

Terri Wright  
Yarmouth

I respect the spirit behind LD 1622, the idea of getting more people to save more money for retirement. Though the intent is pure, I think this bill misses the mark on a viable solution to address the actual problem of not enough people saving for their retirement. There are already plenty of plans available to individuals & small businesses to save for retirement at little to no cost to the employer. Individual IRA's, Roth IRA's, SEP's, SIMPLE's and 401(k)'s are available through hundreds of channels throughout the state, whether through a local advisor or by signing up online. These plans are very easy to find & to enroll in. The problem is not that there are not enough plans out there. Creating another plan to throw into the mix is not the solution to the problem at hand. The problem is people lack the motivation and/or resources to plan for their long term financial needs.

I myself and all of the other business owners I've discussed this issue with had similar experiences with our employees. We enroll in an employer sponsored plan (I have a SIMPLE) available for my employees to do nothing other than authorize the amount to be deducted from their paycheck yet less than 50% of my employees participate in the plan. Another business owner I spoke with has a 401(k) with a very generous 4% employer match and yet only 1 of her 4 employees participates in the plan (and the one that participates is her spouse).

Several states have voted to implement state run plans, yet very few have been successful at actually implementing a plan & getting any significant level of participation in the plan. Rather than build another plan at great cost to our taxpayers, I believe a better approach may be to focus on educating the general public about WHY it is so important to invest for their retirement and how easy it is to get set up with a plan, whether through their own employer or an individual account. I believe this approach if executed well will help to get more people investing at a much lower cost to our taxpayers.