

SENATE RESOLUTION No. 1774

A RESOLUTION urging the small business community in Kansas to assist in developing a model for saving for retirement that is accessible to working Kansans.

WHEREAS, Nearly 45% of working-age households in the United States do not own any retirement assets; and

WHEREAS, Among those who do save for retirement in Kansas, the average 401(k) balance is only about \$23,000; and

WHEREAS, More than 420,000 Kansans do not have a way to save for retirement at work, leaving them more likely to rely on social security as their only source of retirement income; and

WHEREAS, The average monthly social security benefit in Kansas is \$1,281; and

WHEREAS, 47.9% of Kansans rely on social security for 50% or more of their retirement income; and

WHEREAS, In Kansas, 47% of the state's population would have an income below the poverty line without social security; and

WHEREAS, Nationwide, only 55% of private sector workers have access to a retirement plan at work; and

WHEREAS, In Kansas, 42% of private sector employees, including workers at all income levels and all levels of education, do not have access to a payroll deduction retirement plan; and

WHEREAS, In Kansas, only 20% of those who work for small businesses, meaning businesses with fewer than 10 employees, have access to a retirement plan at work; and

WHEREAS, Research shows that offering a person a way to save for retirement through their job dramatically increases their ability to save, and workers are 20 times more likely to save for retirement if they can do so automatically out of their paycheck; and

WHEREAS, Only 5% of people without access to a payroll deduction plan at work will establish a retirement savings plan strategy on their own; and

WHEREAS, AARP Kansas' data shows that, regardless of political affiliation, 68% of those surveyed believe that the state should do more to encourage retirement savings; and

WHEREAS, Half of all households are at risk of financial insecurity in retirement, causing taxpayers to shoulder the burden of ensuring that retirees have their basic needs met through social safety net programs; and

WHEREAS, Kansas could save \$51.7 million on public assistance programs between 2018 and 2032 if lower-income retirees save enough to increase their retirement income by \$1,000 more per year; and

WHEREAS, Making it easier for small businesses to offer a retirement plan to their workers and making it easier for employees to save their own money for retirement should be a high priority for policymakers; and

WHEREAS, It is in the best interest of Kansas small business employees, Kansas small business owners, taxpayers and for the state of Kansas to take action to enable Kansans to prepare for their futures and allow them to be self-sufficient in retirement, rather than depending on government services: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That we encourage Kansans to prepare for retirement in a financially secure manner, to develop a retirement plan individually or through the workplace and to support state leaders in taking any and all measures necessary to make this an obtainable goal; and

Be it further resolved: That we urge Kansas' small business community and employees to join with the Legislature and the State Treasurer to assist in developing a model for saving for retirement through the workplace that is accessible to working Kansans; and

Be it further resolved: That the Secretary of the Senate shall send five enrolled copies of this resolution to Senator Skubal.

Senate Resolution No. 1774 was sponsored by Senator John Skubal.

I hereby certify that the above RESOLUTION originated in the SENATE, and was adopted by that body

President of the Senate.

Secretary of the Senate.