

Tiger Woods might get richer that they would deny the poor an economy that produces more jobs for everyone. No wonder the voters are cynical.

#### BALANCED BUDGET AGREEMENT VICTORY FOR AMERICA

(Mr. THUNE asked and was given permission to address the House for 1 minute.)

Mr. THUNE. Mr. Speaker, why do I consider this balanced budget agreement to be a major victory for America? Because it balances the Federal budget by the year 2002, because the Federal budget deficit will decline each year beginning in 1998, because it saves Medicare from bankruptcy until the year 2007, because it allows families to keep more of their own money, because it contains permanent tax relief for American families, and because it sets a new standard in Washington: Deficit spending is no longer acceptable.

This bipartisan balanced budget agreement is a first step toward fiscal sanity in this town. It is a first step toward smaller government, lower taxes and greater accountability in Washington.

Balancing the budget will mean that many more American families will prosper and more young Americans can realize their dreams of getting ahead and building for a better future. That is a victory no matter how we score it.

#### AUTHORIZING SPEAKER TO EN- TERTAIN MOTION TO SUSPEND RULES ON THURSDAY, MAY 22, 1997

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that on Thursday, May 22, 1997, the Speaker be authorized to entertain a motion to suspend the rules and pass H.R. 956, the Drug-Free Community Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken later in the day.

#### SAVINGS ARE VITAL TO EVERY- ONE'S RETIREMENT ACT OF 1997

Mr. FAWELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1377) to amend title I of the Employee Retirement Income Security Act of 1974 to encourage retirement income savings, as amended.

The Clerk read as follows:

H.R. 1377

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings Are Vital to Everyone's Retirement Act of 1997".

#### SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds as follows:

(1) The impending retirement of the baby boom generation will severely strain our already overburdened entitlement system, necessitating increased reliance on pension and other personal savings.

(2) Studies have found that less than a third of Americans have even tried to calculate how much they will need to have saved by retirement, and that less than 20 percent are very confident they will have enough money to live comfortably throughout their retirement.

(3) A leading obstacle to expanding retirement savings is the simple fact that far too many Americans—particularly the young—are either unaware of, or without the knowledge and resources necessary to take advantage of, the extensive benefits offered by our retirement savings system.

(b) PURPOSE.—It is the purpose of this Act—

(1) to advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

(2) to provide for a periodic, bipartisan national retirement savings summit in conjunction with the White House to elevate the issue of savings to national prominence; and

(3) to initiate the development of a broad-based, public education program to encourage and enhance individual commitment to a personal retirement savings strategy.

#### SEC. 3. OUTREACH BY THE DEPARTMENT OF LABOR.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131 et seq.) is amended by adding at the end the following new section:

"OUTREACH TO PROMOTE RETIREMENT INCOME SAVINGS

"SEC. 516. (a) IN GENERAL.—The Secretary shall maintain an ongoing program of outreach to the public designed to effectively promote retirement income savings by the public.

"(b) METHODS.—The Secretary shall carry out the requirements of subsection (a) by means which shall ensure effective communication to the public, including publication of public service announcements, public meetings, creation of educational materials, and establishment of a site on the Internet.

"(c) INFORMATION TO BE DISSEMINATED.—The information to be disseminated by the Secretary as part of the program of outreach required under subsection (a) shall include the following:

"(1) a description of the vehicles currently available to individuals and employers for creating and maintaining retirement income savings, specifically including information explaining to employers, in simple terms, how to establish each of the different retirement savings vehicles for their workers, and

"(2) information regarding matters relevant to establishing retirement income savings, such as—

"(A) the forms of retirement income savings,

"(B) the concept of compound interest,

"(C) the importance of commencing savings early in life,

"(D) savings principles,

"(E) the importance of prudence and diversification in investing,

"(F) the importance of the timing of investments, and

"(G) the impact on retirement savings of life's uncertainties, such as living beyond one's life expectancy.

"(d) ESTABLISHMENT OF SITE ON THE INTERNET.—The Secretary shall establish a permanent site on the Internet concerning retirement income savings. The site shall contain at least the following information:

"(1) a means for individuals to calculate their estimated retirement savings needs, based on their retirement income goal as a percentage of their preretirement income;

"(2) a description in simple terms of the common types of retirement income savings arrangements available to both individuals and employers (specifically including small employers), including information on the amount of money that can be placed into a given vehicle, the tax treatment of the money, the amount of accumulation possible through different typical investment options and interest rate projections, and a directory of resources of more descriptive information;

"(3) materials explaining to employers in simple terms how to establish and maintain different retirement savings arrangements for their workers and what the basic legal requirements are under this Act and the Internal Revenue Code of 1986;

"(4) copies of all educational materials developed by the Department of Labor, and by other Federal agencies in consultation with such Department, to promote retirement income savings by workers and employers; and

"(5) links to other sites maintained on the Internet by governmental agencies and non-profit organizations that provide additional detail on retirement income savings arrangements and related topics on savings or investing.

"(e) COORDINATION.—The Secretary shall coordinate the outreach program under this section with similar efforts undertaken by other public and private entities."

(b) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 514 the following new items:

"Sec. 515. Delinquent contributions.

"Sec. 516. Outreach to promote retirement income savings."

