WILL AUTO-IRA PROGRAMS AFFECT MEDICAID ENROLLMENT?

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Abstract

In recent years, 16 states have launched or are preparing to launch auto-IRA programs that require employers without a retirement plan to auto-enroll their workers in an IRA. Although studies have begun to document outcomes in the nascent auto-IRAs, less attention has been paid to their interaction with other safety net programs, particularly Medicaid. This project uses a simulation model to explore whether low- and middle-income households will delay or forego Medicaid recipiency because of their new auto-IRA savings. Specifically, it estimates how many Medicaid-free years future households could buy with their auto-IRA balances if a national program had launched in 2019.

The paper found that:

- Workers without a college degree accumulate meaningful new savings in the hypothetical auto-IRA, although the magnitude is very sensitive to modeling assumptions.
- Younger cohorts in particular have time to build up sizeable balances that could delay Medicaid recipiency.
- Older cohorts have more modest balances and are unlikely to delay Medicaid.
- Regardless of age, most participants will still turn to Medicaid for Long Term Services and Supports.

The policy implications of the findings are:

- Under current policy, households with moderate auto-IRA balances will have a strong incentive to spend down their savings to qualify for Medicaid.
- Alternatively, states could adapt their Medicaid asset tests to disregard all, or some portion of, auto-IRA savings.

Introduction

      Around 30 percent of retired households are solely reliant on Social Security for income, with many ending up on safety net programs such as Medicaid.[1] One reason for the lack of supplemental retirement saving is that only about half of private sector workers are covered by an employer-sponsored plan at any given time, and few workers save without them.[2]

      In recent years, 10 states have launched auto-IRA programs that require employers without a plan to auto-enroll their workers in a Roth IRA, and 6 more states are planning to launch their programs soon. Auto-IRAs have the potential to benefit all types of workers, but they are particularly helpful for those left out of employer plans: less-educated, living paycheck-to-paycheck, and more likely non-White.[3]

      Although studies have begun to document participant outcomes in the nascent auto-IRAs, less attention has been paid to their interaction with other safety net programs.[4] Some proponents argue that auto-IRAs – by allowing households to be more self-sufficient – will increase households' financial security and improve state finances by reducing spending on means-tested programs.[5] However, a large public finance literature also points out that the asset limits of means-tested programs could put households at-risk of losing medical care – and even discourage them from accumulating assets in the auto-IRA to begin with.[6]

      Most frequently discussed in the auto-IRA context is potential spillovers to the Medicaid program. Medicaid is one of the largest budget items for states, and ten percent of households over age 65 are "dual-eligible," or participating in both Medicare and Medicaid.[7] Yet, Medicaid includes a household asset test for those over 65. While the rules vary by state and the type of Medicaid services, net financial assets cannot exceed $3,000 in many cases. IRA wealth is

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[1] Dushi and Trenkamp (2021).

[2] Sabelhaus (2022).

[3] See Center for Retirement Research reports on state initiatives, available at: https://crr.bc.edu/reports-on-state-initatives/.

[4] Belbase, Quinby, and Sanzenbacher (2020); Chalmers et al. (2022); Quinby et al. (2020); and Scott and Blevins (2020).

[5] See, for example, Econsult Solutions (2018); Trostel (2017); and Schifflet and Harvey (2017).

[6] For examples of similar debates in other settings, see Chetty, Friedman, and Saez (2013); Saez (2010); and Kleven (2024).

[7] KFF (2021). Dual eligible refers to individuals participating in Medicare and full Medicaid. The next section provides more details on full versus partial Medicaid.

typically included, and where it is excluded, withdrawals often count toward the income limit.[8] Hence, Medicaid effectively imposes a 100 percent tax on auto-IRA savings.[9]

This project explores whether low- and moderate-income households are likely to delay or forego Medicaid because of their auto-IRA savings. The nascent programs are still too immature to observe participant outcomes directly. Instead, this study uses a hypothetical simulation model to answer two questions: 1) how much auto-IRA savings would future households have if a national program had launched in 2019? And 2) to what extent would their accumulations preclude participation in Medicaid?

Although the results turn out to be very sensitive to modeling assumptions, we find that workers without a college degree accumulate significant new savings in the hypothetical auto-IRA. Younger cohorts in particular – who have a full career to build up their balances – could use these savings to cover some of the expenses that Medicaid would have insured and delay or forego receiving public benefits. However, impacts on Medicaid enrollment would not be observed for years, since balances for older cohorts remain low while the auto-IRA program matures. Moreover, most auto-IRA participants would still turn to Medicaid for Long-Term Services and Supports (LTSS).

The rest of this study proceeds as follows. The next section provides background on the coverage gap, state auto-IRA initiatives, and Medicaid for older households. The third section introduces the data. The fourth section describes the simulation methodology, while the fifth section presents results. The sixth section discusses likely implications for Medicaid access and the last section concludes.

