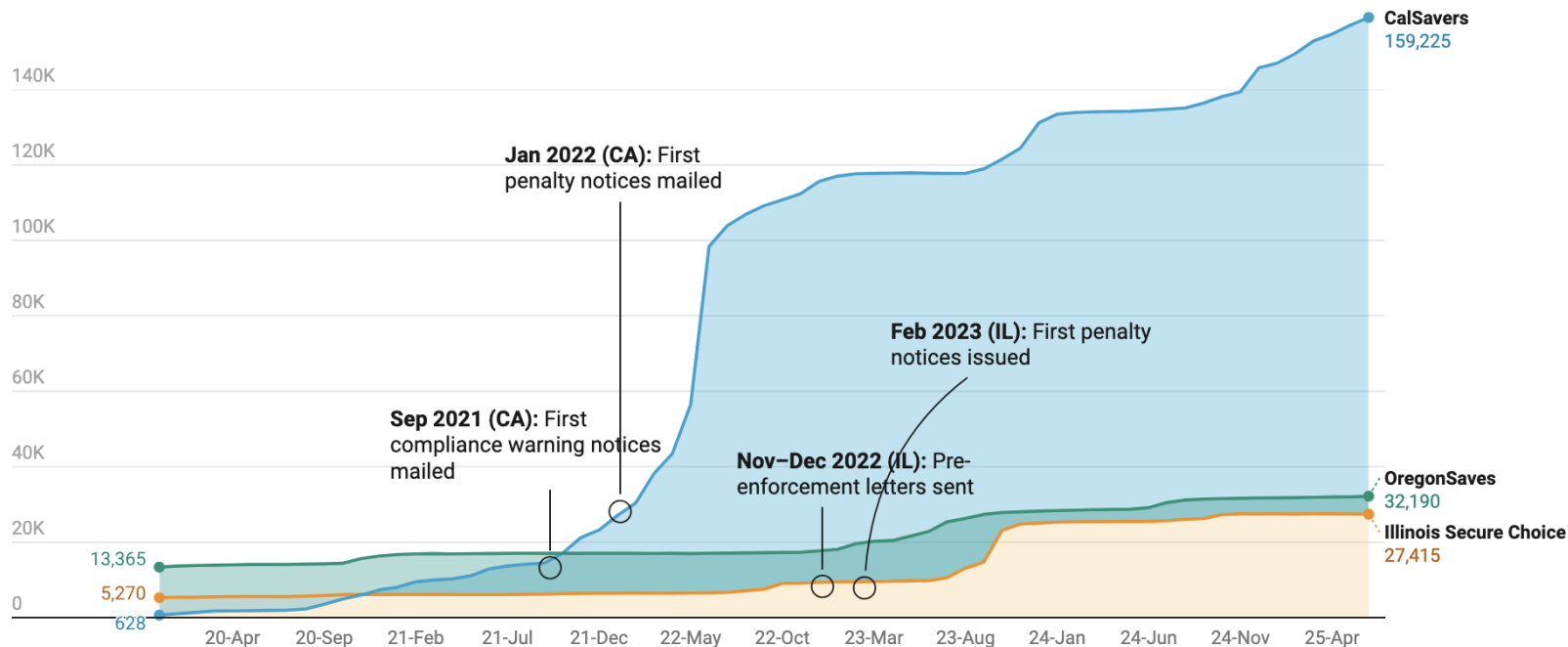
*Other includes MyCTSA, Maryland\$aves, RetirePathVA, MERIT, DE-EARNS, RetireReadyNJ, VermontSaves.

All program data is as of June 30, 2025.

Source: Georgetown CRI state programs database

Enforcement and Compliance Directly Impacts Program Participation

Impact of Enforcement on **Total Registered Employers** – Early Adopter States (Dec 2019 – Jun 2025)



Best Practices and Lessons Learned

State Auto-IRA Programs –Trend Toward Standardization

Best Practices and Lessons Learned

Auto-IRA Programs are increasingly becoming standardized in **program design**:

- ✓ Roth IRA as default w/ traditional also available
- ✓ Low employer thresholds
- ✓ Include independent and gig workers (opt-in)
- ✓ 5% default contribution
- ✓ Auto-escalation of 1% per year to a cap of 8%-10%
- ✓ Short asset holding periods
- ✓ Simple investment menus

Auto-IRA Programs are increasingly becoming standardized in **program administration**:

- ✓ Governance structures
- ✓ Marketing and outreach
- ✓ Data sharing
- ✓ Hybrid fee structure
- ✓ Program rollout
- ✓ Enforcement and compliance

