

SUPPORTING THE GOALS AND IDEALS OF NATIONAL SAVE FOR RETIREMENT WEEK

Ms. SCHWARTZ. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 513) supporting the goals and ideals of National Save for Retirement Week.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 513

Whereas Americans are living longer and the cost of retirement continues to rise, in part because the number of employers providing retiree health coverage continues to decline, and retiree health care costs continue to increase at a rapid pace;

Whereas Social Security remains the bedrock of retirement income for the great majority of the people of the United States, but was never intended by Congress to be the sole source of retirement income for families;

Whereas recent data from the Employee Benefit Research Institute indicates that, in the United States, less than ⅓ of workers or their spouses are currently saving for retirement and that the actual amount of retirement savings of workers lags far behind the amount that will be needed to adequately fund their retirement years;

Whereas many workers may not be aware of their options for saving for retirement or may not have focused on the importance of, and need for, saving for their own retirement;

Whereas many employees have available to them through their employers access to defined benefit and defined contribution plans to assist them in preparing for retirement, yet many of them may not be taking advantage of employer-sponsored defined contribution plans at all or to the full extent allowed by the plans as prescribed by Federal law;

Whereas all workers, including public- and private-sector employees, employees of tax-exempt organizations, and self-employed individuals, can benefit from increased awareness of the need to save adequate funds for retirement and the availability of tax-preferred savings vehicles to assist them in saving for retirement; and

Whereas October 21 through October 27, 2007, has been designated as "National Save for Retirement Week": Now, therefore, be it

Resolved, That the House of Representatives—

(1) supports the goals and ideals of National Save for Retirement Week, including raising public awareness of the various tax-preferred retirement vehicles;

(2) supports the need to raise public awareness of efficiently utilizing substantial tax revenues that currently subsidize retirement savings, revenues in excess of \$125,000,000,000 as of the 2006 Fiscal Year Budget;

(3) supports the need to raise public awareness of the importance to save adequately for retirement and the availability of tax-preferred employer-sponsored retirement savings vehicles; and

(4) calls on the States, localities, schools, universities, nonprofit organizations, businesses, other entities, and the people of the United States to observe this week with appropriate programs and activities with the goal of increasing the retirement savings for all the people of the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Pennsylvania (Ms. SCHWARTZ) and the gentleman from Texas (Mr. SAM JOHNSON) each will control 20 minutes.

The Chair recognizes the gentlewoman from Pennsylvania.

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

Mr. Speaker, this resolution supports the goals and ideals of National Save for Retirement Week which will soon be designated by the Senate as October 21 through October 27, 2007. I want to thank Senators CONRAD and SMITH for working with me and my esteemed colleague, Mr. JOHNSON of Texas, to bring attention to the importance of retirement planning for American families.

We are living in a time when workers are being asked to shoulder an increasing share of the cost of savings for retirement. Even with an employee-sponsored retirement plan and the promise of Social Security benefits, American families need to put additional money aside to ensure a financially secure retirement. For many American families, saving is becoming an increasingly difficult task as they struggle to meet their everyday obligations. Even in solidly middle income families, financial resources are stretched thin as parents work to meet other pressing needs, whether it is purchasing health care coverage, paying for college, meeting energy costs, or simply paying monthly bills on time.

Over the past several years, we have seen a dramatic shift in our retirement system. Most workers are no longer eligible for traditional pensions which provide a predictable monthly benefit throughout retirement. Instead, workers are now bearing more of the costs and investment risks of saving adequately for their retirement under defined contribution plans, like 401(k)s.

As a result, the value of most workers' retirement benefits and the security of their retirement is now directly linked to their investment decisions and the balance held in their account when they retire rather than their years of service.

The dramatic shift towards individual defined contribution plans is clear. In 1980, there were over 148,000 defined benefit plans that provided guaranteed benefits to workers, and there were approximately 341,000 defined contribution plans that relied on the returns on investments made by workers. By 2003, just over 20 years later, the number of defined benefit plans had fallen to just about 47,000, while the number of defined contribution plans had risen to nearly 653,000.

While this shift is empowering American workers to make more of their own financial decisions, many families are finding it difficult to save significantly to meet all of their retirement needs.

A study conducted by the Employee Benefit Research Institute shows that average 401(k) balances range from approximately \$4,500 for participants in their 20s with less than 3 years of service to just under \$200,000 for participants in their 60s with at least 30 years of service.

Unfortunately, a balance of less than \$200,000 may not be enough to finance

an individual's retirement years. For example, a worker in my own State of Pennsylvania with a \$200,000 balance who makes the financially prudent decision of purchasing an annuity could expect a maximum monthly benefit of about \$1,300. \$1,300 can go just so far in meeting monthly household expenses. Retirees have to ask can \$1,300 pay their mortgage, health costs, car payments, gas and leisure activities, and will it be sufficient in 5, 10 or 15 years given the increasing cost of living to meet their expenses and their expectations for retirement?

