

February 27, 2023

Chair Erin Murphy
Minnesota Senate Building
95 University Avenue W.
Saint Paul, MN 55155

Dear Chair Murphy and members of the Committee,

The Minnesota Council on Latino Affairs (MCLA) strongly supports S.F.413 which seeks to establish the Minnesota Secure Choice Retirement Program Act, a state-sponsored program allowing private sector employees to save for retirement.

As a state agency, our Council advises elected officials on matters affecting the Latino community, and we have found that preparing for retirement is particularly challenging for Latino Minnesotans. Despite having one of the state's highest labor force participation rates, Latinos are at a high risk of not having retirement savings. In fact, 46% of Latino workers lack access to an employer-provided retirement plan.

During our community engagement last year, we heard stories from many individuals who have worked for years but have been unable to save for retirement. I would like to share one such story - the story of Isabel. She moved to Minnesota in 2005 and has been employed at a small family-owned restaurant for over 18 years. She started as a dishwasher and cook's assistant before working her way up to become the main cook. Despite having worked for 18 years, Isabel does not have a retirement savings plan because her employer does not offer one. As a result, she is worried about her financial security in the future.

Isabel's story is just one example of the challenges that many Latino workers face when trying to save for retirement. Without payroll deduction plans, it can be difficult for them to save enough to support themselves during retirement. Furthermore, many individuals in our communities also support family members in their home countries, which makes it even more challenging for them to save.

We also heard from young participants about their parents' struggles. Many of them told us that their parents do not know what a 401(k) or an IRA is or how they work, because they never had the opportunity to learn about them, and their employers do not offer them

We all want financial security in our later years, but people of color often face significant barriers to accessing retirement savings, resulting in increased inequality and financial insecurity during retirement. Making retirement security available to everyone starts with making it easier for workers to save. This bill aims to do just that by bridging the gap for workers who lack access to retirement plans through their employers. Many people are unable to save for retirement simply because they do not have the opportunity, and this bill seeks to address this issue.

For these reasons, the Minnesota Council on Latino Affairs strongly supports the adoption of SF 413 and urges this committee to support this important legislation. It will help ensure that all Minnesotans can secure their financial future.

Sincerely,



Nicauris Heredia Rosario, Legislative and Policy Director
Minnesota Council on Latino Affairs