

May 13, 2021

Joint Standing Committee on Health Coverage, Insurance and Financial Services

In Support of LD 1622, An Act To Promote Individual Retirement Savings through a Public-Private Partnership

Good afternoon Chairs Sanborn and Tepler, and members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services.

My name is Gail Maynard. I live in Perham in Aroostook County, and I am a volunteer with AARP Maine. AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. On behalf of our more than 200,000 members statewide, thank you for the opportunity to share testimony with you today.

Today, I am testifying in support of LD 1622.

COVID-19 has had a disproportionate impact on working women. Before the pandemic, women had made important strides in the workforce. When the U.S. Bureau of Labor Statistics first began measuring women's labor force rates in 1948, 32 percent of women were in the workforce. By the beginning of 2020, that number had increased to [nearly 58 percent](#).

Then the pandemic hit, driving over [2 million women](#) out of the workforce.

Fewer women in the labor market will affect household incomes, retirement savings, and the pace of overall economic recovery for years to come. The future financial toll for women is particularly alarming because they [are already more likely to face poverty than men during retirement](#).

While Social Security is a critical safety net, it is not enough to cover costs in retirement. Yet, [many women age 65-plus rely on Social Security for nearly all of their income](#).

During the pandemic, Maine lost more jobs on a percentage basis than in any recession in the past 50 years. The result is that more Mainers will face even deeper retirement savings deficits and more workers will have only Social Security to fall back on.

One of the biggest obstacles that prevents women from growing the savings they need to control their financial future is the lack of access to workplace retirement savings. In Maine, about [47 percent of female workers had no access to a workplace plan even before the pandemic](#).

More than 207,000 Maine workers aged 18 to 64 have no access to a retirement savings program through their employer. Few of these employees save on their own and when they do, on average, they save less than \$2,500 by the time they retire. However, research shows that Mainers are 15 times more likely to save when they can do so through their job.

LD 1622 will create a retirement savings program to help women -- and all workers -- take control of their future. LD 1622 will make it easier to grow the savings needed to deal with the rising costs of basic needs and health care. LD 1622 provides a common-sense solution to these problems and also benefits taxpayers.

This type of forward thinking is just what we need to rebuild our economy and empower workers to create a more secure future for themselves and their families.

I urge you to pass LD 1622 without delay.

Thank you.

Gail Maynard
AARP Maine Volunteer
Perham