 CENTER FOR RETIREMENT INITIATIVES McCourt School of Public Policy		Comparison of Key Program Design Features			 CENTER FOR RETIREMENT INITIATIVES McCourt School of Public Policy
		Account Type	Employer Threshold	Default Contribution	Default Investment
Auto IRA					
		Roth IRA (traditional option available)	Employers that do not currently offer qualified plans.	5%, automatically increasing 1% annually until reaching 10%	Funds for the first 30 days held in a capital preservation fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees in business for at least two years that have not offered a qualified plan in the last two years.	5%, automatically increasing 1% annually until reaching 10%	Funds for the first 90 days after initial contribution held in a money market fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers that do not currently offer qualified plans.	5%, automatically increasing 1% annually until reaching 8%	Funds for the first 30 days after contribution held in a money market fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with at least 5 employees that currently do not provide qualified plans.	3%	Funds for the first 60 days after initial contribution held in a money market fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with one or more employees in business for at least two years that use an automated payroll system and do not currently offer qualified plans.	5%, automatically increasing 1% annually until reaching 10%	The first \$1,000 of contributions go to an emergency savings fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees that have been in business at least two years and currently do not offer qualified plans.	5%, automatically increasing 1% annually until reaching 8%	Funds are held for the first 30 days in a capital preservation fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 25 or more full-time employees in business for at least two years that do not offer a qualified plan.	5%, automatically increasing 1% annually until reaching 10%	Funds are held for the first 30 days in a capital preservation fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees that have been in business at least two years and currently do not offer qualified plans.	5%, automatically increasing 1% annually until reaching 8%	Funds are held for the first 30 days in a capital preservation fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees that have been in business at least six months and currently do not offer qualified plans.	5%, automatically increasing 1% annually until reaching 10%	Funds for the first 30 days held in a capital preservation fund, then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 25 or more employees that do not offer a qualified retirement savings plan.	3%	Funds for the first 30 days held in a capital preservation fund and then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees that have been in business at least two years and currently do not offer qualified plans.	5%, automatically increasing 1% annually until reaching 8%	Funds for the first 30 days held in a capital preservation fund and then defaulted into a target date fund (or other investment, if selected).
		Roth IRA (traditional option available)	Employers with 5 or more employees that have been in business at least two years and currently do not offer qualified plans.	5%, automatically increasing 1% annually until reaching 10%	Funds for the first 30 days held in a capital preservation fund and then defaulted into a target date fund (or other investment, if selected).
MEP (voluntary employer participation)					
		Multiple employer 401k Plan	Nonprofits employing 20 or fewer employees	6% escalating 1% or 2% (per employer election) per year up to 15%	Contributions are defaulted into age appropriate target date funds (or other investment, if selected).

Program Design

Best Practices and Lessons Learned

Best Practices

- Roth IRA as default, with traditional IRA also offered as a choice
- Auto-enrollment
- Default contribution most commonly starts at 5%
- Auto-escalation 1% per year to a cap of 8-10%
- Rollout of program first with a pilot and a diverse set of employers and then move to full open for all eligibles

Lessons Learned

- Savers stick with defaults and majority don't act to change
- Securing state employer data is important
- Program opens to all eligibles, but manage in waves based on employer size (and encourage employers to join at any time and not wait)
- No need for long onboarding timelines
- Employer movement from registration to payroll contributing accounts can take time

Program Rollout Timelines Have Accelerated

Although employers are free to enter these programs at any time, state programs set registration waves by employer size to smooth the pace of signup for the program.

Pilot and launch dates noted on the timeline reflect the start of the launch. Program enrollment wave dates reflect the end of the wave.

