



THE PEW CHARITABLE TRUSTS

# **New York State Secure Choice Savings Program Overview of Demographics and Modeling**

**John Scott and Andrew Blevins**  
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# Demographics: Who lacks coverage?

## *Overall 52% lack coverage*

- Small business: 67% of workers at firms with 10 to 24 employees
- Workers of color:
  - 67% of Hispanics and 56% of African Americans lack access (compared to 45% of Whites)
- Young people: 70% of workers under the age of 26 lack access vs. 47% of those 35 and older
- Median annual income for all uncovered workers: \$28,000
- Industry segments with notably low access levels: construction, retail, leisure and hospitality

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Source: Pew analysis of the Current Population Survey

# Model Overview

- Estimate the number of employers in New York by firm size
- Estimate a pool of workers who will participate
- Account for:
  - slow take-up by employers, exemptions
  - worker attrition, opting out, job churn

# Key Employer Assumptions

- Data on number of employers, employees from the Statistics on US Businesses (2019) – projections use trends from prior 5 years
- Coverage assumptions based on research using survey and tax data
- Model assumes increasing employer compliance over time and that some employers will adopt their own plan in response
  - Employer participation rate goes from 7% in month 12 to 80% by month 42

# Key Worker Assumptions

- Employee attrition: inaccurate or incomplete information, employment volatility
  - Result: 65% of eligible employees are registered
- Of those remaining, model assumes 32% will opt out (i.e., 68% participation rate)
  - Opt outs in model include those that formally opt out as well as those that set their contribution rate to 0

Projected Eligible Employers in NY (2023)		Projected Eligible Employees in NY (2023)	
Total	34,500	Total	1,547,400
10-19 Employees	20,900	10-19 Employees	279,700
20-99 Employees	11,800	20-99 Employees	441,400
100+ Employees	1,800	100+ Employees	826,300

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
<b>Projected Participating Firms (after adjusting for attrition and compliance)</b>							
<b>Total</b>	2,600	8,500	22,700	28,700	28,800	29,000	29,100
<b>10-19</b>	1,600	5,100	13,700	17,300	17,400	17,400	17,500
<b>20-99</b>	900	2,900	7,800	9,800	9,900	10,000	10,000
<b>100+</b>	100	500	1,200	1,600	1,600	1,600	1,600

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
<b>Projected Eligible Employees (before adjusting for attrition or opt-outs)</b>							
<b>Total</b>	<b>118,000</b>	<b>389,200</b>	<b>1,051,300</b>	<b>1,342,100</b>	<b>1,364,600</b>	<b>1,387,700</b>	<b>1,411,400</b>
<b>10-19</b>	21,100	68,700	183,300	231,100	232,100	233,200	234,200
<b>20-99</b>	33,300	108,800	290,700	367,300	369,500	371,700	373,900
<b>100+</b>	63,600	211,800	577,200	743,700	763,000	782,900	803,300
<b>Projected Regularly Participating Employees (after adjusting for attrition and opt-outs)</b>							
<b>Total</b>	<b>52,100</b>	<b>172,000</b>	<b>464,700</b>	<b>593,200</b>	<b>603,200</b>	<b>613,400</b>	<b>623,800</b>
<b>10-19</b>	9,300	30,400	81,000	102,200	102,600	103,100	103,500
<b>20-99</b>	14,700	48,100	128,500	162,300	163,300	164,300	165,300
<b>100+</b>	28,100	93,600	255,100	328,700	337,200	346,000	355,000



# Reasons for size of participant pool

- Exemption of plan sponsors
- Delay in starting payroll contributions
- Job churn
- Employees opting out
- Ineligible employees work for exempt employer
- Employees failing know-your-customer checks



# Thank you

## Questions?

More information can be found at [pewtrusts.org/retirementsavings](https://pewtrusts.org/retirementsavings)