#### SEC. 4. NATIONAL SUMMIT ON RETIREMENT SAV- INGS.

(a) IN GENERAL.—Part 5 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (as amended by section 3 of this Act) is amended further by adding at the end the following new section:

"NATIONAL SUMMIT ON RETIREMENT SAVINGS

"SEC. 517. (a) AUTHORITY TO CALL SUMMIT.—Not later than June 1, 1998, the President shall convene a National Summit on Retirement Income Savings at the White House, to be co-hosted by the President and the Speaker and the Minority Leader of the House of Representatives and the Majority Leader and Minority Leader of the Senate. Such a National Summit shall be convened thereafter in 2001 and 2005 on or after September 1 of each year involved. Such a National Summit shall—

"(1) advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

"(2) facilitate the development of a broad-based, public education program to encourage and enhance individual commitment to a personal retirement savings strategy;

"(3) develop recommendations for additional research, reforms in public policy, and actions in the field of retirement income savings; and

"(4) disseminate the report of, and information obtained by, the National Summit and exhibit materials and works of the National Summit.

"(b) **PLANNING AND DIRECTION.**—The National Summit shall be planned and conducted under the direction of the Secretary, in consultation with, and with the assistance of, the heads of such other Federal departments and agencies as the President may designate. Such assistance may include the assignment of personnel. The Secretary shall, in planning and conducting the National Summit, consult with the congressional leaders specified in subsection (e)(2). The Secretary shall also, in carrying out the Secretary's duties under this subsection, consult and coordinate with at least one organization made up of private sector businesses and associations partnered with Government entities to promote long-term financial security in retirement through savings (including for 1998, and thereafter as the Secretary may deem appropriate, the American Savings Education Council).

"(c) **PURPOSE OF NATIONAL SUMMIT.**—The purpose of the National Summit shall be—

"(1) to increase the public awareness of the value of personal savings for retirement;

"(2) to advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers and their families;

"(3) to facilitate the development of a broad-based, public education program to encourage and enhance individual commitment to a personal retirement savings strategy;

"(4) to identify the problems which hinder workers from setting aside adequate savings for retirement;

"(5) to identify the barriers which impede employers, especially small employers, from assisting workers in accumulating retirement savings;

"(6) to examine the impact and effectiveness of individual employers to promote personal savings for retirement among their workers and to promote participation in company savings options;

"(7) to examine the impact and effectiveness of government programs at the Federal, State, and local levels to promote retirement income savings;

"(8) to develop such specific and comprehensive recommendations for the legislative and executive branches of the Government and for private sector action as may be appropriate for promoting retirement income savings among American workers; and

"(9) to develop recommendations for the coordination of Federal, State, and local policies among the Federal, State, and local levels of government and for the coordination of such policies (including any solutions for Federal, State, and local needs devised at the Federal, State, and local levels) with the efforts of the private sector to meet such needs, and to identify the appropriate authority and entities to implement such recommendations.

"(d) **SCOPE OF NATIONAL SUMMIT.**—The scope of the National Summit shall consist of issues relating to individual and employer-based retirement savings and shall not include issues relating to the old-age, survivors, and disability insurance program under title II of the Social Security Act.

"(e) **NATIONAL SUMMIT PARTICIPANTS.**—

"(1) **IN GENERAL.**—To carry out the purposes of the National Summit, the National Summit shall bring together—

"(A) professionals and other individuals working in the fields of employee benefits and retirement savings;

"(B) Members of Congress and officials in the executive branch;

"(C) representatives of State and local governments;

"(D) representatives of private sector institutions, including individual employers, concerned about promoting the issue of retirement savings and facilitating savings among American workers; and

"(E) representatives of the general public.

"(2) **STATUTORILY REQUIRED PARTICIPATION.**—The participants in the National Summit shall include the following individuals or their designees:

"(A) the Speaker and the Minority Leader of the House of Representatives;

"(B) the Majority Leader and the Minority Leader of the Senate;

"(C) the Chairman and ranking Member of the Committee on Education and the Workforce of the House of Representatives;

"(D) the Chairman and ranking Member of the Committee on Labor and Human Resources of the Senate;

"(E) the Chairman and ranking Member of the Special Committee on Aging of the Senate; and

"(F) the parties referred to in subsection (b).

"(3) **ADDITIONAL PARTICIPANTS.**—There shall be not more than 400 additional participants. Of such additional participants—

"(A) one-fourth shall be appointed by the Speaker of the House of Representatives;

"(B) one-fourth shall be appointed by the Minority Leader of the House of Representatives;

"(C) one-fourth shall be appointed by the Majority Leader of the Senate; and

"(D) one-fourth shall be appointed by the Minority Leader of the Senate.

Such remaining participants shall be selected without regard to political affiliation or past partisan activity and shall be representative of the diversity of thought in the fields of employee benefits and retirement income savings.

"(4) **PRESIDING OFFICERS.**—The National Summit shall be presided over equally by representatives of the executive and legislative branches.

"(f) **NATIONAL SUMMIT ADMINISTRATION.**—

"(1) **ADMINISTRATION.**—In administering this section, the Secretary shall—

"(A) request the cooperation and assistance of such other Federal departments and agencies and other parties referred to in subsection (b) as may be appropriate in the carrying out of this section;

"(B) furnish all reasonable assistance, including financial assistance, to State agencies, area agencies, and other appropriate organizations to enable them to organize and conduct conferences in conjunction with the National Summit;

"(C) make available for public comment a proposed agenda for the National Summit that reflects to the greatest extent possible the purposes for the National Summit set out in this section;

"(D) prepare and make available background materials for the use of participants in the National Summit that the Secretary considers necessary; and

"(E) appoint and fix the pay of such additional personnel as may be necessary to carry out the provisions of this section without regard to provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) **DUTIES.**—The Secretary shall, in carrying out the responsibilities and functions of the Secretary under this section, and as part of the National Summit, ensure that—

"(A) the National Summit shall be conducted in a manner that ensures broad participation of Federal, State, and local agencies and private organizations, professionals,

and others involved in retirement income savings and provides a strong basis for assistance to be provided under paragraph (1)(B);

"(B) the agenda prepared under paragraph (1)(C) for the National Summit is published in the Federal Register; and

"(C) the personnel appointed under paragraph (1)(E) shall be fairly balanced in terms of points of views represented and shall be appointed without regard to political affiliation or previous partisan activities.

