

March 22, 2013

To: Oregon State Legislators
From: Main Street Alliance Business Owners
Re: Confronting the Retirement Security Crisis – HB 3436

The American dream includes the opportunity for families and individuals to set aside savings towards a secure and healthy retirement. In recent years, however, retirement security for working families has faced an unprecedented crisis.

A 2012 study by the Urban Institute and AARP's Public Policy Institute found that workers under age 55 today are less likely than their parents or grandparents to enjoy the living standards of their working years when they retire. As it is today, Social Security will be the main source of retirement income for most future middle-class retirees. Average monthly Social Security payments in 2013 are \$1,261.

As small business owners it is a challenge to provide adequate retirement benefits to long-term employees. Not only does this lose some of our best employees to bigger companies that can offer a more comprehensive retirement package, it often forces us to choose between securing our own family's financial future and the retirement security of our cherished employees.

As a result, half of all private sector employees are not participating in an employer-based retirement plan and amongst Oregon's smallest employers, less than one-third of all employees participate. The result is that low and middle income Oregonians are relying on Social Security for between 70 – 80% of their retirement income. We all know that Social Security alone will not provide enough to pay the bills during our retirement years.

One major way to address this pending crisis is by improving retirement security in our state. We urge you to support House Bill 3436 and companion legislation to create a state board to study ways to improve the retirement security of the employees of private businesses throughout Oregon.

Yours Respectfully,

Wendy Grace, Arrowhead Chocolates, Joseph
Mark Kellenbeck, Brainjoy LLC, Medford
Jim Houser, Hawthorne Auto Clinic, Portland
Hank Keeton, Keeton Corporation, Scotts Mill
Steve Hanrahan, Mirador Community Store,
Portland
Wail Eltelbany, N.Y. Bagel Bistro, Monmouth
Robert J Meyer, Ocean Beach Glassblowing &
Gallery, Seal Rock

Deb Field, Paperjam Press, Portland
Rex Hagans, hazelnut farmer, Oregon City
Steven McGrath, Sustainable Solutions
Unlimited, Portland
Jose Gonzalez, Tu Casa Real Estate, Salem
Mike Nagel, Uppercut Barber, The Dalles
Riktor Ball, Used Affordable Autos, Portland
Barbara Campbell, Wabi Sabi LLC, Bend

Selected statements on retirement security from some of these business owners:

From Hank Keeton, Keeton Corporation, Scotts Mill:

The sustainability and strength of the social fabric is only as strong as it's weakest part. When we're fully working, we have opportunities to contribute to the fabric. When we retire we rely on the fabric. Retirement security aids in the health of the overall fabric of society.

From Michael Nagle, Upper Cut Barber Shop, The Dalles, and member of Main Street Alliance Statewide Leadership Circle:

I am trying to get my business off the ground and I am having to put money into the physical plant and can't save any for retirement yet. It is an emotional challenge if anything.

From Barbara Campbell, Wabi Sabi, Inc., (an import store in) Bend and member of Main Street Alliance Statewide Leadership Circle:

This program would allow small business owners to more effectively recruit excellent employees.

From Steven McGrath, former owner, Sustainable Solutions Unlimited, Portland and member of Main Street Alliance Executive Team:

For years in my prior business, we had a goal of setting up a retirement plan such as a 401k, but the investments in time and resources were never feasible. Having a straight forward option to make one available will be a great resource!

And from Mark Kellenbeck, BrainJoy LLC, Medford (and co-chair of the Main Street Alliance):

The American Dream, in great part, is a secure and comfortable retirement. For many American's this is a far reach today. Social Security is not, in and of itself, sufficient retirement for most individuals. An Oregon retirement security plan that all workers can access, combined with Social Security, will make for a much improved and secure retirement for Oregon employees.