

**Opening Statement of Senator Herb Kohl
Special Committee on Aging Hearing – March 7, 2012
Opportunities for Savings: Removing Obstacles for Small Business**

Good Afternoon. I would like to thank our witnesses and welcome everyone attending today's hearing.

American workers face a retirement gap – a gap between what they will need in retirement and what they have actually saved – of \$6.6 trillion, according to the non-partisan Center for Retirement Research at Boston College.

To bridge that gap we need to make it easier for employees to save at work – because that is where it is easiest for most people to save. However, for 42 million American workers – a third of the private sector workforce – employed by small businesses, it's an opportunity that rarely exists. In fact, according to Census estimates, as few as 29 percent of workers at small businesses have access to retirement plans at work. By comparison, 81 percent of workers at companies with 100 or more employees have access to employer-sponsored plans.

On the employer side, many small businesses WANT to offer retirement plans because, without them, they are at a competitive disadvantage when it comes to attracting and retaining good employees.

With this in mind, this Committee asked the Government Accountability Office to explore why so few small businesses offer retirement plans to their employees. As we will hear today, what the GAO heard from small business owners were general concerns about a lack of time and money to select and finance plans as well as worries about being overwhelmed by administrative requirements and the risks of being held liable for high fees or poor plan performance.

We have been working with Senator Enzi and other senators and plan to introduce bipartisan legislation that will make it much easier for small business owners to set up retirement plans. Under our approach, which is supported by the U.S. Chamber of Commerce, small businesses would be able to pool together to create plans that use experienced financial experts to assume many of the administrative and fiduciary duties that small business owners have neither the time nor expertise to monitor. This would lower costs and encourage more companies to offer retirement plans to small businesses. And ultimately, this would result in more people saving for their retirement.

Today, we will hear from the GAO about its findings and the Department of Labor about its efforts to reach out to the small business community. We will then turn to financial experts, including Mr. Bryan Fiene (fee-nee) from my home state of Wisconsin, who will discuss the difficulties small businesses face with savings plans as well as the benefits of allowing small businesses to pool together.

While everyone has an individual responsibility to save, it also is essential that all workers have the opportunity to save for their retirement. More small businesses in Wisconsin offer retirement plans to their workers than almost any other state in the nation. Nevertheless, just one in five small businesses in my state offer retirement plans to their employees. By creating better opportunities for small businesses to provide retirement plans, we will come closer to building a universal, secure and adequate pension system that can provide retirement security for all Americans.

I thank you all again for being here today. Before I turn to our Ranking Member, Senator Corker, I want to recognize my staff director for this Committee, Deb Whitman, who is leaving us for a new challenge. Over the past five years, she has been a strong, effective and highly skilled leader on the issues that have come before this Committee. Her service and deep commitment are truly appreciated, and she will be missed.

And with that, I turn to our Ranking Member, Senator Corker.