

AARP Oregon Testimony on SB 164

Date: February 5th, 2019

TO: Senate Committee on Workforce, Sen. Taylor, Chair

FROM: Jon Bartholomew, Government Relations Director, AARP Oregon

AARP Oregon supports Senate Bill 164, which provides a method to encourage full participation in Oregon's landmark OregonSaves program. OregonSaves has led to over \$12.5 million being saved that likely wouldn't have been saved without it, and is a model for other states.

Employees are 15 times more likely to save for retirement through payroll deduction, yet 55 million Americans lack access to a way to save for retirement at work. OregonSaves provides a simple, plug-and-play option for business owners to offer a retirement savings option to their employees at no cost to the employer and with low fees for participants. With strong support from AARP, more than half of the states are now considering similar ways to address the issue of economic insecurity in retirement.

Helping people save their own money for retirement isn't just the right thing to do, it can save taxpayer dollars on social safety net spending. According to a recent study, the total cost to taxpayers for new retirees will top \$3.7 billion over the next 15 years.

States are stepping up by passing state facilitated retirement plans, such as OregonSaves. In 2012 only three states were working on this issue. Now, upwards of 30 states are engaging in a conversation about retirement insecurity- and what states can do to solve this growing problem. This solution is bipartisan, and has garnered national media attention from the right and the left. Retirement insecurity knows no party, no geography.

California, Illinois, Maryland, and Connecticut are in the process of implementing auto IRA programs. New Jersey is considering legislation as we speak. Each of these states allows for penalties for non-compliance. This very measured approach will allow Oregon to catch up with the rest of the pack on this issue.

We appreciate your efforts to encourage retirement savings, and look forward to working with the Legislature as the bill moves forward. We urge your support for SB 164.

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With 510,000 members in Oregon, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment.