

March 6, 2015

House Committee on Business and Labor
State Capitol
Salem, OR 97301

Dear Chair Holvey and Members of the Committee:

My name is Ken Mehlman. I am a partner at Kohlberg Kravis Roberts (KKR), a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, capital markets, credit strategies, and hedge funds. KKR is proud of our thirty year partnership with the State of Oregon. Together we are working for a stronger economy and for secure retirements for hard working Oregonians.

Our nation is at a unique inflection point. The impending retirement of the giant baby boom generation and increased longevity are historic. These trends mean that millions of hard working men and women will be able to enjoy golden years measured in decades, with the promise of well-earned leisure, travel and exploration, interesting second careers, opportunities to learn, time with family, and an enhanced ability to serve communities through charity work. Yet there is also a profound challenge. There will be fewer workers to support those retirees, and too many across this state and nation today lack the financial means for a secure retirement.

We can overcome this challenge and seize this opportunity, but it requires smart planning, good policy and effective partnerships.

Treasurer Wheeler and other leaders around the country want to provide options that better address the structural and behavioral barriers that prevent many from adequately saving for their own retirement by leveraging public-private partnerships. The Oregon Retirement Savings Task Force proposed a methodical, responsible sequence of actions on an issue that cannot be ignored any longer. The solution established by SB 615 and HB 2960, based on those Task Force recommendations, holds tremendous promise for Oregon citizens. This is smart policy and provides a real solution to those families.

With this policy, Oregon can expand retirement security through smart tools, including the use of pooled and professionally managed plans. The benefits of pooling funds into a professionally managed portfolio are simple: fees remain low and risk adjusted returns are maximized. This is achieved through professional investment expertise, access to broader range of investments, and economies of scale.

I've been pleased to work around the country to build bipartisan support for retirement security, and can say that with this policy Oregon has a chance to provide security for families, communities, and the state's bottom line.

Sincerely,



Ken Mehlman
KKR
Partner & Global Head of Public Affairs