

Lansing State Journal

Policies Can Help Citizens Add Assets

February 10, 2006

Eric Muschler

Editorial; Page 9A

Like most Michigan citizens I dread the thought of another divisive campaign season. I hope during the coming months there will be at least a few new innovative ideas that both candidates for governor will, for a change, "agree to agree on" - for the benefit of the state.

One idea that deserves action and bipartisan support is the governor's proposal for a 401(k)-style retirement plan for workers, mostly employed by small businesses, which would be administered by the state. At a minimal cost to the state, thousands of working households would have access to a simple retirement savings instrument to help them save toward financial security in retirement.

Private businesses, about half of which do not offer a retirement plan, would welcome the opportunity to help their employees and benefit from the program.

The Asset Building Coalition for Michigan, a bipartisan and diverse group of government and private groups, has released its inaugural report. The state-administered retirement plan is one of 12 policy recommendations in the report.

The recommendations include both short and long-term opportunities.

In the short-term, for example, can we agree to include a quality personal financial education as a required component of any new high school graduation standards?

Another short-term action item: Individual Development Accounts in Michigan have garnered bipartisan support for five years now, but in down budget times this successful program is in danger of losing funding.

In the long run, the report highlights universal Children's Saving Accounts, a state earned income tax credit and a Housing and Community Development Trust Fund to expand ownership opportunities to new generations of workers struggling with wages in the service sector.

In the coming election year can we all take a moment out of each day to look for ideas that are not right or left, but ideas that are new and innovative. Ideas that will help working families achieve financial security like a universally available retirement savings plan.

Eric Muschler is director of the Asset Building Policy Project, located at the Community Economic Development Association of Michigan.