

**Testimony of  
Honorable Stacy Garrity, Treasurer  
Commonwealth of Pennsylvania  
Submitted to the Maine Joint Standing Committee on  
Health Coverage, Insurance and Financial Services  
April 10, 2025**

Senator Bailey, Representative Mathieson and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, thank you for providing me the opportunity to submit testimony in support of the Maine Retirement Investment Trust.

You may be wondering, “why is a State Treasurer from Pennsylvania speaking out in support of a state-sponsored retirement program in Maine? It is because we have a retirement security crisis in America. Every state has the same problem and State Treasurers across the nation have mobilized to help find solutions that will enable more hardworking Americans to save for their future.

According to the National Institute on Retirement Security, the median value of savings in a retirement account for all working-age individuals in the American workforce is zero dollars. Let that sink in -- zero dollars!

In my state, more than two million Pennsylvanians lack access to an easy way to save for retirement through their workplace. This lack of access to retirement savings has long-term financial impacts on both their personal lives and every taxpayer in our state. We know if we don’t do something to help our workforce save, unprepared retirees will cost Pennsylvania taxpayers a total of \$17.8 billion through 2035 for increased social services and lost revenue.

These are people like your barber or stylist, your favorite waitress at the local diner, and the mechanics at your local independent garage. These are people we know and trust, people we care about, and people who would save for retirement if we give them a simple, effective way to do it.

While we're still working in Pennsylvania to achieve that goal, Maine is to be applauded for having already accomplished it. As Maine's leaders, you saw the gaping hole in your state's retirement safety net with 34 percent of your over half a million workers – a total of 173,000 employees - lacking access to a workplace retirement plan and you acted.

The result is the Maine Retirement Investment Trust, or MERIT, that is demonstrating incredible progress in helping your fellow Mainers save for a secure retirement for themselves and their families.

Just look at the results. Since the program was launched statewide in January 2024, more than 13,000 Maine workers have newly funded individual retirement accounts that total over \$11 million in assets. You also have nearly 2,600 employers offering a retirement savings benefit that they couldn't provide before. That is amazing progress in just a little over a year in expanding the retirement security safety net. It's a benefit for those saving, it's a benefit for employers, and it's a benefit for your taxpayers.

Now some people will say programs like MERIT are not necessary because people can already invest on their own by going down to the bank – or visiting a website – to open a retirement account. I have heard that same argument made against my Keystone Saves proposal in Pennsylvania.

That might sound okay to some, but we know that is not what happens in the real world. We know human nature. We know that people are 15 times more likely to save for retirement when they have access to a plan at work – 15 times more likely.

Think about it: When people get done working – in many cases 10- or 12-hour days, they go home to take care of their kids. Maybe they're also taking care of their parents.

The last thing they have time to do is think about what's going to happen 10, 20, 30 – even 40 – years down the road.

Easy access to a retirement account at work with automatic set-it-and-forget-it payroll deductions is a powerful tool that Mainers are now lucky to have at their disposal with MERIT. I hope that two million private-sector Pennsylvania employees will soon have the same opportunity to save.

So as the Joint Committee Members consider legislation impacting the MERIT program, I would encourage you to build on the strong progress your state has made. In MERIT, you have created a program that is working to make it easier for people to save their own money, ensuring they are taking responsibility for their own retirement, not demanding a government handout. Thousands of employees have embraced this opportunity and thousands more await the chance.

A repeal of the program would be a terrible blow to the efforts to expand retirement security particularly in the face of the tremendous progress you have made in such a short time with MERIT.

Here's the bottom line: Whether it is Pennsylvania or Maine, Oregon or Florida, or any other state you can point to in our nation, we have a retirement security crisis in America and we need solutions that work for employees and employers. If we do nothing, we'll all be footing the bill for higher public assistance costs and filling in budget gaps from reduced revenue and decreased spending. It will be a crisis that is sure to affect us all.

Thank you.