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## Vermont's "Silver Tsunami" Not Financially Prepared for Retirement

by Steve Zind

The fact that people aren't saving for retirement is a national problem, and in many ways Vermont mirrors the nation: Fewer than half of workers don't have access to employer-sponsored retirement benefits – like 401K plans. When people don't have those benefits, studies show they're far less likely to save for retirement. By at least one measure, though, Vermont is doing worse than any other state: Among those who do have retirement plans through their employer, Vermont ranks last in terms of how much people have saved.

"We have a problem that we need to begin addressing here, because people are not going to have money. It is a crisis," said Steve Hill in a presentation to the state's Public Retirement Study Committee last week. Hill is a Vermont resident who directs the retirement security campaign for the Service Employees International Union.

Angela Antonelli, executive director of the Center for Retirement Initiatives at Georgetown University's McCourt School of Public Policy told the committee that states are increasingly confronting the problem of retirement security.

She said more than 25 states are actively working on the issue, including California, Massachusetts, Illinois, Oregon and Washington, which have enacted laws and are in the process of implementing private sector retirement initiatives.

Hill said any system should be simple and based on automatic contributions to a retirement account.

Hill and Antonelli said it is important for the state to identify who would benefit from such a system and work with small businesses, which typically don't offer retirement savings plans to their employees.

It's not yet clear how a public retirement plan would work and what it would cost. The committee will try to answer those questions between now and January when it is scheduled to report to the legislature.

According to national statistics more than one third of Americans over 65 depend solely on Social Security.

Advocates for a public system that can be used by private-sector employees say the retirement of baby boomers is creating a "silver tsunami" that poses challenges for government and society.

State Treasurer Beth Pearce, who chairs the committee, says helping people prepare for retirement is in everyone's interests.

"When people have adequate money in retirement, when they have reliable money in retirement, they buy goods and services. Also, they're less dependent on financial assistance either at the state or the federal level," says Pearce.