Background

At any given time, only about half of prime-age workers in the U.S. are covered by an employer-sponsored retirement plan – a gap that has persisted for decades.[10] Although the coverage gap particularly affects lower-wage workers without a college degree, a substantial share of even college graduates lacks employer coverage at any given moment (see Figure 1). And this coverage gap is one of the main reasons that many households approach retirement with

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[8] Musumeci, Chidambaram, and Watts (2019).
[9] See for example Hubbard, Skinner, and Zeldes (1995).
[10] In 1989, 51 percent of workers ages 25-64 participated in an employer plan, compared to 53 percent in 2022 (authors' estimates from the *Survey of Consumer Finances* 1989-2022).

low levels of savings outside of Social Security.[11] To illustrate this point, Figure 2 shows median retirement wealth – assets in defined contribution plans plus the present value of future benefits in defined benefit pensions – for households in the Late Baby Boomer cohort of the *Health and Retirement Study*, by education level.[12] Only households with a college degree have meaningful levels of savings, and the median household with a high school degree has nothing saved in an employer-sponsored plan.

Closing the Coverage Gap with State Auto-IRAs

As repeated federal attempts to close the coverage gap have not had much impact, states have started implementing auto-IRA programs.[13] Most of the existing programs follow a very similar model. Firms are required to submit timely payroll records to the program but have no fiduciary or administrative responsibility and cannot make matching contributions. Participant contributions are initially set at 5 percent with workers allowed to change the rate or opt out at any point. The first $1,000 of contributions is invested safely, with additional contributions defaulted into a target date fund. And, because the accounts are designed as Roths, workers can always withdraw their contributions with no penalty.

Although the state auto-IRAs are still in their infancy, early data on participation look promising. Several studies examine the first couple years of OregonSaves, the first program to launch.[14] They find that participation ranged between 48 and 67 percent (depending on the treatment of missing administrative data) suggesting that many workers did not opt out. More recent data provided by the live programs show opt-out rates around 30 percent.[15]

In terms of withdrawals, the early Oregon studies found that 20 percent of active participants made withdrawals each year, removing $1,000 from their accounts on average. However, withdrawal rates across the live programs are clearly increasing as programs extend their initial rollout to small employers and employee knowledge improves.[16] Another

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[11] Biggs, Munnell, and Chen (2019).
[12] See Gok, Chen, and Quinby (2024) for a detailed description of this calculation.
[13] Recent federal initiatives include myRAs, "open" MEPs, and "starter 401(k)s".
[14] Chalmers et al. (2021); Quinby et al. (2020); and Harris et al. (2018).
[15] California State Treasurer (2023), Illinois State Treasurer (2023), and Oregon Retirement Savings Board (2023).
[16] California State Treasurer (2023), Illinois State Treasurer (2023), and Oregon Retirement Savings Board (2023).

benchmark is total withdrawals as a share of total contributions, which is currently about 25 percent in the live programs.[17]

The question is, will this engagement translate to substantial new assets in the long run? And what implications will that have for access to Medicaid?

Pathways to Medicaid for Older Households

To simplify exposition, this analysis divides Medicaid recipients into two groups: "Categorically Needy" and "Medically Needy." The Categorically Needy are individuals whose income or assets are below certain state-specific thresholds. The Medically Needy are individuals who typically are not Categorically Needy but have high medical expenses relative to their income and assets. The discussion below, which draws heavily from De Nardi et al. (2011) and KFF (2019), describes each group in more detail.

Categorically Needy. States must provide Medicaid to Supplemental Security Income (SSI) beneficiaries. To qualify for SSI, individuals must pass an income and an asset test. The effective SSI income limit is usually 74 percent of the Federal Poverty Limit (FPL), and the asset limit is $2,000 for individuals and $3,000 for couples.[18] These asset limits, which have not been increased since 1989, exclude the individual's main residence and various other types of property (e.g., vehicle or personal items).

Furthermore, states must provide Medicare Savings Programs (MSPs) through which low-income Medicare beneficiaries receive Medicaid assistance with some or all their Medicare co-payments or premiums. Depending on their income, individuals can enroll as Qualified Medicare Beneficiaries (QMBs), Specified Low Income Beneficiaries (SLMBs) or Qualified Individuals (QIs). In most states the QMB income limit is 100 percent of the Federal Poverty Level. QMBs are assisted with Medicare Part B premiums and copayments. SLMBs are individuals with income between 100 percent and 120 percent of the Federal Poverty Level and are assisted with premiums only. QIs are individuals with income between 120 percent and 135 percent of the poverty level; depending on funding availability, they may receive assistance with

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[17] Georgetown University Center for Retirement Initiatives (2024).

[18] States can use financial criteria that are more restrictive than the federal SSI limits so long as the state's rules are not more restrictive than what the state had adopted in 1972, when the SSI program was established. Moreover, some states have adopted additional income disregards beyond the standard SSI exemptions that effectively increase the state's income and asset limits for the Categorically Needy group.

