Women's Retirement Readiness in Maryland

Presentation for the Maryland Commission on Women

Megan Mulligan | April 23rd, 2026

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SPARC Southern Population Aging Research Center

University of Maryland School of Public Policy

Overview of the problem

An Aging Population

- In 2023, there were more than **1.4 million adults over 60** living in Maryland
- That population is expected to **increase by ~6.6%** by 2035
- Women live ~5 years longer than men

Lower Lifetime Pay & Social Security Benefits

- Women in Maryland earn **86 cents** for every dollar paid to men
- $3,878 difference in average Social Security benefits between men and women
- **27%** expect Social Security to be their primary source of retirement income

Longevity Ready Maryland. (2025, July 7). Background - Longevity Ready Maryland. Longevity Ready Maryland - Maryland's Multisector Plan for Aging. https://lrm.maryland.gov/background/

Mehta, S., Siers, M., & Pierce, A. (2026). Maryland Equal Pay Day Report 2026. https://labor.maryland.gov/labor/wages/equalpaydayreport.pdf

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Result: Women are less prepared for retirement

60.2%

How much more money women need to save compared to men to live comfortably during retirement

49%

How much less women have saved for retirement than men on average ($92,000 vs $56,000)

44%

Percentage of women who fear outliving their savings/investments

Transamerica Center for Retirement Studies. (2025). 25 Facts About Women's Retirement Outlook. https://www.transamericainstitute.org/docs/research/gender-lgbtq/25-facts-women-retirement-survey-report-2025.pdf?sfvrsn=69efaae8_3

Nasdaq. (2025). How Much Men vs. Women Need To Save for a Comfortable Retirement in Every State. Nasdaq.com. https://www.nasdaq.com/articles/how-much-men-vs-women-need-save-comfortable-retirement-every-state

Maryland's Policy Approach

MARYLAND DEPARTMENT OF AGING

- Houses the Longevity Ready Maryland initiative; which recently had legislation (HB278) passed giving it concrete goals
  - Build a Longevity Ecosystem
  - Promote Economic Opportunity
  - Prepare Marylanders to Afford Longevity
  - Optimize Health, Wellness, and Mobility
- Has a strategic plan to help Marylanders with long-term financial planning, but is still in early stages

MARYLAND $AVES

- Auto-enroll IRA program that requires employers without a retirement plan to automatically enroll their workers
- Launched in September 2022
- Currently 1,871 participating employers and 16,799 worker accounts
- Average account balance 2025 Q4 was $1,606
- **<u>22% of eligible workers have chosen to opt out within the first 30 days</u>**

Maryland Department on Aging. (2025). Maryland's Multisector Plan for Aging. https://lrm.maryland.gov/wp-content/uploads/LRM_MPA508c-1.pdf
Boston College Center for Retirement Research. (2022). Facts about MarylandSaves. Bc.edu. https://crr.bc.edu/facts-about-marylandsaves/
Department of Legislative Services. (2024). Evaluation of the Maryland Small Business Retirement Savings Program DEPARTMENT OF LEGISLATIVE SERVICES 2024. https://dls.maryland.gov/pubs/prod/TaxFiscalPlan/Evaluation-of-the-MD-Small-Business-Retirement-Savings-Program-2024.pdf

DLS Recommendations to Bolster MarylandSaves

- DLS recommendations
  - Implementing penalties for noncompliant employers to support program sustainability
  - Expand investment choices, particularly higher-performing funds, if costs can remain low
  - Explore partnerships with other state auto-IRA programs to:
    - Reduce administrative costs
    - Increase investment returns through pooled assets

Department of Legislative Services. (2024). Evaluation of the Maryland Small Business Retirement Savings Program DEPARTMENT OF LEGISLATIVE SERVICES 2024. https://dls.maryland.gov/pubs/prod/TaxFiscalPlan/Evaluation-of-the-MD-Small-Business-Retirement-Savings-Program-2024.pdf

EITC-Linked Retirement Savings

- Increase the Maryland Earned Income Tax Credit (EITC) to contribute towards retirement savings (MarylandSaves account)
    - Maryland EITC currently goes up to $4,000
    - Increase to $4,500 and allocate the extra $500 for retirement accounts
- Designed for low- and moderate-income workers
    - Wouldn't affect ability to use the EITC for financial needs
- EITC recipients are disproportionately single mothers and women of color, who are also among those with the lowest retirement savings amounts

Marr, C., & Huang, Y. (2019, September 9). Women of Color Especially Benefit From Working Family Tax Credits. Center on Budget and Policy Priorities. https://www.cbpp.org/research/federal-tax/women-of-color-especially-benefit-from-working-family-tax-credits

Greenlee, A., Kramer, K., Andrade, F., Bellisle, D., Blanks, R., & Mendenhall, R. (2020). Financial Instability in the Earned Income Tax Credit Program: Can Advanced Periodic Payments Ameliorate Systemic Stressors? Urban Affairs Review, 57(6), 107808742092152. https://doi.org/10.1177/1078087420921527

State-Matched Retirement Contributions

- Provision within MarylandSaves where amount placed into retirement accounts by the employee is matched by the state
  - For those making under the federal poverty line ($33,000 for family of 4)
- Creates an incentive structure for those least likely to save
- Existing infrastructure:
  - Already exists with state employees, state will match up to $600
  - MarylandSaves account system
- Women are more likely to:
  - Earn less = qualify for higher match tiers
  - Have interrupted careers = benefit from boosted contributions

Maryland State Employees Supplemental Retirement Plans. (2026). Plan Information. Maryland.gov. https://msrp.maryland.gov/Employees/Plan-Information

Parker, K. (2015, October 1). Women more than men adjust their careers for family life. Pew Research Center. https://www.pewresearch.org/short-reads/2015/10/women-more-than-men-adjust-their-careers-for-family-life/

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Thank You