

The **MAIN STREET**
Alliance of Oregon

a big vision for small business

March 15, 2013

To: Oregon State House Business and Labor Committee
Re: Confronting the Retirement Security Crisis – HB 3436

Chair Doherty and committee members,

For the record, my name is Jose Gonzalez, President of Tu Casa Real Estate in Salem and an Executive Team member of the Main Street Alliance of Oregon. We are speaking today in support of HB 3436 to enhance the retirement security options of small businesses in Oregon.

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. 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 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.

In my case, the real estate industry, our situation is complicated by agents often being independent contractors. My agents were hit hard by the economic downturn as many of them have not set aside long term savings for the future. I have approached companies about setting up a retirement plan for my team, but the companies I approached don't seem to have a model that works for independent agents.

In contemplating how this supplemental retirement security program would roll out, I encourage the legislature to look at how independent contractors could also deduct from their income and buy into this plan.

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.

Thank you for your time and consideration in this matter.