

Approaches for Improving Retirement Security in New Mexico

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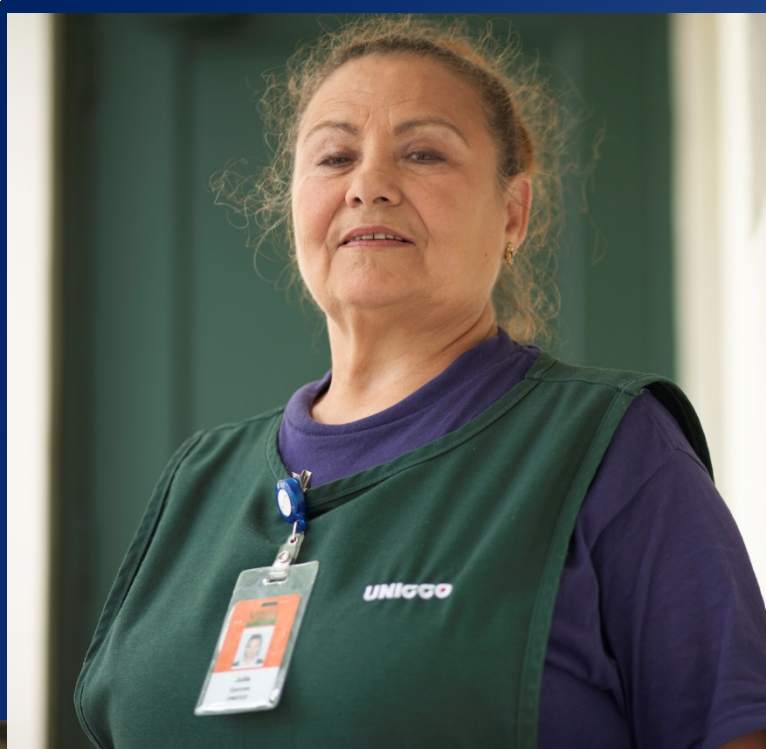
The Present and Looming Crisis

- At the person-level
- The big picture
- What states can do









A close-up photograph of an elderly woman's face, showing her eyes, nose, and mouth. She has a somber or sad expression, looking slightly downwards. The lighting is dramatic, with strong highlights on her forehead and nose, and deep shadows on the right side of her face. Her skin is wrinkled, and her hair is reddish-brown.

The Big Picture
US:

ZERO

\$1,300

How Do We Fix It?

Available

Automatic

Easy

Automatic Enrollment

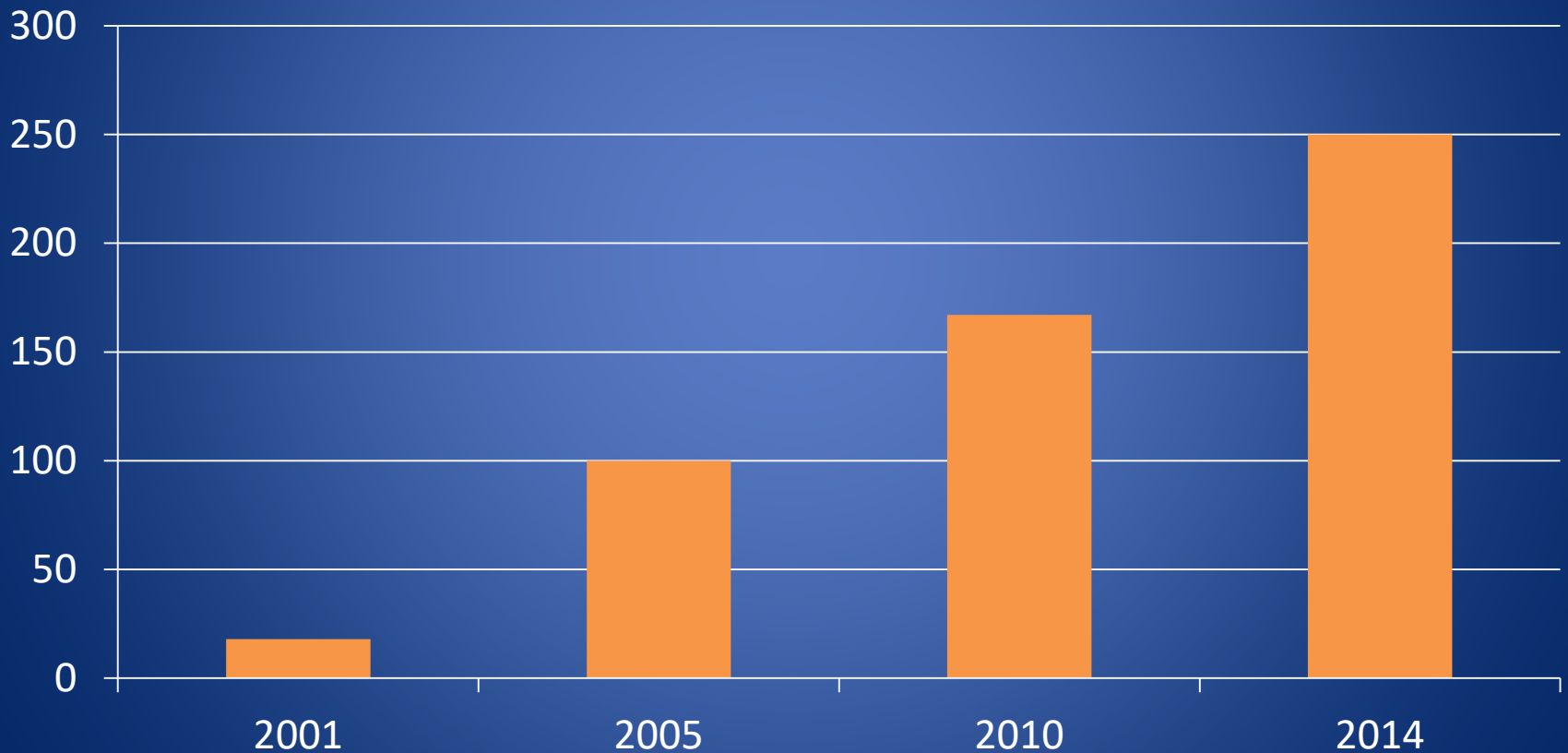
EVERYBODY is more likely to participant if enrollment is automatic

