

# *How Will States Respond to the Retirement Security Crisis?*

*National Conference of State Legislatures*

*2010 Legislative Summit*

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NPPC

# National Coalition Partners



National Conference on Public Employee Retirement Systems

*The Voice for Public Pensions*

**SEIU**<sup>®</sup> *Stronger Together*

**AFL-CIO**

*America's Union Movement*



*A Union of Professionals*



*Great Public Schools for Every Student*

# **NPPC Objective**

Effectively defend defined benefit plans for public employees, and take the initiative to ensure that these plans continue to provide the foundation of a secure retirement for public employees.

# Why Defined Benefit Plans?

- Shared Responsibility
- Age Proof Retirement Income
- Pooled Risk & Superior Returns
- Professional low cost management
- Best Bang for the Buck
- Local & state economic support
- Best hedge against elderly poverty
- Protections against inflationary risks
- Death and disability components built in
- Recruitment, Retention and Orderly Retirement
- Enhanced by effective supplemental plans

# Growing Retirement Income Insecurity in the Private Sector

- “The Lost Decade” – for wage and home equity growth and rapid deterioration of personal/ER provided savings
- Only 1 in 5 private sector workers have a defined benefit plan (21%)
- More than 1/2 don't have or don't participate in any employer provided savings option
- Homes values plummeted; foreclosures rose
- DB freezes, 401(k) match suspensions
- 401(k) losses due to market downturn and excessive fees
- More Americans insecure about ability to retire as planned

# For More Information

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