

Fact Sheet: Tennessee

Tennessee Could Save \$260 Million by Helping People Save for Their Own Retirement

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When individuals save for retirement they are less likely to rely on public assistance programs later in life. State-facilitated retirement savings plans for small-business employees would help people save more for retirement and, in turn, save significant taxpayer dollars for programs like Medicaid, Supplemental Security Income, the Supplemental Nutrition Assistance Program, and housing assistance. More than 30 states are considering creating retirement plans for private-sector workers whose employers do not already offer one. New research finds that Tennessee would save \$260 million on public assistance programs between 2018 and 2032 if lower-income retirees save enough to increase their retirement income by \$1,000 more per year.

Fiscal Savings to States of \$1,000 More in Retirement Income for the Bottom Two Retirement Income Quintiles

| State | Total Savings, Combined Federal and State, 2018-32 | Savings to State, 2018-32 |
|-------------|--|------------------------------|
| Alabama | \$156,459,591 | \$17,652,790 |
| Alaska | \$40,947,013 | \$13,051,329 |
| Arizona | \$396,596,440 | \$89,210,583 |
| Arkansas | \$129,450,257 | \$27,611,939 |
| California | \$5,383,081,091 | \$1,393,743,339 |
| Colorado | \$472,289,002 | \$154,864,156 |
| Connecticut | \$421,454,107 | \$89,974,509 |
| Delaware | \$69,140,518 | \$18,176,268 |
| Florida | \$1,404,379,386 | \$290,543,822 |
| Georgia | \$338,628,931 | \$52,545,035 |
| Hawaii | \$160,312,439 | \$32,749,675 |
| Idaho | \$54,198,256 | \$11,508,077 |
| Illinois | \$758,140,927 | \$139,013,992 |
| Indiana | \$268,263,150 | \$55,927,866 |
| Iowa | \$264,687,543 | \$67,574,339 |
| Kansas | \$195,565,665 | \$51,724,322 |
| Kentucky | \$319,759,599 | \$46,163,299 |
| Louisiana | \$201,858,462 | \$32,884,222 |
| Maine | \$135,574,464 | \$22,980,536 |
| Maryland | \$331,624,472 | \$69,676,767 |



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| State | Total Savings, Combined Federal and State, 2018-32 | Savings to State, 2018-32 |
|----------------------|--|------------------------------|
| Massachusetts | \$1,318,605,436 | \$333,548,142 |
| Michigan | \$496,846,112 | \$81,681,041 |
| Minnesota | \$796,004,880 | \$257,527,390 |
| Mississippi | \$195,911,435 | \$29,494,258 |
| Missouri | \$403,926,297 | \$99,087,689 |
| Montana | \$46,325,459 | \$8,374,620 |
| Nebraska | \$130,684,259 | \$40,763,572 |
| Nevada | \$127,056,172 | \$24,048,205 |
| New Hampshire | \$62,650,543 | \$15,672,254 |
| New Jersey | \$809,192,172 | \$193,934,233 |
| New Mexico | \$49,319,790 | \$7,424,601 |
| New York | \$4,952,709,650 | \$1,467,056,431 |
| North Carolina | \$617,668,545 | \$127,363,525 |
| North Dakota | \$26,421,294 | \$5,652,108 |
| Ohio | \$1,093,070,035 | \$240,600,349 |
| Oklahoma | \$83,792,496 | \$20,526,999 |
| Oregon | \$453,533,958 | \$98,930,353 |
| Pennsylvania | \$1,359,355,285 | \$330,156,349 |
| Rhode Island | \$171,075,417 | \$25,439,603 |
| South Carolina | \$212,798,415 | \$37,450,871 |
| South Dakota | \$81,640,098 | \$14,053,954 |
| Tennessee | \$1,142,228,011 | \$260,188,825 |
| Texas | \$1,381,708,267 | \$340,644,794 |
| Utah | \$147,106,849 | \$26,089,868 |
| Vermont | \$53,543,140 | \$12,722,408 |
| Virginia | \$481,686,611 | \$135,330,635 |
| Washington | \$1,030,924,340 | \$297,935,294 |
| West Virginia | \$132,024,966 | \$17,217,926 |
| Wisconsin | \$684,324,456 | \$139,334,771 |
| Wyoming | \$50,305,916 | \$17,966,328 |
| United States | \$32,978,295,282 | \$7,793,556,409 |

Source: AARP Public Policy Institute analysis of Philip Trostel, The Fiscal Implications of Inadequate Retirement Savings in Maine (Orono, ME: The University of Maine Margaret Chase Smith Policy Center, February 2017), <https://mcspolicycenter.umaine.edu/wp-content/uploads/sites/122/2017/03/final-aarp-report.pdf>.

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