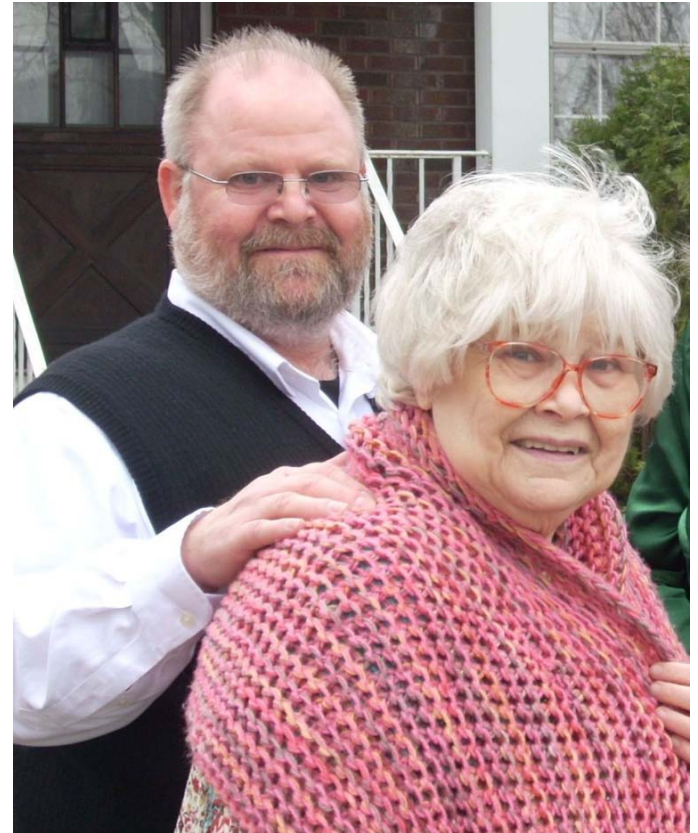


Washington State's START Plan Save Toward a Retirement Today

John Burbank
Economic Opportunity Institute
Seattle, Washington

NASI Workshop
January 29, 2014

- **History**
- **Allies and Leaders**
- **What START Does**
- **What It Doesn't Do**



Pre-START

The Three Legged Stool was in trouble

- **Social Security**
- **Individual Savings**
- **Private Pensions and Deferred Contributions**

How Not to Succeed in Advancing Policy

- **Have a good idea, but....**
- **Few partners**
- **Little power**
- **Powerful opposition**
- **Bad timing**
- **Get overwhelmed by other issues**

How to build the national context for START

- **Catalyze activity across the country**
- **Work with national allies**
- **Multistate conferences**
- **Get legislative proposals moving in several states**
- **Tentative victories in California, Massachusetts, and Oregon**

AARP: Riding to the Rescue

- **Main Street Alliance**
- **Small Business Majority**
- **AFSCME**
- **SEIU**

How will START work?

- **Deferred compensation system**
- **Workplace-based IRA**
- **Voluntary for employers**
- **Default participation for employees, but also voluntary**
- **Portable between jobs**

Implementing Agencies

- **Building on current infrastructure**
 - Department of Retirement Services
 - Washington State Investment Board

 - Contracting with Private Financial Services
 - Contracting with Private Investment Services
 - A role for brokers

