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Which states have the best 401(k) plans? That question isn't usually tied to geography, but financial advisory firm Judy Diamond Associates has found some key differences and benefits based on location.

“New 401(k) plans are strong indicators of the creation of entirely new businesses or businesses that have reached a level of success where they can begin to offer their employees more and better benefits,” said Eric Ryles, managing director of Judy Diamond Associates. “They are signs of economic growth and the states with the greatest ratio of new 401(k) plans are likely those with favorable small business environments.”

For this study, Judy Diamond Associates looked at the number of newly initiated 401(k) plans, expressed as a percentage of all plans in that state. The study looked at the most recent year for which a complete set of data was available, 2012.

“The median participation rate for these new plans was 89%, which suggests that a lot of these new plans are taking advantage of automatic enrollment features, which have been available to plan sponsors for almost a decade as a result of the Pension Protection Act,” Ryles continued. “Since our previous research has shown that participation rate is the single most important factor in achieving a positive retirement outcome, this figure is tremendously encouraging. It was also nice to see that nearly two-thirds of these employers contributed some amount to the plan on behalf of the employees.”

Some interesting highlights from the research include:

- The 24,127 new 401(k) plans included in this study covered 443,969 participants.

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Total of 11,016 of all current 401(k) plans were new.

*Top States by % of New 401(k) Plans:*

Rank	States	Total 401(k) Plans	New 401(k) Plans	% New Plans
1	Arizona	6,800	491	7.22%
2	Colorado	8,427	600	7.12%
3	Wyoming	722	50	6.93%
4	California	61,047	4,036	6.61%
5	Florida	21,584	1,420	6.58%

Judy Diamond Associates based this research on the most recently available 401(k) plan disclosure documents released by the Department of Labor, which are available in its [Retirement Plan Prospector](#) database. Retirement Plan Prospector is an intuitive and comprehensive online sales prospecting and plan analysis tool, providing insights to the defined contribution and defined benefits markets.

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