

[EMBARGOED – DRAFT]
RETIREMENT SECURITY MATTERS
Innovation Information You Can Use
September 21, 2023 – No. 85

Retirement Security Matters: Does recognition rev up retirement results, and more!

Greetings! [first name], welcome to Retirement Security Matters – where we talk about retirement readiness innovation by states, supporters, and service providers.

As September's final week comes into view, it's hard to believe how swiftly time has flown. You need a break! So, grab a cozy beverage, settle in, and get ready to savor some content that will send you into October knowledgeable and inspired.

- **Driving better results** in retirement outcomes with stronger teams
- Frrreshhh **state metrics**
- Updates from **Connecticut, Delaware, Maine, and Maryland**
- What's **the link** between financial experience and financial competence
- **Hot Sauce!** and some coool stuff
- ... **PIX** of the Week! We go west.

[View as a Webpage]. Comments or content suggestions? [We welcome both](#). Have something about your program you'd like to share? We are all ears.

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Driving Better Results in Retirement Outcomes



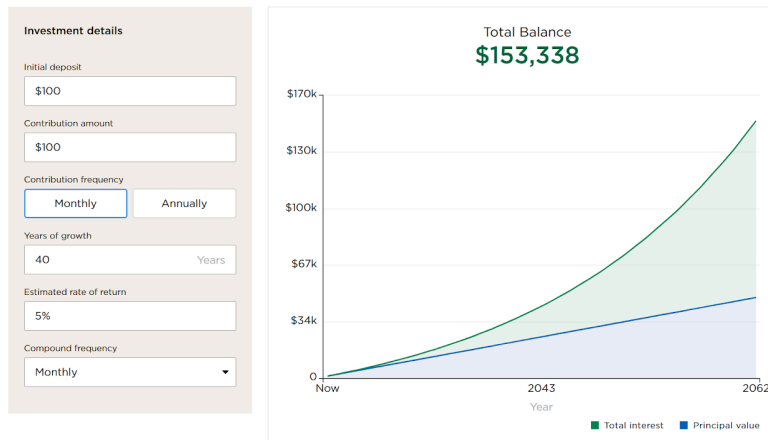
At the P&I Awards for Influential Women in Institutional Investing, L to R: Nikki Pirrello (Pensions & Investments), Robin Diamonte (RTX), Yie-Hsin Hung (State Street Global Advisors), Saira Malik (Nuveen), and Angela Miller-Day (Illinois Municipal Retirement Fund).

This is an excerpt. The full piece can be found [here](#).

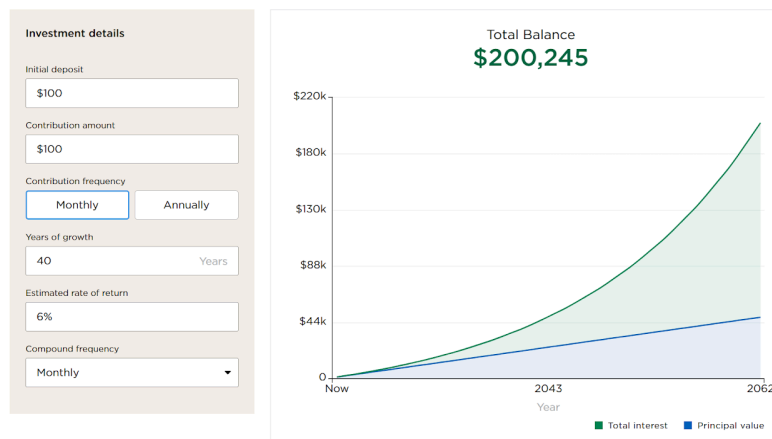
We don't often focus on investment results and the work behind them, but small improvements over time yield significant impact.

Here's a quick example to refresh us together.

At 5%, just \$100 a month invested faithfully over 40 years can grow to **over \$153,000**. (We're using a simple calculator from [Nerdwallet](#). Do try this at home).



Shift earnings slightly to compound at 6%, and watch your nest egg grow by \$50,000 to **over \$200,000**. Same lifestyle, same savings, **big difference**.



We all want this – are we right – for ourselves and for others.

For this reason it is exciting and very cool to see the celebrations of diverse talent in the retirement savings industry. Among the highlights of 2023 we'll include DCIIA's [Diversity Equity and Inclusion Awards](#) from the spring featuring a slate of [leaders and rising stars](#), and last week's Pensions & Investments inaugural [Influential Women in Institutional Investing](#) Awards.

