

January 21, 2022

The Honorable Michelle Lujan Grisham  
State Capitol  
490 Old Santa Fe Trail, Room 400  
Santa Fe, NM 87501

*Re: Small businesses support for the New Mexico Work and \$ave Program*

Dear Governor Lujan Grisham:

As a leading representative of America's 30 million small businesses, with a network of hundreds small businesses in the state of New Mexico, Small Business Majority urges you to support the New Mexico Work and \$ave legislative proposal sponsored by Senator Bill Tallman and Representative Linda Serrato.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and inclusive economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

The way Americans work and start a business is changing, which has been especially true during the COVID-19 pandemic. The health crisis has also underscored why today's entrepreneurs and small business employees need a modernized and robust benefits infrastructure that promotes financial security and quality jobs for those who do not work for large organizations. One important vehicle for achieving this is access to a retirement account, a benefit that most small businesses want to offer their employees to attract and retain a workforce, but are often unable to due to cost, administrative complexity and fear of fiduciary liability. In fact, our polling has shown strong support for policy efforts at the state level that would help small businesses access retirement. [Sixty-three percent](#) support retirement programs that automatically enroll employees of businesses without their own plans into a state-administered retirement saving program.

Existing state auto IRA programs in California, Oregon and Illinois have had enormous success with adding employees to the pool of individuals who wouldn't have otherwise saved for their retirement. New Mexico's program is essential, particularly because as of 2020, [430,000 New Mexicans](#) do not currently have a retirement plan at work, and that number is expected to increase to nearly half a million by 2040.

Unfortunately, the state's current program makes no requirement on its private sector employers to participate, which is a significant barrier to the program's success. That's why the legislation contains narrowly crafted, essential changes requiring a limited number of New Mexico employers to auto-enroll their workers—a requirement in every other state implementing these state-facilitated programs. We know from our work in other states that requiring businesses to participate ensures success and reaches the employees who need it the most, particularly low-income individuals.

What's more, these programs have placed little burden on employers and have made it easier for small businesses to facilitate access to a crucial benefit—one they are often not able to provide on their own for their employees. In fact, such a change to the program would reach [307,000 workers](#), representing nearly 70% of the state's private-sector employees without a workplace retirement plan.

To support a thriving and equitable small business ecosystem for employers and employees in New Mexico, Small Business Majority urges you to support the legislation and to place the proposed bill on your Call for the upcoming 30-day session. This change is also necessary for the finalization of the New-Mexico-Colorado partnership, an innovative multi-state collaboration that could guide other states in their implementation of these programs.

Sincerely,

John Arensmeyer  
Founder and CEO  
Small Business Majority