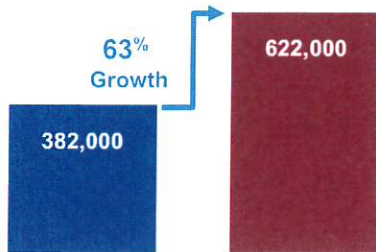


## Why Do Retirement Savings Matter?

Too many of the elderly in Utah already rely almost exclusively on Social Security. Because Utah'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.

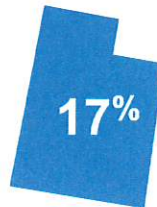
### Utah's Aging Population...

Growth of Population 65 and Older:  
2020–2040<sup>1</sup>



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

Share of Elderly Households Relying on Social Security for at Least 90% of Their Income<sup>2</sup>



### ...and Benefit Programs

Median Annual Per-Beneficiary Spending (Federal & State) for Elderly Medicaid Recipients in Utah<sup>3</sup>



State-facilitated retirement programs provide a simple pathway for workers without employer-sponsored plans to save for retirement. These programs, most often designed as automatic enrollment individual retirement accounts (Auto-IRAs), make saving easy and automatic while giving workers full control to adjust their contribution levels or opt out at any time.

The new federal Saver's Match provides additional support for eligible low- and moderate-income workers, including those saving through these state programs. It has the potential to boost retirement savings and income for millions of Americans and help supplement Social Security benefits, which today average \$23,150 per year.<sup>4</sup>

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

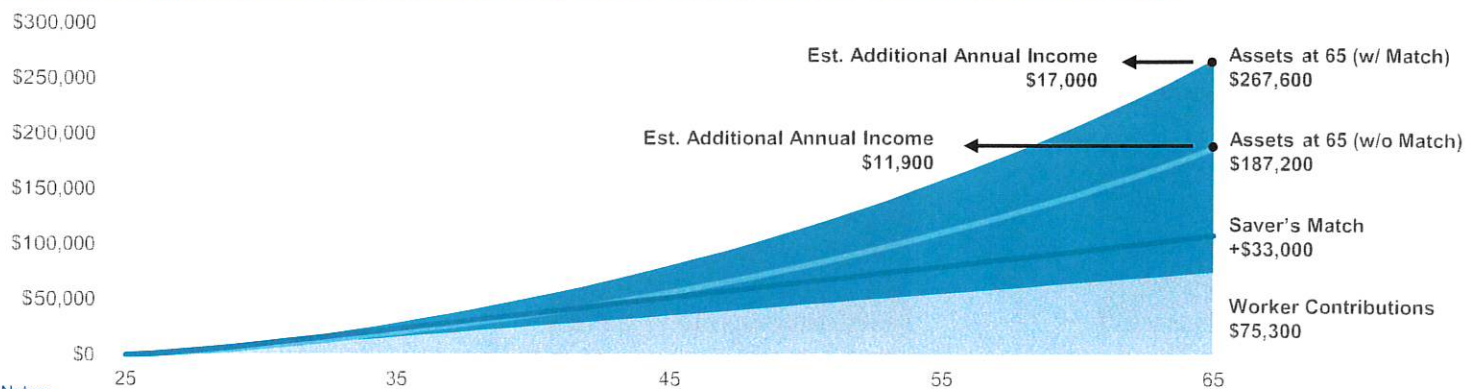


**NAME:** Jane Doe  
**OCCUPATION:** Server  
**AGE:** 25  
**ANNUAL INCOME:** \$22,400  
**SAVINGS CONTRIBUTION:** 5% of income to start, growing 1% annually to 10% cap;  
**MARKET RETURN:** Inflation adjusted annual return of 4.0% - 5.4%, adjusted for fees

Using the most common state Auto-IRA program defaults, Jane would contribute \$75,300 to her retirement account over a 40-year career. The Saver's Match could add \$33,000 in contributions.

By age 65, Jane's assets could grow to \$267,600, providing her with \$17,000 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 Match<sup>5</sup>



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.



