



March 28, 2024

To: The Honorable Marvin Abney, Chairman
Members, Finance Committee

From: Maureen Maignet, Policy Advisor
Senior Agenda Coalition of Rhode Island

Re: Statement of Support for H7127 By Rep. Shanley

On behalf of the Senior Agenda Coalition of Rhode Island I am pleased to support **H7127**. Established in 2002, the Senior Agenda Coalition of Rhode Island has been a leading organization promoting a good quality of life for older adults in Rhode Island. Our Coalition prioritizes issues that help older Rhode Islanders maintain choice and dignity in their living and social environments. We are a voice for the protection and promotion of public and private programs that protect seniors and work to improve the quality of life for both older Rhode Islanders and their caregivers. We have a particular interest in promoting programs that help older persons to live in at home and the community as long as possible.

Many older Rhode Islanders face economic insecurity as they live on modest Social Security benefits – the average Social Security income in Rhode Island for older households in 2022 was about \$24,000. Although these households may have some small savings they can quickly disappear. As persons grow older, healthcare and support needs increase and inflation impacts their buying power. Most long term care is currently not covered by Medicare. Private pay for home care can exceed \$30/hour and assisted living can cost over \$50,000 year. At these costs, persons of modest means spend down their savings and resort to publicly funded Medicaid.

Estimates are that 40% of RI private sector workers are employed in companies that do not offer a way to save for retirement. H7127, the “Secure Choice Retirement Savings” bill, will give Rhode Island workers an opportunity to save for retirement through their paychecks helping them grow savings and increase their retirement income providing them with a more secure future during their older years.

The bill provides for the general treasurer to administer the program and for employers to gradually offer the retirement savings programs based on their number of employees. It is important to note the bill does not mandate worker participation in a retirement savings program, how much to save or what investments to make. Workers are in control of these decisions and can opt out of joining the program.

The state population is aging and at some point many older adults will need some type of long term services which can be very expensive – more than \$100,000/year for privately paid nursing home care -- causing persons to deplete their assets and rely on the state/federal Medicaid program for care. Giving more workers an opportunity to save for retirement can delay such reliance with the potential for saving taxpayer dollars. Thank you for your consideration.

Maureen Maignet, Policy Advisor
Senior Agenda Coalition of RI