These concerns become more alarming as recent data show a decline in actual worker participation in employer-sponsored retirement plans. In 2004, only 40 percent of families had an individual who participated in either form of employer-based plan. This means that a majority of American working families are not currently participating in any retirement plan at work.

As our country shifts towards an increasing reliance on individual savings, workers are facing increased difficulty as they prepare for retirement. And it heightens the importance of educating our workers about the pressing need to save.

In my district, I have partnered with banks, credit unions and other financial institutions to host seminars to help provide families with the information they need to make educated, financially responsible decisions about their family budgets and to help them establish a habit of saving for the future.

□ 1745

I have also worked with schools in my district to help reach out to children, even at young ages, in order to emphasize the importance of saving for the future. It is never too early to learn that every little bit we save now will help in the long run. Whether you're a 16-year-old receiving your first paycheck or a 25-year-old getting your first real increase, or a 45-year-old with a mortgage and two kids who need braces, a habit of putting a little bit away each month in regular savings can, with the help of compound interest, add up to a secure retirement. The resolution before us today supports and encourages educational opportunities on a national scale and creates a collaborative effort to emphasize the importance of making saving for retirement a priority for all American families.

Mr. Speaker, I urge my colleagues to support this resolution so that we can help make American workers more financially secure in their retirement years.

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today in support of National Save for Retirement Week that will be celebrated during the week of October 21 to 27 this year.

Our national savings rate is abysmal. Despite our best efforts, there are

fewer traditional pension plans every year. The costs associated with retiree health continue to skyrocket, and the Social Security and Medicare board of trustees have long warned us that without change, Social Security and Medicare will be unable to pay future promised benefits. However, there is one bright spot for Americans who have employer-based retirement savings plans. We all know and love the 401(k) plan and its cousins, the 403(b) and the 457. These plans make it possible for Americans to take charge of their own financial future by putting away savings for retirement in a convenient, safe and well-performing manner.

For far too many people, there is too much month left at the end of their paycheck and they just don't get around to putting away money for their own retirement. With a 401(k) plan, the money for retirement is set aside before the other bills get paid. The paycheck that they bring home is then available for life's daily needs, while the money for retirement is going to work with compound interest. You know, Einstein said the most powerful force on Earth is the power of compound interest. For Americans who set aside part of their paycheck for a 401(k), the power of compound interest helps them pave their way to retirement.

Another great benefit of saving at work is that in most cases, the employer is going to match some of the amount saved. To the extent that an employer will match, for instance, the first 5 percent of your salary, that's a 100 percent rate of return on those savings. If someone who makes \$50,000 a year saves \$2,500, the employer will match it with another \$2,500. That's free money. So the employee starts out at a 100 percent rate of return. If the market performs as it traditionally has and returns an average of 8 percent a year, the employee's money doubles again every 10 years. So for an additional set-aside of \$2,500, in 10 years, that employee is likely to have \$10,000. That's powerful.

During the week of October 21 to 27, everyone who plays a role in retirement will be called to action. All the companies that sponsor retirement plans, all the companies that do the work to administer these plans, financial consultants and groups like the Employee Benefit Research Institute that runs the Choose to Save campaign are encouraged to bring this powerful message to more people.

In the clutter of everyday life, we are bombarded with advertisements for everything from breakfast cereal to fast cars. Advertisements for retirement savings don't always break through the clutter. Again, our negative savings rate goes to show that. Our support of the National Save for Retirement Week today will help that message break through, as communities across our great Nation join in a concerted, week-long effort to teach Americans the importance of saving.

I urge all my colleagues to join Representative SCHWARTZ and me in passing this legislation so that more and more Americans can choose to save.

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

Ms. SCHWARTZ. Mr. Speaker, I want to thank my colleague from Texas for working with me to raise this important issue. It is my hope that we will continue to work together to encourage Americans to save for retirement.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Pennsylvania (Ms. SCHWARTZ) that the House suspend the rules and agree to the resolution, H. Res. 513.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the House will stand in recess until 6 p.m.

Accordingly (at 5 o'clock and 50 minutes p.m.), the House stood in recess until 6 p.m.

□ 1800

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will be taken in the following order:

- H. Res. 189, by the yeas and nays;
- H.R. 2546, by the yeas and nays.

The first electronic vote will be conducted as a 15-minute vote. The remaining electronic vote will be conducted as a 5-minute vote.

ESTABLISHING A WELCOME HOME VIETNAM VETERANS DAY

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and agree to the resolution, H. Res. 189, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from the District of Columbia (Ms. NORTON) that the House suspend the rules and agree to the resolution, H. Res. 189.

