FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION

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Government jobs play big role in payroll gains

Palm Beach Post, August 5, 2023

U.S. job growth has been surprisingly sturdy this year despite the Federal Reserve's sharp interest rate hikes and stubbornly high inflation. One big reason? The government. The public sector, especially state and local governments, has added 379,000 jobs in the first half of 2023, comprising almost one-quarter of the nation's nearly 1.7million payroll gains. That's an outsize share; federal, state and local governments make up just 14.5% of total employment. The development marks a turnabout from last year when states and localities struggled to compete with a private sector that offered much bigger pay increases and widespread remote-work options in response to severe labor shortages. Total compensation for state and local government employees − which includes pay as well as health and other benefits − grew 4.9% on average in the April-June quarter while wages and salaries increased 4.7%, Labor Department data shows. Both figures topped private sector gains and reversed the year-ago dynamic, which saw government pay and benefits increasing just 3.4%, compared with 5.5% for private workers. Overall, the public sector is still 161,000 jobs shy of its pre-pandemic peak, while the private sector recouped all jobs lost in the health crisis in April 2022. The healthy U.S. economy has meant higher tax revenue and fees for state and local governments, adding to the $350billion in federal stimulus payments they received in the early days of the pandemic. Though the public sector had a strong balance sheet last year, many governments have amassed more money and are in even better financial shape this year,

No Hope In Sight For Chicago's Worst-In-The-Nation Pension Plans

By Elizabeth Bauer, Forbes, August 1, 2023

On July 18, the Equable Institute released the 2023 version of its annual State of Pensions report, which means that, yes, it's time for another check-in on these infamously-poorly-funded pension plans. Among the wealth of tables is a list of the best and worst-funded of the 58 local pension plans studied, and, yes, you guessed it, the bottom five spots are Chicago plans, with the bottom three at levels far below all others: Municipal employees, 21% funded, Chicago police, 21.8% funded, and Chicago fire, 18.8% funded. Combined with the Chicago Laborers' pension fund, with a 41% funded status, the pensions for which the city bears a direct responsibility have a total pension debt on a market value of assets basis of $35 billion. (This data is from the actual reports*, released in May, which doesn't match the Equable report precisely.) Spot fifth-worst is taken up by the Chicago Teachers, at 42.4% funded, and the first non-Chicago system in their list, Dallas Police & Fire at 45.2%, is twice as well funded, percentage-point-wise, as the Terrible Trio. The Police and Fire pensions aren't targeted to be 90% funded until 2055, and Municipal, not until 2058. Even with this long delay, the Fire plan is scheduled to contribute 78% of pensionable payroll every year until that date, and the Police plan, 68%. And in terms of the overall percent of the budget, the city spends 20% of its operating budget on pensions plus 80% of the property tax revenue it receives as a separate line-item.

Report: Public pensions flagging financially in three Southeastern states

By Steve Wilson, The Center Square, August 2, 2023

A new report says public pension systems in Alabama, Mississippi and South Carolina are struggling financially and need reforms to avoid taxpayer bailouts or riskier investments. The Equable Institute, which authored the report, is a bipartisan nonprofit that helps policymakers solve funding challenges with public pensions. Regionally,

South Carolina is in the worst position with a funding ratio of only 58.3%. Its unfunded liabilities would gobble up 9.21% of the Palmetto State's gross domestic product. According to the report, officials in the Palmetto State have increased their taxpayer contributions for the South Carolina Retirement System starting in 2018 with a 200-basis point increase from the previous 11.56% rate and 100 basis points after that. Mississippi's funding ratio is at 59.9% and its unfunded liabilities would eat up 14.88% of the state's GDP. Alabama's funding ratio hovers at 61.7% and its unfunded liability represents 8.88% of the state's GDP. Most of the Southeastern states have well-funded pension systems, led by Tennessee (97.4% funding ratio), followed by North Carolina (84.1%), **Florida (82.2%)**, Georgia (72.3%) and Louisiana (71.5%).

Republicans float Chinese divestment bill for public pension funds, endowments

By Brian Croce, P&I, August 2, 2023

A group of Republican lawmakers have reintroduced a bill to require public pension plans and endowments to divest their investments in Chinese companies or lose their tax-exempt status. The Dump Investments in Troublesome Communist Holdings Act, or DITCH Act, defines disqualified Chinese companies as any company incorporated or based in China or is directly or indirectly owned by a Chinese entity, including through a derivative instrument or other contractual arrangements. The DITCH Act would allow the Treasury secretary to grant a waiver to certain non-profit entities if their need to hold certain Chinese assets outweighs the national security risk. In that case, entities granted a waiver would have to submit regular reports, while the Treasury secretary would have to make public the waiver's reasoning. The secretary would also have to publish a report within 360 days, and then annually, describing the patterns of outbound investment into China generally, including a sectoral breakdown, according to the news release.

