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## **Maryland: Small Business Wants to Help Their Workers Save for Retirement**

By James R. Racheff, MS, MBA

More than 40 percent of employers – most of them small businesses – do not sponsor a workplace retirement savings plan for their employees. In Maryland, we have 1,000,000 employees who lack access to employer provider retirement plans. Many states, including Maryland, have launched initiatives to help private sector workers, especially those employed by small businesses, save for retirement. As a Maryland small business owner, I am supportive of these innovative retirement savings initiatives.

All small business owners face a similar challenge: we risk losing our best workers to larger firms who offer more traditional benefit packages; a pressing issue since much of our success is due to our workers' efforts. Small business owners care passionately about the folks who work with us and we want to take care of them.

We live in a world where people are living longer than ever and spending more of those years in retirement. If the number of older Americans unprepared financially for retirement increases, someone will need to pay the costs.

Unfortunately, small business owners who venture out to find a 401(k) plan for their employees face a complicated system that they're left to navigate on their own. Many simply cannot spend the time or the money to determine what could work for them and their employees, and many are forced to pay higher costs.

If states are able to develop a retirement savings program that shifts the risk away from small business owners and simplifies the options that would be a significant step in the right direction to close the retirement savings gap. I recently took a hard look at what it would cost for my business to simply sign up an employee for a 401(k) plan and our estimate -\$4.70 per employee – appears to be a small burden for the additional stability.

I see the benefits of state-sponsored retirement initiatives for my employees and am disheartened when I hear groups that supposedly represent small businesses argue that more regulations will impose too much of a burden. Too often those who are speaking on behalf of small businesses are actually large businesses or big organizations, rather than the small business owners themselves. To help facilitate the process of bringing small business owners together to discuss important issues, I'm proud to have led the founding of the group Maryland Business. Made up exclusively of

small business owners, we will communicate as one on issues important to small businesses – including retirement savings.

*James Racheff is the President and CEO of DMS, Applied Information and Management Sciences and the founder of Maryland Business, a nonprofit organization that works on behalf of small business interests in his state. He also currently serves as a member of the Maryland Commission on Retirement Security and Savings.*

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