

Improving Financial Security for Mississippians: Options for Mississippi

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Agenda

- Retirement Savings
 - Current State of MS
 - Policy Options
- Emergency Savings
 - Current State of MS
 - Program Options



Retirement Savings



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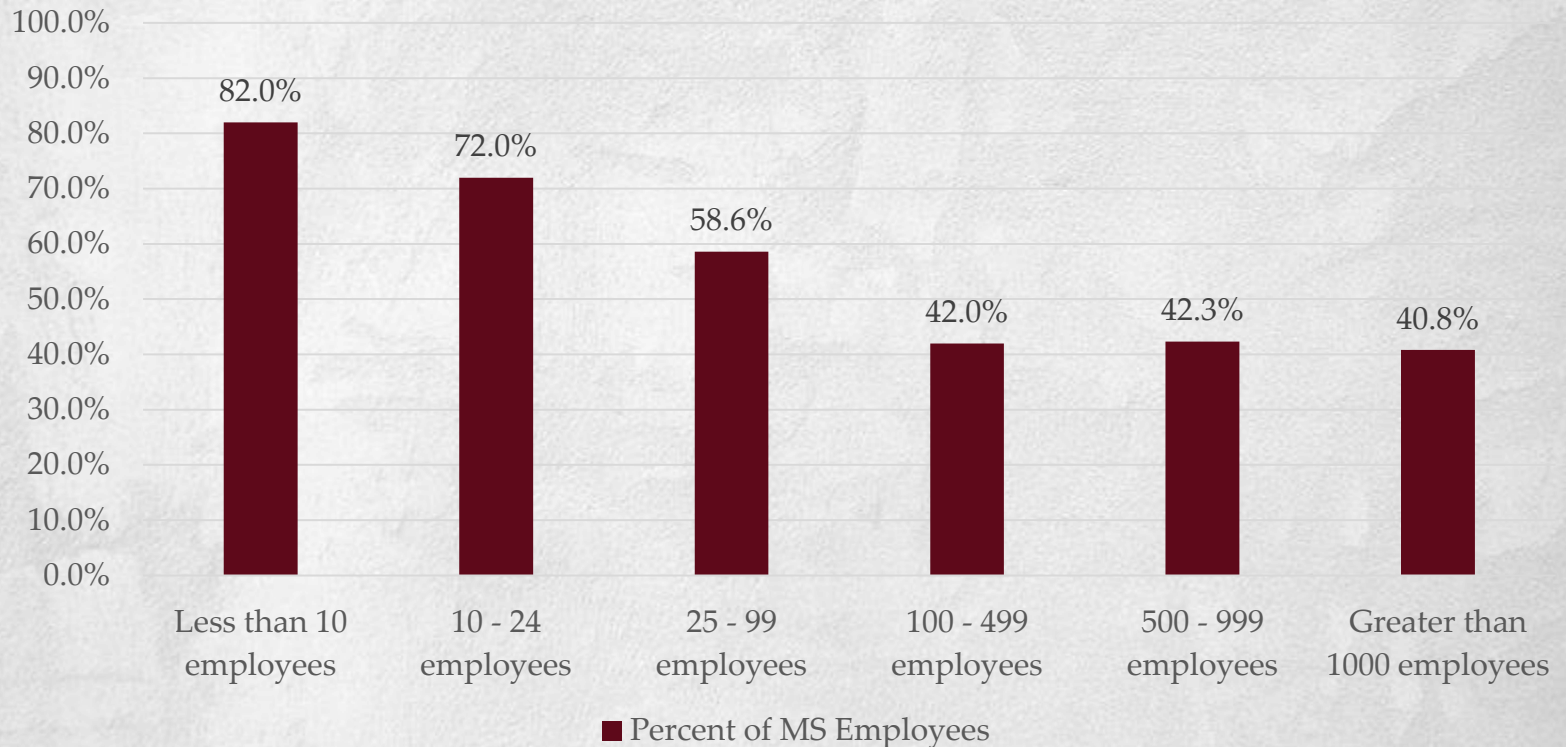
Current State of MS Retirement

- 53.8% of private-sector employees in MS do not have access to an employer-sponsored retirement plan
 - 915,000 private sector employees in MS
 - 492,000 employees without access
- National Average: 47.7%



