

May 20, 2021

Hon. Andrea Stewart-Cousins
Majority Leader
New York State Senate
907 Legislative Office Building
Albany, New York 12247

RE: Strengthen the New York Secure Choice Savings Program (S.5395-A Savino)

Dear Leader Stewart-Cousins:

Thank you for your leadership during this challenging time. As the end of this year's legislative session approaches, **our organizations urge you to bring S.5395-A (Savino) to the floor and urge the Senate to pass this legislation to ensure more New Yorkers can save for retirement and secure their financial future.** The Assembly same-as version, A.3213 (Rodriguez) passed the New York State Assembly with a strong vote of Y:121 and N: 26.

The New York Secure Choice Savings Program was enacted in the FY 2018-19 state budget. S.5395-A (Savino) would strengthen the program (which is set to be implemented next year) to make it consistent with successful programs in effect in California, Oregon, and Illinois, to name a few, by expanding coverage to more employers and employees.

Unfortunately, access to a retirement plan differs substantially by race and ethnicity in New York. **About 67 percent of Hispanic workers and about 52 percent of African Americans lacked access to an employer-provided retirement program.** New Yorkers of color accounted for about 47 percent (1,649,000) of the roughly 3,507,000 employees without a workplace retirement plan.¹

California, Oregon, and Illinois—each implementing their own state-facilitated retirement savings program that automatically enrolls employees and requires eligible employer participation—have seen tremendous growth and success since inception. Georgetown University's Center for Retirement Initiatives reports that in each state, participants contribute on average between \$106 to \$136 per month towards their retirement. Cumulatively, these states have recorded a 30.9 percent increase in total assets in the first quarter of 2021 alone.²

State-facilitated retirement programs are a cost-effective solution for business owners to offer access to a retirement savings option for their employees, without having to administer a burdensome, costly program on their own. **In fact, a recent AARP survey showed two thirds of small businesses across New York, defined as those with up to 99 employees, support the idea behind Secure Choice.**³

¹ <https://www.aarp.org/content/dam/aarp/ppi/2015-08/aarp-new-york-fact-sheet.pdf>

² <https://cri.georgetown.edu/states/state-data/>

³ <https://www.aarp.org/research/topics/economics/info-2017/ny-sbo-without-retirement.html>

It is equally critical that this program automatically enroll employees. With automatic enrollment, 90 percent of eligible employees participate in a workplace retirement savings program. Without it, the participation rate drops to 70%, mainly consisting of older employees and higher paid workers. Younger employees, women, people of color, and lower-paid workers are less likely to participate.⁴

Too many New Yorkers lack access to retirement savings options through their place of employment and too many New Yorkers find themselves ill-prepared for retirement. We can do better in New York. Strengthening the Secure Choice Savings Program will empower more people to take charge of their financial future.

Our organizations strongly believe that passing S.5395-A (Savino) can make New York a better place for people to live and retire with independence and dignity. It is critical that this legislation become law before the program rolls out next year. We call upon your leadership to ensure that this bill secures final legislative passage and is sent to the Governor this year.

Sincerely,

Beth Finkel
State Director
AARP New York

Frankie Miranda
President and CEO
The Hispanic Federation

Pastor George Nicholas
Chair of African American Health Equity
Task Force
Buffalo Center for Health Equity

Hazel Dukes
New York State Chapter President
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Jo-Ann Yoo
Executive Director
Asian American Federation

Maria Alvarez
Executive Director
New York StateWide Senior Action Council

Richard Berkley
Executive Director
Public Utility Law Project of New York

Arva Rice
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New York Urban League

Sarah Ludwig
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New Economy Project

Ann Marie Cook
President & CEO
Lifespan of Greater Rochester

Kristin Brown
President & CEO

⁴ <https://www.aarp.org/content/dam/aarp/ppi/2017/01/Default-Contribution-Rate.pdf>

Empire Justice Center

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New York Public Interest Group

Minerva Perez
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Programs Director
Consumer Reports

Theresa Regnante
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