

## Testimony to House Business and Labor Committee on SB 615

Chair Beyer, Vice Chair Girod, and members of the committee. My name is John Calhoun and I am a resident of Portland.

As you all know we are facing a crisis in retirement insecurity that has been building for decades as fewer citizens are eligible for pensions and incomes for most of the population have not grown. SB615 is a realistic plan that will help, but not eliminate this problem.

I am an entrepreneur and last year our 7 year old company finally created a 401k plan for employees. We had delayed setting it up because of the cost and complexity of a 401k. In addition to a \$1,100 set-up fee, we pay \$1,650 plus \$40 per employee in annual fees. For a company with only a few employees that is a high cost per employee. These costs do not go into employee accounts. They are simply fees that then allow the employee to invest which is why we waited until the company was big enough to keep the cost per employee down. We now have 65 employees.

To give you a sense of our employee population, our average hourly wage is about \$18 per hour and hourly employees make up about 2/3 of all employees. Our typical employee is probably in their late 20's or early 30's. In spite of the fact that we do not provide any matching contribution, after only one year we have around a 75% participation rate. This showed me both the need and the interest in a retirement plan.

In addition to the fees we have to pay, I have personal financial and legal exposure if the 401k plan is not properly administered. Frankly running a retirement plan is not how I want to spend my business time. It is a distraction from the needs of running the business.

That is why I find SB 615 such a valuable proposal. Under this program we could have set this up for our employees at any time in our history with minimum effort and no administrative costs. The payroll deductions would be just one more line item that our payroll service would deduct and pay out. Our early employees would now have a more substantial retirement fund based upon several more years of savings.

I am also here today on behalf of the Oregon Center for Christian Voices (OCCV).

OCCV is a faith-based non-profit seeking to activate Christians on issues of economic and social justice. We believe Scripture is clear that God's intended role for government is to assure that poor and marginalized people are cared for and that all have opportunity to flourish.

For me as a small businessman this proposal for retirement security is a no-brainer. As a member of OCCV I feel it is a moral imperative. It is the least we can do to help people live a more dignified life in their senior years. Doing nothing is not an option.