

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Secretary Jacob J. Lew at the Financial Literacy and Education Commission Meeting

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WASHINGTON – Thanks very much Amias, and thanks to all of you for being here with us today. These meetings by the Financial Literacy and Education Commission are a really important opportunity to share what we are all doing and seeing and hearing and how we can achieve these goals more effectively.

We're meeting at a time where the world economy is doing a lot better since the depths of the Great Recession. We've added 13 and a half million jobs. We've seen unemployment drop close to 5%. And we're starting to see wages growing again. But we know we still have challenges ahead to make sure that all really share in the benefits of the growth we have in the economy and the way that individuals have the ability to plan for a secure financial future.

As Amias was saying, and as Melissa was saying, retirement security is one of those areas where we know each of us needs to do what we can to plan for our secure retirement future. And as wonderful of a foundation that Social Security is, it's not enough. We need to have something to supplement social security to have the kind of retirement that we would all hope to look forward to. Now obviously it doesn't start with retirement, it starts with learning how to manage your expenses, your budget and how to save for your own retirement. One of the things that we've learned is that for a lot of people, particularly people who are early in their careers or at relatively low wage levels, the hurdle to get over to begin saving is higher than just the ability to put a few dollars aside. People worry about the complexity of it, so it has to be a simple product. They worry about risk. It's not just a question of how much you earn, it's are you going to lose what you put aside. And it has to be available in an emergency, because people worry if they put their money away and that they can't get access to it, then it will end up being something that they regret.

myRA is something that we set up to address all of the concerns that new savers tend to have. It's simple, it's safe, and it's affordable. We've launched this now nationally just last week, and we're reaching out to people and we want to figure out what we do to make it even more accessible, even more something that gets people started on a pathway to saving. One of the things, about *myRA* that we have to keep in mind is it's a starter savings product. It caps out at \$15,000, and the idea is that people will get in the habit of saving and roll over into commercially available products after that. But they get started by putting just a few dollars a week away. There aren't a lot of fees, it's not hard to do, you go to myRA.gov, get yourself into the system. It can be five dollars a week; it can be ten dollars a week. It can be what you're comfortable with. One thing we know with great certainty is that the sooner you start, the earlier you begin saving, the better. Partially, it's because you get into the habit and stick with it over a long period of time. Part of it is that money compounds over time when you save it, and the sooner you start the more time you have.

We're very excited about *myRA* and I'm glad there is going to be a discussion here today. Later on today, you get to hear from Richard Ludlow who is the director of the program. I'm delighted that Acting Commissioner Colvin is here with us today, the Chair of the Social Security Administration, who is working to make sure more Americans know about this important part of their financial security. And you know the work that we collectively do through Social Security to build a foundation for a secure retirement is really one of the great accomplishments of public policy in our country. What we're trying to do now is continue to innovate and make sure that on that foundation, we help individuals develop the practices and habits so that they'll be able to take responsibility for building a financial, a secure financial future for themselves.

It all starts with knowledge. It starts with understanding what the options are. And it starts with putting it in reach; making it something people don't think is for somebody else but it's for them. And that's really what financial inclusion is all about. It's what the work the Financial Literacy Education Commission has been driving towards on so many fronts. I'm delighted that we've had this meeting here today to really focus on retirement at the heart of it.

With that, Melissa, I'll turn it back over to you.

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