## Who Lacks Access to Retirement Savings?

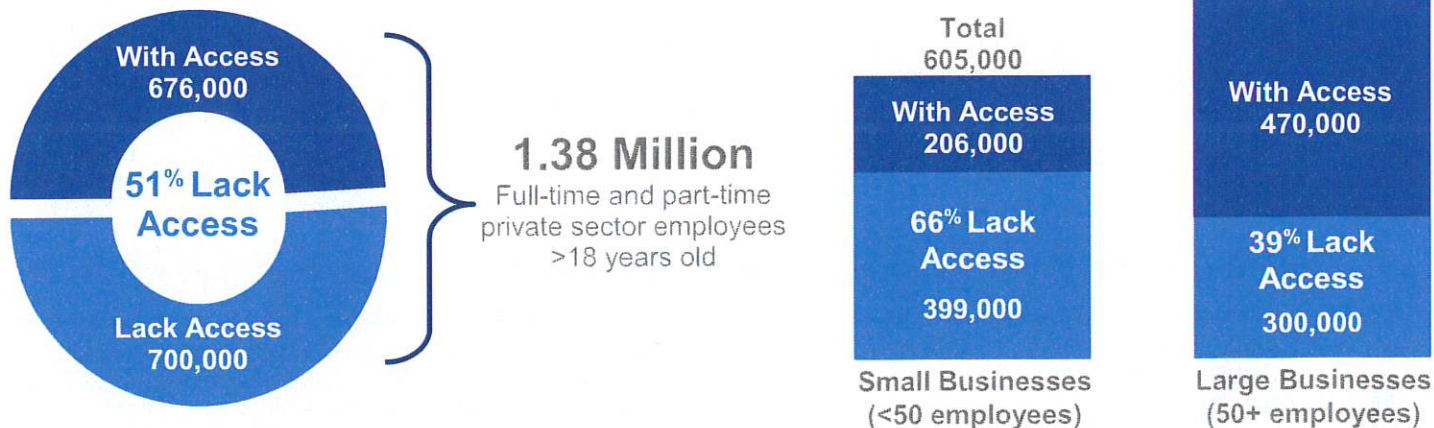
Private sector workers are much more likely to save for retirement if they have access to employer-sponsored retirement savings plans, but employers are not required to offer them. As a result, nearly half (47%) of U.S. private sector workers over the age of 18 lack access to such a plan.<sup>1</sup> In Utah, a larger share of private sector workers lacks such access (51%).

State-facilitated retirement savings programs adopted across the country demonstrate the potential to increase savings options for the 700,000 Utah employees who lack access. These programs have been shown to expand coverage through worker participation and indirectly contribute to new private sector employer plan formation reaching even more workers. While progress is being made, a gap remains between those who have access and those who lack access.

### Many Employees Lack Access to an Employer-Sponsored Retirement Savings Plan...

#### Workplace Access to Retirement Savings Among Private Sector Employees in Utah, 2023<sup>2</sup>

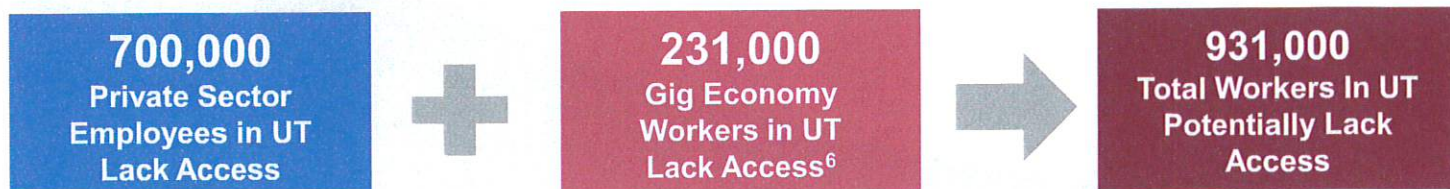
- Have Access at Work
- Lack Access at Work



Utah has 74,000 small businesses with employees.<sup>3</sup> Employees at these businesses are less likely than those working at larger firms to have access to retirement savings through their workplaces.

### ...while Gig Workers Represent Another Significant Population Lacking Access

“Gig economy” workers with non-traditional employment arrangements are less likely to have access to workplace retirement savings options.<sup>4</sup> Access for this population is growing in importance as work arrangements change and this segment of the workforce grows.<sup>5</sup>



Notes:  
 1: ESI Analysis of Census Bureau (2022-2024) and BLS Data (2024); 2: ESI Analysis of Census Bureau (2022-2024) and BLS Data (2024). Results may not sum precisely due to rounding;  
 3: U.S. Small Business Administration (2024); 4: Gig workers include independent contractors, on-call, temporary, and contingent workers, as defined by the BLS; 5: Collins, et al., “Is Gig Work Replacing Traditional Employment? Evidence from Two Decades of Tax Returns” (2019); 6: ESI Analysis of BLS Data (2023) and Census NES Data (2022).