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RANKING: South Carolina and Tennessee are the Best States for New Teacher Retirement Benefits
The report also finds that Louisiana, Texas, and Kentucky offer the worst retirement benefits for new teachers

New York, June 29th 2022 – A new report from Equable Institute measuring the adequacy of retirement benefits for K–12 public school teachers in America finds that South Carolina and Tennessee are the top two states for new teachers to enroll in retirement benefits. The report also reveals that Louisiana, Texas and Kentucky are the worst states for new teachers when it comes to retirement income security.

The rankings come from *The Best U.S. States for New Teacher Retirement Benefits*, a special report providing deeper insights from analysis initially published in Equable's *Retirement Security Report: Teacher Edition*. All 50 States and Washington D.C. are ranked by the best plan available to new teachers based on Equable's open-source Retirement Benefits Score methodology. Expanded rankings with scores specific to worker tenure are also available in the report.

The Best States for New Teachers Based on
Best Plans Offering a Path to Retirement Income Security

RANK	STATE	RETIREMENT PLAN TYPE	OVERALL BENEFITS SCORE FOR THE BEST PLAN
1	South Carolina	DC Plan ‡	94.2% of available points
2	Tennessee	Hybrid	88.2% of available points
3	South Dakota	Hybrid	78.7% of available points
4	Oregon	Hybrid	78.6% of available points
5	Michigan	DC Plan ‡	75.3% of available points
6	Washington	Pension ‡	74.4% of available points
7	Rhode Island	Hybrid	73.9% of available points
8	Florida	DC Plan ‡	73.7% of available points
9	Hawaii	Hybrid	71.0% of available points
10	Virginia	Hybrid	70.7% of available points

Note: Overall Benefits Score is maximum score for any teacher retirement plan in the state.
‡ Indicates this plan is one of two choices offered to new teachers. South Carolina and Florida offer the choice of a DC plan or pension plan. Michigan offers the choice of a DC plan or hybrid plan. Washington State offers the choice of hybrid plan or pension plan.

The Retirement Benefits Score measures the adequacy of retirement benefits for workers on three primary metrics – Eligibility, Income Adequacy (based on a 70% pre-retirement income replacement rate), and Flexibility & Mobility – to determine if states are providing a path to retirement income security.

This rankings approach focuses on the best plan available to new teachers in each state. In most states, there is just one retirement plan available to teachers. But in nearly a dozen states teachers do have options, and this approach simply uses the highest scoring plan among those options. In Equable's special report, states are also ranked based on the average Retirement Benefits Score for all retirement plans available in a given state. The report also provides an overview of choices available to teachers in the select states where those are offered.

The Worst States for New Teachers Based on
Best Plans Offering a Path to Retirement Income Security

RANK	STATE	RETIREMENT PLAN TYPE	OVERALL BENEFITS SCORE FOR THE BEST PLAN
41	Iowa	Pension	49.8%
42	Illinois	Pension	49.7%
43	Mississippi	Pension	49.6%
44	Alabama	Pension	49.1%
45	New Jersey	Pension	48.0%
46	Nevada	Pension	47.1%
47	Georgia	Pension	46.2%
48	Wisconsin	Pension	46.1%
49	Kentucky	Hybrid	46.1%
50	Texas	Pension	44.9%
51	Louisiana	Pension	33.8%

"As states grapple with how to address challenges with building a quality primary school workforce in today's pandemic-shaped labor market, it is incumbent on policymakers to consider whether the value of their retirement plans is really making a difference in recruiting new teachers, particularly those of younger generations and marginalized identities who typically are less likely to work a full career in one state" said Anthony Randazzo, executive director at Equable Institute. "Most people aren't becoming teachers for the retirement benefits, but to the degree that compensation packages can attract talent coming out of graduate programs certain states are much better positioned than others."

To dive deeper into the full Retirement Security Report Teacher Edition (2022), which offers insight into the full landscape of teacher retirement benefits, the value of teacher pensions over time, and best practices in retirement plan design, visit http://equable.org/rsrteacheredition.

RATINGS KEY	
Qualitative Rating	**Score Range**
Serves Members Well	75% to 100% of available benefits score points
Serves Members Moderately Well	50% to 74.99% of available benefits score points
Does Not Serve Members Well	0% to 49.99% of available benefits score points

About the Retirement Security Report Teacher Edition
The Retirement Security Report Teacher Edition is an extension of the first iteration of Equable's Retirement Security Report (RSR) released last year. The RSR is a universe of in-depth research, interactive tools and other resources to shed light on the quality and value of retirement benefits for all public workers. All RSR projects are based on data from our comprehensive benefit database of retirement plans offered to public workers and use an open-source scoring methodology that accounts for three primary criteria: Eligibility, Income Adequacy (based on a 70% pre-retirement income replacement rate), and Flexibility & Mobility.

About Equable Institute
Equable is a bipartisan non-profit that works with public retirement system stakeholders to solve complex pension funding challenges with data-driven solutions. We exist to support public sector workers in understanding how their retirement systems can be improved, and to help state and local governments find ways to both fix threats to municipal finance stability and ensure the retirement security of all public servants.

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