"(g) **REPORT.**—The Secretary shall prepare a report describing the activities of the National Summit and shall submit the report to the President, the Speaker and Minority Leader of the House of Representatives, the Majority and Minority Leaders of the Senate, and the chief executive officers of the States not later than 90 days after the date on which the National Summit is adjourned.

"(h) **DEFINITION.**—For purposes of this section, the term 'State' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

"(i) **AUTHORIZATION OF APPROPRIATIONS.**—

"(1) **IN GENERAL.**—There is authorized to be appropriated for fiscal years beginning on or after October 1, 1997, such sums as are necessary to carry out this section.

"(2) **RELIANCE ON PRIVATE CONTRIBUTIONS.**—The Secretary may accept private contributions, in the form of money, supplies, or services, to defray the costs of the National Summit. The Secretary shall ensure, to the extent practicable, that at least one-half of the funds available to the Secretary for each fiscal year to carry out the provisions of this section consist of such private contributions.

"(j) **CONTRACTS.**—The Secretary may enter into contracts to carry out the Secretary's responsibilities under this section, but only to the extent, or in such amounts, as are provided in advance in appropriations Acts."

(b) **CONFORMING AMENDMENT.**—The table of contents in section 1 of such Act (as amended by section 3 of this Act) is amended further by inserting after the item relating to section 516 the following new item:

"Sec. 517. National Summit on Retirement Savings."

(c) **AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.**—Notwithstanding subsection (i) of section 517 of the Employee Retirement Income Security Act of 1974 (added by this section), the amount authorized to be appropriated for fiscal year 1998 to carry out such section is an amount equal to \$1,000,000.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. FAWELL] and the gentleman from New Jersey [Mr. PAYNE] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Speaker, I yield myself 5 minutes.

(Mr. FAWELL asked and was given permission to revise and extend his remarks.)

Mr. FAWELL. Mr. Speaker, I am very pleased to join with my colleague, the gentleman from New Jersey [Mr. PAYNE], the ranking Democrat on the Subcommittee on Employer-Employee Relations, as well as many other Democrats and Republicans from across the political spectrum in sponsoring the SAVER Act.

H.R. 1377 represents bipartisan legislation addressing a critical national

problem, the lack of individual retirement savings. I am also pleased to say the SAVER Act has been introduced on the other side of the Hill by Senators CHARLES GRASSLEY and JOHN BREAUX, the chairman and ranking member of the Special Committee on Aging.

In addition, the SAVER Act is endorsed by a diverse group of organizations including the U.S. Chamber of Commerce, the Association of Private Pension and Welfare Plans, the Financial Executives Institute, the National Association of Manufacturers, the American Association of Retired Persons, the American Council of Life Insurance, the Profit Sharing 401(k) Council of America, the Investment Company Institute, and the Society for Human Resources Management.

America faces a ticking demographic time bomb that requires increased retirement savings. The Savings Are Vital to Everyone's Retirement Act, or the SAVER Act, as we refer to it, is a first step in defusing that retirement time bomb. The SAVER Act initiates a broad-based educational program to educate America's employers, workers, and the public in general about retirement savings and convenes a national summit on retirement savings.

Through this bill, we facilitate a broad-based public-private partnership to educate the public on the serious and underreported national problem. Workers need to know the importance of saving for the future and of saving as early in life as possible.

As a survey released this year by the Employee Benefit Research Institute reveals, there is much work to do. Less than a third of Americans have even tried to calculate how much they need to have saved by retirement. Furthermore, less than 20 percent are very confident that they will have enough money to live comfortably through their retirement. The lack of adequate retirement savings will only become a more pressing problem as the baby boomers begin to retire in about a decade. Far too few Americans, particularly the young, have either the knowledge or the resources necessary to take advantage of the extensive benefits offered by our retirement savings system. The virtue of saving appears to have escaped most Americans while the "just charge it" mentality is thriving, according to the research group, Public Action.

The same EBRI study, that is the Employee Benefit Research Institute, found that, while only a quarter of workers expressed confidence in their ability to map out a retirement savings strategy, an encouraging 50 percent said that they would stick to a plan if they had one. We have to find ways to get the information and skills out to workers to harness this latent energy.

The SAVER Act directs the Department of Labor to maintain an ongoing program of education and outreach to the public through, first, public service announcements, second, public meetings, third, creation of educational ma-

terials, and, fourth, establishment of a site on the Internet. The information will include a means for individuals to calculate their estimated retirement savings needs, a plain English description of the common types of retirement savings arrangements currently available to both individuals and employers, and an explanation for employers in simple terms of how to establish different retirement savings arrangements for their workers.

The SAVER Act also convenes a national summit on retirement savings at the White House, cohosted by the executive and the legislative branches to be held by June 1, 1998, and then again in the years 2001 and 2005. The national summit would advance the public's knowledge and understanding of retirement savings and facilitate the development of a broad-based public education program. It would develop specific recommendations for legislative and executive and private sector actions to promote retirement savings among American workers.