Medicare Part B premiums. For MSPs, most states have asset limits within the federal guideline amounts, which in 2024 were $9,430 for an individual and $14,130 for a couple.[19]

Medically Needy. Individuals who do not qualify for the Categorically Needy group may nonetheless have medical expenses which are high compared to their income and assets. About two thirds of the states allow these individuals to "spend down" to the state's Medically Needy income limit by subtracting their medical or LTSS expenses from their income.

The qualification criteria for this group vary by state and depending on whether the individual is institutionalized (e.g., in a nursing home) or non-institutionalized. While both institutionalized and non-institutionalized individuals can spend down by subtracting their medical or LTSS expenses from their income, in most states those needing an institutional level of care can also qualify if their income is less than 300 percent of the SSI limit. Overall, the asset limits faced by the Medically Needy are like those faced by the Categorically Needy ($2,000 for an individual and $3,000 for a couple).[20] However, middle-income individuals can still do a lot to qualify. Their options include transferring some income or assets to a spouse, buying exempt assets (such as a vehicle, personal items, or making renovations to their main residence), or putting their assets in a trust (i.e., Miller trust, Pooled Income trust, or Supplemental Needs trust).

To summarize, Medicaid is available to individuals with low income or wealth (Categorically Needy), as well as middle- and higher-income individuals with high medical expenses (Medically Needy). Indeed, many middle and higher-income retirees ultimately end up on Medicaid. While the Medicaid recipiency rate for the bottom income quintile is around 70 percent throughout retirement, the recipiency rate for higher-income retirees (initially very low) increases with age, reaching 20 percent by age 95 (De Nardi et al. 2016).[21] Thus, even high-income individuals often become Medicaid recipients if they are hit by expensive medical conditions. For example, most individuals requiring LTSS receive some support from Medicaid,

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[19] These limits are updated annually. Notably, some states have no MSP asset limit including Oregon as of 2016, the year before it launched the nation's first auto-IRA program.
[20] The Medically Needy face a cap on the value of the individual's main residence that can be excluded, while the Categorically Needy do not.
[21] Yet, despite widespread reliance on Medicaid and the value of the benefits, take-up rates for eligible individuals remain low. Factors discouraging take-up include perceived stigma, lack of information about complex eligibility rules, and the administrative hassle of signing up (Ettner 1997; Pezzin and Kasper 2002; Aizer 2003; and Zuckerman, Shang, and Waidmann 2010).

given that the median annual cost of a private room in a nursing home was \$116,796 in 2023, and home health aides cost an average of \$33/hr.[22]

Data

The analysis uses data from two sources: the *Survey of Consumer Finances* (SCF) and administrative data from the live auto-IRA programs. The SCF is a nationally representative triennial survey conducted by the Federal Reserve Board in collaboration with the U.S. Census Bureau. It provides detailed information on household assets, liabilities, income, and demographics. The SCF also has an extensive module on retirement plan coverage and participation.[23] To project auto-IRA balances, the analysis also relies on administrative data provided by the live auto-IRA programs.[24] These data include participant opt-out rates, contribution rates, and withdrawal rates and amounts.

Methodology

The simulation proceeds in four steps. The first step is to project lifecycle employment and earnings for households in the 2019 SCF.[25] Employment is estimated at the individual level based on a model where the probability of being employed in future year *t* is a function of the individual's characteristics. Specifically, the projection uses the logit regression:

$$\Pr(employed = 1 | X_i) = \frac{e^{X_i\beta}}{1 + e^{X_i\beta}}, \tag{1}$$

where the vector X_i includes controls for age, gender, education, race, and their interactions.

Figures 3 compares our simulated employment rates with the empirical employment rates in the 2019 SCF for men and women combined. As expected, employment rates peak at around 85 percent between the ages of 25 and 45. Then they decline to around 65 percent by age 60.

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[22] Genworth (2021).

[23] The overall coverage rates reported in the SCF are close to the "gold standard" rates based on the Internal Revenue Service's *Statistics of Income* data (See Sabelhaus 2022).

[24] Some of these data are publicly available on program websites; others were provided directly to the authors (see, for example, Quinby et al. 2020 and Aubry 2024).

[25] By starting the simulation in 2019, the analysis abstracts away from economic disruptions caused by the Covid-19 pandemic.

Employment rates for men are higher than women, and they also vary by race/ethnicity, with White individuals having a higher employment rate than non-Whites (not shown).

Next, individuals are assigned a real earnings profile based on the median for workers in 2019 with similar characteristics. To obtain conditional median earnings, a quantile regression is estimated for employed individuals:

$$Y_{it} = X_{it}\beta + \varepsilon_{it}, \tag{2}$$

where the vector X_{it} includes controls for age, gender, education, race, and their interactions.