Alternatives Have Been 'Kryptonite' to Alpha — At Least for Public Pensions

By Julie Segal, Institutional Investor, August 3, 2023

Private equity, hedge funds, and real estate have failed public pensions for more than a decade. A study that will be published in The Journal of Investing shows that not only did alternatives not deliver better returns, but adding them to portfolios actually destroyed alpha, the portion of return seemingly not explained by risk. Most people in finance define it more loosely: as the return on an active investment above what an index fund would provide. According to the study, public pension funds in the U.S. have generated negative alpha of approximately 1.2 percent annually since the global financial crisis in 2008. Ennis found that private equity didn't help — or hurt — excess returns. But both real estate and hedge fund exposures detracted significantly from performance. Endowments, public and corporate pensions, and other U.S. institutions have put about $2 trillion into alternative investments. Institutions have made a dramatic shift since about 2000 from holding mostly public stocks and bonds to adding extensive investments in private markets, because they've been convinced that many of these strategies will outperform public markets and add diversity and lower the volatility of their portfolios. Ennis found that in addition to the destruction of alpha, alternatives don't offer the diversification benefits that institutions expect. "Stock and bond indexes alone capture the return-variability characteristics of alternative investments in the public fund composite for all intents and purposes in the post-GFC era," said Ennis. Private equity's contribution to the destruction of alpha is minimal. A one percentage point increase in private equity only reduces alpha by 0.2 basis points. But hedge funds and real estate are quite damaging, accounting for a 70-basis-point reduction each. What I can say is that I find no support for the proposition that private equity has added value to pension fund returns in the post-GFC era."
Also see: The Risks Hidden in Public Pension Funds that discusses private equity in public pension funds.

State and local pensions look healthier — even with asset market turbulence
By Alicia H. Munnell, Market Watch, August 9, 2023

The analysis compared 2023 to 2019 – the year before all the craziness began. Think of the unusual events that have occurred in the last few years: 1) the onset of COVID; 2) the subsequent COVID stimulus; 3) declining interest rates; 4) rising inflation; and then 5) rising interest rates. Despite the volatility of asset values over this period, the 2023 funded status of state and local pension plans is about 78%, which is 5 percentage points higher than in 2019. Of course, the numbers for 2023 are estimates based on plan-by-plan projections, but these projections have an excellent track record. While the aggregate funded ratio provides a useful measure of the public pension landscape at large, it also can obscure variations in funding at the plan level. Figure 2 separates the plans into thirds based on their current actuarial funded status. The average 2023 funded ratio for each group was 57.6% for the bottom third, 79.5% for the middle third, and 91.1% for the top third. The major reason for the improvement in plans' funded status is that, despite the turbulence in the economy, total annualized returns, which include interest and dividends, have risen noticeably for almost all major asset class indexes over the 2019-2023 period. The exception over this short and volatile period is fixed-income assets, which have declined in value. Moreover, annual state and local benefit payments as a share of the economy are approaching their peak for two reasons. First, most pension plans do not fully index retiree benefits for inflation, which lowers the real value of benefits over time. Second, the benefit reductions for new hires – introduced in the wake of the Great Recession – have started to have an impact. With liabilities in check and solid asset performance, maybe we can all relax a bit about the future of the state and local pension system.

Bill Blocks Pensions, Endowments from Investing in 'Techno-Totalitarian' China
By John Sullivan, ASPPA, August 9, 2023

Republicans heavily criticized environmental, social, and governance (ESG) investing policies in recent months, arguing it does little more than serve a woke agenda at the expense of investment returns. For instance, they say divestment from fossil fuels blunts performance and hurt investors, and investment managers should only focus on "pecuniary" factors in their evaluation of a potential position. The GOP has gone so far as to sue to prevent ESG from being implemented in several state pension funds, and House Speaker Kevin McCarthy proclaimed that ESG allows investment managers for many workplace retirement plans to "push a political agenda at the expense of retirement savers." And the politicization of the investment process continued Aug. 3 when Republicans introduced a bill to force non-profits, university endowments, public pension plans, and any other tax-exempt entity to divest from Chinese companies or lose their tax-exempt status. The House Select Committee on the Chinese Communist Party (CCP) members introduced the Dump Investments in Troublesome Communist Holdings Act (DITCH Act). The goal is to prevent tax-exempt American entities from aiding the People's Liberation Army and helping the CCP finance what they called its "techno-totalitarian state."