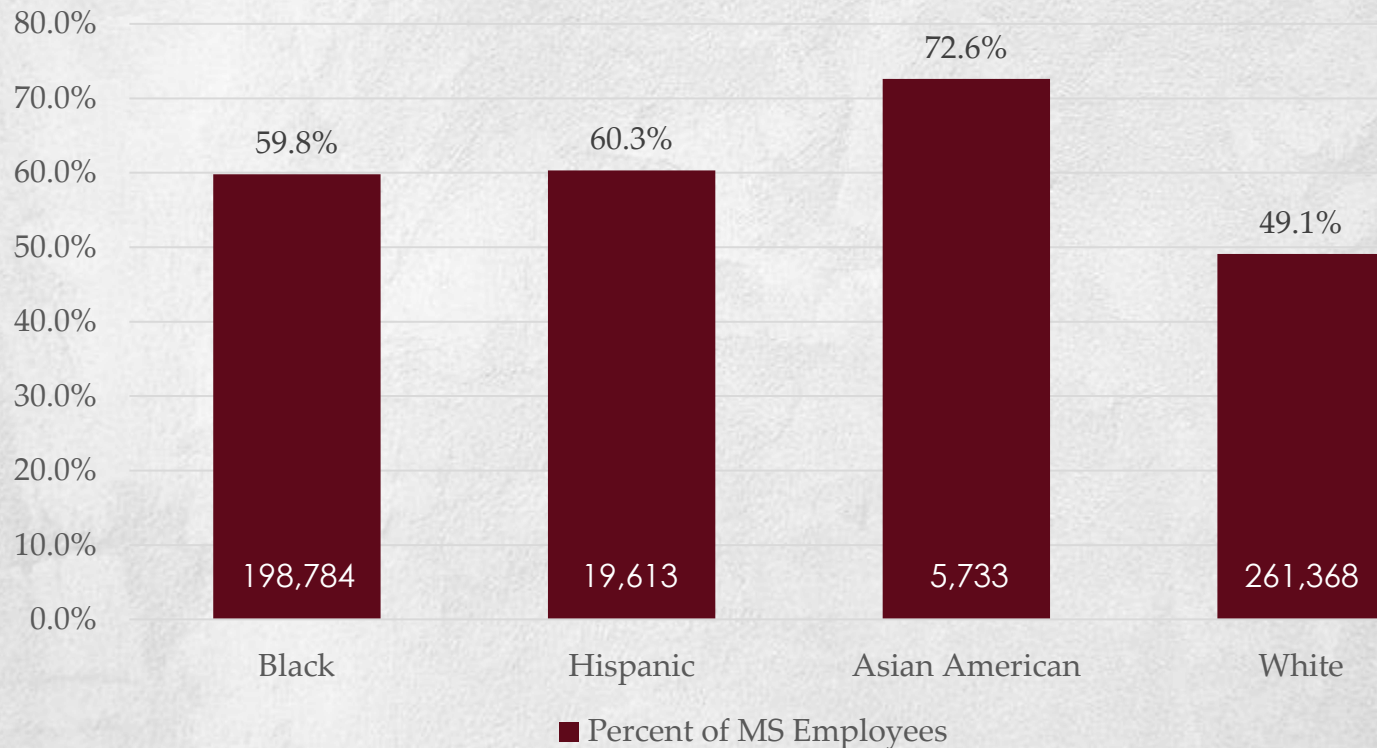
Current State of MS Retirement

MS Employees Without Access to an Employer-Sponsored Retirement Plan



Current State of MS Retirement

MS Employees Without Access to an Employer-Sponsored Retirement Plan



Current State of MS Retirement

- 36% of MS senior citizens rely on Social Security for at least 90% of their retirement income
- 2020 Social Security Average monthly benefit for MS was \$1,430.12 which is \$17,161.44 per year.



Current State of MS Retirement

- 92% of voters believe that elected officials should create legislation to make it easier to save for retirement from their paychecks
- 91% of voters support creating a program to help employees build retirement savings if their employer does not offer a retirement savings program



Economic Impact

- With more MS employees with retirement savings, MS and the US spend less on public assistance programs
- Automatic enrollment retirement plan benefits can be realized if lower income MS employees save an additional \$1000 per year



Economic Impact

- An automatic enrollment retirement plan has the potential to save Mississippi \$29,500,000 in tax dollars from 2018 to 2032
- Federal Savings from 2018 to 2032 of over \$166,400,000



