



AARP Vermont Testimony on VTSaves Greg Marchildon, State Director, AARP Vermont

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My name is Greg Marchildon, State Director with AARP Vermont. On behalf of AARP Vermont's 112,000 members, I want to thank you for the opportunity to testify in support of the VTSaves Retirement Program.

AARP is a nonprofit, nonpartisan organization dedicated to empowering Americans 50+ to choose how they live as they age. In doing so, we support policies that enable Americans nearing or currently in retirement, as well as those who will retire in the future, to become financially secure.

Saving for retirement is one of the most important things you can do for your future. VTSaves offers an easy way for employees without access to a workplace plan to grow the savings they need for a secure retirement.

Americans are 15 times more likely to put money away for retirement if they have a savings account at work.¹ Yet, 40% of Vermont private-sector employees work for a business that does not offer a workplace plan, leaving over 88,000 Vermonters behind.² This gap contributes to the growing crisis of Vermonters who lack sufficient savings for retirement and emergencies.

Vermonters' lack of savings is a crisis across the board, yet the racial disparities are still striking. In Vermont, Black workers are half as likely to be covered by a workplace retirement plan than their white counterparts.³ To reduce wealth gaps and barriers to economic mobility, we need programs like VTSaves.

While Social Security is a critical piece of the puzzle, it alone is not enough to provide a strong financial future. The average Social Security benefit for a 65+ Vermont family is only about \$21,000 per year, even though these families spend almost \$33,000 a year on food, utilities, and health care alone.⁴ VTSaves will lead to greater economic security for Vermonters as they age, relieving pressure on social safety net programs and family members who would otherwise fill the gap.

Sixteen other states have adopted legislation that helps employees save their own money for retirement as they work. We urge Vermont to join them by passing and implementing VTSaves. If passed, AARP Vermont is committed to working with the Treasurer's Office and other stakeholders to support public engagement and outreach on VTSaves to maximize the impact of the program.

Thank you again for the opportunity to speak today. I am happy to answer any questions you may have.

¹ Access to Workplace Retirement Plans by Race and Ethnicity, AARP Public Policy Institute, 2017.

² Payroll Deduction Retirement Programs Build Economic Security, AARP Public Policy Institute, 2022.

³ Payroll Deduction Retirement Programs Build Economic Security, AARP Public Policy Institute, 2022.

⁴ Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 2021; AARP Public Policy Institute, 2022.