ESG suit 'wasting' court's time, 3 NYC pension funds say
By Robert Steyer, P&I, August 11, 2023

Three New York City pension funds have asked a state court to dismiss, as "wasting the court's time," a lawsuit attacking their decisions to divest fossil fuel investments as a violation of their fiduciary duties. "Their legal theory is premised on the radical, absurd notion that courts may force public pension funds to invest in a particular industry if it performs well enough," said the pension funds' response Aug. 7 in a New York City Supreme Court. "Of course, plaintiffs do not cite any decision in which the courts of this state have overruled public pension funds' discretionary judgments about which companies or industries to invest in or which to avoid," wrote the pension funds in the case of Wong et al. vs. New York City Employees' Retirement System et al In May, four current and former city employees plus an Oklahoma-based organization that counsels public sector employees on dropping their union membership sued three of the five pension funds within the New York City Retirement System. "Allowing this suit to proceed would open the door to countless such challenges by numerous unharmed plaintiffs

who hold different beliefs about how fund assets should be invested, with no perceptible limit on such lawsuits and no check against vexatious litigation," they added. The pension funds pointed out that the current and former employees don't claim that any benefits have been denied or that they won't receive their pensions when they retire. "Without an injury in fact, a plaintiff cannot seek relief from the courts of this state," they wrote.

Politics and Pension Governance: What's Happening in North Dakota?

By Bridget Early, Director of Membership & Strategic Alliances, NCPERS, August, 2023

Earlier this year, state lawmakers passed and Gov. Doug Burgum signed into law two major bills that will cause significant changes to the North Dakota Public Employee Retirement System (NDPERS). The first, HB 1040, levies significant costs to the North Dakota taxpayers and threatens the state's ability to recruit and retain employees. The second, included in the state's budget bill, stacks the board of trustees with lawmakers. Both changes are cause for concern for how lawmakers and public pension systems interact. HB 1040, which closes NDPERS' defined benefit plan to new employees beginning in 2025, was lawmakers' 'solution' to the systems' $1.9 billion unfunded liability. It is considered the most expensive bill passed in the state's history with an estimated price tag of nearly $5 billion over the next 30 years. Closing the system to new employees means a loss of dollars from their contributions, and the dollars needed to fully fund the system and pay out benefits is now passed off to the taxpayers. This is yet another example of the dangers of relying on funding ratios as the sole measure of pension health. Funding ratios only convey a one-dimensional, single point-in-time measurement and do not provide trends and other important context. In the case of HB 1040, policymakers' flawed analysis of the health of NDPERS will have long-lasting implications for thousands of North Dakotan public servants and their families. It also makes the state a less attractive employer, which will make it harder to recruit and retain employees. States such as Alaska and West Virginia experienced these issues firsthand when closing their defined benefit plan. In addition to the challenges the system will face trying to ensure there is enough funding to pay out plan participants, the legislature moved to make significant changes to the board makeup that defy governance best practices. As part of the state's budget bill, four of the 11 board members are now state lawmakers appointed solely by the majority leaders of the House and Senate. For comparison, only three are elected by active participating members of NDPERS.

Pension Underfunding Burdens Will Fall On Future North Dakota Public Employees

By Dan Doonan, Contributor, Forbes, August 29, 2023

The Great Recession had a major impact on savers of all types, including institutional investors like pension funds. This quickly stirred debate about the retirement plans offered to public workers, particularly before markets recovered. Despite all of this hubbub, no states completely closed their pension plans. Many states made changes to their pension plans, often significant, with some reducing the value or redesigning benefits, and a few offering a choice between a defined benefit or a defined contribution plan. But states overwhelmingly retained the defined benefit model that promotes career employment. In 2023, North Dakota chose a different path. The legislature passed and the governor signed a bill that will close the North Dakota Public Employees Retirement System (PERS) main plan for new hires beginning January 1, 2025. This is the latest unfortunate example of a state changing plan design to address a funding problem. There is no question that the North Dakota legislature was underfunding the pension plan, which was fully funded in 2002. Since 2003, the legislature has made only about 60 percent of the actuarially recommended payment, causing the funded ratio of the plan to fall to 68 percent. The obvious answer to this problem is to properly and fully fund the plan each year, as so many other states do. Instead, future generations of North Dakota workers will pay the price for this habit of underfunding the PERS plan, even though this "solution" fails to eliminate the existing debt.

