Request to Include the New York State Secure Choice Savings Program (Article VII Part X - S.7505, same as A.9505) in the final budget
February 12, 2018

Honorable John J. Flanagan
Majority Leader, New York State Senate
Room 330 State Capitol Building
Albany, New York 12247

Honorable Carl E. Heastie
Speaker, New York State Assembly
Room 932 Legislative Office Building
Albany, New York 12248

Honorable Jeffrey D. Klein
Senate Coalition Leader and Independent Democratic Conference Leader
Room 913 Legislative Office Building
Albany, New York 12247

Dear Majority Leader Flanagan, Speaker Heastie, and Senate Coalition Leader Klein:

On behalf of the undersigned organizations, we respectfully request that the final budget include the Public Protection and General Government Article VII budget proposal Part X. This language is consistent with A.4982-B/S.4344-B, which currently has 85 sponsors in the Assembly and 18 sponsors in the Senate, including broad bipartisan support.

**PPGG Article VII Part X (S.7505, same as A.9505)** amends the State Finance law to enact the New York State Secure Choice Savings Program. The program would create a self-sustaining retirement savings option through an IRA payroll deduction for private sector employees who currently have no way to save for the future through their regular paycheck. Participation in the program is voluntary for businesses and employees.

Access to an employer-based retirement savings plan is critical to helping New Yorkers help themselves by building financial security and independence later in life. Individuals with access to such a savings plan at work are 15 times more likely to save for retirement than those who lack access. Yet, about 52 percent of New York’s private sector employees—roughly 3,507,000—work for an employer that does not offer a retirement savings plan according to the U.S. Census Bureau’s Current Population Survey data.

A 2017 AARP Report surveyed over 200 New York small business owners who do not offer retirement savings plans to their employees, and found **nearly three quarters of these small businesses would likely offer such a plan if a state-facilitated option existed.** Business owners stated the main reason they don’t offer a workplace plan is cost.

The probability of having a workplace retirement plan also differs considerably by workers’ earnings level, education, employer size, race and ethnicity. **According to the U.S. Census Bureau’s Current Population Survey data, about 67 percent of Hispanic/Latino workers, 52 percent of African**
American/Black workers, and 60.5 percent of Asian American workers in New York lack access to an employer-provided retirement plan.

According to the U.S. Government Accountability Office, 52 percent of households age 55 and older have no retirement savings, and Social Security provides most of the retirement income for about half of households age 65 and older. The average annual Social Security benefit in New York State is $15,580, according to the Social Security Administration.

The Executive Budget proposal would give New Yorkers access to savings options through their place of employment so they could build their own economic security. Retirement savings help workers achieve financial resilience through their own efforts. Greater access to such a retirement savings vehicle could also help improve the economic mobility of millions of New Yorkers and reduce wealth disparities that exist in our state.

For all of the reasons outlined above, we strongly urge you to include the New York State Secure Choice Savings Program in your chambers’ one house budget proposals, and in the final state budget. Thank you for your consideration.

Sincerely,

Beth Finkel
State Director
AARP New York

Ginger Lynch Landy
Executive Director
Argentum NY

Jo-Ann Yoo
Executive Director
Asian American Federation

Margaret Fung
Executive Director
Asian American Legal Defense and Education Fund

Paul Mak
Executive Director
Brooklyn Chinese American Association

Karen Nicolson
Chief Executive Officer
Center for Elder Law and Justice

Susan M. Dooha, JD
Executive Director
Center for Independence of the Disabled, NY

Wayne Ho
President & Chief Executive Officer
Chinese American Planning Council, Inc.

Hong Sing Lee
Executive Director
CMP

Vanessa Leung
Co-Executive Director
Coalition for Asian Children & Families

Bob Master
Assistant to the Vice President
Communications Workers of America (CWA) District 1

Chuck Bell
Program Director
Consumers Union
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>Morgan Pehme</td>
<td>Executive Director</td>
<td>Effective NY</td>
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<td>Chief Program and Policy Officer</td>
<td>FPWA</td>
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<td>Gray Panthers NYC</td>
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<td>Executive Director</td>
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<td>Long Island Lobby Coalition</td>
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<td>Sarah Ludwig</td>
<td>Founder and Co-Director</td>
<td>New Economy Project</td>
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<td>Executive Director</td>
<td>New York StateWide Senior action Council</td>
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<td>New York Urban League</td>
<td>Gladys Yan</td>
<td>President</td>
<td>OCA Advocate Long Island</td>
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<tr>
<td>Chi Loek</td>
<td>Executive Director</td>
<td>OCA Advocate New York</td>
<td>Rimas J. Jasin</td>
<td>Executive Director</td>
<td>Presbyterian Senior Services (PSS)</td>
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<tr>
<td>Richard Berkley, Esq.</td>
<td>Executive Director</td>
<td>Public Utility Law Project of N.Y.</td>
<td>Dr. Anderson Torres</td>
<td>President &amp; Chief Executive Officer</td>
<td>Regional Aide for Interim Needs Inc. (R.A.I.N.)</td>
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<td>Jack McPadden</td>
<td>President</td>
<td>Retired Public Employees Association</td>
<td>Michael Adams</td>
<td>Chief Executive Officer</td>
<td>SAGE Advocacy and Services for LGBT Elders</td>
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<td>Adam McNeill, AAMS</td>
<td>Principal</td>
<td>True Living Financial</td>
<td>Hillary Stuchin</td>
<td>Director, Government and External Relations</td>
<td>UJA-Federation of New York</td>
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Eric Alexander  
Director  
Vision Long Island  

Helen Schaub  
New York State Policy and Legislative Director  
1199SEIU United Healthcare Workers East  

cc:  
Senator Catharine Young  
Assemblywoman Helene Weinstein  
Shawn MacKinnon  
David C. Previte  
Dana Carotenuto-Rico  
Blake Washington  
LouAnn Ciccone