

Message from AARP on Colorado Secure Savings Plan Bill - SB 19-173

Help Colorado Workers, Small Businesses and Taxpayers

Today, a secure retirement is out of reach for thousands of Colorado residents, especially those who work for themselves or small businesses.

Nearly half of Colorado's private sector workforce – 750,000 people – do not have a way to save for retirement through their job. That's important because having access to payroll deduction makes people 15 times more likely to save.

Setting up a Colorado Secure Savings program {insert bill numbers} can help those workers grow the savings they need to take control of their own futures.

Colorado Secure Savings program provides small businesses an easy, low-cost retirement savings option, and gives their employees a way to save out of their regular paycheck. It allows a business owner to access a plug-and-play retirement option with little effort and no risk on the employer's part. The program would be available to workers who don't currently have a plan through their job – and runs like a 529 college savings plan.

We need to act now to help people save for retirement or it will cost taxpayers a lot later on. The typical retirement savings of a working household is only \$2,500. At this rate, half of all households won't be able to afford their everyday expenses and will need state help to pay for housing, food and medical costs if they are unable to work.

A university study showed that if workers are able to save enough to generate just \$1,000 a year in extra income, the state would save up to \$32.7 million in the next 15 years and \$160 million in combined state and federal savings on social programs such as Medicaid, rent subsidies and food assistance.

There is a cost to doing nothing. It's time for Colorado lawmakers to create a Colorado Secure Savings program.

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This bill is essentially the same as the bill Senior Lobby supported last year.