

Mr. Chair, members of the committee, my name is Elliot Goldbaum and I am representing the Colorado Fiscal Institute (CFI). CFI is a nonprofit, nonpartisan organization dedicated to responsible fiscal and budget policies in order to promote equity and widespread prosperity for everyone in Colorado regardless of race or economic background.

SB20-200 is a perfect example of how responsible policy can lead to better economic outcomes for everyone in Colorado and the state economy as a whole. During a time when the future of our state and our economy is more uncertain than ever, the Secure Savings program would help make sure Coloradans are more financially prepared in the years ahead.

This bill, which is based on the recommendations of the Colorado Secure Savings Board and the hard work of many advocates over the years to increase opportunities for workers to save for retirement, is badly needed. For many Colorado workers, access to a savings plan at work is nonexistent, and even though technology is helping some folks, not being able to save money right out of every paycheck remains a huge barrier.

There are two main reasons we think you should support this bill. First, if more people have economic security in retirement because they save and invest during their working years, we will see fewer older Coloradans living in poverty and fewer people leaning on state and federal economic security tools. And second, local economies benefit greatly from retirement spending, which acts as an economic stimulus because retirees – especially during their early retirement years, known among retirement planners as their “go go” and “slow go” years – tend to be in a spending mode when they hit retirement.

To the first point: with the challenges created by COVID-19, the number of Coloradans experiencing poverty and the challenges associated with it could be on the rise. In 2017, about 500,000 Coloradans were living in poverty, and of those, about 10% were older Coloradans aged 65 or older. If current retirement savings trends continue, that number will increase as time goes by, meaning many more people will be leaning on anti-poverty reduction tools in order to make ends meet. That will put more pressure on federal and state budgets to pick up the slack, and with Colorado already facing billions in lost revenue due to the recession created by the pandemic, retirement security isn't just providing economic security, it can also help with Colorado's fiscal future.

Now to the second point: data from the National Institute on Retirement Security, shows retiree spending from public and private pensions in 2016 accounted for a total economic impact of \$7.6 billion in Colorado, and that number would be much higher if it included defined contribution savings like 401(k) and IRAs, similar to the IRAs that will be established under SB-200. If we have hundreds of thousands more people saving, that's only going to increase the economic impact in the future.

Mr. Chair, committee members, you have a choice. We can continue to ignore the economic security of hundreds of thousands of Colorado workers who lack a way to save for retirement at work, increase future spending on anti-poverty tools at the state and federal level, and ask

future generations to shoulder a greater burden than previous ones, as they struggle to help their parents and grandparents remain in their homes and afford the growing cost of things like long-term care.

The other option is to pass SB-200. The older Coloradans of the future will be able to remain in their own homes longer, be less reliant on their children and the state to help make sure they can make ends meet, and communities and small businesses will benefit from increased spending from people who are secure and confident in their finances during retirement.

We trust you will make the right choice by voting yes on SB20-200. Thank you for your time and for your service to the state of Colorado during this unprecedented crisis.