Governor's Retirement Security Task Force
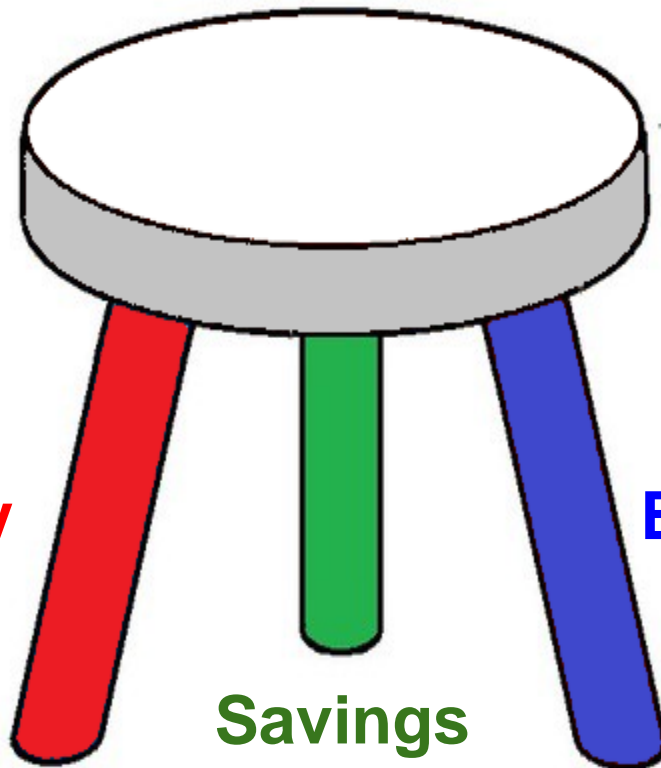
Wisconsin's Retirement Crisis (1 of 2)

➔ **Retirement Savings:**

◆ Less than ***$3,000 saved for retirement***

◆ ***88% of Wisconsinites*** do not feel financially prepared to retire

➔ **Social Security**

◆ 896,000 receive @ $1,443 is average monthly benefit

◆ Cannot live off of socially security alone

     - Medicare Gaps & Rise in Health Costs

80% of the prescription drugs seniors can't afford are needed for an important condition

Wisconsin's Retirement Crisis (2 of 2)

➜ **Access & Employers**

◆ *1 in 7 voters in WI do not have access* to retirement @ work

 - Less than half of Black Wisconsinites have access @ work

◆ *AAPR Small Business Survey - Barriers to Offering Retirement*

 - *59% say it's too costly*

 - *30% say it's too complicated*

 - *80% agree it helps them stay competitive*

 -

◆ *82% of Wisconsinites would be interested in a state →
public/private partnership pla**n***

Elderly and WI's Economy

→ Elderly Population is growing well above the national average :

   ◆ **_60% increase_** in the number of people aged 65+ - next 10 years

→ By not doing anything to address retirement...

   ◆ **_400,000 more elderly will be living in poverty by 2030_**

→ Cost to the Wisconsin

   ◆ Expenditures on senior programs will be **$4.5 billion by 2030**

   ◆ An estimated increase of over $3 billion from 2015

Governor's Executive Order

Governor's Recommendations

1. **Access**: How to best address the retirement crisis for Wisconsinites who do not have a way to save

2. **Small Business & Regulation:** Reduce regulatory and operational burdens

3. **Save**: Encourage younger Wisconsinites to save earlier in life

4. **Innovation**: Innovative reforms

Approach

2019	Jan -Nov 2020	Dec 2020- Jan 2021
1 Define	**2 Design & Develop**	**3 Deploy**

Define
- ☐ Understand the problem
- ☐ Listening Sessions
  - ○ Across the State
- ☐ Briefings from Experts
  - ☐ AARP
  - ☐ Leg Reference Bureau
  - ☐ Aspen Institute
  - ☐ ETF
  - ☐ Georgetown Retirement
  - ☐ Behavioral Economists

Design & Develop
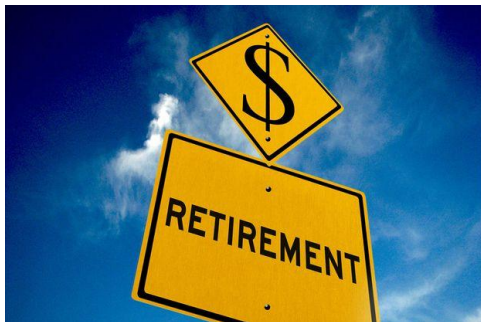- ☐ Launch committees
- ☐ Blueprint recommendations

Deploy
- ☐ Publish Recommendations
- ☐ Report to the Governor
- ☐ Develop plan for implementation
  - ○ Governor's Action
  - ○ Legislative Action
  - ○ Private Sector

Phase I: Listening to Wisconsinites

→ Employer-Based System

→ New Economy & Portability

→ Small Business & the Expense

------------Crisis within a Crisis ------------

→ Emergency Savings

→ Saved Earlier

→ Where to go for next time?

Phase II: Committee Structure & Development

Retirement Security Task Force

Committees

| Tax, Regulation, and Education | Accessibility & Save | Universal Savings Strategies |

Tax, Regulation & Education
Chair: Representative John Macco

Overview

- How can the state improve tax and educational opportunities and encourage participation with saving for retirement?

- Further, identify ways to reduce regulatory and operational burdens for both the saver and employer.[i]

[i Governor's EO: *Reduce regulatory and operational burdens on small businesses who want to offer retirement savings options to employees.*

Accessibility & Save Options
Chairs: Dr Collins and Ms Lamkins

Overview

The Accessibility & Save Committee will identify ways

● The can the state expand access to save for retirement focusing on potential public-private partnerships?

● Further, address the challenge of portability with retirement plans.[i]

[i Governor's EO: *Expand access for Wisconsinites who do not have a way to save for retirement*

Universal Savings Strategies
Chairs: Representative Goyke

Overview

The Universal Savings Strategies Committee will focus on

- Identifying tools and tactics that can encourage Wisconsinites to save for retirement starting as soon as birth.[i]

- Further, focus on innovation to drive savings.

[i Governor's EO: *Encourage younger Wisconsinites to save early in life*

What's Next?

Task Force Meetings

Date	Purpose
Friday, Oct 16	Committee Presentations
Friday, Nov 20	Draft Recommendations
Tuesday, Dec 15	Final Meeting: Recommendation Presentations
Jan 2021	*Deliver Final Report to Governor's Office*

*Recommendations: Will provide a **menu** of options for the governor to choose - looking at actions to be taken by the governor, the legislature, and the private sector*

Questions