Say again, you ask? **What is the link here** – it starts with stronger teams working together – this is important! get the full details [here](#)

We're all looking for better returns and better outcomes. **Let's keep reinforcing** the good work that will help us get there. PS - we're not photographic experts, but here are some scenes from the P&I celebration in Chicago this week, and a link to the [live blog](#) from the event. *(subscription may be required)*



Fresh! State Auto IRA Program Metrics

State Auto IRA Programs ¹	Rate of Change			Year End			
	YTD	12/31/2021	Most Current ²	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Assets	53%	2.4x	\$ 979,981,198	\$ 641,725,469	\$ 407,904,516	\$ 160,100,055	\$ 54,823,423
Funded Accounts	16%	1.7x	\$ 736,249	634,817	429,663	263,764	108,945
Average Account Balance	32%	1.4x	\$ 1,331	\$ 1,011	\$ 949	\$ 607	\$ 503
Employers Registered to Facilitate	21%	3.7x	173,210	143,564	46,636	28,999	19,498
Employers Have Added Employees ³	17%	4.0x	138,135	117,822	34,254	22,076	13,350
Employers Started Payroll ⁴	25%	3.5x	58,407	46,602	16,889	11,439	5,134
Effective Opt Out Rate ⁵	-6%	- 5 points	27%	29%	33%	34%	35%
Effective Participation Rate ⁵	3%	+ 5 points	73%	71%	67%	66%	65%

¹ OregonSaves, Illinois Secure Choice, CalSavers, MyCTSA, MarylandSaves, and Colorado SecureSavings

²⁻⁵ For data-specific footnotes, please refer to our web page: <https://bit.ly/3BWfAL2>

Source: Massena Associates based on data from each program, September 2023

What's up! Here's the latest from our reporting Auto IRA states, and a quick interpretation for you.

Assets. Saver assets are up 53% year-to-date and 2.4x since December 2021 to **\$979 million**. (Does not yet include CalSavers and OregonSaves figures for August 31, 2023). Average account balances across the programs are over \$1,300. Longer term balances are higher.

Funded accounts. The six programs shown here now aggregate to over 736,000 funded accounts. For comparison, funded accounts are up 1.7x since December 2021, up about 2.8x since December 2020 and up about 6.8x since December 2019 – and up in 2023.

Facilitating employers. Over 173,000 employers are now registered to facilitate a state Auto IRA. Of that number, more than 58,400 have begun forwarding payroll contributions for savers.

State Facilitated Retirement Programs - Fresh Highlights

[flags please♥]

IMPLEMENTING

Connecticut (workforce 1.8 million) – The [Connecticut Retirement Security Authority Board of Directors](#) met on September 15, 2023. Key items on the [agenda](#) included the Chairman's report and program updates including regulations, request for proposals, and marketing and outreach efforts.

Delaware (workforce 499,000) – the [EARNs Audit, Policy, and Governance Committee](#) met on September 11, 2023. Key items on the [agenda](#) included Board updates and presentation on evaluation of state responses for the RFI seeking an interstate collaboration for the program. The action items included authorizing negotiations for potentially joining an interstate program and adopting governance provisions. The Committee is expected to reconvene next year.

The [EARNs Program & Investment Committee](#) also met on September 13, 2023.

Maine (workforce 677,000) – The Maine Retirement Savings Board issued its RFP for media and digital marketing services. Bids are due October 10, 2023 at 4:00 PM ET. You can get your copy of the RFP [here](#). As a kind reminder, the launch of the pilot program with up to 19 diverse companies is scheduled for October 2023 and the official launch of the program is expected to be in January 2024.

Maryland (workforce 3.2 million) – The [MarylandSaves Board](#) met on September 11, 2023. Key items on the agenda included a summary report from Chairman Josh Gotbaum, Executive Director Glenn Simmons and from program administrator, Vestwell.

Also, MarylandSaves hosted a free webinar on September 20th designed specifically for employers. This informative "Lunch & Learn" session provided a concise overview of the MarylandSaves program and allowed participants to engage in a Q&A session to have all their questions addressed. The program is committed to supporting businesses in providing a secure financial future for their employees, and this event was a significant step towards achieving that goal.

COMING UP

Maine (workforce 674,000) – The next meeting of the [Maine Retirement Savings Board](#) is scheduled for September 20, 2023.

Connecticut (workforce 1.9 million) – The next meeting of the [Connecticut Retirement Security Program Advisory Board of Directors](#) is scheduled for October 20, 2023.

Oregon (workforce 2.2 million) – The next meeting of the [OregonSaves Board](#) is tentatively scheduled for November 14, 2023.