The vote was taken by electronic device, and there were—yeas 381, nays 0, not voting 51, as follows:

[Roll No. 549]

YEAS—381

Abercrombie	Aderholt	Alexander
Ackerman	Akin	Allen

Altmire	Ehlers	LoBiondo
Andrews	Ellison	Loeb
Arcuri	Ellsworth	Lofgren, Zoe
Baca	Emanuel	Lowey
Bachmann	Engel	Lucas
Bachus	English (PA)	Lungren, Daniel
Baird	Eshoo	E.
Baker	Etheridge	Lynch
Baldwin	Fallin	Mack
Barrett (SC)	Farr	Mahoney (FL)
Barrow	Fattah	Manzullo
Bartlett (MD)	Feeney	Marchant
Barton (TX)	Filner	Markey
Bean	Flake	Marshall
Becerra	Forbes	Matheson
Berkley	Fossella	Matsui
Berman	Fox	McCarthy (CA)
Berry	Frank (MA)	McCarthy (NY)
Biggert	Franks (AZ)	McCauley (TX)
Bilbray	Frelinghuysen	McCollum (MN)
Billirakis	Garrett (NJ)	McCotter
Bishop (GA)	Giffords	McCrary
Bishop (NY)	Gillibrand	McDermott
Bishop (UT)	Gillmor	McGovern
Blackburn	Gingrey	McHenry
Blumenauer	Gohmert	McHugh
Boehner	Gonzalez	McIntyre
Bonner	Goode	McKeon
Bono	Goodlatte	McMorris
Boozman	Gordon	Rodgers
Boswell	Granger	McNerney
Boucher	Graves	McNulty
Boustany	Grijalva	Meehan
Boyd (KS)	Hall (NY)	Meek (FL)
Brady (PA)	Hall (TX)	Melancon
Brady (TX)	Hare	Mica
Braley (IA)	Hastert	Michaud
Brown (SC)	Hastings (FL)	Miller (FL)
Brown, Corrine	Hastings (WA)	Miller (MI)
Brown-Waite,	Hayes	Miller (NC)
Ginny	Heller	Miller, Gary
Buchanan	Hensarling	Miller, George
Burgess	Herger	Mitchell
Burton (IN)	Herseth Sandlin	Mollohan
Butterfield	Higgins	Moore (KS)
Buyer	Hill	Moore (WI)
Calvert	Hinchey	Moran (KS)
Camp (MI)	Hinojosa	Moran (VA)
Campbell (CA)	Hirono	Murphy (CT)
Cannon	Hobson	Murphy, Patrick
Cantor	Hodes	Murphy, Tim
Capito	Hoekstra	Musgrave
Capps	Holden	Myrick
Cardoza	Holt	Nadler
Carnahan	Honda	Napolitano
Carney	Hoolley	Neal (MA)
Castle	Hoyer	Nunes
Castor	Hulshof	Obey
Chabot	Hunter	Olver
Chandler	Inglis (SC)	Pallone
Clarke	Inslee	Pascarell
Clay	Israel	Pastor
Cleaver	Jackson (IL)	Payne
Clyburn	Jackson-Lee	Pearce
Coble	(TX)	Pence
Cohen	Jindal	Perlmutter
Cole (OK)	Johnson (GA)	Peterson (MN)
Conaway	Johnson, E. B.	Petri
Conyers	Johnson, Sam	Pickering
Cooper	Jones (NC)	Pitts
Costa	Jordan	Platts
Costello	Kagen	Porter
Courtney	Kanjorski	Price (GA)
Cramer	Kaptur	Price (NC)
Crowley	Keller	Putnam
Cubin	Kennedy	Radanovich
Culberson	Kildee	Rahall
Davis (AL)	King (IA)	Ramstad
Davis (CA)	King (NY)	Rangel
Davis (IL)	Kingston	Regula
Davis, David	Kirk	Rehberg
Davis, Lincoln	Klein (FL)	Reichert
Davis, Tom	Kline (MN)	Renzi
Deal (GA)	Knollenberg	Reyes
DeFazio	Kuhl (NY)	Reynolds
DeGette	Lamborn	Rodriguez
Delahunt	Lampson	Rogers (KY)
DeLauro	Langevin	Rogers (MI)
Dent	Larsen (WA)	Rohrabacher
Diaz-Balart, L.	Larson (CT)	Ros-Lehtinen
Diaz-Balart, M.	Latham	Roskam
Dicks	LaTourette	Ross
Doggett	Lee	Rothman
Donnelly	Levin	Roybal-Allard
Doyle	Lewis (CA)	Royce
Drake	Lewis (GA)	Ruppersberger
Dreier	Lewis (KY)	Ryan (OH)
Duncan	Linder	Ryan (WI)
Edwards	Lipinski	Salazar