Figure 4 shows the simulated and empirical real earnings profile for men and women combined. Real earnings rise sharply until workers reach their 40s, at which point they start to flatten out. Women have flatter profiles than men (not shown). Men start with earnings of approximately $30,000 at age 20 (in 2019 dollars) and end up with approximately $80,000 at ages 50 to 60. Women start with earnings of approximately $23,000 at age 20 and end up with approximately $45,000 at ages 50 to 60.[26]

The second step is to determine which employed individuals have employer-plan coverage. Since the results turn out to be highly sensitive to this determination, the analysis proceeds under two scenarios: the "intermittent coverage" scenario and the "continuous coverage" scenario.

In the "intermittent coverage" scenario, employer plan coverage is determined each year based on age-specific probabilities that vary according to gender, education, and race. The analysis estimates these probabilities using a logit model similar to equation (1). Intuitively, this approach assumes that persistence in employer coverage comes exclusively from observable variables – for example, if individuals switch jobs every year, then they have some chance of obtaining employer coverage at each job change based on their observable characteristics. Figure 5 shows the simulated and empirical employer-plan coverage profiles in this scenario. Coverage rates are initially low for young workers and then flatten out around 55 percent between the ages of 25 and 60.

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[26] The future earnings forecast does not incorporate aggregate productivity gains. So, young workers in the future are assumed to earn the same wage as young workers in 2019, adjusted for inflation. Hence, we underestimate the real value of future auto-IRA balances.

In contrast, the "continuous coverage" scenario assigns individuals' lifetime employer-plan coverage randomly, at the beginning of one's working life, based on the average coverage rate for prime-age workers of similar gender, education, and race. Intuitively, this approach assumes full persistence over the lifecycle, with individuals either covered or not.

The third step of the analysis is to simulate auto-IRA balances.[27] Workers who lack employer coverage are automatically eligible for the program. In both the "intermittent coverage" and "continuous coverage" scenarios, the analysis assumes that everyone who is eligible for the auto-IRA makes a one-off decision to stay auto-enrolled or to opt out. The probability of opting out is set at 30 percent, which reflects the opt-out rates reported by the live auto-IRAs.[28] The employee contribution rate is set at 5 percent of earnings.[29] Participants make stochastic withdrawals with a probability of 20 percent each year; removing $2,000 from their account each time.[30]

The first $1,000 of contributions is assumed to be held in cash and amounts more than $1,000 are invested in a target date fund. Target date funds rebalance the portfolio every year, by allocating: $\max\{0, (100\text{-age})/100\}$ percent to stocks. The analysis assumes that, before fees or taxes, the annual real return of stocks and bonds is 7 and 4 percent, respectively.[31] In terms of fees, the analysis assumes that the programs charge the following: 0.1 percent of total assets charged by the investment manager; a flat $21.60 fee plus 0.25 percent of total assets charged by the third-party administrator; and a flat $2.40 plus 0.1 percent of total assets charged by the state (Aubry 2024). In total, the fees are $24 dollars and 0.45 percent of total assets per year. While consistent with the fee structure of current state programs, fees would likely be lower in a national program operating at scale.

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[27] An unresolved question is whether automatic enrollment will spur lower-income households to take on more debt. See Beshears et al. (2022) for a thorough discussion of this issue. This analysis does not explicitly model non-IRA assets.

[28] The simulation assumes full and immediate employer compliance with the new program. For fact sheets on participation in auto-IRAs, see: https://crr.bc.edu/project-page/closing-the-coverage-gap.

[29] This contribution rate may underestimate auto-IRA contributions for programs that have auto-escalation features; however, recent studies note that many workers opt-out of auto-escalation in the 401(k) context (Beshears et al. 2024 provides a comprehensive review of this literature).

[30] While slightly higher than the withdrawals reported in Quinby et al. (2020), this assumption reflects increasing withdrawals over time and produces account balances better matching initial results in the live programs.

[31] We assume nominal stock and bond returns of 9 and 6 percent before fees, and 2 percent inflation.

Simulation Results

To check that the simulation model produces reasonable outcomes, Table 1 compares average auto-IRA account balances in the first few years of the simulation against average balances observed in the first few years of the live programs. Reassuringly, the model seems reasonably close to real-world experience. Although the simulation does tend to overestimate account balances by around 20 percent, that deviation is due to factors we explicitly chose not to incorporate into the simulation, such as employer delays in submitting payroll records, and higher-than-normal withdrawals during the Covid-19 pandemic.[32]

Turning to the main findings, the top panel of Table 2 shows simulation results from the "intermittent coverage" scenario at ages 51-56 for a cohort of younger workers (ages 21-25 in 2019). Since we assume that auto-IRA legislation is enacted in 2019, results for this cohort represent the highest possible balances in our model. The first column displays the share of workers projected to ultimately end up with a positive auto-IRA balance. In the "intermittent coverage" scenario, most workers end up with some auto-IRA savings, although 30 percent opt out (small differences by education are driven by withdrawals).

