



Headquarters  
Raul Yzaguirre Building  
1126 16th Street, NW, Suite 600  
Washington, DC 20036-4845

TEL 202.785.1670  
FAX 202.776.1792  
www.nclr.org

February 10, 2017

The Honorable Virginia Foxx  
Chairman  
House Committee on Education & Workforce  
2262 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Bobby Scott  
Ranking Member  
House Committee on Education & Workforce  
1201 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Foxx and Ranking Member Scott:

On behalf of the National Council of La Raza (NCLR), the nation's largest Latino civil rights and advocacy organization, I write to ask you to oppose H. J. Res 66 and H. J. Res 67, resolutions of disapproval under the Congressional Review Act (CRA), to block the Department of Labor (DOL) rules that allow states and cities to implement their own Individual Retirement Account (IRA) retirement plans.

In the absence of congressional action to increase access to retirement plans, state plans have stepped up to innovate and fill that gap. H.J. Res 66 and H.J. Res 67 impedes state and local innovation and entrepreneurialism to solve the retirement issue. If the DOL rules are abolished, it would have a chilling effect on the states and cities that are working to implement programs, including California, Connecticut, Illinois, Maryland, and Oregon, which have all passed legislation to setup these programs and New York City, Philadelphia and Seattle which are currently considering their own auto IRA plans.

Rep. Tim Walberg's (R-MI) H.J. Res 66 and Rep. Francis Rooney's (R-FL) H.J. Res 67 would nullify the DOL rules that offered the clarification necessary to help states and cities implement their own auto-IRA plans consistent with The Employee Retirement Income Security Act of 1974 (ERISA), which would provide millions of workers access to a workplace retirement plan. If these retirement plans were to become subject to ERISA, they would not be able to move forward.

One of NCLR's goals in 2017 is to ensure the successful implementation of the California Secure Choice Retirement Savings Program. In September 2016, California Governor Jerry Brown signed into law a bill that allows workers to access state-run IRAs, which will feature automatic enrollment for people working for employers with five or more employees. Just over 7.5 million Californian workers who do not currently have an employer-sponsored plan—half of whom are Latino—will benefit from this program.

### **Latinos Have a Strong Desire to Save**

NCLR has worked to improve opportunities for Hispanics in the United States for nearly 50 years. One of our core areas of work is economic security, which is contingent on an individual's retirement readiness. While many Americans have difficulty saving for retirement, the issue is even more acute for communities of color. For example, 62% of Black and 69% of Hispanic

households lack any assets in a retirement account.<sup>i</sup> For those who can save, their account balances are disproportionately low: four in five Latino households aged 25–64 have less than \$10,000 in retirement savings, compared to one in two White households.<sup>ii</sup> Prior to the DOL rule, limited access to traditional retirement savings products severely affected Latino workers’ ability to invest in their future. Efforts, whether at the federal or state level, to increase access to quality retirement savings plans are crucial to enhance Latino retirement readiness.

The difficulty in saving for retirement is the result of a variety of factors, including lack of availability of employer-sponsored retirement plans and lower rates of participation in those plans when they are offered. Workers of color have less access to retirement savings vehicles compared to Whites: 38% of Latino employees aged 25–64 work for an employer that sponsors a retirement plan, compared to 62% of White employees.<sup>iii</sup> Of those workers who have access to an employer-sponsored plan, not all participate: only 29.7% of Latino workers who have an employer plan participate compared to 53.8% of White workers.<sup>iv</sup>

Low wages make investing for retirement especially challenging given that housing, health care, and education costs continue to rise while wages remain stagnant. 42% of all Latinos earn poverty-level wages, even with having the highest rate of labor force participation among all racial and ethnic groups.<sup>v</sup> Despite earning low wages, numerous studies have shown that Hispanics value saving. A 2014 national Prudential survey of Latino consumers found that “the ‘saver’ mindset prevails” with Latinos. However, while 53% Latinos think that saving for retirement is a high priority, near-term financial needs often compete for limited resources.<sup>vi</sup>

Limited access to traditional retirement savings products severely affect Latino worker’s ability to invest in their future. Efforts to increase access to quality retirement savings plans are crucial to enhance Latino retirement readiness. In the absence of congressional action to increase access, state and city plans can help to fill that gap. It is for the above reasons that NCLR urges you to opposes H. J. Res 66 and H. J. Res 67 and ensure that millions of workers have access to a workplace retirement plan.

Sincerely,



Eric Rodriguez  
Vice President  
Office of Research, Advocacy, and Legislation

## Endnotes

---

<sup>i</sup> Nari Rhee, *Race and Retirement Insecurity in the United States* (Washington, DC: National Institute on Retirement Security, 2013), 1, [www.nirsonline.org/storage/nirs/documents/Race%20and%20Retirement%20Insecurity/race\\_and\\_retirement\\_insecurity\\_final.pdf](http://www.nirsonline.org/storage/nirs/documents/Race%20and%20Retirement%20Insecurity/race_and_retirement_insecurity_final.pdf) (accessed February 2017). For previous work on this issue, see Leticia Miranda, *Insecure Retirements: Latino Participation in 401(k) Plans* (Washington, DC: NCLR, 2009), [www.nclr.org/images/uploads/publications/file\\_Latinos\\_and\\_401K\\_plans\\_Final.pdf](http://www.nclr.org/images/uploads/publications/file_Latinos_and_401K_plans_Final.pdf).

<sup>ii</sup> Ibid.

---

<sup>iii</sup> Ibid.

<sup>iv</sup> Nari Rhee, *Race and Retirement*, 3.

<sup>v</sup> Economic Policy Institute, “Share of workers earning poverty-level wages, by race and ethnicity, 1973–2013,” <http://www.stateofworkingamerica.org/chart/swa-wages-figure-4f-share-workers-earning/> (accessed February 2017).

<sup>vi</sup> Prudential Research, *The Hispanic American Financial Experience* (Newark, NJ: Prudential, 2014), [www.prudential.com/media/managed/hispanic\\_en/prudential\\_hafe\\_researchstudy\\_2014\\_en.pdf](http://www.prudential.com/media/managed/hispanic_en/prudential_hafe_researchstudy_2014_en.pdf) (accessed February 2017).