Connecticut Bankers Association Testimony
Connecticut Retirement Security Board
Public Hearing November 19, 2014

Dear Chairpersons Nappier and Lembo, and Members of the Connecticut Retirement Security Board's (CRSB):

The Connecticut Bankers Association (CBA) is pleased to provide the following written testimony regarding the Connecticut Retirement Security Board's feasibility study of a public retirement plan pursuant to PA 14-217.

First and foremost, the CBA agrees that retirement saving is extremely important both to the individual and society as a whole. As such, efforts to increase and enhance the public's participation in retirement saving is a goal the CBA proudly supports.

Nevertheless, CBA does not believe that a state-run retirement plan for private sector employees is an appropriate or effective way to achieve this goal and therefore strongly opposes such an approach.

Based on the CBA's review of both PA 14-217 and its previous iterations, the CBA must conclude that proponents of a state run-plan believe the private sector is lacking in this area. Why else would one consider a government-run option?

More specifically, the CBA fears that proponents of a state run approach have concerns, including but not limited to, one or more of the following areas: 1) the State's retirement plan industry is not robust enough to meet Connecticut's needs; 2) the financial services industry is not marketing to all sectors of the State's population regardless of income; 3) the industry lacks the breadth of products necessary to meet the diverse needs of the State's population.

The CBA would argue that none of the three issues mentioned above is valid. The CBA and its members do maintain a very robust infrastructure across the State that, among other things, is prepared to meet the needs of the public with respect to retirement. One can walk into any bank branch or office throughout the State and have access to retirement planning information and products.

In addition, the banking industry actively works with the public, regardless of income, to promote retirement savings. Obviously, this can only be achieved by offering a broad spectrum of products that can meet the divergent needs of each individual customer. It also should be noted that the banking sector is but just one part of a much larger retirement savings industry that is aggressively promoting retirement savings.

The CBA would argue that Connecticut's financial services industry is well suited to meet the retirement savings needs of the State's population and that a state-run plan is not the answer to improving retirement savings.

A second reason the CBA is opposed to a state run savings plan is that we believe the State of Connecticut should not be competing against the private sector. The financial services industry is widely referred to as one of the best segments of the State's economy. Creating state competition to this industry is unfair, short-sighted and sends the wrong message to an industry the State hopes to maintain and grow.

Lastly, the CBA suggests that rather than establishing a state-run retirement plan, state government would have a greater impact by seeking ways to improve awareness of the variety of retirement plan options currently available in the retirement services marketplace, and to encourage greater participation by individuals and businesses in that marketplace.

Thank you, again, for the opportunity to offer these comments.

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