The national summit would bring together experts in the fields of employee benefits and retirement savings. Key leaders of Government and interested parties from the private sector and general public; the delegates would be selected equally by the majority and minority leaders of the two Houses of Congress and would represent the diversity of thought in the field without regard to any political affiliation. The national summit would receive substantial funding from private sector contributions.

I hope, therefore, that the SAVER Act can be a very important first step in a truly bipartisan effort to reverse the long course of neglect on this vital issue and help American workers better prepare for a comfortable and secure retirement. I urge my colleagues to vote for passage of the SAVER Act and to vote to help to refuse the retirement time bomb to which I made reference.

Again, I thank the gentleman from New Jersey [Mr. PAYNE] for his leadership and his patient guidance of this legislation because without him, we would not be here today.

Mr. Speaker, I reserve the balance of my time.

Mr. PAYNE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the SAVER Act will provide a big first step toward greater awareness about retirement security for all Americans. I want to commend the gentleman from Illinois [Mr. FAWELL] for his efforts to bring attention to this very important issue that affects millions of Americans. The retirement clock is running out for millions of Americans and their families. After a lifetime of hard work and contributing to and building our society, millions of older Americans have retired and are not prepared for it.

□ 1100

They cannot afford to pay their bills.

While we have worked closely with the administration to make gains in strengthening protection for plan participants in the last 4 years, we still have miles to go in assuring retirement security for the American worker. Half of all older Americans have incomes of less than \$11,300. This is because their incomes are drawn primarily from Social Security, which, on an average, pays \$8,460 to retired workers. That is less than today's minimum wage. Very little of their income comes from individual savings.

A very alarming picture painted by statistics is that many of the people we need to reach out for are women and minorities. As my colleagues know, there is a direct correlation between pension adequacy and the wages that workers receive. This is because many employers base their pension benefits on workers' wages. This is true with respect to the defined contributions and defined benefit plans, including 401(k) plans.

A very disturbing image forms when we begin to think about the retirement security of low-wage workers, particularly women and minorities. Many of these workers will never receive a pension. We know that less than half of all working women are covered by a pension. Those who are fortunate enough to be covered by a plan can expect to receive lower benefits in retirement because their wages were lower while they were working.

A recent study noted an alarming trend in private pension coverage among African-Americans and Latino-Americans. This study suggests that many minority workers will become strictly dependent on Social Security and have a shrinking chance to enjoy a financially comfortable retirement.

Moreover, the report shows that the percentage of blacks covered by private pensions of all types plummeted from 45.1 percent in 1979 to 33.8 percent in 1993, while coverage of Latinos fell from 37.7 to 24.6 percent during the same period.

I am hopeful that the SAVER Act will be successful in reaching these workers. Many of them live in my district, but they just do not live in my district, they live in all our hometowns. They may be our friends or members of our families. Millions of people will not have any significant retirement income beyond Social Security, which makes the Federal program even more critical, especially at a time when its fiscal future is under tremendous scrutiny.

With the baby boom generation on the eve of retirement, this statistical snapshot of the next generation of retirees is fueling the current debate about Social Security. I believe the provisions in the SAVER Act will provide more opportunities to better educate and prepare Americans in their retirement. Today, Mr. Speaker, I hope that this is the beginning of developing real solutions that affect real people.

Mr. Speaker, I reserve the balance of my time.

Mr. FAWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time and I want to congratulate the gentleman from Illinois [Mr. FAWELL], and the gentleman from New Jersey [Mr. PAYNE], for bringing this legislation before us today.

We are here to address in a bipartisan fashion the real demographic time bomb that faces the American workforce. Workers are not saving adequately for their retirement, and this problem will only become more profound as the baby boom generation continues to age.

It does not take a mathematician to recognize that in the future retiring Americans will have to rely less on Social Security and more on pensions and other personal saving. Diffusing the retirement time bomb requires immediate action. Educating American workers in this is the critical first step.

The Savings Are Vital to Everyone's Retirement Act of 1997, the SAVER Act, is that first step. The SAVER Act initiates projects to educate American workers about retirement savings and convenes a national summit on retirement savings.

I am pleased to join with my colleagues from across the aisle, both in this body and in the Senate, to support this important initiative. Far too few workers, especially the young, understand the importance of saving for retirement.

And others of us understand how confusing it can be to end at 3 a.m. and begin immediately thereafter.

Many small businesses are confused as to how to set up some of the new retirement saving vehicles created by Congress or do they know how to go about encouraging their workers to take advantage of them.

The SAVER Act creates a statutory mandate for the Department of Labor to help inform American workers about retirement savings to give them the tools they need to take advantage of the many existing benefits of our retirement system.

The SAVER Act also hopes to focus greater public awareness on the lack of retirement savings by convening a national summit at the White House. The summit would be a bipartisan undertaking of both the executive and legislative branches, bringing together employee benefit experts throughout the country.

Mr. PAYNE. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut, [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I want to commend the sponsors of the bill. It is an important step, but we could do a lot more.

There are a number of pieces of legislation that are in the hopper at the moment that could take action to deal

with people's situations in dealing with pensions. H.R. 1130, the Retirement Security Act, already has 108 sponsors.

We know what the problems are in pensions. Women particularly, because they leave for childbearing reasons and others, often sever their work in a way that precludes them from getting a pension.

We need to make vesting take less time. We have to figure out and put forth proposals that will get the majority of this Congress, because we know how to do it, we just need to find a majority. The majority in this Congress are Republicans, and we need them to step forward to help us with legislation that will guarantee that women will have an equal shot at pensions, and poor working people as well will have an equal shot at pensions; that corporations cannot raid the funds and leave the pensions underfunded in the final days of people's lives.

