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Vermonters urged to plan for retirement

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BENNINGTON — State officials are traveling the state to encourage Vermonters to save for retirement, because data suggests that many residents are unprepared for the next phase of their lives.

State Treasurer Jeb Spaulding hosted a seminar Wednesday in Arlington, hoping to teach Bennington County small business owners about retirement planning for themselves and their employees.

Spaulding told the gathered business owners and professionals that many of Vermont's retired residents are facing great financial hardships because of inflation, the rising cost of health care and longer life spans. Those who have not planned for retirement are having an even harder time, he said. As a result, the state would like to help educate people on retirement planning.

"It stems out of concern that people around the country, people in my position, have about inadequate financial planning," Spaulding said. "Millions of Americans are not going to have savings to have a decent life.

Many people are relying on Social Security to provide them assistance for their retirement, said Spaulding, but the maximum amount available is \$24,000 per year and the average Vermonter gets just \$12,000 in Social Security benefits, he said.

The assistance seniors will need on top of Social Security will have an impact on the rest of society. "Despite what even the most live free or die types might tell you, we're not going to leave our seniors out in the cold. That's going to put a massive strain on governments — state and national governments," he said.

Studies show that about 80 percent of employees would participate in a retirement savings plan if it was offered to them, according to Spaulding. However, 70 percent of small businesses don't offer plans to their employees, he said.

Spaulding said his goal with the seminar, and other seminars that will soon be held around the state, is to show small business owners, and more importantly the employee, why retirement plans are in their best interest.

"One way you can do it is to show them how it is in their best interests. There are federal tax credits available for setting money aside," Spaulding said. "By not saving for retirement they're basically giving money away."

To help draw attention to the issue, Gov. James Douglas signed a proclamation officially designating Oct. 21-27 as "Save for Retirement Week" in Vermont. The Congress has also designated the week as a time for Americans to consider whether they are financially prepared for retirement.

Bennington Area Chamber of Commerce Executive Director Joann Erenhouse said many area business may not currently offer retirement savings plans to employees because of the perception that employers must contribute. She said the seminars will help people learn of other options available to them.

"I would think that there are a number of smaller businesses that don't have the resources to do the matching, but that doesn't mean they couldn't offer something," said Erenhouse.

Two new retirement planning pages for individuals and for business managers are available by going to the state treasurer's office new financial literacy Web site at: www.MoneyEd.Vermont.gov.