

Attachment 3
March 16, 2021

Preparedness of Idahoans to Retire: Deciding the State's Role



Presented by Ryan Langrill
3/16/2021



The concern

The policy landscape

Idaho's next steps



1/3 to **2/3** of workers won't have savings to maintain pre-retirement standard of living.

25% of elderly households rely almost exclusively on Social Security.



How people save

Most people who save, save through work.

Automatic enrollment leads people to save more.

Workplace retirement in Idaho



40% of private sector workers



60% with more than 1,000 workers



22% with less than 50 workers

Workplace retirement in Idaho



28% of workers 18-24



39% of workers 25-34



32% of Hispanic workers

Workplace retirement in Idaho



<25% of workers in agriculture, hospitality, and most services



<30% total enrolled in their employer's plan



Barriers for businesses

Lack of connection to financial professionals

Complexity

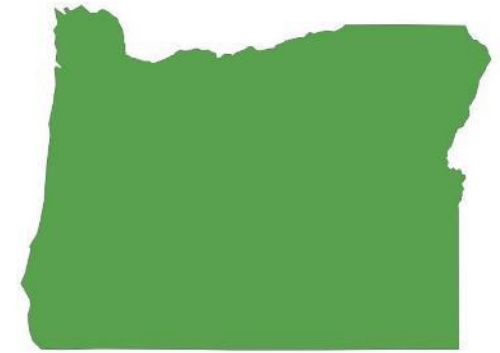
Regulations and costs



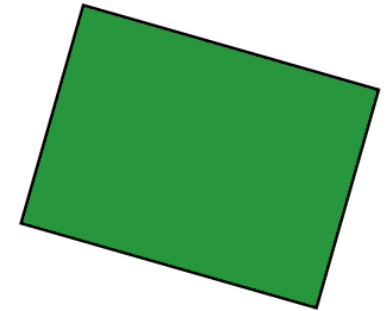
Two state approaches: Mandatory Voluntary

Programs with a mandate

Implemented



Enacted





Programs with a mandate

Employers must offer private or state plan

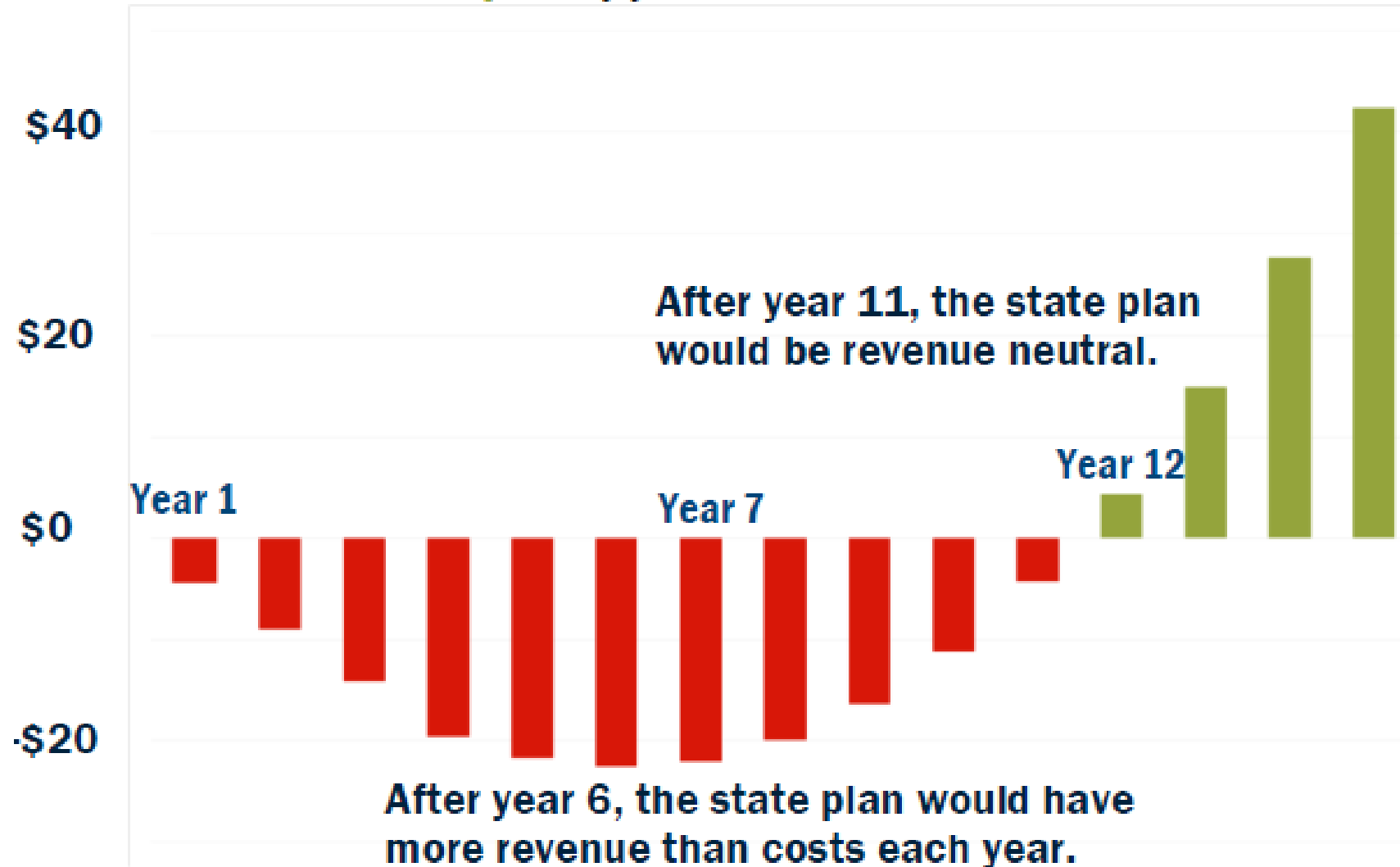
Plan costly to participants, prohibits employer match

State plans are all similar, facilitating shared administration

Fiscal feasibility of a program in Idaho

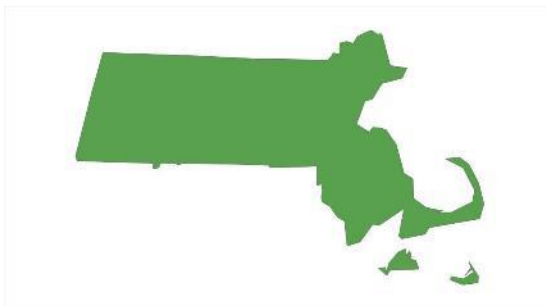
A state-operated automatic IRA in Idaho would be revenue neutral in year 12.

Cumulative **debt** or **surplus** by year. Millions of dollars.

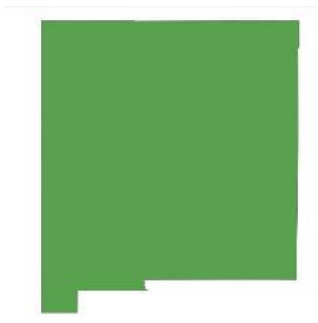


Voluntary programs

Implemented



Enacted





Voluntary programs

Multi-employer plans sponsored by the state

Retirement marketplaces



The Legislature may wish to assign a formal group to discuss options.

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