When we have the wealthiest country in the world, with 51 million people without pensions, it is clear we are not doing enough. Now, we have done some things through the years. We have prevented some movement of assets. We have done some other things. But there is a lot more to do here.

Women in particular are disadvantaged by this present system. In the next generation it will work less well than our generation. Our parents held one job in a lifetime; most of us will have three or four; the next generation could have as many as eight. It will be impossible for people to vest in pension systems.

This Congress needs to do more than just get information out; it needs to change the laws to make it easier for corporations to set up 401(k)'s and other kinds of retirement benefits. It needs to move forward to change the vesting period so that people, particularly women, can vest in their pensions. We have to move forward and make sure that people can keep their pensions even if they work only several years at a job.

Those are the things we ought to be doing and can do if we get some support from the Republican side of the aisle.

Mr. FAWELL. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona, [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of H.R. 1377, the Savings Are Vital to Everyone's Retirement, known as the SAVER Act.

I applaud the work of my colleagues of the Subcommittee on Employer-Employee Relations, the gentleman from Illinois, Chairman FAWELL, and the gentleman from New Jersey, Mr. PAYNE, the ranking member.

With this critical piece of legislation we have taken the first step in providing the American people with the information they need to have to prepare for their retirement years. There is a critical need to look at the low level of retirement savings in the United States today. The story is dramatic.

Between 1951 and 1980, the United States' national savings rates was fairly stable, ranging from 7 to 10 percent. However, since the 1980's, the rate of savings in the United States has dropped to a low of 3 percent. This number reflects the decline in personal family savings, which includes pension accumulations, business savings, and also in the level of savings of the Federal Government. The simple truth is, as Americans, we are just not saving enough for our retirement.

Based on the current economic and demographic trends facing Social Security, it is unlikely that that program can be sustained in its present form without modifying either the benefits or the contributions. Growth in the elderly population in the United States, already very rapid because of increasing life expectancy and declining fertility rates, will accelerate when the baby boom generation reaches retirement age in 2010.

Social Security has been a very successful program over the years, but it provides few Americans with adequate retirement income, and it is likely to play an even more limited role in the retirement picture in the future.

According to the Department of Labor, the average worker will need about 70 percent of his preretirement income to maintain his standard of living after retirement, but Social Security will not provide that level of retirement income. Social Security pays the average worker only about 40 percent of preretirement income and only about 27 percent for workers that earn over \$60,000 or more.

Over 2 years ago I became concerned about this and I became involved, in an effort to address the long-term viability of the Social Security program, by forming the house public pension reform caucus. The caucus has begun to explore reform options to address the many economic and demographic problems of the Social Security Program. It is the goal of the caucus to ensure that future generations, including those of our children and grandchildren, are not strapped with a bankrupt system prior to their retirement.

We must encourage Americans to supplement their Social Security income with pension plans and personal savings. These investments will help individuals plan for a more comfortable retirement. In order to encourage individuals to increase their savings and take greater responsibility for their futures, workers must be educated about the various retirement savings choices and investment strategies regarding their retirement future, and that is why I stand here in support of H.R. 1377, the SAVER Act.

This legislation initiates a number of projects to help educate American workers about retirement savings options. It creates a national summit on retirement savings in conjunction with the White House and the private sector. The summit will convene on three occasions, in 1998, 2001, and 2005.

The SAVER Act also directs the Department of Labor to maintain an ongoing program of education and outreach to help workers understand these options and prepare wisely for their retirement.

Mr. Speaker, I urge my colleagues to support this valuable education effort and vote "yes" for H.R. 1377.

Mr. FAWELL. Mr. Speaker, may I inquire as to how much time remains on this side?

The SPEAKER pro tempore (Mr. COBLE). The gentleman from Illinois [Mr. FAWELL] has 10 minutes remaining and the gentleman from New Jersey [Mr. PAYNE] has 14 minutes remaining.

Mr. FAWELL. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding me this time. I rise today in strong support of H.R. 1377, the Savings Are Vital to Everyone's Retirement Act.

I also want to thank the gentleman from Illinois, [Mr. FAWELL], and the gentleman from New Jersey, [Mr. PAYNE], for providing leadership on such an important issue for the House to consider and for forwarding this timely piece of bipartisan legislation that I am pleased to be an original cosponsor of.

Unfortunately, too many retired Americans today have misjudged their retirement savings needs and today's youth are following in their footsteps as well. These problems pose a significant risk to the future well-being of millions of soon to be retirees as well as the countless baby boomers who will retire after the turn of the century.

Just as the long-term solvency of Social Security remains a vitally important issue that must be addressed by Congress very soon, so too must we also address the looming crisis in private retirement savings by reaching out to all Americans and informing them of this enormous problem. If we fail to do so, the impending retirement of the baby boomers will severely strain our already overburdened entitlement system, necessitating increased reliance on pension and other personal savings. The SAVER Act would do just that.

Studies have shown that less than a third of all Americans have even tried to calculate how much they will need to have saved by retirement, and that less than 20 percent are very confident that they will have enough money to live comfortably throughout their retirement. By passing this legislation, we can help advance the public's knowledge and understanding of retirement savings and its critical importance to the future well-being of American workers, and provide for a periodic bipartisan national retirement savings summit, in conjunction with the White House, to elevate the issue of savings to national prominence, and initiate the development of a broad-based public education program to encourage and enhance individual commitment to a personal retirement savings strategy.

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Highlighting this national problem is one of the best things this Congress can do. Enact the SAVER Act now. The retirement time bomb is ticking.

Mr. PAYNE. Mr. Speaker, I yield as much time as he may consume to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I thank the gentleman from New Jersey [Mr. PAYNE] for yielding.