2014

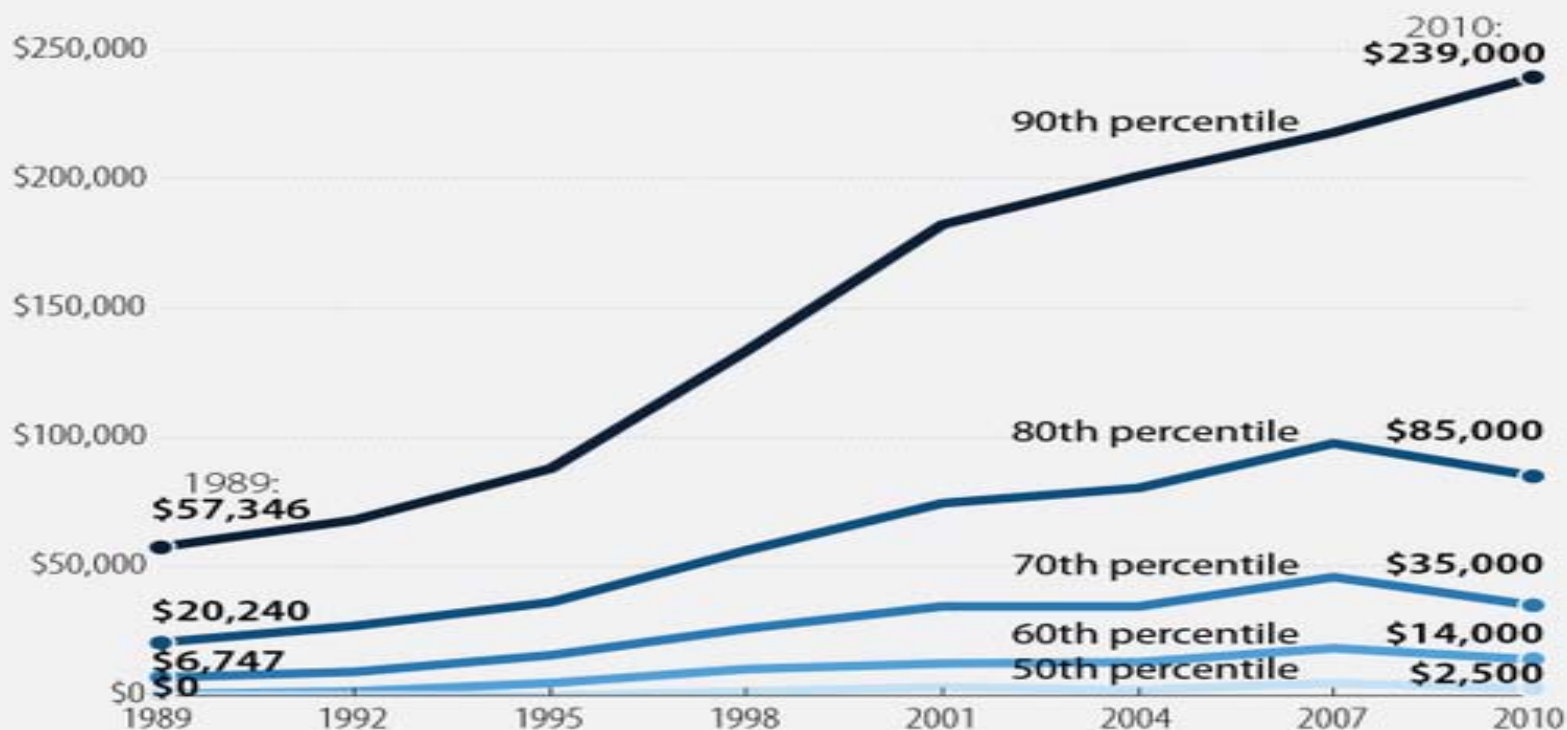
- **\$250,000 in Governor's budget for legal work with IRS**
- **Legislation in the House and the Senate**
- **House bill has bipartisan sponsorship**
- **Senate bill sponsor is a small businessman who worked for Bank of America**

Next steps

- Hearings
- Republican lobbyists for START
- Messaging Guide
- Website: <http://startwa.org/>
- Ongoing pressure in a short session
- Avenues: budget and legislation

The failed 401(k) revolution has heightened inequality, not provided secure retirement

Savings in retirement accounts of households age 26–79, by percentile, 1989–2010 (2010 dollars)



Note: Retirement account savings include savings in 401(k) and other defined-contribution plans, IRAs (including employer-sponsored SEP IRAs and SIMPLE IRAs), and Keogh plans for small businesses.

Source: EPI analysis of Survey of Consumer Finance microdata

This chart originally appeared at: go.epi.org/2013-401k-percentile

ECONOMIC POLICY INSTITUTE

What START isn't

- Not a social insurance program
- Because risk and reward reside with individual
- Even if we get 25% of workers to participate, we still leave 25% of workers without a retirement plan or pension
- It is not a state supplemental Social Security
- **But START is an advance for retirement security.**