

My name is Dolores Manning. I am a resident of Santa Cruz County and retired from Santa Cruz County government employment. I am here to ask the Board to choose the option for investment of the retirement savings funds that will provide the most stable and dependable returns for workers.

I would like to tell you briefly about the experiences of my family that motivated me to come to this hearing. I have a CalPers pension that I can depend on, but my 3 aging children, in their fifties, are not that fortunate. They all started saving for retirement early and saved well, but the recession has derailed their plans.

One son bought a house shortly before the recession. To keep the loan interest down he used retirement savings for a large down payment and planned to sell the house, downsize and recoup his retirement savings as soon as his family left. Then the recession forced many of the houses in his neighborhood into foreclosure. The houses were resold at a fraction of their original cost to people who rarely had the money to keep them up. The market value of houses in my son's neighborhood has remained very low. After all this time he still owes more on his house than its' market value. He hopes to eventually sell for what he owes, but he says he doesn't anticipate that he will ever get back any of the hundreds of thousands of dollars he paid down.

My daughter has a 401(k) and she also had substantial other savings invested for her retirement. She lost her job in the recession and had to live for two years on the then devalued investments where she had placed her savings. She was at the point of having to cash in her 401(k) as well and take penalties and losses on it when she was offered a job in a small rural town in Florida. Her pay on this job is less than half of her previous salary. She has barely enough income to live on paycheck to paycheck and isn't able to save anything to replace her retirement savings.

I feel that the experience of my family is a strong argument for the pooled option, which would tend to protect workers' savings from large market swings that they can't predict. I urge you to choose the less risky pooled option.

Thank you.