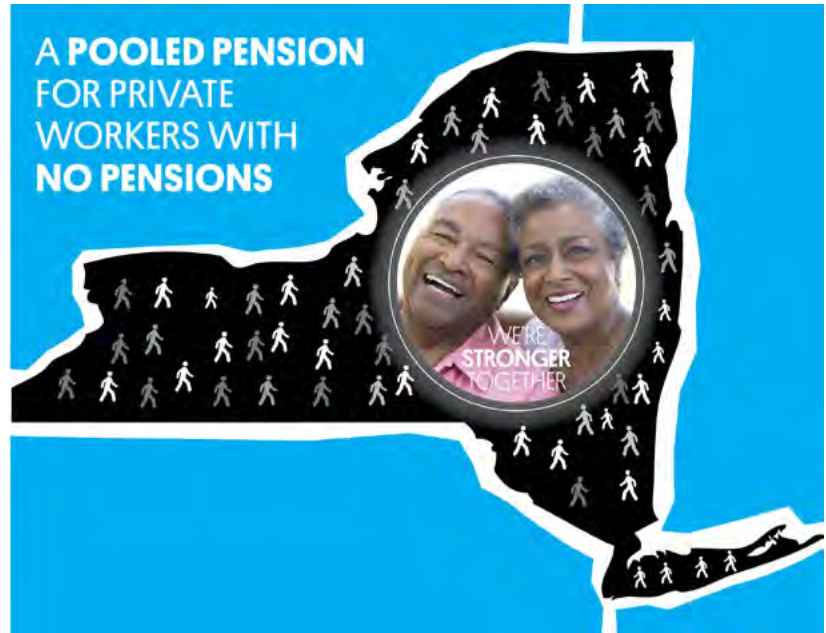


# A Bold Vision for Retirement Security

A new coalition of local, state and national leaders, including academic experts and advocacy campaign managers, has come together around a bold solution to the crisis of retirement insecurity.

We propose: that New York lead the way by creating a *centrally pooled retirement trust fund*, open to all private-sector New York workers who currently have no access to a pension, and offering the investment, accumulation, and annuity advantages learned from well-managed public employee retirement systems in New York City and State.

Such a central pool would provide private employees with a public-option pension plan, offer secure retirement savings with lower fees and higher returns than 401(k)s, and create a competitive advantage for businesses locating in New York.



## The Crisis

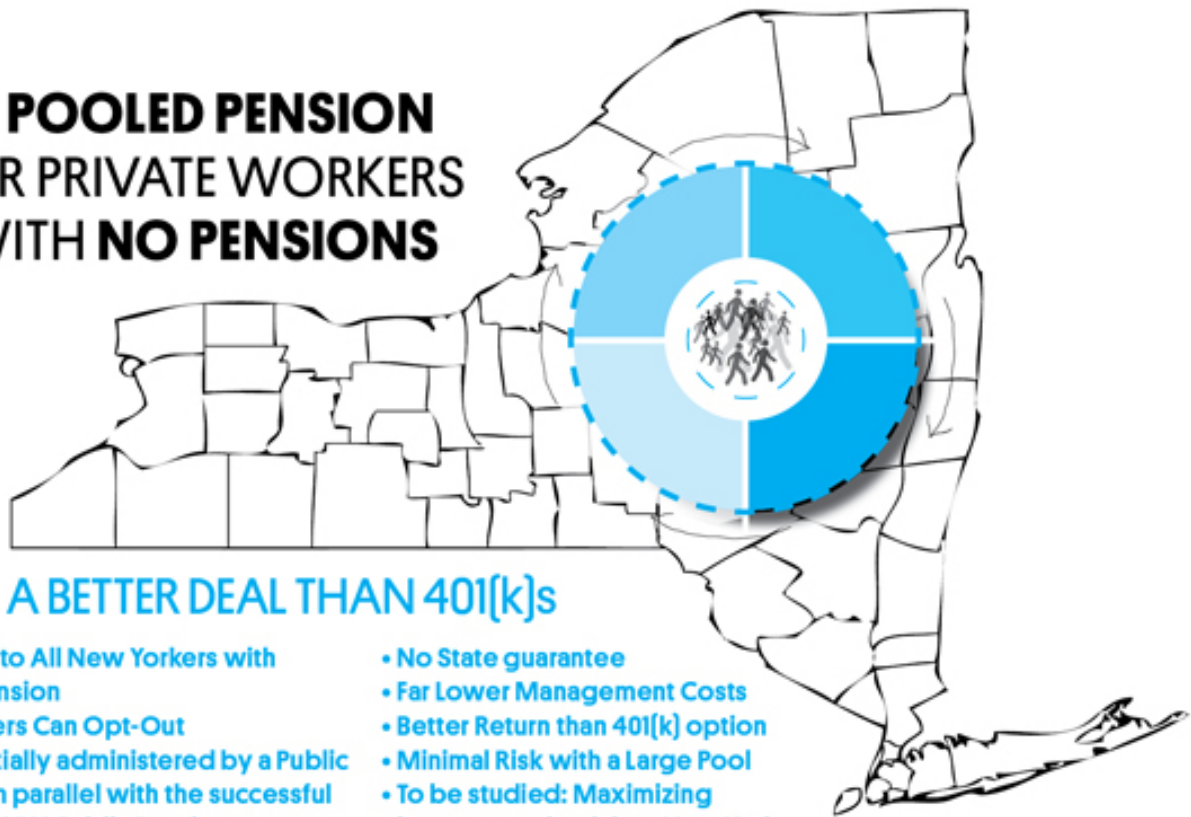
The American workforce is facing a \$6.6 trillion problem: a massive gap between what people have in retirement savings and what they need. The traditional defined-benefit pensions never covered everyone; the 401(k) system has failed to close the savings gap, and now even middle-class American workers face the prospect of retiring into poverty.



