

**Testimony in Favor of LD 1622**  
**An Act to Promote Individual Retirement Savings through a Public-Private Partnership**  
**May 13, 2021**

Senator Heather Sanborn  
Representative Denise Tepler  
Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services  
Maine State Legislature  
100 State House Station  
Augusta ME 04333

I am writing to ask you to support LD 1622 to give hard-working Mainers a retirement savings option.

Too many Mainers have little to no savings for retirement. According to the [latest research](#), 55.7 percent of Maine seniors do not have the resources they need to make ends meet in retirement.

There are many reasons for this. Part-time workers are mostly ineligible for employer retirement plans. Workers at small businesses generally do not have a retirement plan, and Social Security provides only a [safety net](#) and is not enough to live on.

But there are other reasons that older Mainers lack the ability to thrive in retirement.

[Wage inequities](#). In Maine, the median wage for a white woman working full-time is just 78 cents on the dollar compared with a white man on the same schedule. This gap is even wider for people of color working in Maine. Gender and racial wage inequity mean that women and people of color are less able to build wealth than their white male peers.

Rise in health care costs, [especially prescription medicines](#). The cost of prescription drugs has been rising faster than almost any other health care expense in recent years. Per capita spending on prescription drugs has risen roughly three times as fast as regular increases in the cost of living, with the price of common brand-name drugs skyrocketing even faster. Spending on prescription medications reduces the ability of Mainers to do everything from putting food on the table to saving for the future.

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**Family caregiving.** Mainers caring for their loved ones provided more than 152 million hours of uncompensated care to family members aged 18 and older in 2017. Research shows family caregivers are more likely than noncaregivers to reduce hours, quit a job, retire early, and delay a job search because of caregiving responsibilities. A [September 2019 survey by MECEP](#) indicated that 14 percent of private-sector workers in Maine had quit their jobs or reduced their hours for more than two weeks in order to provide care for a loved one. These challenges not only lead to reduced income, but family caregivers also see reductions in retirement security and benefits, such as health insurance. One study estimates that caregivers aged 50 and older who leave the workforce to care for a parent lose an average of \$303,000 in income, retirement savings, and benefits.

**Seniors' Education Debt.** The fastest-growing population of student borrowers in Maine is seniors who are repaying their own student loans or loans that they co-signed for their children or grandchildren. More than 20,000 Mainers over the age of 60 carry a half-billion dollars of education debt, and the number of borrowers over the age of 60 in Maine increased by 46 percent between 2012 and 2017. Older borrowers experience greater hardship than younger borrowers. Nationally, they are more likely to be behind on their loan payments, skip necessary health care, and have saved less for retirement.

Maine's future prosperity demands meaningful solutions to take care of our seniors. LD 1622 offers one tool to help working Mainers be more secure in their retirement. I urge the committee to support this bill.

Thank you for your consideration. Thank you for your service to the people of Maine.

Sincerely,

A handwritten signature in black ink that reads "Jody A. Harris". The signature is written in a cursive, flowing style.

Jody Harris  
Associate Director