A Closer Look at Automatic Enrollment Retirement Plans



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Automatic Enrollment

- Type of retirement savings plan designed to simplify the retirement process for employees and increase retirement savings
- Employees would be automatically enrolled in an employer or state managed retirement plan

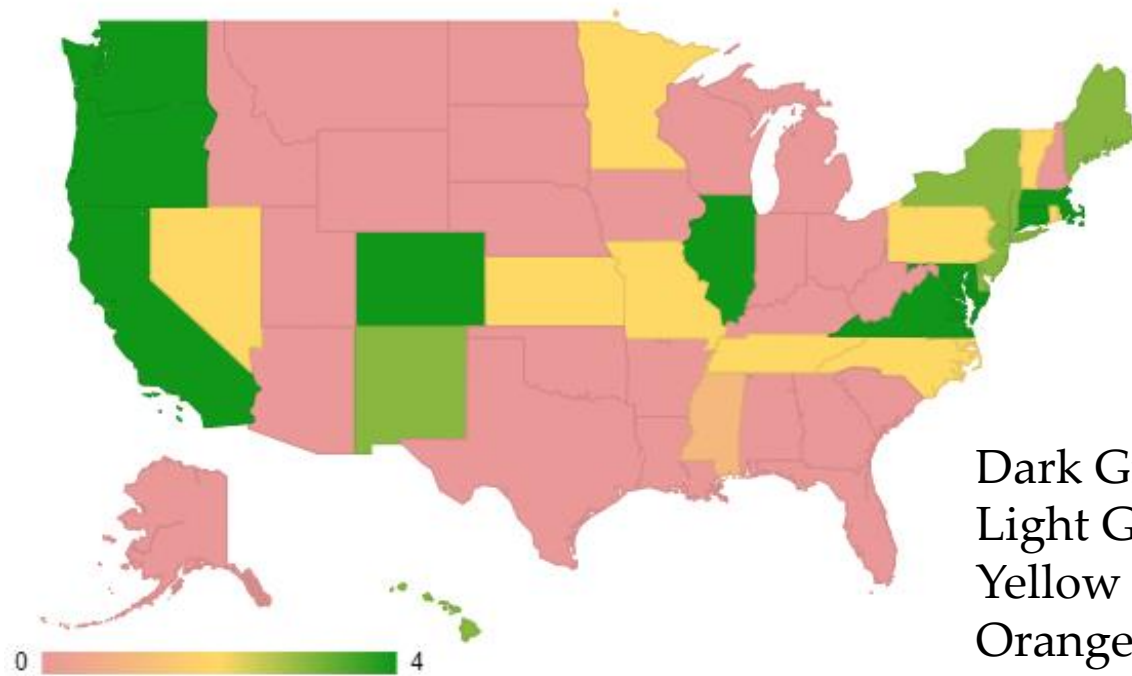


Automatic Enrollment

- Focuses on an opt-out strategy to increase retirement savings among Mississippians
- Option to NOT save for retirement is still available
- More likely to benefit less-educated, lower-income, and older private sector employees



State of Automatic Enrollment Initiatives



Dark Green = Open for Enrollment
Light Green = Passed Legislation
Yellow = Proposed Legislation
Orange = Died
Red = None Proposed



History of MS Automatic Enrollment Retirement Legislation

- **Mississippi Secure Choice Savings Program (MSCSP)**
 - First proposed by Representatives Paden and Clark in the 2020 MS Regular Session
 - Died in the House Appropriations Committee in 2020
 - Rep. Paden proposed the MSCSP in the 2021, 2022, and 2023 MS Regular Sessions
 - All have died in the House Appropriations Committee
- **Mississippi Work and Save Program**
 - Authored by Representative Jody Steverson
 - HB1019 introduced in 2022 and HB701 introduced in 2023
 - Both died on the calendar



A Closer Look at the Different Ways States are Setting up Automatic Enrollment Plans



State Retirement Plan Options

Plan Option	Optional for Employers	Employee Option to Opt-Out	Shown to Increase Retirement Savings
Secure Choice Savings Program		✓	✓
Multi-Employer Plan (MEP)	✓	✓	
Marketplace	✓	✓	✗