However, because participants cycle in-and-out of the program, median ending balances are moderate: $25,371 for those with no more than a high school degree, $27,595 for those with some college, and $22,304 for those with a college degree (column 2). The last column shows that the balances would be larger if participants were not also using the accounts for precautionary savings throughout their work lives.

The story is different in the "continuous coverage" scenario (the bottom panel of Table 2). Here, fewer workers end up with positive balances – 44 percent of those with a high school degree or less, 36 percent of those with some college, and only 25 percent of college graduates. Yet, because participants spend their full careers in the program, they accumulate sizeable balances: $68,964 for individuals with a high school degree, $76,880 for those with some college, and $104,719 for college-educated workers. Of course, both the intermittent and continuous coverage scenarios are based on extreme assumptions – "intermittent coverage" underestimates the persistence of employer coverage over the work life, while "continuous coverage" overestimates it – so the most likely amounts would fall somewhere between the two.

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[32] Belbase, Quinby, and Sanzenbacher (2020); and Scott and Blevins (2020).

Meanwhile, Table 3 replicates this analysis for a cohort of older workers (ages 41-50 in 2019). The share of individuals with a positive auto-IRA balance at age 51-56 falls in the "intermittent coverage" scenario because older workers are more likely to have employer-plan coverage to begin with. Moreover, since most of these workers have relatively few years before retirement to accumulate auto-IRA savings, they end up with much smaller balances in both scenarios. Specifically, median balances after withdrawals are $4,000 to $5,000 in the "intermittent coverage" scenario, and only $8,000 to $15,000 in the "continuous coverage" scenario.

Overall, these findings suggest that, in the long run, workers without a college degree accumulate significant new savings in the auto-IRA. Yet, simulated balances remain low for many years while the hypothetical program matures. The next section considers what these findings imply for access to Medicaid.

Implications for Medicaid

Ultimately, assessing whether these new savings will induce participants to delay or forego Medicaid is a judgement call beyond the mechanics of the model, as it depends on participants' post-retirement drawdown behavior. Individuals will weigh the relative value of spending down their auto-IRA to qualify for Medicaid against preserving their balances and paying for their medical care out-of-pocket. One way to understand this trade-off is to estimate the number of Medicaid-free years that auto-IRA savings could buy. Individuals who forego Medicaid face additional medical expenditures that we assume are paid for out of the new auto-IRA savings.

Consider, for example, an individual requiring nursing home care. Given that a private room costs over $100,000 per year, auto-IRA balances in either the "intermittent coverage" or "continuous coverage" scenario could scarcely pay for one Medicaid-free year. A similar back-of-the-envelope assessment can be made for individuals who do not require LTSS. Specifically, the analysis takes estimates of required medical spending from Arapakis et al. (2021). That study calculates total annual medical expenditure minus the portion paid by Medicare and private insurance for individuals at different ages.[33] Table 4 shows that the median household (couples

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[33] For example, required medical expenses include out-of-pocket costs and premia for supplemental insurance coverage.

and singles) is liable for $5,527 at age 65 and $5,449 at age 75, while the median single household is liable for $3,129 at age 65 and $4,071 at age 75.[34]

Dividing the median auto-IRA balances for the younger cohort in the "intermittent coverage" scenario (Table 2) by the median estimated expenditures for singles suggests that these participants could cover medical expenditures and delay Medicaid receipt by around 9 years.[35] Meanwhile, balances in the "continuous coverage" scenario could cover medical expenditures for 20 years or more. Given that auto-IRA balances in the real world are likely to fall between the two scenarios, it does seem that some auto-IRA participants might eventually delay or forego Medicaid.

However, since auto-IRA balances are projected to remain low while the program matures, any impact on Medicaid will take years to materialize. Older cohorts retiring with low balances are likely to spend down to access health benefits. And most individuals – regardless of cohort – will still use Medicaid for help with LTSS, given the exorbitantly high cost of these services on the private market.

Conclusions

State auto-IRA programs aim to help low and moderate earners without an employer retirement plan build savings. However, the programs' interaction with means-tested safety-net programs, such as Medicaid, has not been discussed. This study starts the conversation by simulating what households might have saved in an auto-IRA had a national program launched in 2019. Although the results are sensitive to underlying assumptions, the analysis suggests that in the long run, workers without a college degree – who are most likely to utilize safety net programs – would accumulate meaningful new savings over the course of their working lives.

Ultimately, assessing whether this new savings will cause households to delay or forego Medicaid is a judgement call beyond the mechanics of the model. Younger cohorts of workers who have time to build up sizeable auto-IRA balances might delay Medicaid recipiency for a significant period. But, under current Medicaid policy, older cohorts with smaller balances will have a strong incentive to spend down their savings to qualify.

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[34] These numbers are based on 2012 data inflated to 2019 dollars using PCE inflation. The calculation uses a simulation model estimated on households whose head was between the ages of 67 and 71 in 2000.
[35] This back-of-the-envelope calculation ignores growth in required medical expenditures due to the rising cost of healthcare, but also growth in auto-IRA balances due to asset returns. These two factors partially offset each other.

