



Oregon

RETIREMENT SAVINGS PLAN

HELPING OREGONIANS SAVE FOR A MORE SECURE FUTURE

OREGON STATE TREASURY

April, 2016

Oregon Retirement Savings Plan

2015 LEGISLATURE – HB 2960

- Access for Oregonians without a savings plan at work – *over 1 million*
- Auto-enroll, auto-escalate, opt out
- Investments will be pooled and professionally managed by the private sector
- Light touch for employers, who facilitate but are not fiduciaries

Key Demographics, Workers in Oregon without a Plan at Work

- Characteristics:
 - Income range \$13k - \$50k (25th/75th percentile); lower than covered worker range of \$25k-\$70k
 - 28% non-white, vs. 22% for workers with a plan
 - 69% full time, 31% part time
 - Employer size
 - 1-10 employees – 39%
 - 11-99 employees – 19%
 - 100+ employees – 42%
- Ages and marital status similar to covered workers

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One Goal : Improve financial literacy

“While education alone is not enough to address the retirement security crisis, efforts to increase participation in retirement savings plans should be accompanied by increased financial literacy education and financial values education. The Task Force recommends additional research into the preferable components of an education program, including inclusion in public schools, employee orientations, small business resources, and public awareness campaigns. “



Source: Oregon Task Force on Retirement Savings, 2014

By Bill:

The Oregon Retirement Savings Board shall report to a committee or interim committee of the Legislative Assembly related to retirement investments on or before December 31, 2016. The report must include:

(7) Recommendations to the Legislative Assembly regarding ways to increase financial literacy in this state.

What We Know

- Oregon's Academic Standards **do** address literacy:

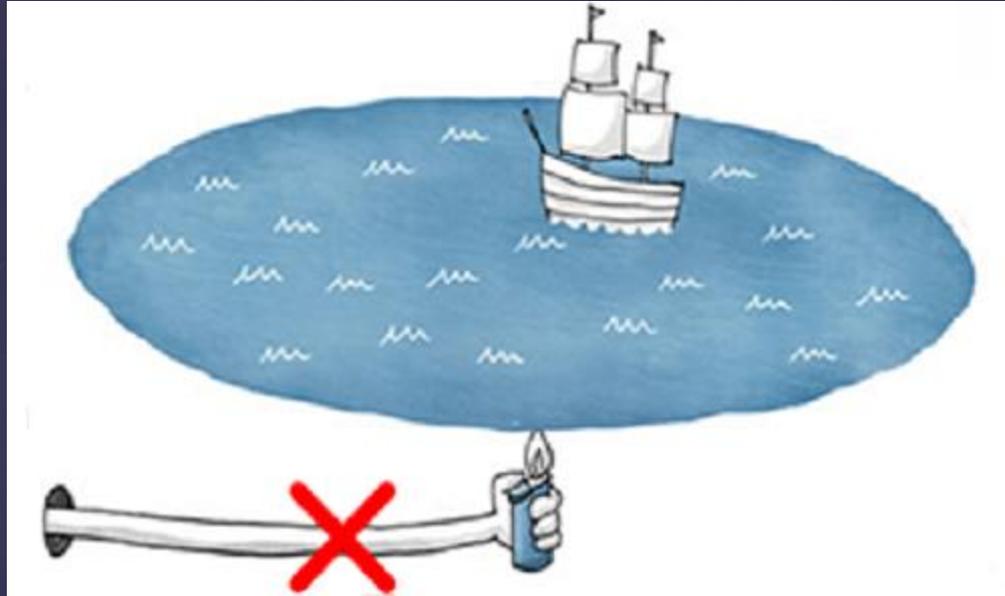
Financial Literacy

22. Acquire the knowledge and economic reasoning skills to make sound personal financial decisions to meet long and short term goals.

23. Understand and apply key concepts of personal income potential, risk management, and investment.

24. Examine individual responsibility and the impact of decisions on personal, local, regional, national and global economies.

- **But** - standards prior to high school focus more on economics than personal finance; literacy experts say that curricula varies widely in content and effectiveness; and outcomes are not measured



It would be tempting
to try to boil the ocean

ORSP Working Group on FL

- This working group will help the Board consider and suggest recommendations which will be presented to the Legislative Assembly regarding ways to increase financial literacy in Oregon.

Recommendations will focus on: Literacy and financial education approaches for plan-eligible workers in Oregon, state-wide, and reflective of key demographic groups

- In addition the group may focus on recommendations for:
 - Curricula in Oregon, linked to or in addition to current efforts
 - Expansion of current programs focused on financial literacy for working Oregonians
 - Partnerships – establishing new or expanding current offerings to improve financial literacy across the State.

Oregon Retirement Savings Plan
Financial Literacy Survey - March 2016

PROGRAMS

		Cost and Funding				Provision of Service			
Organization	Name and type of adult financial education or literacy programs your organization provides	Service offered at no or very minimal charge	Fee charged to help fund the program	Other types of funding are used to fund the program	Describe the types of funding used to fund the program.	Services are provided by our own staff	Services are provided by volunteer	Services are provided by another organization	Explain the services provided by a
9	Easter Seals Oregon	Yes		Yes	At this time we do not charge a fee for service. DHS/APD provides funding for state and local program operations. Our cost is low due to the OMMP being a volunteer-based program. 90% of the work is done by volunteers. However, we are considering charging a fee in the future based on the client's ability to pay.		Yes	Yes	Easter Seals Oregon provides direct support throughout the state through non-profit or government partnerships.
48	NeighborWorks Umpqua		Yes					Yes	
49	NeighborWorks Umpqua		Yes	Yes	DHCS Housing Centers operating grant	Yes			third party online
71	United Way of Lane County	Yes	Yes	Yes	We have received grant funding and other support for the cost of printing the materials.	Yes	Yes	Yes	We deliver this training through NEDECO, Goodwill, and other community partnerships.

What Financial Literacy Programs Are Offered in Oregon – and How Does Retirement Fit In

We started with a survey

Survey Results:

- About 20 responding organizations referencing 75 programs
 - *Two focused specifically on retirement readiness*
- Populations targeted
 - *Underserved communities, lower income, and K-12*
- Assessment of Oregonians
 - *Only 9% of respondents believed **Some** or **Most** Oregonians have the information and skills they need to save for retirement. 91% rated this lower.*
- Retirement Content
 - *Often but not always included in general financial education classes*
- Recommendations
 - *Start earlier; learn by doing; use opt-outs; use the workplace; keep it simple; use PSAs and marketing campaigns; fund and focus.*

Today

- Working Groups Have Helped Us
 - *Engage with the Literacy network; mutual opportunity*
 - *Begin to clarify needs of a portion of the ORSP population*
 - *Strengthen a critical communication / outreach avenue*
- We Still Need
 - *ORSP – consistent core messaging that can be incorporated into current programs, state-wide*
 - *Saving for Tomorrow - Excellent, existing(?), simple content that supports the ability to participate in plans*
 - *Partnering – in-state and nationally – to leverage great minds and efforts already active in this space*

Moving Forward

- State Administered Retirement Plans offer a generational change – we're looking for practical ways to take best advantage of this opportunity

Your input and inquiries are welcome



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