

Chairman Grassley, Ranking Member Wyden and Members of the Committee, thank you for the opportunity to address the Committee on the topic of retirement security.

My name is Tobias Read and I have the honor of serving as Oregon's State Treasurer. As Treasurer, I am focused on promoting the financial security of all Oregonians. In 2015, as a state representative, I sponsored the legislation that ultimately created the Oregon Retirement Savings Program, now known as OregonSaves. The Oregon State Treasury is tasked with implementing OregonSaves, and that is reason I'm here to testify before you today.

Oregon created the first-in-the-nation state-based auto-IRA program in response to the growing retirement savings crisis. The National Institute for Retirement Security, estimates the gap between what's saved for retirement and what's actually needed for retirement is at least 6.8 trillion dollars.

At the same time, more than half of the private sector workforce in the United States lacks access to a retirement savings plan at work. In Oregon alone, there were approximately 1 million private sector workers without such access. And we know from the research by the AARP, people are 15 times more likely to save for retirement if there is an option to do so at work.

That's why I think everyone should be happy to see the efforts of Oregon and other states to expand savings options to more people—a smart approach that will help workers of every income level and their families. Empowering more people to invest in their own futures is vital to the financial wellbeing of individuals, families, and federal, state and local governments.

Tens of thousands of Oregon workers are already saving. We have eclipsed \$19 million in savings in less than two years, and the program's total assets are increasing exponentially, climbing by more than \$2.2 million a month, and that rate continues to accelerate. And here's some more great news: Most of those Oregonians are first-time savers.

OregonSaves is a public-private partnership that gives workers the opportunity to save for retirement through payroll deduction. Their savings are deposited into their own individual retirement accounts.

Those IRAs are owned by the worker and not tied to the job, ensuring that what a worker saves will always be their money and under their control. Oregon businesses that do not offer a retirement savings option are required to facilitate the program for their workers.

Many employers see the benefits of OregonSaves and aren't waiting. Employers of any size can enroll at any time ahead of the timelines the program requires, and nearly 2,000 have already chosen to do so.

The program is also open for voluntary enrollment by individuals, including the self-employed and those workers whose employers do not facilitate OregonSaves. Hundreds of people have self-enrolled since we brought that option online late last year.

The program is seeing strong participation in line with our projections, with about 3 out of every 4 people choosing to remain in the program and save.

Beyond the numbers, I love to hear the stories of the savers, like Genevieve, who works for a small non-profit. Genevieve told us that OregonSaves is “the easiest retirement program I have ever participated in. It has removed a lot of the stress of having to choose from a long list of decisions that feel overwhelming. Saving for retirement should be easy and painless.”

I'm also excited by the enthusiasm we are seeing from local business owners. As Josh Allison, owner of a brewery on the north Oregon coast told us, “OregonSaves allows me to offer a retirement plan to my employees, which I would have a difficult time providing on my own. As a small family owned business, it gives me the tools to recruit and retain good employees. It also gives my employees the ability to work for our company as a career. It's a win-win for all parties involved.”

From the beginning, I was very aware that the success of OregonSaves relied heavily on our relationship with employers. We constructed the program to limit the obligation of the employer as much as possible and are constantly considering ways to reduce the time employers spend facilitating the program.

We have been working closely with some of the nation's largest payroll service providers to discuss how best to integrate payroll processes reducing further the amount of time employers need to spend on the program.

For employers that handle their payroll functions without the help of a payroll service provider, the time to facilitate OregonSaves adds 10-15 minutes each month.

The public overwhelmingly supports the program. Employers say it is easy to sign up workers, and based on a recent public survey, the level of support has actually increased in the first year. Today, an astounding 82 percent of people support OregonSaves.

OregonSaves is already increasing the long-term financial stability of thousands of Oregonians. And we are just getting started.