

March, 2016

The Honorable John Chiang, Chair  
California Secure Choice Retirement Savings Investment Board  
915 Capitol Mall, Room 110  
Sacramento, California 95814

Subject: California Secure Choice Market Analysis, Feasibility Study, and Program Design: Final Report ("Final Report") to the Secure Choice Retirement Savings Investment Board ("California Board")

Dear Treasurer Chiang:

Thank you for your leadership in developing a retirement security program for California workers who currently do not have access to a retirement savings plan.

Generations before us worked tirelessly to uphold their end of the American promise: that the companies they helped to grow would help workers enjoy a secure future. It's the same promise our immigrant workers carried in their hearts when they came to America with the goal of working hard to build a better future for their children.

But in recent years, wave after wave of employers have reneged on that basic contract.

With far too little access to workplace based retirement options, today, three in 10 seniors do not have enough income to cover their basic needs. This situation will only grow worse unless our leaders step forward with solutions.

Like so many hardships facing working people, poverty in retirement does not fall equally across our population. Latinos, African Americans, Asian Americans, women, and workers who haven't been able to build equity in a home are those who face the greatest vulnerability as they enter their senior years.

Here in the Los Angeles area, the future of our seniors will be especially bleak if California leaders don't take action to help our community come together to tackle senior poverty

The good news is that California is on the brink of a breakthrough in tackling senior poverty – if we choose the right path.

The Secure Choice Retirement Board is gathering public input as it decides how to implement a mandate to offer a state-sponsored retirement to 7 million Californians. These are the hard-working people of our state, often in low wage or part-time jobs, who don't have a retirement option where they work. They're bound to join the growing proportion of seniors who live in poverty or work until they die.

Like so many issues of income inequality, the labor community knows that the best option to grow our collective strength is to grow our collective investment. That's why we're calling on the Board to choose the "Pooled IRA with reserve option."

There is only one way to weather even the toughest economic storms—band together and divide risk among millions of workers and across generations. That way no individual bears the brunt of bad timing alone.

Just as workers standing together on the job is the way we've increased wages and eliminated abuses in the workplace, workers investing together is the way to ensure we have a chance to thrive together in retirement.

Scores of workers have been standing up to share stories and ask the Secure Choice board to help them stand with their fellow workers to share risk, and eliminate the uncertainty in a time of extreme anxiety in the financial markets. Remember, it's their future, and the future of millions of Californians like them that is the hands of the Secure Choice board. We urge the Board to select the Pooled IRA with reserve option to secure their future.

Sincerely,

Rusty Hicks  
Executive Secretary-Treasurer  
Los Angeles County Federation of Labor, AFL-CIO