

Support **[BILL NUMBER]**, the *Colorado Secure Savings Plan* *Increase Saving, Boost Independence, and Support Small Business*

Colorado faces a retirement crisis. We can no longer ignore **nearly half of Colorado's private-sector workers** — over 750,000 people in their prime working years — **who have no retirement savings plan at work.**

Increasing retirement savings is vitally important. It creates more independence for seniors and **saves tax dollars.** If you have a retirement savings contribution automatically deducted from your paycheck you are 15 times more likely to save for your retirement.

To increase savings, ten states — California, Connecticut, Illinois, Maryland, Massachusetts, New York, New Jersey, Oregon, Washington and Vermont — have already approved programs that offer workers easy access to investment retirement accounts if they don't have plans at work. Oregon began implementing its program in [January 2018 for employers with 100 or more employees](#). As of November 2018, while still in a pilot phase, about 44,000 employees and 300 employers were signed up. The plan has been extended to employers with 20 or more workers as of December 2018.

Colorado Could Be the Next State to Help Workers Save

The Colorado Secure Savings Plan creates a Board of Trustees to develop a plan for a universal, automatic, portable, low-fee IRA, based on detailed market and financial analyses and managed by a financial services company, for employees without access to workplace plans. If found feasible, the Board would send the legislature its recommendations for final approval and the creation of the Colorado Secure Savings Plan.

Small Businesses Strongly Favor New Retirement Savings Options

A [poll of Colorado small business owners](#) shows strong support for expanding access to workplace retirement savings plans and policy initiatives that boost savings; 86% support the idea of a workplace IRA where employees are automatically enrolled, a set amount is deducted from their pay and employees can opt out.ⁱ

A Look at Retirement Savings in Colorado:

- Nearly half of Colorado workers ages 25 to 64 don't have retirement savings plans at work.ⁱⁱ
- 8 in 10 Coloradans working in small businesses have no workplace retirement plan, including those working at businesses with fewer than 50 workers.ⁱⁱⁱ
- Almost 9 out of 10 Coloradans working in the Agriculture Industry have no workplace retirement plan.^{iv}
- 56 percent of Latinos, 49 percent of African Americans and 44 percent of female workers in Colorado have no retirement plan at work.^v
- Nearly half of all families in the U.S. have no retirement assets. Even among those families who are nearing retirement, four out of ten have no retirement assets.^{vi}
- 82 percent of Coloradans agree that the nation faces a retirement crisis and 78 percent think it is getting harder to prepare for retirement.

The High Cost of Doing Nothing:

Current national data shows that people do not save more as they get older and advance in their careers. Without easy access to retirement plans, many young workers put off saving until it's too late, then have little to live on in their retirement years.^{vii}

Small improvements could make a big difference. A [2017 study at the University of Maine](#) gives some data on this fact. An additional \$1,000 in retirement savings for every retiree would save \$3.9 billion nationally. In Maine, a smaller state than Colorado with lower costs of living, the savings would be \$15.6 million. But every year we do nothing, the savings decrease and more retirees don't have enough.

How the Secure Savings Plan Works:

- Creates a public-private partnership that would develop and oversee the plan.
- Gives workers the ability to invest through pooled, professionally-managed accounts with capped fees. Includes options to disburse retirement benefits through a lifetime annuity.
- Would solicit competitive bids from low-cost vendors seeking to manage plans.
- Enables workers to save a portion of their wages through automatic, opt-out payroll deduction.
- Helps small business owners save and provide employees access to retirement savings plans.
- Shields the state and employers from any financial obligation or liability.
- Applies to employees who are not offered other retirement plans besides Social Security.
- Allows workers to move from job to job and take their retirement savings with them.
- Coloradans who are contractors, self-employed, or have multiple jobs can easily invest in their future.

Colorado Organizations and Business Supporters Include:

9to5 Colorado	J. Ruscha Communications
AARP Colorado	MobilizeUs, LLC
Colorado AFL-CIO	NAACP Colorado State Conference
AFT Colorado	Native Earth Landscape
Bell Policy Center	New Era Colorado
Colorado Center on Law and Policy	Nuance Chocolate
Colorado Education Association	Product Architects
Colorado Fiscal Institute	SEIU Colorado
Colorado Nonprofit Association	Sexy Pizza
Colorado Senior Lobby	Small Business Majority
Colorado Social Legislation Committee	Soul Salve, LLC
DSquared Financial Strategies	TIAA
Fire on the Mountain	Venner Consulting
Gary's Auto Service	The Wellness Center, Whole Foods
Good Business Colorado	Young Invincibles
Illegal Pete's	Zoe Ma Ma
The Interfaith Alliance	

ⁱ ["Colorado Small Business Owners Support State Retirement Savings Program,"](#) Small Business Majority, March 27, 2017.

ⁱⁱ ["Colorado Workers Face a Retirement Savings Crisis,"](#) The Bell Policy Center, April 18, 2016.

ⁱⁱⁱ Ibid.

^{iv} Bell Policy Center Analysis of 2016 Current Population Survey Data, November 2017.

^v "Colorado Workers Face a Retirement Savings Crisis"

^{vi} [Bell Policy Center analysis of data from Table 16.16](#), 2016 Survey of Consumer Finances, Federal Reserve.

^{vii} "What do Coloradans Think About Economic Security in Retirement?", National Institute on Retirement Security, March 2017.