

Senator Sanborn, Representative Tepler and Committee members, my name is Carl Bucciantini. I live in Greene and I'm a retired public school educator and a volunteer with AARP Maine. I am here today to speak in favor of LD 1622, "An Act To Promote Individual Savings Accounts through a Public-Private Partnership".

Mine is a story of serendipity: of discovering Maine, of insisting that my parents drive me from New York (yes, I'm from away) to visit what is now USM, only to find offices closed due to a holiday unique to only two states, of leaving Maine on that same day knowing that this is where I belong, of beginning and ending a fulfilling career, of raising a family, of finding great joy and tremendous sorrow, and of learning that if I don't prepare early for retirement, I probably won't survive.

Like many young twenty something know-it-all's at the beginning of their work life, I assumed that the pension to which I contributed would be enough to adequately sustain me in retirement. Imagine my disillusionment when I learned that it was a pretty unlikely outcome. Why my state sponsored retirement earnings wouldn't be enough to live on made little sense to me, but fortunately, I was wise enough to listen and to learn from those more knowledgeable than I. By being an educator, I was eligible for a variety of tax deferred retirement savings options designed to make retirement more pleasant. What I learned, though, is that I needed to seek out the program and provider that would meet my projected needs and I'd need to work with my employer to make sure the payroll department could move my deductions to my retirement account. I could hold my own with day-to-day finances, but the type of financial acumen required for these decisions far outpaced my skill set. I received good guidance, so I muddled on and can now say that retirement looks pretty secure.

As my career progressed, I often found myself facing a roomful of fresh, young educators eager to make their mark. Like I had done decades ago, they made the same assumptions regarding retirement income. Sadly, they faced the same challenges that I did over 40 years ago: lack of familiarity with the options, inexperience, and the need to work with their employer to set up the deductions. Nothing has changed in over four decades.

A few weeks ago, I was speaking with a local small business owner regarding his take on LD 1622. His first question to me was "Why should the business owner do this since these accounts are already available?" Before I could respond he answered his own question by drawing from personal experience; he doesn't have a retirement account because it's too confusing to set up and he has neither the time nor the knowledge of where to begin. Sounds familiar, doesn't it?

- About 41% of private-sector workers in Maine lack access to a way to save for retirement at work.
- People are 15 times more likely to save when they can do so out of their regular paycheck, and 20 times more likely when that savings is automatic.
- The average working household in Maine currently has about \$3,000 in retirement savings.

- Almost 25% of Maine beneficiaries depend on Social Security for 90 percent of their income. The average annual Social Security benefit in Maine is \$16,000, while older Maine households on average spend \$19,000 per year on food, utilities, and healthcare alone.

LD 1622 is a common sense solution to the retirement savings dilemma. It provides a ready-made mechanism by which employers can offer their employees a way to save for retirement directly from their regular paychecks. It is an easy, stress-free way to increase retirement savings with limited impact on the employers.

Something as important as saving for retirement should not be left to serendipity. LD 1622 provides a vehicle for thousands of Mainers to begin to secure their future. This is a win-win: individuals have a stake in securing their retirement income, and the State will not need to provide assistance as a result. I urge you to vote in favor of this important initiative.

Thank you.

Carl Bucciantini
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