Mr. Speaker, I am very proud to rise as an original cosponsor of H.R. 1377, the SAVER Act, and to join with my colleagues from both sides of the aisle in urging the House to pass this important legislation.

I want to commend specifically the gentleman from Illinois, Chairman FAWELL, and the gentleman from New Jersey, ranking member PAYNE, for their attention to the critical issue of retirement security and for their dedication to crafting bipartisan solutions that will advance the goal of economic security in retirement for all Americans.

Mr. Speaker, statistics demonstrate that our Nation faces an impending crisis when it comes to retirement savings. From World War II until 1980, personal savings rates as a percent of disposable income in this country averaged nearly 8 percent. Yet, in recent years, personal savings rates have fallen dramatically, now averaging barely 4 percent, half of what it was earlier. People are simply not saving what they will need to have a financially secure retirement.

Indeed, one-third of those close to retirement age have savings of less than \$10,000. One in six new Social Security recipients has no retirement savings whatsoever. The problem is particularly acute for modest-income workers. Among the millions in this country with incomes of less than \$25,000 a year, fully 42 percent report no retirement savings. And in the baby-boom generation which is rapidly approaching the retirement period, only one in three baby-boomers is on track in their savings for a financially secure retirement.

Mr. Speaker, by focusing on education, the SAVER Act takes an important step in turning this retirement crisis around. A key ingredient in achieving a secure retirement is knowledge, knowing what savings opportunities are out there, knowing how compound interest can work for you, knowing how to plan for retirement throughout one's career, and knowing some basic investment strategies.

Too many people simply lack this information, and we must step up the education efforts so that all Americans will have the tools to plan and save for their own retirement. Retirement education efforts in the workplace have proven enormously effective in getting employees to participate in their 401(k) and pension plans and in providing them with basic information about retirement savings. Yet, more than half

of all private sector workers do not have access to a retirement plan at work, and so they miss out on these educational efforts.

The SAVER Act addresses this need by involving the Government in a broad public-private partnership to educate American workers about retirement savings. Specifically, the act directs the Department of Labor to maintain an ongoing program of outreach and education about retirement planning. It convenes a series of national summits on retirement savings at the White House over the next decade. These focused and high-profile efforts will help get the message about the importance of savings to every American so that retirement information no longer depends on the good fortune of having a pension plan at work.

Today, with our retirement system undergoing profound change, education is more important than ever before. For the first time, many Americans are now relying on defined-contribution plans such as 401(k)'s rather than the traditional defined-benefit pension plans for their retirement security.

While 401(k)'s are quite popular with employers and employees alike and offer some undeniable advantages, they also involve a substantial shift of retirement risk from the employer to the worker. Employees must decide what portion of their income to contribute, how to invest their contributions, whether to take loans or withdrawals from their accounts, and how to use their 401(k) savings wisely over the course of their retirement. All this adds up to more risk on the shoulders of individual workers, who may or may not be ready to accept this additional risk.

And the risk for those without retirement plans at the workplace, who must save for retirement all on their own, are even greater. The education about retirement planning and savings authorized by the SAVER Act will help individuals manage their new-found retirement responsibility.

Mr. Speaker, it is my hope that the SAVER Act represents a first step in what will be an ongoing series of bipartisan efforts to enhance retirement secured by expanding pension coverage, increasing pension participation, and boosting permanent savings rates.

While education is critical, it is not the where-all and end-all at getting at this problem; it must be paired with efforts to get more workers covered by retirement plans and the development of a comprehensive national strategy for achieving retirement security.

Along these lines, I am pleased to have joined with my good friends, the gentleman from Illinois, Chairman FAWELL, and the gentlewoman from Connecticut, Mrs. NANCY JOHNSON, in introducing legislation that spurs pension coverage of small business employees and cuts pension redtape for small business.

Just this past Friday, we introduced H.R. 1656, the Secure Assets for Employees Plan Act of 1997, also known as

SAFE Act. This will allow small businesses to offer simplified defined-benefit pension plans. SAFE plans will provide all small business employees with a secure, fully portable retirement benefit without choking small business with complex rules and regulations they simply cannot afford.

Unfortunately, only 24 percent of small business employees today have access to a retirement plan at work. We have got to do better than that. I look forward to working with Chairman FAWELL to advance the SAFE Act so that more small businesses can offer pension benefits to their workers.

Mr. Speaker, today I am introducing another piece of legislation which I believe will help advance our Nation's retirement policy. This bill, the Retirement Savings Commission Act of 1997, will create a specific national commission to examine the scope of the retirement savings crisis and recommended policies to help improve the economic security of retirement workers. The Retirement Savings Commission will be the only Federal panel solely charged with exploring pension and savings issues that will help us develop the comprehensive national strategy on retirement savings that we have so sorely lacked in the past.

We have had Social Security commissions, we have had Medicare commissions, but we never looked in a dedicated way at the variety of private savings opportunities and assessed whether or not we have a coherent national strategy for private retirement savings.

In conclusion, Mr. Speaker, let me again congratulate the gentleman from Illinois [Mr. FAWELL] and the gentleman from New Jersey [Mr. PAYNE] for their leadership on this issue and for the excellent bill they have crafted in the SAVER Act. I urge all my House colleagues to advance the cause of retirement education and support this bill, and I look forward to working in the weeks ahead to see that this measure is quickly passed by the Senate and signed by the President.

