



STATEMENT FOR THE RECORD
BEFORE THE HOUSE STATE, VETERANS & MILITARY AFFAIRS
COMMITTEE
ON THE
COLORADO SECURE SAVINGS PROGRAM

June 9, 2020

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Small Business Majority

Dear Chairman Kennedy, Vice Chair Jaquez Lewis and the members of the House State, Veterans and Military Affairs Committee:

My name is Lindsey Vigoda, and I'm the Colorado Outreach Manager for Small Business Majority, a national small business advocacy organization with an office here in Denver. Thank you for allowing me to share comments with you on the importance of publicly administered retirement savings programs to our small business owners and their hard-working employees. This is particularly important as small business owners, self-employed individuals and small business employees face economic uncertainty due to the current public health crisis.

Colorado is suffering from a serious retirement savings gap, which has only been intensified due to economic hardships from the COVID-19 pandemic, and small business owners and their employees are significantly impacted by this crisis. According to research from Bell Policy Center, almost one million workers in Colorado don't participate in any retirement savings plan. Specifically, 81% small business employees in Colorado lack access to a workplace retirement plan. Our scientific opinion polling has found this reflects national trends, with just 19% of small employers reporting that they are able to offer a retirement plan to all employees. It's important to note that these numbers reflect pre-COVID-19 trends and that it will likely be even harder for smaller businesses to offer benefits like retirement in this uncertain economic climate.

SB20-200 would take steps to bolster financial security for the small business community establishing the Colorado Secure Savings Program that allows

private-sector employees to contribute to an individual retirement savings account through modest payroll deductions. Such a program would help small business owners offer retirement savings benefits at no added cost to their business.

We know that unfortunately too many small business owners face barriers to providing a workplace savings account. According to scientific opinion polling released by Small Business Majority and AARP, 3 in 5 Colorado small employers do not currently provide a workplace retirement savings plan, with cost cited as the primary reason. Among those who do not offer retirement benefits, two-thirds say they would offer a state retirement savings plan, if such a plan were available.

Small business owners want to offer flexible retirement options, which they know makes for a happier and more productive workforce. In fact, the opinion poll found almost 3 in 5 small business owners in Colorado (58%) support a privately managed state retirement savings program that would help small businesses offer employees a way to save for the future. Nearly 7 in 10 (69%) believe offering such a program makes small businesses more competitive by helping them attract and retain talented employees.

These Colorado retirement savings gap will not close on its own. Nearly 3 in 4 (72%) small business owners in Colorado believe state lawmakers should support a plan that would make it easier for small firms to offer an opportunity for their employees to save for retirement.

Small business owners and their employees are struggling to access retirement benefits to secure their future, and the Colorado legislature can help. I urge you to consider small business support for this issue as you consider this bill.

Thank you.

Lindsey Vigoda, Colorado Outreach Manager
Small Business Majority