State (Date of Enactment)	2017				2018				2019				2020				2021				2022				2023				2024				2025				2026				2027																											
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4																												
Oregon (2015)			Pilot Launch (10/1/15)	Program Launch (10/1/15)	Wave 1: 50+ employees (12/1/15)	Wave 2: 50-99 employees (6/1/16)	Wave 3: 20-49 employees (12/1/16)	Wave 4: 10-19 employees (5/1/17)	Wave 5: 5-9 employees (11/1/17)	Wave 6: 3-4 employees (3/1/18)				Wave 7: 1-2 employees (7/1/18)				Wave 8: Newly eligible employees (7/1/18)																																																		
Illinois (2015)					Pilot Launch (5/1/18)	Program Launch (10/1/18)	Wave 1: 500+ employees (12/1/18)	Wave 2: 100-499 employees (7/1/19)	Wave 3: 25-99 employees (11/1/19)	Legislation to expand employers covered by the program (those with fewer than 25 employees) was enacted and effective January 1, 2022				Wave 4: 15-24 employees (11/1/22)				Wave 5: 5-15 employees (11/1/23)																																																		
California (2016)									First Pilot Launch (11/1/18)	Second Pilot Launch (4/1/19)	Program Launch (7/1/19)	Wave 1: 100+ employees (9/30/20)	Wave 2: 50-99 employees (6/30/21)	Wave 3: 5-49 employees (6/30/22)	Newly Mandated: 5+ employees (12/31/22)		Wave 3: 5-25 employees (8/31/23)	Early Action: 5+ employees (12/31/23)		Wave 4: 1-4 employees (12/31/25)																																																
Connecticut (2016)													Pilot Launch (10/1/21)	Program Launch (4/1/22)	Wave 1: 100+ employees (6/30/22)	Wave 2: 25-99 employees (10/31/22)	Wave 3: 5-25 employees (8/31/23)	Extension: All employers (8/31/23)																																																		
Maryland (2016)													Pilot Launch (6/22)	Program Launch (9/15/22)	Wave 1: 100+ employees (12/1/22)	Wave 2: 50-99 employees (12/1/22)	Wave 3: 5-25 employees (12/1/22)	Wave 4: 1-4 employees (12/1/22)																																																		
Virginia (2021)																	Pilot Launch (2/23)	Program Launch (6/20/23)	Wave: 25+ employees (2/15/24)																																																	
New Jersey (2019)																					Pilot Launch (6/15/24)	Program Launch (6/30/24)	Wave 1: 40+ employees (9/15/24)	Wave 2: 5-49 employees (11/15/24)																																												
New York (2021)																																																																				
Washington (2024)																																																																				
Colorado (2020) (Partnership for a Dignified Retirement (PDR) - lead state)																					Pilot Launch (10/1/22)	Program Launch (1/18/22)	Wave 1: 50+ employees (5/15/23)	Wave 2: 15-49 employees (5/15/23)	Wave 3: 5-14 employees (6/30/23)	Wave 3: Newly eligible employees (6/30/23)																																										
Maine (2021) (PDR - partner state)																					Pilot Launch (10/23/23)	Program Launch (1/17/24)	Wave 1: 15+ employees (4/30/24)	Wave 2: 5-14 employees (8/30/24)	Wave 3: All eligible employees (12/31/24)																																											
Delaware (2022) (PDR - partner state)																					Pilot Launch (5/1/24)	Program Launch (7/1/24)	Wave 1: All eligible employees (10/15/24)	Wave 2: All eligible employees (12/15/24)	Wave 3: All eligible employees (12/15/24)																																											
Vermont (2023) (PDR - partner state)																					Pilot Launch (10/24)	Launch (12/1/24)	Wave 1: All eligible employees (3/1/25)	Wave 2: All eligible employees (3/1/25)	Wave 3: All eligible employees (3/1/25)																																											
Nevada (2023) (PDR - partner state)																																																																				
Minnesota (2023) (PDR - partner state)																																																																				
Hawaii (2022), Rhode Island (2024)																																																																				
	Implementation timelines under development																																																																			

Implementation timelines under development

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Source: State program information compiled by CRI (8/7/25 Update)

Marketing and Outreach

Best Practices and Lesson Learned

Best Practices

- Make marketing and outreach a priority and dedicate resources
- Hire staff to focus on marketing and outreach
- Build bridges to local community organizations
- Multi-lingual content dissemination
- Community events, webinars, testimonials, social media
- Program leaders and staff dedicate time to community outreach and events

Lessons Learned

- Failure to invest in marketing and outreach will affect program performance
- Don't forget to focus on employers and value in targeted marketing
- Employees often go to their employers about the program, so what employers think matters
- Don't underestimate the level of effort to cover the state, notably reach rural areas

Investments

Best Practices and Lesson Learned

Best Practices

- Develop an investment policy statement and evaluate investment options
- Typically, suite of target date funds, an equity fund, a bond fund, and a capital preservation or money market fund
- Default investment is the target date fund
- Funds flow into the money market or capital preservation fund for 30-60 days (during the employee opt-out period) and then are deposited in the age-appropriate target date fund

Lessons Learned

- Keep the investment options few and simple
- Most funds will flow in and remain in target date funds

Two Interstate Partnership Arrangements

Colorado's Partnership for a Dignified Retirement



Maine - 2023



Delaware - 2023



Vermont - 2024



Nevada - 2024



Minnesota - 2025

Connecticut's Partnership



Rhode Island - 2024

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Partnership Considerations

Two options:

1. Join an existing partnership
2. Create a new one

Pros vs. standalone program:

- Supports great efficiencies of scale, so program costs/fees for participants and the state should be lower
- More attractive to service providers for this reason
- State doesn't have to undertake its own RFP process to hire some vendors
- Supports more rapid launch of program (approx. 18 months vs. 6-8 months) and earlier sustainability

Cons vs. standalone program:

- The state will inevitably choose to cede some control of decision-making about program management and features (such as investment selection, etc.), so may take a little more time to make any desired changes
- Failure of the state to fully understand any termination provisions or revenue-sharing expectation

Partnership Considerations

What remains the same regardless of standalone or partnership?