State Retirement Plan Options



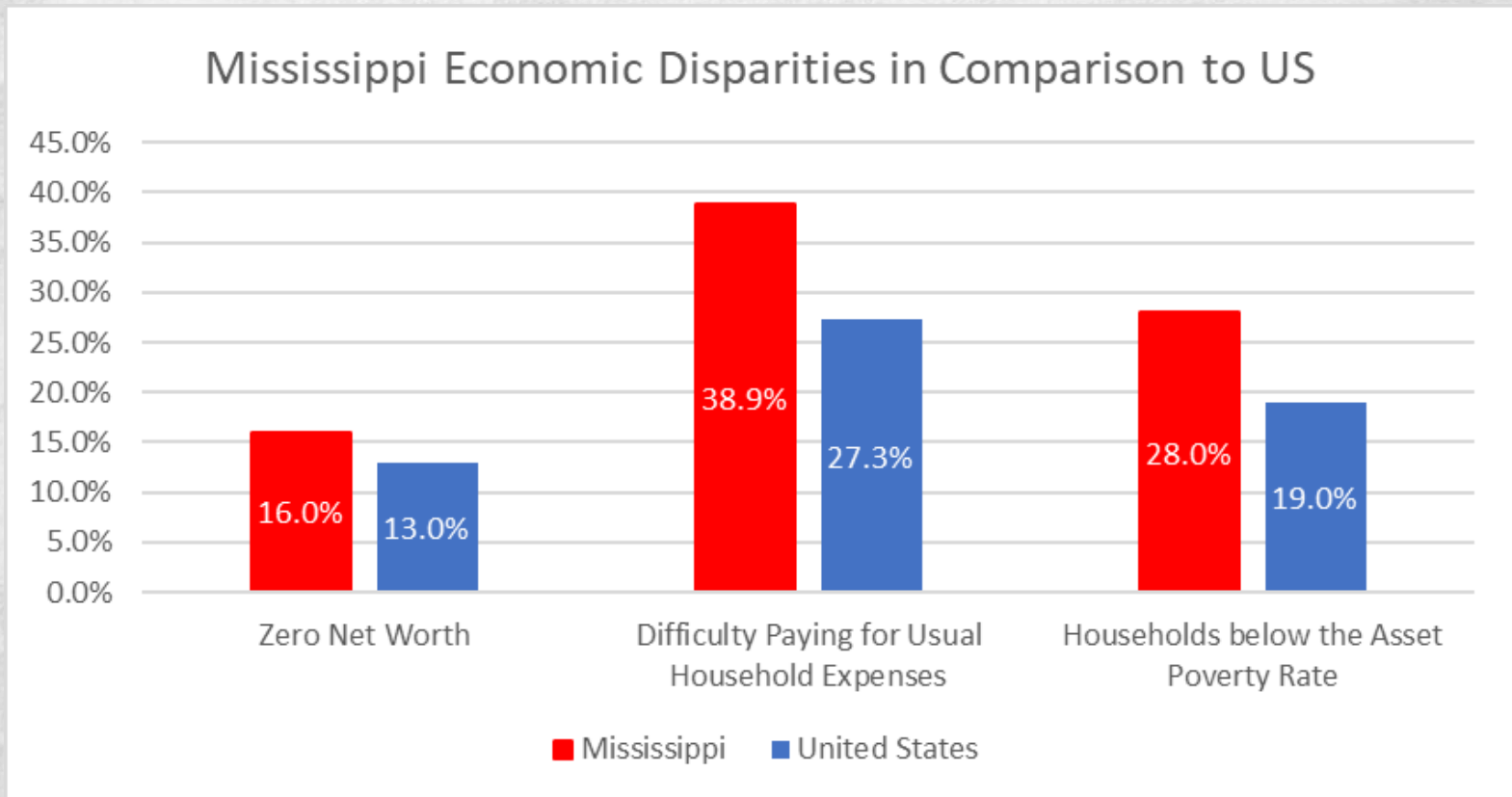
Emergency Savings



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State of Emergency Savings in MS