Even Lower-Wage Workers

- 2.5x more likely w/ auto enroll (67 pct vs 26 pct)

Easy—The 529 Example

Assets, In \$ Billions



Now We Have a Chevy Sonic (Basic,
Functional, We Can Do Better)



What Are the Other Features

- Pooled and Professional Management
- Employer Contributions
- Lifetime Income Streams
- Automatic Escalation

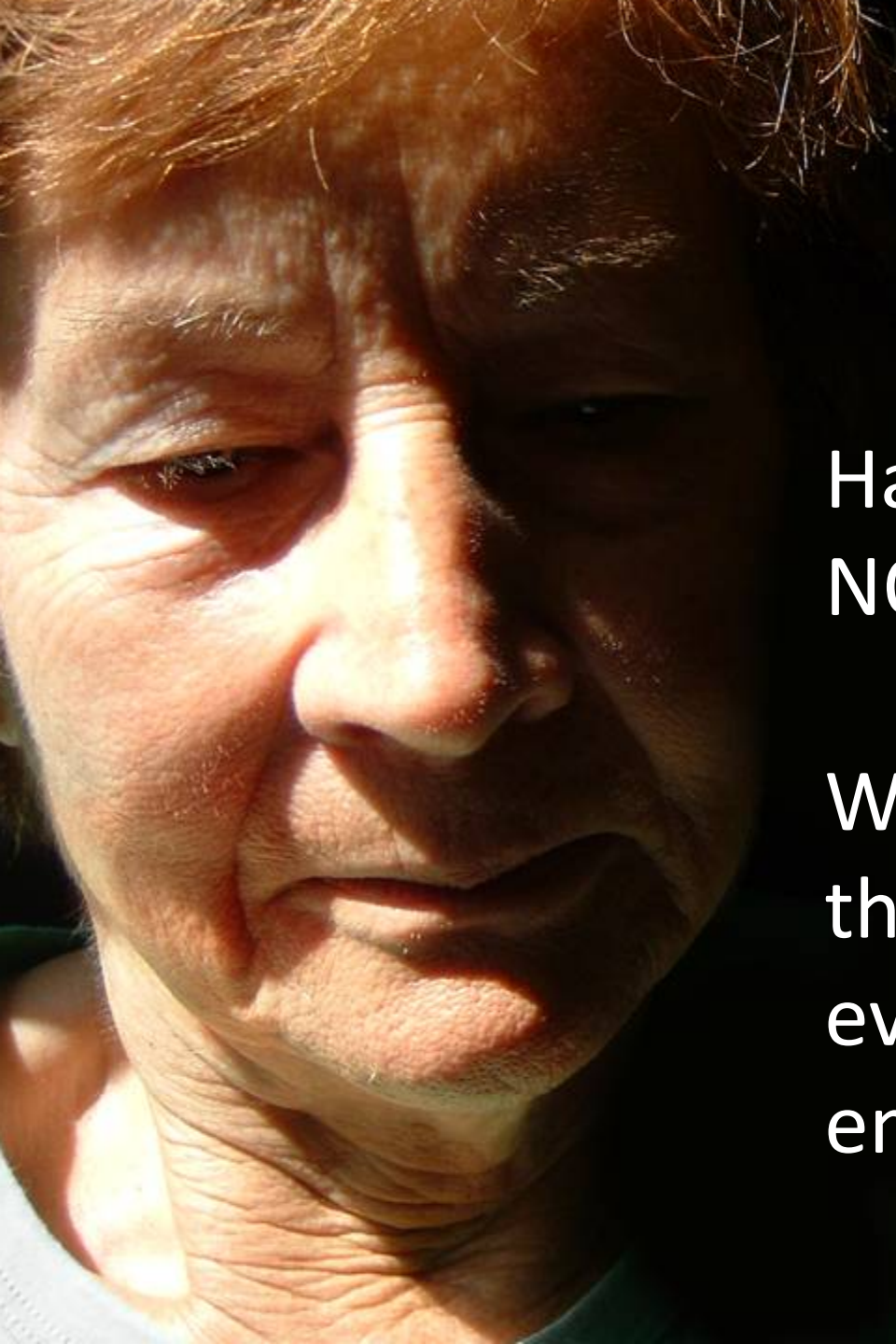
Allowing for Optional Employer Contributions

Massachusetts' Three-Choice Proposal for Secure Choice:

1. Employers can continue to offer their own plan
2. Employers can opt into state-run plan that includes employer contributions
3. If not 1) or 2), then Secure Choice

Allowing **Optional** Employer Contributions

- Creates flexibility for employers
- Eases burden on small employers
- Improves opportunity for retirement security
- About ERISA...



Recap

Half of People Have
NOTHING

We can fix this in a way
that works for
everyone—workers,
employers, the state