The history of Social Security: Reverting back to program's roots eliminates benefits

By Tom Margenau, The Dallas Morning Star, August 13, 2023

President Franklin Delano Roosevelt's "New Deal" programs, including Social Security, were enacted to help bring the country out of the economic depths of that time. Speaking of that original Social Security law, many readers tell me that we should take Social Security "back to its roots." They think too many "goodies" have been tacked on to the program over the years and that we'd be better off with "good old-fashioned original Social Security." I always tell these folks that if they really mean they want only the original Social Security law, then all we would have are retirement benefits for people 65 and older who were totally retired. That's it.
Editor's Note: The article details the changes in benefits and provides a timeline of the amendments to the Social Security law from 1935-1983, the last amendment.

July Marks 4th Consecutive Month of Pension Funded Status Increases

By Remy Samuels, Plan Sponsor, August 14, 2023

Driven by a rise in asset value and a drop in liabilities, corporate pension funds experienced another strong performance in July, according to analyst firms. Wilshire estimated that U.S. corporate pension plan funding increased by two percentage points in July and ended the month at 105.4%. This comes as a result of a 0.9% rise in asset value and a 1.2% decrease in liability value. The aggregate funded ratio is estimated to have increased by 6.7% and 10.2% year-to-date and over the trailing 12 months, respectively, according to Wilshire.

State-run auto-IRA & 401(k) programs: Changing the retirement plan landscape

By Kristen Beckman, ALM Benefits Pro, August 17, 2023

State-mandated retirement savings programs have continued to gain momentum with three new programs passed by state legislatures this year. The total number of state programs now stands at 19 with assets nearing $1 billion, according to the Georgetown University Center for Retirement Initiatives. States are also beginning to explore interstate partnerships to help lower costs and increase the efficiency of state-supported plans. The driving force behind state-supported plans is the alternative high cost of doing nothing to address a significant retirement savings gap among private sector workers in the United States. This gap is a result of many small businesses struggling to afford the costs, administrative burdens and responsibilities of offering a plan. With a population that is increasingly aging with insufficient retirement savings, the demand for state government programs to act as a safety net could cost $1.3 trillion over the next two decades.

ESSENTIAL ASSETS: Public employee pension plans could be affected by 'anti-woke' regulations

By Lee Guthrie, Tahlequah Daily Press, Okla., August 17, 2023

A statute banning government pension plans from investing in companies that boycott oil and gas businesses could cost over $10 million for divestment and asset transitions — and that could affect police, firefighters, and others on municipal payrolls. "Oklahoma Public Employees Retirement System staff has estimated that if divestment and asset transitions were to occur, the estimated explicit costs to trade the securities in the portfolios advised by companies on the list would be approximately $9.6 million for OPERS and $383,000 for Uniform Retirement System for Judges and Justices, as of May 31, 2023," said Joseph Fox, executive director of OPERS. The total loss in market value to the plans due to these actions could potentially be several times that amount. Under the Oklahoma Energy Discrimination Elimination Act of 2022, OPERS must divest all direct and indirect publicly traded securities of companies on the Restricted Financial C. List, published by the state treasurer, if they do not cease boycotting energy companies. "The Act also prohibits governmental entities from contracting with restricted financial companies," said Fox. Thirteen large banks and financial firms were placed on the first version of the

restricted companies list Russ released in May. Just six companies remain on the list: BlackRock Inc., Wells Fargo & Co., JP Morgan Chase and Co., Bank of America, State Street Corp. and Climate First Bank.

Oklahoma Public Employees Pension System Takes Exemption to Banking Law

By Paul Monies, Oklahoma Watch, August 23, 2023

Trustees of the Oklahoma Public Employee Retirement System voted to take a financial exemption from a new law forbidding state pension systems from doing business with banks perceived to be hostile to oil and gas companies. Taking the exemption means the pension system, which has more than $10 billion in assets for retirees, won't have to divest more than 60% of its holdings from BlackRock Inc., one of the six remaining banks on a list of restricted companies put out by state Treasurer Todd Russ. The system's staff and outside investment advisors said it may cost an estimated $10 million to divest from holdings invested with BlackRock and other banks on the list. Apart from state pension systems, cities and counties are covered by the energy discrimination elimination law if they have contracts in excess of $100,000 with banks on the restricted list. The city of Stillwater put a project on hold after Bank of America was put on the list. Attorney General Gentner Drummond sent a letter to city officials last month saying the city could exercise an exemption in the law because the next-best bank loan offer would have cost the city an extra $1.2 million.