Mr. FAWELL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I want to thank the gentleman from Illinois [Mr. FAWELL] and the gentleman from New Jersey, the ranking member, [Mr. PAYNE], for their leadership in recognizing the importance of preparing for retirement. It is not too often that we see such bipartisanship on legislation passed out of the Committee on Education and the Workforce. This was one of those examples. But it is not a partisan issue, it affects everyone, whether you are a Democrat, a Republican, an Independent.

There is a common problem that we have: All of us either live too long or we die too soon. And speaking about the former, investing for retirement is

not easy. It takes discipline; it takes foresight. Too often we put off until tomorrow what we should do today. I believe Congress has an opportunity to play a major role in educating the public about retirement preparation, and that is why I am in strong support of the SAVER Act, the so-called Savings Are Vital to Everyone's Retirement Act.

Mr. Speaker, there are several things we know about the current status in America. We know that the average retiree can no longer rely upon Social Security benefits as their sole means of retirement income. We also know workers are not taking advantage of savings opportunities available through 401(k) plans, IRA's, and the rest.

Again, education and outreach are both vital. The SAVER Act begins the process that will highlight on a national level the importance of educating individuals about retirement savings. First, as has been pointed out by the chairman and others, it directs the Department of Labor to maintain an ongoing program of education and outreach. Second, the SAVER Act convenes a national summit on retirement savings.

Mr. Speaker, I believe it is time that we begin to recognize that there are Federal barriers to retirement. Call them disincentives if you will. But investing is complex enough without adding the many Federal barriers. By identifying those barriers, we in Congress can begin to develop a system that is investor friendly and not investor prohibitive, and Congress must be aware of these so that we can move those disincentives out of the way.

Last, I am glad to see that Congress is taking a proactive role in educating the public about the benefits of retirement planning. The fact is, and I believe this has already been pointed out, the more a person understands about the benefits of retirement planning, the more likely that person will plan for retirement. And the sooner we begin to educate, the sooner we can defuse this retirement time bomb.

I again thank the gentleman from Illinois, [Mr. FAWELL], and the gentleman from New Jersey, ranking member PAYNE, for their work.

Mr. FAWELL. Mr. Speaker, I have no further colleagues here ready to speak at this time. I yield myself such time as I may consume for just a couple of short points.

I think the gentleman from Connecticut mentioned a salient point in regard to substantive legislation which is pending before the Congress, substantive issues. I think it is important to stress that what we have in this legislation certainly is basically a broad-based education for the country in general so that workers and employers and the public in general can better comprehend what the challenges are before us as we look to those golden years ahead of us. But also, it brings together in a very bipartisan fashion peo-

ple from both sides of the aisle and brings also the private sector into being here.

For instance, it would bring into action the American Savings Education Council, which is a partnership of over 200 private and public sector institutions, including organizations like IBM, American Express, the Employee Benefit Research Institute, many, many entities, and all in a nonpartisan atmosphere. So that I think, especially in a White House summit, that would be part and parcel of this legislation. We would be able to address ourselves perhaps more objectively and more dispassionately to some of the substantive issues which are before us here in Congress which would perhaps otherwise we may not be able to do.

I would be the first to admit that there are important substantive issues. And I so very much appreciate my colleague from New Jersey [Mr. PAYNE] and the tremendous help that he has extended to me in regard to this area of deep interest.

Mr. Speaker, that is all that I do have to say. I am not sure if my colleague on the other side of the aisle, [Mr. PAYNE] has any further comments to make.

Mr. PAYNE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to conclude by once again thanking the gentleman from Illinois [Mr. FAWELL] for the cooperative spirit that we have on this very important bill. It seems like the theme is bipartisanship, and it shows that progress is being made. Some of us never felt that that would be a word uttered by us, but we see that we are moving in a new direction. I hope it is the right direction. But certainly, we look forward to this legislation moving forward.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would like to speak in support of H.R. 1377 to encourage greater investment savings to strengthen the retirement security of our Nation's working men and women.

There are over 51 million Americans who do not have retirement savings. The range of savings for our citizens in the 1980's was 7 to 10 percent. Today the savings rate on average is a little over 4 percent.

Social Security with each passing decade is becoming more and more a supplement to retirement and not just a sole means of income for retirement for those who have sufficient incomes to allow for savings.

In 1980, the Employment Retirement Income Security Act allowed 57.9 million people to participate in private pension programs sponsored by employers and employees, and by 1992 the number had grown to 81.9 million participants.

The total amount of contributions into private pension programs has grown from \$66.2 billion in 1980 to \$128.8 billion in 1992.

Although these numbers are encouraging they are still far from what they should be with a total national work force of 124 million according to the Statistical Abstract of the United States. The reality for most working Americans is closer to little or no savings. For most, retirement income does not enter into their

minds until the time just before retirement. This is far too late to make needed plans to enhance retirement income and further secure their financial security.

I am a strong advocate of any change in our Nation's savings habits which would further strengthen the retirements of women and minorities. These two groups are disproportionately affected by low savings rates because of a much lower earnings rate on average than white males.

If we are to overcome the disparities in the retirement habits of our Nation, we must deal with income levels and the cost of living in different regions around the Nation.

The average annual pay in the city of Houston in 1994 was \$30,000. A \$30,000 a year income in Houston for a family of four would allow for little savings. Cost of living from region to region or even within States are not equal and this should be taken into account as we work to encourage greater savings and retirement planning.

I ask my colleagues to support this effort to encourage greater savings among our Nation's workers. I would also ask that as other opportunities arise for use to raise the earnings potential or savings rates of minorities that we act.

Mr. PAUL. Mr. Speaker, I rise in opposition to H.R. 1377, the Savings are Vital to Everyone's Retirement Act [SAVER]. Although I applaud the good intentions of the sponsors of this bill, I must oppose H.R. 1377 for two reasons.

