

March 3, 2016

John Chiang  
Board Chair  
California Secure Choice Board  
915 Capitol Mall  
Sacramento, California 95814

*RE: California Secure Choice Retirement Savings Program*

Dear State Treasurer Chiang:

As a leading representative of the nation's 28 million small business owners and the more than 3.5 million small businesses in California, Small Business Majority is writing to thank you for your continued efforts in implementing the California Secure Choice Retirement Savings Program and making sure the program works for small businesses. Establishing this program will play a vital role in keeping small businesses competitive and helping small business owners and their employees prepare for retirement.

Retirement plans are crucial to employers' ability to attract and retain employees in today's economy. A [Towers Watson survey](#) found 63% of workers younger than 40 agreed their retirement program was an important factor in accepting their job in 2011. Unfortunately, too many small businesses lack the resources to set up an employer-sponsored retirement plan. In fact, 77% of the 7.5 million Californians who don't have access to employer-sponsored plans work for small businesses with fewer than 100 employees. Small business owners who can't offer retirement plans due to a variety of barriers know this puts them at a disadvantage in hiring talented workers and keeping their employees happy.

The California Secure Choice Retirement Savings Program offers an easy way for small business owners to solve this problem by offering employees access to a retirement plan, which is why they support this program. [Polling](#) from Small Business Majority and AARP found two-thirds of small business owners in California support a state retirement savings program that would help small businesses and their employees save for the future. Nearly three-fourths of respondents think offering such a program would give their business a competitive edge.

Considering the importance of retirement savings for small businesses, we applaud your work in making this program viable for small businesses, particularly your decision to recommend that the U.S. Department of Labor allow auto-enrollment for employers with fewer than five employees.

As you move forward with implementing this program, we encourage you to prioritize small businesses in your decisions, as small business owners and their employees will be key constituents of this retirement program. We also encourage you to consider allowing the self-employed to use the program.

The California Secure Choice Retirement Savings Program offers a tremendous opportunity to help our small businesses. We look forward to seeing the program implemented in full.

Sincerely,

Mark Herbert  
California Director, Small Business Majority