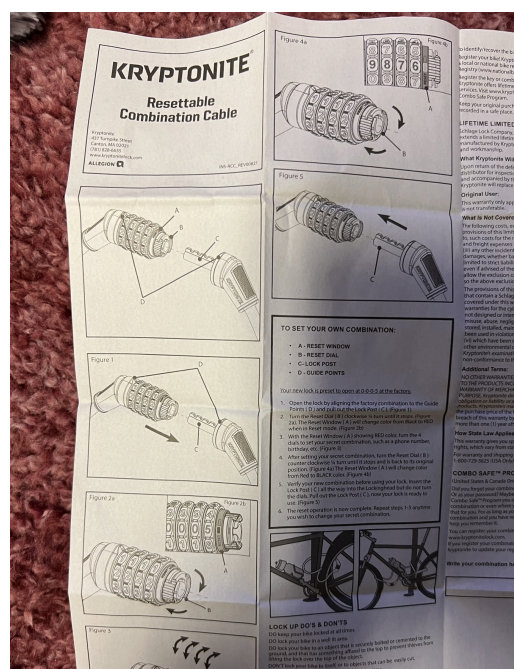
Illinois (workforce 6.4 million) – The next meeting of the [Illinois Secure Choice Board](#) is scheduled for today, November 16, 2023.

California (workforce 19.2 million) – The next meeting of the [CalSavers Retirement Savings Board](#) is scheduled for November 20, 2023.

Maryland (workforce 3.2 million) – The next meeting of the [MarylandSaves Board](#) is scheduled for December 4, 2023.

Massachusetts (workforce 3.6 million) – The next meeting is tentatively scheduled for December 11, 2023.

Linking Financial Literacy with Financial Experience



Financial expertise: kryptonite or kapable?

Here's something we think: it's hard to have very good financial literacy without some financial experience.

- Until you have a financial account, the financial system will probably be a mystery to you
- Until you have investments, they are probably going to be quite mysterious too

That may sound a little chicken and egg.

We advise people to become expert before they invest. And candidly, that's a bit unrealistic. It's pretty hard for me to hone my knowledge about something with which I have no experience. By the way, you can also have financial experience but for a host of reasons, not be growing your financial literacy.

Automatic enrollment in emergency and financial savings gives us both a starting point and good middle ground.

I don't have to know much to be automatically enrolled in retirement savings. All I need to know is that I want to have savings.

But if my knowledge stays in that place, I'm missing out.

The good news is that once I have an account I have some skin in the game and a reason to be curious.

- I'm a saver – will my savings rate meet my needs – what do I need to consider
- I'm investing – what are the first things I should know
- My account is growing – how can I become an even more proficient investor and saver
- I have a nest egg, how should I think about managing financial and family risk
- My family are coming to me with financial questions – where do I get more information
- I want to retire soon – how does this savings fit into my planning and readiness

Interestingly, our US financial system works well to get someone automatically saving. It works well when they proactively reach out and if they're good at online search. But there's a gap between those two where it's possible that nothing is happening: no true information delivery, and no true knowledge growth.

So **we've got a question** for our Auto IRA leaders, and a question for the industry.

With a host of new savers in public and private retirement programs now in position:

- How do we link financial account experience to well considered financial learning opportunities
- What are the best tools – bite sized, relevant, timely, personal, impactful
- Can we demonstrate the impact of experience-linked financial learning
- And what excellent examples do we have to learn from together?

We're looking for your input. [Drop us a line and share your thoughts.](#)

It's time for more visibility here.

[lisa "outro" here]

Hot Sauce! Cool Stuff

A few curated shorts for your week:

Thinking about your savers? Here are a few hot tips on [best in class participant servicing](#) from the folks who joined the PlanAdviser National Conference. Above, we talked about financial education and tools linked to financial accounts. Here's where some of the rubber is hitting the road.

Do defined benefit plans increase equitable outcomes? **NIRS thinks they might.** Check out their fresh work with Nari Rhee on [Closing the Gap: The Role of Public Pensions in Reducing Retirement Inequality](#). The challenge: fewer employers offer them, and [according to the BLS](#), the average worker holds more than 12 jobs over a working lifetime.

The latest in **auto-emergency savings**: does it work? Nest Insight shares findings from [two UK-based experiments](#). We'll give you the topline because we know you'll want to dig into the details. Nest Insight finds:

1. Opt-out supports many more people to save.

2. Opt-out autosavers are active savers - *RSM says: this reminds us of results we've seen in the Auto IRA space.*
3. Employees like opt-out payroll saving.
4. People's other financial behaviours aren't negatively impacted.
5. Opt-out payroll autosave supports employee financial wellbeing over time.

You'll find the full report [here](#).

What we're watching. Want your fall to slow down? Love Seattle? [Move on into geologic time](#). We can't get enough of it.

Pics for You!

If you ever find yourself in the [Columbia River Gorge](#), where we are this week, you may take a left hand turn up into the Walla Walla Valley - home of fine wines, multiple universities, and ... pioneers.

Imagine making your trip west in this:



Pack light. While in Walla Walla you can check out the [Whitman Mission](#) site, and enjoy the rest of the [natural delights](#) the valley holds for you.



That's it for this edition. ♥ Hug your people and change the world

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