Alternatively, states could adapt their Medicaid asset tests to disregard all, or some portion of, auto-IRA savings. Beyond providing health benefits, this type of disregard might also encourage households to save more in the auto-IRA to begin with. Future research could help policymakers make this decision by studying how retired participants spend down their savings in practice. Additionally, future research could estimate the welfare implications (in an economic utility sense) of transitioning individuals off of Medicaid through enhanced private saving.

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Tables and Figures

Table 1. *Simulated and Actual Average Auto-IRA Balances Over Time, in 2019 Dollars*

State	Years after program launch					
	1	2	3	4	5	6
CA	$345	$542	$762	$1,209		
IL	401	706	744	931		
CT	318					
OR				1,021	$1,201	$1,603
Simulation	$484	$901	$1,279	$,1638	$,1974	$,2303

Source: The model was simulated using initial conditions from the *Survey of Consumer Finances* (SCF) (2019); the data are obtained from the live auto-IRA programs.

Table 2. *Simulation Results at Ages 51-56 for Workers Ages 21-25 in 2019, in 2019 Dollars*

Education	Share with a balance at ages 51-56	Among those with balances (median):	
		Balance after withdrawals	Balance assuming no withdrawals
Assuming intermittent coverage			
High school or less	67%	$25,371	$43,654
Some college	70	27,595	50,110
College plus	72	22,304	41,150
Assuming continuous coverage			
High school or less	44%	$68,964	$94,937
Some college	36	76,880	99,373
College plus	25	104,719	126,126

Source: Authors' estimates from the SCF (2019) and data from live auto-IRA programs.

Table 3. *Simulation Results at Ages 51-56 for Workers Ages 41-50 in 2019, in 2019 Dollars*

| Education | Share with a balance at ages 51-56 | Among those with balances (median): | |
		Balance after withdrawals	Balance assuming no withdrawals
Assuming intermittent coverage			
High school or less	57%	$4,003	$5,629
Some college	58	4,964	7,231
College plus	57	5,185	7,988
Assuming continuous coverage			
High school or less	44%	$7,729	$10,561
Some college	36	11,329	14,643
College plus	25	15,178	19,582

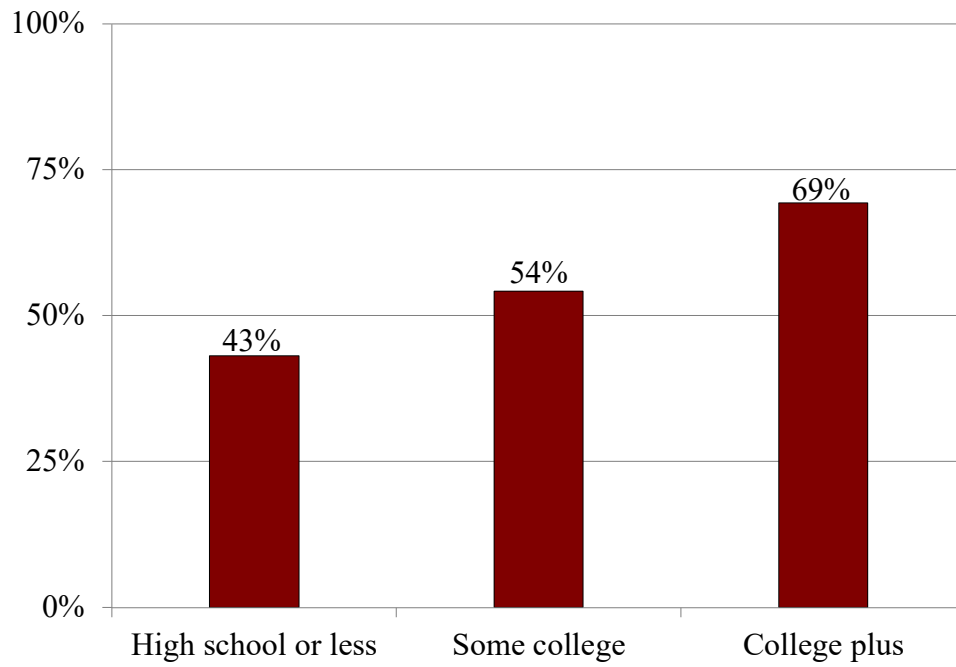*Source:* Authors' estimates from the SCF (2019) and data from live auto-IRA programs.

