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Scientific Opinion Poll: Two-Thirds of California Small Business Owners Support Retirement Savings Program

Small business owners support creation of a voluntary retirement savings program; believe this can help make their business more competitive

Sacramento, Calif.—A scientific opinion poll released today by AARP and Small Business Majority shows a strong majority of California small business owners support the creation of a voluntary, portable retirement savings program that would allow employees to more easily save for their financial future. What’s more, small business owners believe offering such a program to their employees would give their business a competitive edge.

The poll found that two-thirds of small business owners in California support a state retirement savings program that would help small businesses and their employees save for the future. Nearly three-fourths (73 percent) of respondents think offering such a program would give their business a competitive edge.

Unfortunately, many small business owners face barriers to providing a workplace savings account. Four in five respondents do not provide a workplace retirement savings plan, with business size or cost cited as the main reasons for not providing a plan.

Legislation recently introduced by California State President Pro Tempore Kevin De Leon (SB 1234) would address this issue by establishing the California Secure Choice retirement program—a voluntary, portable retirement savings plan in which employees who work for small businesses would be automatically enrolled, with the option to opt out should they choose to do so. Accounts would be managed by an investment firm chosen by the state of California, and employers would have no liability for the accounts, which would be owned entirely by the employee.

"Between the complicated paperwork and the financial burden, my small business just doesn't have the resources to offer a retirement plan," said Pepi Jackson, owner of Health Plan Solutions LLC in Corona. "But I know retirement benefits can keep my business competitive by helping me attract and retain talented workers. I support a California's Secure Choice plan because it would allow me to offer competitive retirement benefits to my employees while minimizing costs to my business."

The survey also revealed that most small business owners see offering a retirement savings option as “the right thing to do,” because it helps their employees as well as their business.

“California small business owners know that offering a retirement plan helps them better compete in the job market and boosts morale among their employees,” said Mark Herbert, California Director for Small Business Majority. “Employers clearly recognize the importance of helping their workers prepare for retirement, but several barriers are preventing them from doing more. The proposed Secure Choice retirement savings program would offer small employers a

convenient option for themselves and their employees to save more money so they can prepare for the future.”

Over the past 30 years, individual retirement savings, including 401k and individual retirement accounts (IRAs), have proven insufficient in providing the retirement security enjoyed by previous generations. In fact, AARP research reveals that for one-quarter of Social Security recipients, that program represents their only source of retirement income.

“California Secure Choice will provide a vital opportunity for Californians to build a brighter financial future,” said AARP California State Director Nancy McPherson. “With the decline in traditional pensions, current and future generations must have the ability to easily save for their future financial security. California Secure Choice will provide this opportunity for those whose employers do not offer a 401k or other retirement savings program, which is why AARP strongly supports SB 1234.”

For the full survey findings, please visit: Action.aarp.org/CASecureChoice

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[About AARP](#)

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

[About Small Business Majority](#)

[Small Business Majority](#) was founded and is run by small business owners to focus on solving the biggest problems facing small businesses today. Since 2005, we have actively engaged small business owners and policymakers in support of public policy solutions, and have delivered information and resources to entrepreneurs that promote small business growth and drive a strong economy. We regularly engage our network of 45,000 small business owners and more than 2,000 business organizations, along with a formal strategic partnership program of more than 125 business organizations, enabling us to reach more than 500,000 entrepreneurs. Our extensive scientific polling, focus groups and economic research help us educate and inform policymakers, the media and other stakeholders about key issues impacting small businesses and freelancers, including access to capital, taxes, healthcare, retirement, entrepreneurship and workforce development. Learn more about us on our [website](#) and follow us on [Twitter](#), [Facebook](#) and [Instagram](#).