

U.S. DEPARTMENT OF THE TREASURY

Press Center



Lew Op-Ed: myRA The 'Stepping-Stone' To Savings

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WASHINGTON - In a contribution to Yahoo Finance, posted Monday morning, Treasury Secretary Jacob J. Lew discusses myRA - a simple, safe, and affordable starter retirement savings option for workers who don't have access to a plan at work. myRA has no fees, no risk of losing money and no minimum balance or contribution requirements. The program is designed to remove common barriers to saving, and give people an easy way to get started saving for retirement.

Read the piece [online](#).

The text of the piece follows:

myRA the 'stepping-stone' to savings

By Jacob J. Lew

In the hectic world we live in, it is understandable that families focus on the day-to-day, especially when planning for the distant future can seem daunting. But long-term financial planning is crucial, particularly when it comes to retirement.

A long-held principle of sound financial planning is that any stable retirement plan must be supported by three critical elements: personal savings, Social Security, and some form of pension. Social Security was never intended to be a sole source of retirement income, and unfortunately, for more and more hard-working families, the old paradigm feels lost as they approach retirement without a defined benefit pension or significant personal savings.

Savings is a critical step that each of us should take on our own as early as possible. For many, starting to save for retirement can be intimidating. Many are concerned they could lose their hard-earned money on risky investments or be charged excessive fees. Others are anxious about minimum balance requirements or penalties for withdrawing money to help get through a rainy day. These fears can hold back low- and middle-income Americans from getting started on a path of saving for retirement, and removing those barriers can make saving more appealing.

To clear the way and help people start on the path to long-term savings, this week, the Treasury Department proudly announced the nationwide launch of myRA, a new simple, safe, no-fee retirement savings option designed for people without access to a retirement savings plan at work. President Obama announced the creation of myRA, in his State of the Union address last year, and after completing a successful initial pilot of the program, we are now excited to offer it nationwide.

These accounts have no fees, and they carry no risk of losing money because they are backed by U.S. government savings bonds. myRA was designed to make it easy and attractive to start a savings habit. And because myRA is meant to be a starter account, savers can transfer these funds into a private-sector Roth IRA as their nest eggs grow. Our goal is to make sure that every American is not only encouraged to save, but has the tools they need to create a financially secure retirement. myRA alone will not solve the nation's retirement savings gap, but it will be an important stepping stone for encouraging and creating a nation of savers.

The key is taking the first step and putting that first dollar aside. Someone graduating from high school today could put away \$5 each week and expect to have \$21,000 by the time they're ready to retire. The bottom line is that it doesn't matter how much you start with as long as you can make it a habit. Over time you'll watch your savings grow into the foundation for a secure retirement. The old adage, 'a penny saved is a penny earned' is true, and with myRA, we are working to provide one more option for Americans to get started today in building a more secure future for themselves and their families.

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