Table 4. *Distribution of Required Medical Expenditures, 2019*

| Statistic | All households | | | Single households | | |
	Age 65	Age 70	Age 75	Age 65	Age 70	Age 75
Mean	$6,662	$7,226	$7,478	$3,927	$4,796	$5,493
25th percentile	3,195	3,637	3,692	2,192	2,882	3,174
50th percentile	5,527	5,730	5,449	3,129	3,793	4,071
75th percentile	7,959	8,373	8,321	4,378	5,056	5,550

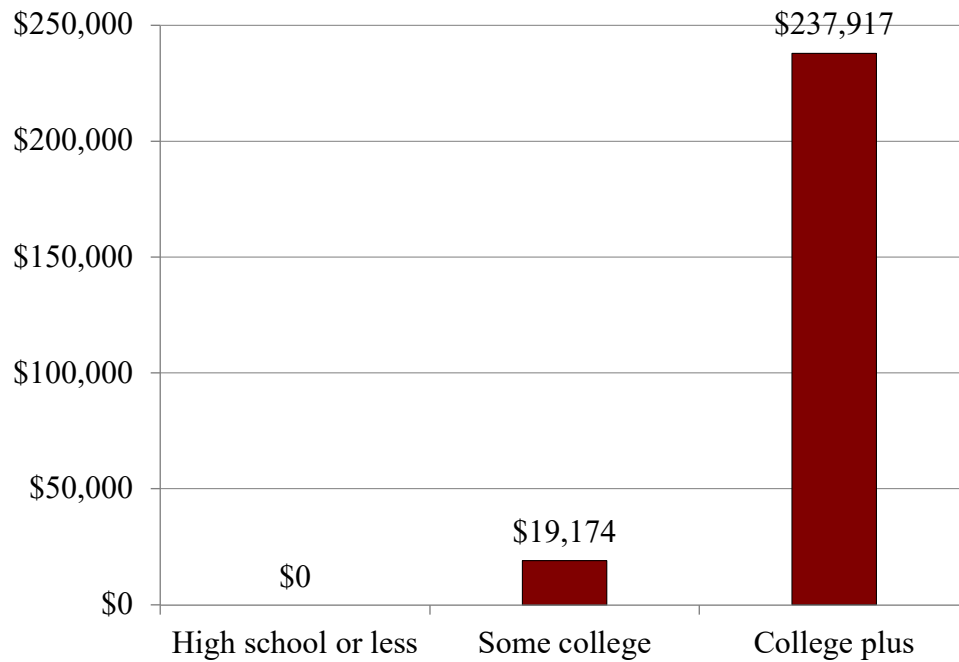Note: The age refers to the age of the household head.
Source: Arapakis et al. (2021).

Figure 1. *Share of Prime-Age Workers (25-54) Covered by an Employer-Sponsored Retirement Plan, by Education, 2019*

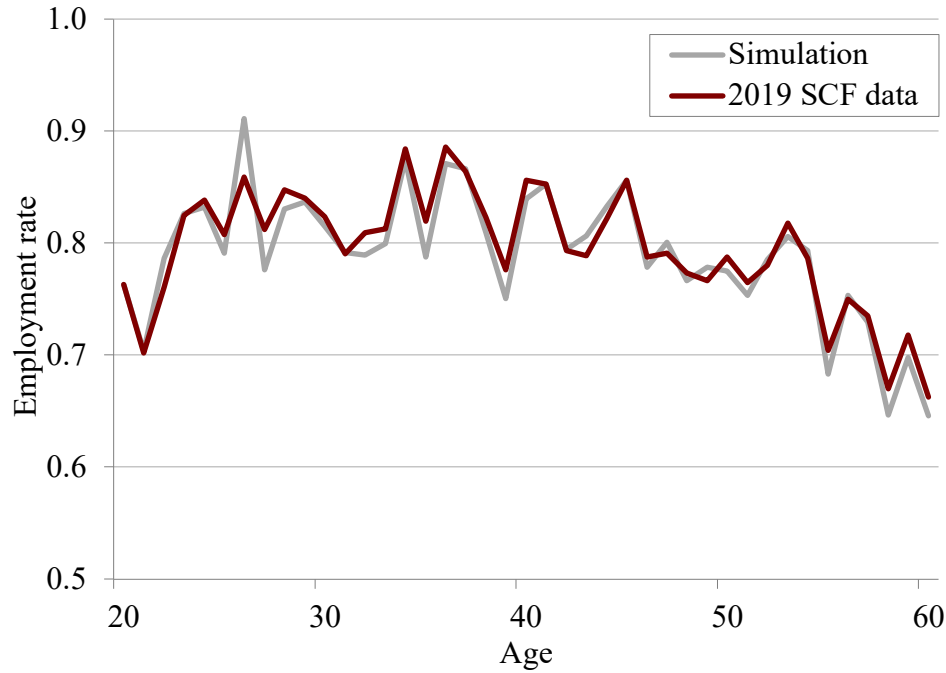*Source:* Authors' calculations from the SCF (2019).