The problem in New York is even more pronounced. Nearly 60% of New York-area workers are without access to a pension or 401(k) at work, and the average New Yorker without a defined-benefit retirement plan at work is saving only 54% of the money they will need for retirement.

The lack of a viable Federal solution to the retirement crisis creates an opening for New York to lead the way in tackling the problem. Our vision for Pensions for All New Yorkers represents a direct solution to this crisis in retirement security. Our campaign seeks to build support for just such a solution here in New York City, as a model which could be expanded in the near future to cover all of New York State.

# A POOLED PENSION FOR PRIVATE WORKERS WITH NO PENSIONS



## A BETTER DEAL THAN 401(k)s

- Open to All New Yorkers with no pension
- Workers Can Opt-Out
- Potentially administered by a Public Trust in parallel with the successful NYS & NYC Public Pension system
- Alternatives include using a large private manager like TIAA-CREF
- No State guarantee
- Far Lower Management Costs
- Better Return than 401(k) option
- Minimal Risk with a Large Pool
- To be studied: Maximizing investments back into New York
- To be studied: State EITC contribution for low wage workers

### *The Solution*

The centrally pooled retirement trust fund would be the vehicle for addressing each aspect of this crisis.

Even a conservative plan, funded entirely by workers' own contributions, would directly address workers' lack of access to a safe and secure retirement savings vehicle in New York and fundamentally alter the debates around pensions.

Ultimately, a centrally pooled trust would allow for two more major advances in retirement savings and investment:

- *First*, a New York workers' trust would have a clear interest in re-investing the maximum possible amount of its fund into businesses and public projects in New York, allowing the collective retirement savings of New York workers to boost the New York regional economy. We propose doing so as much as possible while still meeting all fiduciary responsibilities to the workers.
- *Second*, the economic gains brought on by the plan and the reduced need for public assistance for needy seniors should allow for a direct government contribution to the plans for low-income workers (along the lines of the Earned Income Tax Credit), thereby establishing a true Pension for ALL New Yorkers.

## Our Campaign

We have embarked upon a two-year campaign to raise awareness, build support, and drive solutions to the problem of retirement insecurity in New York.



Coordinating the campaign is the **EffectiveNY Howard Samuels Policy Center**, a 501(c)3 organization focused on raising awareness of issues affecting New York State, and advocating for progressive policy solutions.

The Samuels Policy Center is chaired by *Bill Samuels*, a leading name in New York politics, who has worked for the last year and a half researching and preparing this coalition to achieve pensions for all.

Core groups in our coalition are:

- **The Schwartz Center for Economic Policy Analysis at the New School for Social Research**, the experts in the field of retirement security research, led by *Prof. Teresa Ghilarducci*.

Prof. Ghilarducci has written several books on the subject of retirement insecurity, and had her opinion columns and proposals printed in *The New York Times* and other national papers.

- **The National Conference on Public Employee Retirement Systems**, the trade organization for over 500 pension funds, led by *Executive Director Hank Kim*.

NCPERS brings experience in drafting legislation on public-option private pension plans, and has been instrumental in the ongoing efforts to create similar plans in California, Connecticut and Maryland.

- **The Fund for Public Advocacy**, a 501(c)3 organization attached to New York's *Public Advocate Letitia James*, and managed by *Kimberley Peeler-Allen*.

The Fund brings to our coalition a tremendous capacity for public education on the need for retirement savings, and the ability to build a grassroots base of support for our retirement trust proposal from the very workers and employers who would benefit from it most.

As part of the campaign for Pensions for All, the Fund for Public Advocacy will lead town hall meetings and outreach to small business owners and other key stakeholders.

## Campaign Goals

Over the course of 2014, we intended to initiate the public discussion and expert examination of how to solve New York's retirement crisis, and to develop a new plan suitable legislation by the end of the year. We will work collaboratively with the Office of the Mayor of New York, the Comptroller of New York, and the New York City Council to achieve passage of such a plan in 2015.