First, the proper level of savings should be determined by the free choices of individuals acting in the market. Saving should be a voluntary decision, undertaken because individuals value the greater future rate of return from saving over the value of present consumption not because the Government instructed them that they needed to save. We in Washington cannot judge what the correct level of savings is for any individual much less the entire country. I ask my colleagues, if this program increases the rate of savings beyond the level Congress considers necessary, will we then enact a "Spending is Vital" bill to encourage greater consumption?

Second, and perhaps more importantly, H.R. 1377 ignores the primary reason Americans forgo savings: Government policies that discourage the American people from saving. Even creating a Department of Labor-run education program and spending a million dollars on a series of White House conferences will further reduce the rate of savings as payment for these new initiatives will come either from taxes paid directly by the American people or from inflating the currency to monetize the national debt, thus eroding American's purchasing power. Either way, working Americans will be left with less funds available for saving.

I respectfully suggest that it is not the people who need a savings education. They especially do not need it from a government which, the recent claims of the leadership and the administration notwithstanding, cannot balance its own books. Rather, Congress needs to be educated on how the interventionist policies of this Government are eroding the people's standard of living and making it nearly impossible for many Americans to save an adequate amount for their retirement, or any other vital needs, such as their children's education.

Today, the average American pays more than 40 percent of this income in Federal,

State, and local taxes. Thus, before the average American even has a chance to consider saving, a substantial portion of his paycheck is stripped from him in order to fund the welfare-warfare state. Federal tax policy further discourages savings through the exorbitant Federal taxes on capital gains, estates taxes, and the double taxation on corporate dividends.

Government policy further reduces incentives Americans have available for savings through the inflationary policies of the Federal Reserve, which erode the average consumer's purchasing power. The average consumer must spend an ever-increasing share of his or her income purchasing necessities, meaning they have less income available to devote to savings. Today, prices are more than 15 times higher, in normal terms, than when the Federal Reserve was established.

This diminishing purchasing power also creates a disincentive to save. When one's earnings will purchase more today than they will in the future, the rational action may very well be to spend the funds in the present. After all, who would trade a dollar's worth of goods today for 50 cents worth of goods in 20 years?

Clearly, a major reason why the United States has a low rate of saving is the crushing tax burden imposed on the American people by the Government and the erosion of their purchasing power. Yet, rather than address how Government policy is destroying American's ability to save, Congress is planning to spend more taxpayer money to educate the American people on the importance of saving.

Mr. Speaker, the American people neither need nor want Congress to spend another penny of their hard-earned tax dollars on educating them on the importance of savings, and they certainly do not need the Federal Government to spend a million dollars to create a conference on savings. Rather, Congress must cease all unconstitutional spending, cut taxes, and prohibit the Federal Reserve from debasing the currency.

Therefore, I urge my colleagues to vote against H.R. 1377, and instead join me in working to eliminate the true obstacle to savings: the unconstitutional leviathan state that is jeopardizing the economic future of America and destroying the American people's incentive to save.

Mr. PAYNE. Mr. Speaker, I yield back the balance of my time.

□ 1130

The SPEAKER pro tempore [Mr. COBLE]. The question is on the motion offered by the gentleman from Illinois [Mr. FAWELL] that the House suspend the rules and pass the bill, H.R. 1377, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1377.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### RIEGLE-NEAL CLARIFICATION ACT OF 1997

Mrs. ROUKEMA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1306) to amend the Federal Deposit Insurance Act to clarify the applicability of host State laws to any branch in such State of an out-of-State bank, as amended.

The Clerk read as follows:

H.R. 1306

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may cited as the "Riegle-Neal Clarification Act of 1997".

#### SEC. 2. INTERSTATE BRANCHING.

Subsection 24(j) of the Federal Deposit Insurance Act (12 U.S.C. 1831a(j)) is amended to read as follows:

"(j) ACTIVITIES OF BRANCHES OF OUT-OF-STATE BANKS.—

"(1) APPLICATION OF HOST STATE LAW.—The laws of a host state, including laws regarding community reinvestment, consumer protection, fair lending, and establishment of intrastate branches, shall apply to any branch in the host State of an out-of-State State bank to the same extent as such State laws apply to a branch in the host State of an out-of-State national bank. To the extent host State law is inapplicable to a branch of an out-of-State State bank in such host State pursuant to the preceding sentence, home State law shall apply to such branch.

"(2) ACTIVITIES OF BRANCHES.—An insured State bank that establishes a branch in a host State may conduct any activity at such branch that is permissible under the laws of the home State of such bank, to the extent such activity is permissible either for a bank chartered by the Host State (subject to the restrictions in this section) or for a branch in the host State of an out-of-State national bank.

"(3) COORDINATION WITH SECTION 44.—No provision of this subsection shall be construed as affecting the applicability of any State law of any home State under subsection (b), (c), or (d) of section 44.

"(4) DEFINITIONS.—The terms 'host State', 'home State', and 'out-of-State bank' have the same meanings as in section 44(f)."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mrs. ROUKEMA] and the gentleman from Minnesota [Mr. VENTO] each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we are here today to consider very important legislation to clarify the Riegle-Neal Interstate Banking Branching Efficiency Act of 1994. H.R. 1306 will help to protect the dual banking system by preserving the State banking charter as a viable and effective option for State banks that wish to operate in an interstate environment.

It is essential, Mr. Speaker, I stress, to pass this legislation by June 1. On that date, interstate branching becomes effective in 48 out of the 50 States. In the interstate environment