



STATEMENT FOR THE RECORD
BEFORE THE HOUSE COMMITTEE ON BUSINESS AFFAIRS AND
LABOR
ON THE
COLORADO SECURE SAVINGS PLAN

April 24, 2019

Hunter Railey, Colorado Director
Small Business Majority

Dear Chairman Kraft-Tharp, Vice Chair Coleman and the members of the Committee:

My name is Hunter Railey, and I'm the Colorado Director for Small Business Majority, a national small business advocacy organization with an office here in Denver. Thank you for allowing me to share comments with you on the importance of publicly administered retirement savings programs to our small business owners and their hard-working employees.

Colorado is suffering from a serious retirement savings gap, and small business owners and their employees are significantly impacted by this crisis. According to research from Bell Policy Center, almost one million workers in Colorado don't participate in any retirement savings plan. Specifically, 81% small business employees in Colorado lack access to a workplace retirement plan. Our scientific opinion polling has found this reflects national trends, with just 19% of small employers reporting that they are able to offer a retirement plan to all employees.

SB19-173 would take steps to address this by establishing the Colorado Secure Savings Plan Board to study the feasibility of a program that allows private-sector employees to contribute to an individual retirement savings account through modest payroll deductions. Such a plan would help small business owners offer retirement savings benefits at no added cost to their business.

We know that unfortunately too many small business owners face barriers to providing a workplace savings account. According to scientific opinion polling released by Small Business Majority and AARP, 3 in 5 Colorado small employers do not currently provide a workplace retirement savings plan, with cost cited as

the primary reason. Among those who do not offer retirement benefits, two-thirds say they would offer a state retirement savings plan, if such a plan were available.

Small business owners want to offer flexible retirement options, which they know makes for a happier and more productive workforce. In fact, the opinion poll found almost 3 in 5 small business owners in Colorado (58%) support a privately managed state retirement savings program that would help small businesses offer employees a way to save for the future. Nearly 7 in 10 (69%) believe offering such a program makes small businesses more competitive by helping them attract and retain talented employees.

A Colorado Secure Savings Plan could help level the playing field between small businesses that want to offer retirement benefits but can't, and their larger counterparts that can. Additionally, the Board would study allowing solo entrepreneurs to opt-in to the program, which would be a boon for the many self-employed Coloradans who struggle to save for the future. This will help small businesses compete for the best employees. Establishing a board and conducting a feasibility study is the first step in increasing retirement savings for Colorado's small businesses.

These Colorado retirement savings gap will not close on its own. Nearly 3 in 4 (72%) small business owners in Colorado believe state lawmakers should support a plan that would make it easier for small firms to offer an opportunity for their employees to save for retirement.

Small business owners and their employees are struggling to access retirement benefits, and the Colorado legislature can help. I urge you to consider small business support for this issue as you consider this bill.

Thank you.

Hunter Railey, Colorado Director
Small Business Majority