Market performance pushes DB pension plans further into positive territory

By Steve Randall, Investment News, August 18, 2023

The Milliman 100 Public Pension Funding Index posted a funded ratio of 76.8% in July, up from 75.8% a month earlier as positive market performance boosted pension plans' investment returns by an estimated aggregate of 1.9% (with a range for individual plans of 0.1%-1.9%). During July, the deficit between the estimated assets and liabilities decreased from $1.467 trillion at the beginning of the month to $1.410 trillion at the end of the month. The approximately $82 billion of market value gained by the plans was offset by net cash flow of around $10 billion and taking the total value of assets of the funds in the index to $4.7 trillion. "The July 31 funded status is now the highest ratio we've seen since May 31, 2022, when it reached 78.4%," said Becky Sielman, co-author of Milliman's PPFI. "This improvement pushed two more plans over the 90% funded mark, for a total of 19, while the number of plans less than 60% funded remains stable at 23."

Cybersecurity in pensions

By Josef Pilger, EY Global Pension and Retirement Leader, July 25, 2023

Public pension providers are often targets of cyber criminals looking to access and steal the sensitive information of their members and employers. Cybercriminals will often attempt to gain access to public pension systems through common areas of vulnerability. Defining an organization's cyber risk appetite and producing accurate and up-to-date reports to enhance decision-making is critical. New threats and cyber attacks on public pensions providers arise practically every day. As many organizations are transforming to add new technology and functionalities, adequate cybersecurity measures must be included in these plans. Common areas of vulnerability: Cybercriminals will often attempt to gain access to public pension systems through common areas of vulnerability. Organizations can significantly benefit from enhanced vigilance surrounding the following areas: The pension provider's website; Member and employer portals for pension administration; Investment operations conducted by staff; Third-party service providers, such as investment service providers, like custodians and asset managers; and, Identifying the risks involved with vulnerabilities in each of these areas is vital to protect the organization from attack. The pension provider's website should have adequate encryption, firewalls and two-factor authentication protections. Employees, employers and members should have proper security training to protect against phishing scams and malware loaded onto their computers. The organizations must have appropriate procedures in place to vet third-party vendors to ensure that they have adequate security and employee training in place before allowing them access to the system.

Environment, Social & Corporate Governance (ESG)

BallotPedia has a comprehensive fact sheet on this issue, fully explaining it along with the pros and cons, and then provides an update as to its status by states. Excellent resourse to learn and follow this issue. This page is updated as events affect this issue.

A Pension Fund Turns Its Back on a Major Real Estate Investment

By Barbra Murray, P&I, August 23, 2023

In Florida, the West Palm Beach Police Pension Fund has opted to pull its approximately $21 million investment from JP Morgan's JPMCB Special Situation Property Fund. The full redemption of the investment comes at the recommendation of investment consulting firm AndCo Consulting which, as noted in minutes from the pension fund's July 11 Board of Trustees meeting, asserted that the fund has an unfavorable debt profile, recent underperformance that is expected to persist and a loan default on a large office asset. The firm accused the Fund of being unwilling to "share specific information related to the rationale on specific investments and the business strategy" and added that such behavior is "atypical for Core/Core-Plus managers." Other pension funds have been retreating from their real estate investments, including the Maine Public Employees Retirement System, which recently announced that it would retrieve its $175 million investment from Mesa West Core Lending, a real estate debt fund managed by Mesa West Capital.

Conservatives fight back against environmental and socially conscious investments

By, Diane Lincoln Estes, PBS Newshour, August 29, 2023

The extreme weather events that hit the U.S. and other countries have cast a sharp spotlight on the role of climate change. In recent years, those concerns have been a key part of significant changes in the way investment firms and companies do business. But now a backlash is brewing against what conservative politicians call "woke capitalism." Economics correspondent Paul Solman reports. The extreme weather events that have hit the U.S. and other countries this summer have cast a sharp spotlight on the role of climate change. In recent years, those same concerns have changed the way that major investment firms and some companies do business. Economics correspondent Paul Solman has more on the backlash that's brewing.
Editor's Note: This is a video of the interview.