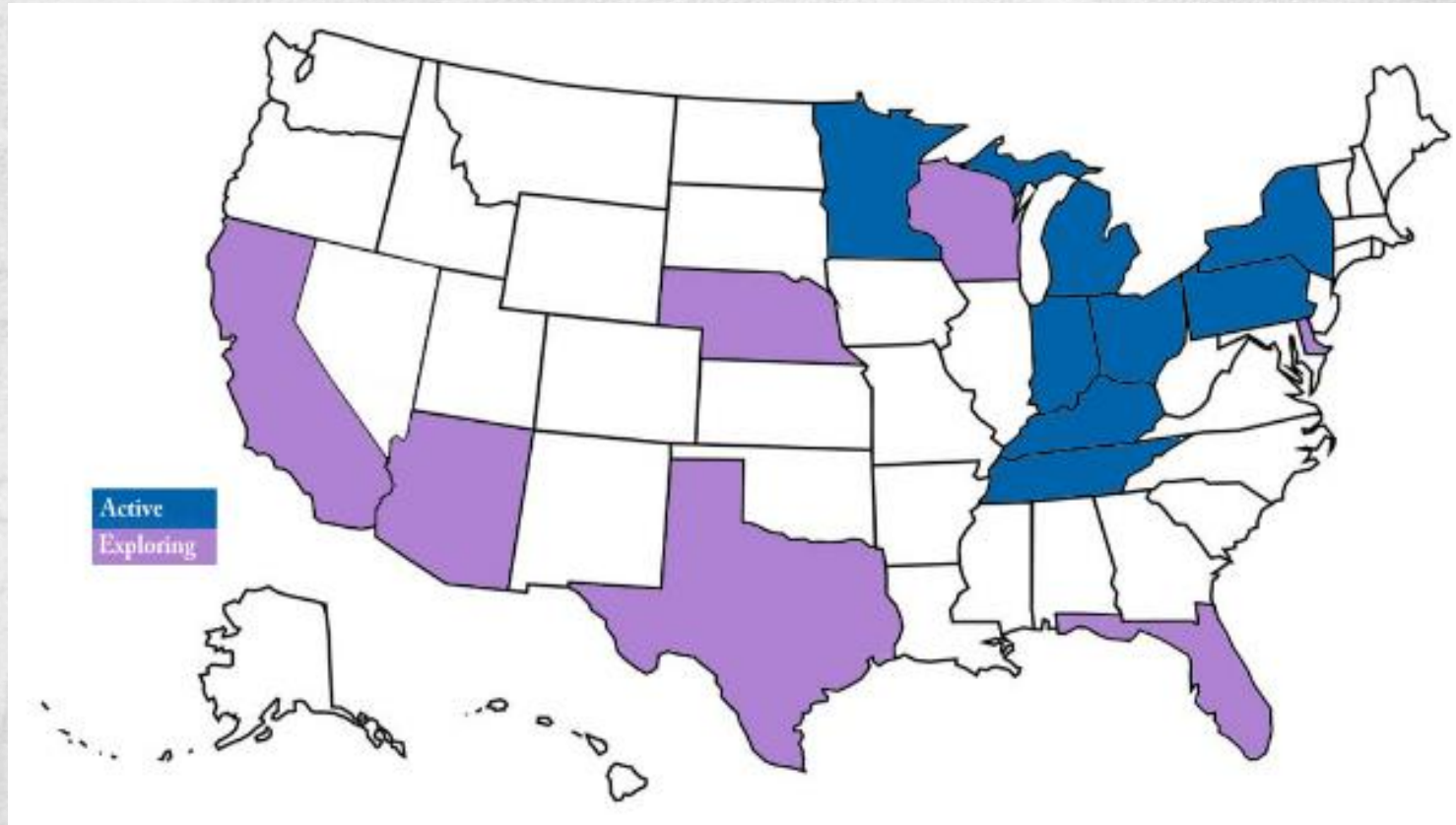


Employer Resource Networks

- Aims to help and provide resources for both employers and their employees
- A network of companies that often work together to address shared workforce concerns
- Six to ten small to medium-sized businesses that are looking to take advantage of economies of scale to access beneficial resources for their employees
- Success coaches



ERN USA



Source: ERN USA website



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Mid-South ERN

- Memphis, Tennessee
- 646% Return on Investment
- 445 employees coached
- \$208,000 in financial assistance like microloans, housing assistance, and other grants



Microloans Through Financial Institutions

- Offers low-interest, small-dollar, short-term loans with no associated fees
- Encouraging regular savings habits
- BankPlus CreditPlus program
- Hope Credit Union Borrow and Save program



Microloans Through Employers

- Employer has an agreement with the bank/credit union
- Withdrawn from the employee's paycheck
- Once the loan is paid off, they are still withdrawing and it goes into savings account
- MCJ New Roots Credit Partnership
- The City of Jackson partners with BankPlus and Hope Community Credit Union to offer microloans



Questions?

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