States will still need to continue to invest funds in governance and oversight, staff, marketing and outreach, data, reporting, auditing and enforcement.

What has been the first step for new programs considering a state partnership?

For many of the newest program states, one of the first steps taken has been to issue a Request for Information (RFI) to solicit partnership proposals.

Several states have issued RFIs that can help Hawaii should it choose to do so: Delaware (2023), Rhode Island (2024), Nevada (2024), and Minnesota (2025). These RFIs have many key questions a state would want to consider related to governance, fees, investments, and program experience.

Closing the Access Gap
How the Policy and the Program Work Together
to Drive Both Public and Private Progress

Research Shows State Programs Help Private Plan Growth

[Pew Charitable Trust \(2023\)](#)

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

[Bloomfield, Lee, Philbrick, Slavov \(NBER, 2023\)](#) and [Bloomfield, Goodman, Rao, Slavov \(NBER/CRI, 2024\)](#)

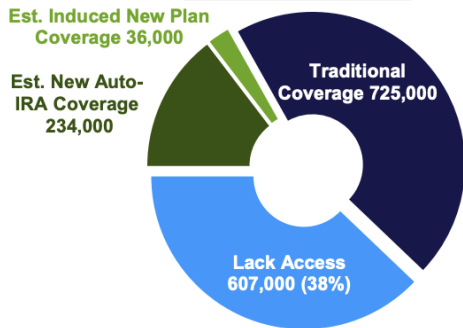
- Auto-IRA legislation has a positive impact on the likelihood of employers offering retirement plans and employee participation
- Firms in states with programs are 1.5-1.7% more likely to offer any employer-sponsored retirement plan relative to firms in states without and workers 3-5% more likely to participate in existing plans
- Recent state policies requiring employers to facilitate workplace savings options have induced at least 30,000 firms to establish retirement plans in four of the early adopter states (CA, IL, OR and CT).

Early Adopter States and Expanded Access

How State Programs Contribute Directly and Indirectly

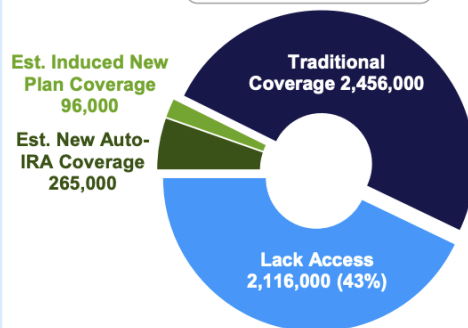
Oregon's Workplace Access to Retirement Savings Among Its 1.60 Million Full- & Part-Time Private Sector Employees (2023)²

Total With Access
995,000 (62%)



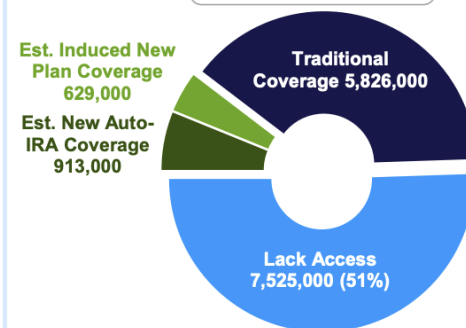
Illinois' Workplace Access to Retirement Savings Among Its 4.93 Million Full- & Part-Time Private Sector Employees (2023)²

Total With Access
2,817,000 (57%)



California's Workplace Access to Retirement Savings Among Its 14.89 Million Full- & Part-Time Private Sector Employees (2023)²

Total With Access
7,368,000 (49%)



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The Road Ahead

The Road Ahead – States

- ✓ Add new states & the continued growth of partnerships
- ✓ Employer compliance & related data needs
- ✓ Expand the pool of workers/savers (e.g., non-traditional workers; or re-enrollment)
- ✓ Know Your Customer
- ✓ Saver's Match



The Road Ahead– Federal

- ✓ Implementation of SECURE and SECURE 2.0, including the Saver's Match, and use of new and expanded tax incentives and plan designs (PEPs, Starter 401(k)) intended to make it easier employers to adopt plans
- ✓ Consideration of federal legislative proposals, including "SECURE 3.0" and efforts to expand universal access (and the role of state programs)



Center for Retirement Initiatives
McCourt School of Public Policy

125 E Street NW, Suite 530, Washington, DC 20001
202-306-8540 | cri.georgetown.edu

Angela M. Antonelli
Executive Director
ama288@georgetown.edu

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