Wall Street firms holding on to state pension deals during anti-ESG frenzy

S&P Global Market Intelligence, August 23, 2023

Florida officials have made more consequential policy decisions about ESG investments and their engagement with Wall Street than any other state. Their December 2022 decision to cancel BlackRock's management of $1.43 billion in state long-term securities and $600 million in short-term overnight investments exceeded what any other state has done to date. State legislators then passed the most far-reaching anti-ESG initiatives to date, known as H.B. 3. Enacted in May, the bill expanded a previous policy for the state's $189 billion pension system to any fund in which local and state agencies invest. Among other things, the new legislation requires investment managers to certify annually that they are only considering pecuniary factors free of any "social, political or ideological interests" when investing the state's money. Still, "the Florida Retirement System continues to have investments that are managed through BlackRock-related entities," Paul Groom, deputy executive director with the Florida State Board of Administration (SBA), confirmed in an email. "All of the SBA's investment activities are based on obtaining the best risk-adjusted returns for the beneficiaries of the [system]." During the first half of the year, BlackRock's business grew by $190 billion, including $109 billion in new business from clients in the US, a spokesperson for the firm said in an email. BlackRock was among the first large Wall Street firms to begin communicating openly about how it uses ESG as part of its risk assessments. It then became a prime target for

conservatives who believe the firm is using its market clout to steer investments toward political goals, and for environmentalists who point to the company's continued investments in fossil fuel industries.
This article is the second in a two-part series on a multistate effort to eliminate environmental, social and governance considerations from public investments.

Right-wing politicians playing 'armchair financial advisor' are putting Americans' retirements at risk

By Alexandra Thornton, Opinion Contributor, The Hill, August 5, 2023

As a matter of principle, hard-working Americans should be free to invest their money as they see fit. Whether they are investing individually or doing so through a pension fund or retirement plan, investors and their financial advisors should have access to the tools they need to make informed decisions that maximize returns over the long-term. However, just as they held our economy hostage over the debt ceiling, extreme right-wing politicians are now playing "armchair financial advisor" and imposing their radical ideology on our bank accounts, pension funds and retirement plans. Over the past year, extreme politicians have launched an unprecedented assault on responsible investing strategies. In state houses across the country, lawmakers have introduced dozens of bills seeking to ban everyday Americans, financial professionals and public pension fund managers from considering so-called "environmental, social, and governance" (ESG) risk factors in their investment decisions, in addition to traditional financial factors. The House Financial Services Committee recently followed suit, wrapping up a month-long slate of hearings aimed to bring the same right-wing attacks on ESG from the states to our nation's capital. In each case, they claim to be fighting a boogeyman they call "woke capitalism" and falsely characterize the use of these factors as something more than what they are—basic information about investment risks.

Anti-ESG Politicians Cost Their States and Cities Billions

Brian Frosh and Nancy Kopp, Bloomberg Opinion, Governing, August 1, 2023

It is irresponsible and dangerous for politicians to dictate which investments public asset managers must favor. States, municipalities and public pensions are paying higher interest rates on bonds and getting poorer returns on investments. In Texas, anti-free-market legislation could cost taxpayers up to $532 million in higher interest costs within a year. In Indiana, a bill to limit ESG investing could cut state pension returns by $6.7 billion over the next 10 years. The Arkansas Public Employees Retirement System estimated that it could lose $30 million to $40 million a year in potential investment returns due to a similar law. Analysis by the economics consultant firm ESI for the Sunrise Project, an advocacy group, found that taxpayers in six states — Kentucky, **Florida,** Louisiana, Oklahoma, West Virginia and Missouri — could be on the hook for up to $700 million in excess interest payments if restrictions on sustainable investing are implemented. The irony is that politicians who typically champion the free market have enacted laws that prohibit investment managers from taking into account major risks to their portfolios. State officials have threatened legal action against asset managers who factor basic investment risk into the management of pensions for millions of Americans.

Half of Americans lack access to a retirement plan. Here are the worst states.

By Aimee Picchi, CBS News, August 21, 2023

Fewer than half of American workers qualify for a retirement plan through their job. But that lack of access is markedly worse in some states, which researchers warn could face a spike in senior poverty as a result, according to new study. About 69 million workers, or 56% of the nation's workforce, lack access to a retirement plan through their workplace, the Economic Innovation Group found in its analysis of 2021 Census data. The share is highest in **Florida**, where almost 7 in 10 workers are unable to put money away in an employer-sponsored plan, and lowest in Iowa, where it is about 4 in 10.