

**Remarks of Assistant Secretary of Labor Ann L. Combs**  
**Overview and Introduction to the Summit**

Secretary Chao, distinguished members of Congress, honored speakers and delegates, welcome to the 2006 National Summit on Retirement Savings. I would like to thank you all for devoting your time, energy, and intellect to the challenge of inspiring and enhancing personal retirement savings among all Americans. We come here today united by a common goal: to help all Americans become better able to retire with dignity and security.

To achieve this common goal, we will need to accomplish three objectives:

- First, we need to improve the public's understanding of the vital importance of retirement savings to the future well-being of American workers and their families.
- Second, we need to facilitate the development of a broad-based public education program that will both inspire and enhance the commitment of every American to a personal retirement savings strategy.
- Finally, we ask you to develop recommendations for further research, policy reforms, and concrete action we can take to improve both private pensions and individual retirement savings plans.

Today's workers have more responsibility to fund their own retirement than workers have had for several generations. Because employers are increasingly offering defined contribution plans rather than defined benefit plans, most workers need to choose to fund their own retirement by contributing part of their salaries—which their employers will often match to some degree. Yet despite the growing responsibility to plan for their own retirements, many Americans have not yet done so. Americans are spending more, saving less, and accumulating more and more debt. That is not the way to prepare for retirement.

For all workers, the key factor in planning for a successful retirement tomorrow is to make savings a priority today. I think all of us here appreciate that for most hard-working Americans, the spending demands of everyday life—monthly bills, car payments, health insurance, mortgages, and the like—seem more immediate than saving toward retirement. Yet in reality, if Americans want to live comfortably in their Golden Years—and who doesn't?—then we must recognize saving as an immediate priority as well. The old adage of “pay yourself first” has never been more apt. This summit will focus on:

- how to make Americans aware of the critical importance of retirement savings;
- how to help Americans overcome the challenges to savings; and
- how to encourage Americans to take advantage of the savings opportunities currently available to them.

At this summit, we will focus on four groups of workers who face significant challenges to retirement savings. In about an hour, you delegates will be divided into smaller groups, each dedicated to examining

and developing strategies to overcome the obstacles to retirement faced by workers in these cohorts. The four groups are:

- Low-Income Workers;
- Small Business Employees;
- New Entrants to the Workforce; and
- Workers Nearing Retirement

Each of these four groups of American workers faces unique challenges that make it difficult to save adequately for their future retirement:

- Low-income workers often have little money to save after taking care of the everyday concerns of putting a roof over their heads and food on the table—and they are less likely to have access to employment-based retirement plans.
- Employees of small businesses have limited opportunities to join an employment-based retirement plan simply because most small businesses do not offer them.
- New entrants to the workforce often put off saving for retirement – which seems too far in the future to even think about – in favor of other priorities, such as paying off student loans, buying a home, or starting a family. But they miss the opportunity to take advantage of the power of compound interest.
- Finally, workers nearing retirement age have little time to correct course if they discover that they haven't saved enough for retirement or that they didn't anticipate expenses such as rapidly rising healthcare costs. And they need to understand how to manage their retirement savings so they last a lifetime.

As delegates to this summit, you will work in one of four teams to examine the obstacles that each group of workers must overcome in order to ensure a secure and dignified retirement. Your challenge is to come up with effective, inspiring ways to reach these groups—and all American workers—with retirement savings messages and to recommend solutions to assist the members of these groups in achieving their savings objectives.

By focusing on the common challenges to retirement savings faced by each group, you will develop strategies to help the individual members—each of whom has his or her own unique hopes, dreams, concerns, challenges, and opportunities—to save adequately for retirement.

These challenges can be met. These obstacles are not walls, they are merely hurdles.

- Many low-income workers, for example, have demonstrated their willingness and commitment to save toward the down payment on a house or their children's college education when provided with financial incentives and counseling. Why should savings for retirement be different?

- Small-business employees eagerly take advantage of employment-based retirement plans when small-business owners offer them. And there are ways to help small employers, who don't want to sponsor a plan, facilitate individual savings.
- Automatic enrollment programs for employment-based retirement plans have proven effective in getting new entrants to the workforce to save for retirement.
- Phased retirement has allowed those who want to work beyond age 65 to supplement their incomes and maintain their retirement savings longer while doing work they enjoy. And longer life spans are focusing attention on ways to ensure that retirees are protected against outliving their savings.

President Bush made improving retirement security for American workers, retirees and their families a priority in his Administration. He proposed new savings vehicles for retirement savings, three-year diversification rights for workers in defined contribution plans, greater access to professional investment advice, and improved disclosures to all workers about the status of their retirement plans. And, of course, President Bush has called on Congress to pass comprehensive reform of the defined benefit pension system, ensuring that companies keep the retirement promises they make to their workers.

Although many of the challenges facing America's workers are formidable, we can take steps to overcome them. The President has taken bold steps to address some of these concerns. You are tasked at this National Summit to help us identify still more. By making retirement savings a priority today, Americans can and will secure a brighter, more prosperous tomorrow. Thank you again for your efforts to make that brighter future a reality.