Figure 2. *Median Household Retirement Wealth at Ages 51-56, by Education, 2019 Dollars*

Notes: Estimates are for Late Boomers. Retirement wealth includes assets in 401(k)s, 403(b)s, and IRAs, as well as the present value of future defined benefits.
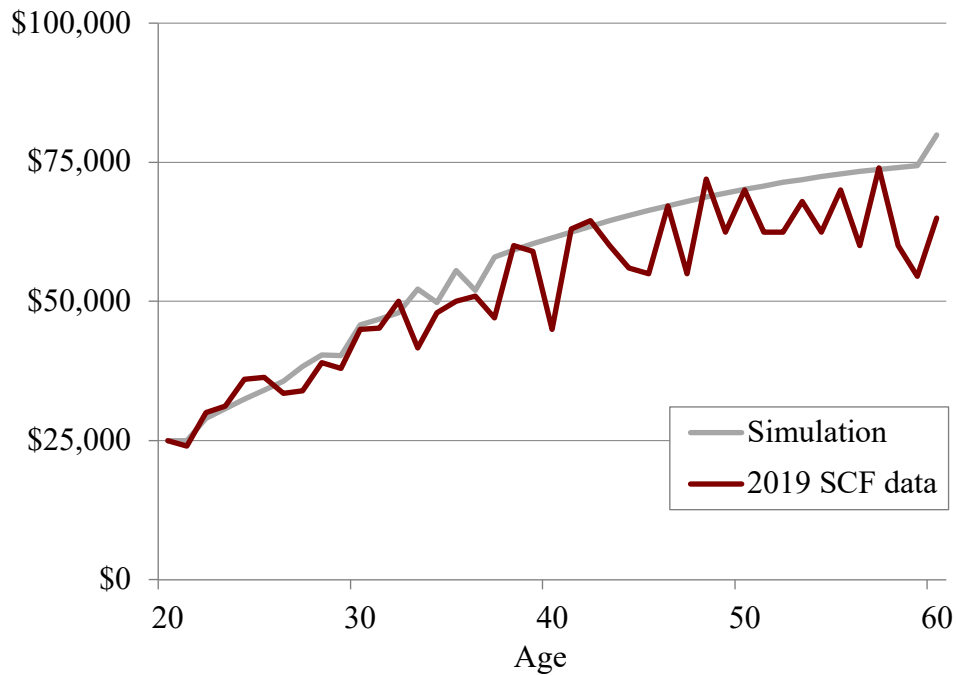*Source:* Authors' estimates from the *Health and Retirement Study* (1992-2022). See Gok, Chen, and Quinby (2024) for details.

Figure 3. *Simulated and Observed Employment Rates for Men and Women Combined, by Age, 2019*
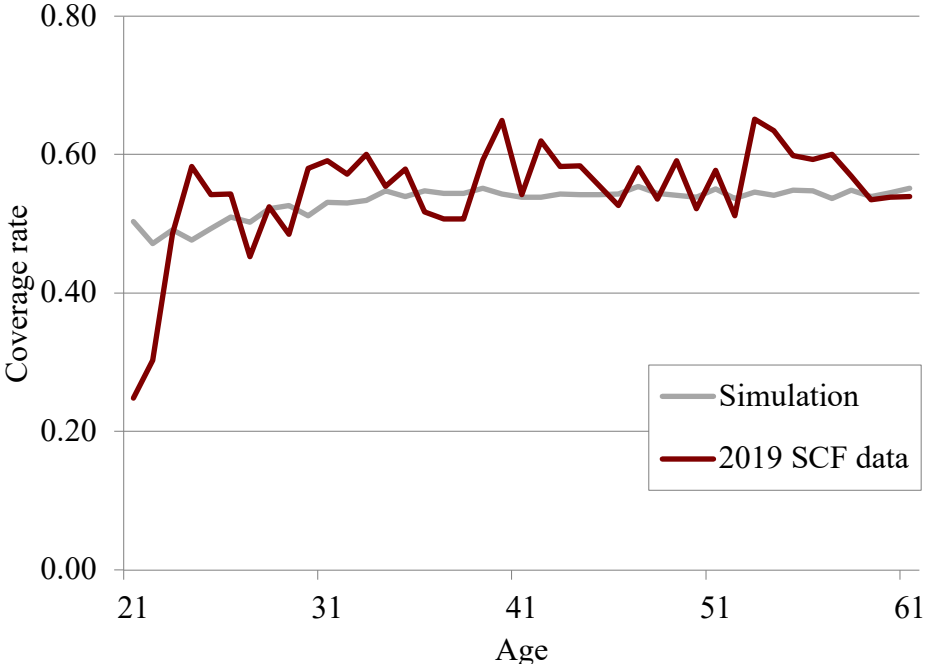

Source: Authors' simulations and calculations from the SCF (2019).

Figure 4. *Average Simulated and Observed Earnings for Men and Women Combined, by Age, 2019*

Source: Authors' simulations and calculations from the SCF (2019).

Figure 5. *Simulated and Observed Employer-Plan Coverage Rates by Age, 2019*

Source: Authors' simulations and calculations from the SCF (2019).

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