

Washington Small-Business Owners Support New Retirement Solutions



In Washington, a state where small businesses employ over 1.4 million people, there's an underlying challenge to entrepreneurial success that often goes unaddressed: the ability of a small business to offer retirement benefits to its employees.

In a recent study from The Pew Charitable Trusts of over 500 Washington small-business owners, 59% of the owners who don't offer a retirement plan said such plans are too costly to set up, and 64% said they are concerned about their ability to operate one. The survey also showed that more than two-thirds (67%) of the business owners agree that state lawmakers should do more to help Washington residents save for retirement, with 23% saying the Legislature should do "a lot more."

One solution being considered is the adoption of a state-facilitated retirement option for workers who don't currently have access to a plan at work. This approach, which has been adopted in 15 other states, would create an automatic individual retirement account (IRA) option for small businesses to offer their employees.

A business's only responsibility would be to process automatic payroll deductions for its employees. Management of the IRAs, including all reporting and administration, would be handled by a private sector financial services firm overseen by the state as part of a public-private partnership. Employees would always have control of their contribution levels and could opt out or access their savings at any time. There would be no fee or fiduciary responsibility for the small business.

A large majority (72%) of small-business owners in Washington support creating a state-facilitated retirement savings option that would help private sector workers who don't have plans through their jobs put money away for retirement.

Here's what Washington business owners are saying about the need to address solutions for retirement savings.

Learn what some local small businesses are saying about the Washington Saves Retirement Program

Gieselia Baker is the owner of Executive Digital, a notary business that has partnerships with multiple 1099 contractors. As a business owner, Baker hopes to expand her business by transitioning her contractors to full-time employees but has struggled to take that step because of her inability to offer competitive benefits.



“ Small-business owners like me need help. It shouldn’t be hard to save for retirement, and we need to find ways for small businesses to have affordable and accessible options to help their employees save for retirement like employees at our big-business counterparts do.”

Gieselia Baker, Executive Digital, Lacey, WA

Scott Baxter, a longtime champion for small businesses and co-owner of three establishments in Washington, serves as the CFO of Pilates Collective LLC. Along with his partner and their co-owner, he oversees a team of 12 employees. Unfortunately, offering essential benefits such as a retirement plan has become prohibitively expensive.



“ The costs associated with providing employees with benefits such as health care or a retirement plan are a big struggle for me and the other small businesses I work with. However, there’s motivation in the small-business community to find affordable retirement benefits so that we can find the right workers to help our businesses grow.”

Scott Baxter, Pilates Collective LLC, Whidbey Island, WA

Arianna Brooke, co-owner of the jewelry company MILLIANNA, works hard to keep her business growing and is passionate about her products. One full-time employee and a half-dozen part-time employees help craft the jewelry she sells. With the time and focus required to keep a handcrafted jewelry business running smoothly, Brooke has little time for additional administrative tasks such as researching retirement plans—let alone administering them.



“ Small-business owners work up to 80 hours a week just to keep our businesses going. The idea of an automated savings program seems like a win-win to me. Anyone can find an hour to set a plan up if it means leveling the playing field with larger businesses and creating more opportunities for their employees to save.”

Arianna Brooke, MILLIANNA, Spokane, WA

Jean Craciun, owner of Jean Iannelli Craciun Consulting and founder of the Diversity Center of Washington (doing business as the Diversity Center of Seattle), has been a small-business owner for over 30 years. When Craciun thinks about the rising costs of running a business, the prospect of having full-time employees seems out of reach. Craciun's a firm believer that retirement benefits are essential for employees but doesn't see how small businesses can afford to offer such benefits by themselves.



“ The idea of an automated savings program is a good one and something I could use for my company. I like the idea that it will help my workers and that the program is portable, so the benefits stay with a worker—ensuring they can continue to save.”

Jean Craciun, Jean Iannelli Craciun Consulting, Diversity Center of Seattle

Jill Nelson employs over 40 people, serving Portland, Oregon, and nearby Vancouver, Washington, with her dog walking and pet sitting business, Hot Diggity!. Because Oregon has already created an automated savings option, she knows how such a program can make it easier for small businesses to offer competitive benefits.



“ As a small-business owner with employees in two states, I've seen from my Oregon experience how crucial it would be to make it easier for Washington small businesses to offer retirement benefits to their employees. I would love to see Washington look at options like those that take the administrative burden off the business owner in other states and bring them to our state.”

Jill Nelson, Hot Diggity! dog walking and pet sitting, Vancouver, WA

David Walkush is the owner of Breakwater Investment Group. Because of the nature of his business, he understands the need for financial education and wellness—and also the importance of people saving for retirement.



“ As a society, we need to do more on financial education and wellness. The concept of an automated saving program is great because it incentivizes employers to take care of their employees. I would hope that our state looks into these programs, and that if we get such a program, the state encourages businesses to participate so Washington's employees can start saving.”

David Walkush, Breakwater Investment Group, Everett, WA

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