Legal or Not, States Forge Ahead With 401(k)-for-Everyone Plans.

Congress jeopardized the future of state plans to help private employees save for retirement. States don't seem to care.

Matt Birong spent years cooking in upscale restaurants in Boston and New York City. In an industry notorious for low wages and zero benefits, he did something very unusual: He opened a retirement savings account for himself. Birong admits that if his parents hadn't insisted he do so, he likely would have skipped the process. Even then, the notion of setting up an investment plan on his own would have been overwhelming if he didn't have a trusted friend in the financial services industry to walk him through it.

Now, as owner and head chef of 3 Squares Café south of Burlington, Vt., Birong wishes he could do the same thing for his employees. He already offers other unusual perks for the industry to attract quality and loyal workers, such as paid time off after one year of service. But setting up a retirement savings program for his roughly 15 employees? "I've got my head under a sink making sure the water's not leaking on the tenants downstairs," he says. "I just don't have the time; it's not that I don't want to."

Birong's situation is similar to that of many small-business owners across the country and is a big reason why half of private-sector workers don't have an employer-sponsored retirement plan. Of those 57 million people, only a small percentage have saved on their own and those savings are generally paltry. According to the National Institute on Retirement Security, the median retirement account balance is $3,000 for all working-age households and $12,000 for near-retirement households.

Continue reading.

GOVERNING.COM

BY LIZ FARMER | AUGUST 2017