



Small Businesses Support the Creation of the Michigan Secure Retirement Program

In Michigan, a state where small businesses employ over 1.9 million people, there's an underlying challenge to entrepreneurial success that often goes unaddressed: a small business's ability to offer retirement benefits to its employees.

Many workers in Michigan are not saving enough for retirement. The problem is especially acute among workers at small businesses, whose employers often struggle to afford a retirement plan. Now, the state is addressing the retirement challenges facing many of its residents by considering a program called Michigan Secure Retirement.

Michigan Secure Retirement—recently introduced in the Michigan Legislature ([H.B. 5461](#))—would be a state-facilitated program that small businesses could use to provide their employees access to a retirement savings option. There would be no fee for the business, and there would be minimal administrative burden on the business owner.

Such a program, also known as “automated savings,” “secure choice,” “auto-IRA,” or “work and save,” would automatically enroll employees who don’t have access to employer-based benefits—and, if employees don’t opt out, their payroll deductions would go into an individual retirement account (IRA) at no cost to employers. Businesses that do not already provide a retirement plan would only need to offer the opportunity to their employees and then process employee payroll deductions into their employees’ IRAs. 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.

A large majority (73%) of small-business owners in Michigan support creating a state-facilitated retirement savings option that would help private-sector workers without employer-provided plans put money away for retirement, according to an [AARP survey](#).

Here's what some Michigan business owners are saying about the need to address the retirement savings challenges that they and their employees face.



“ My construction business relies on having access to consistent and reliable workers to execute our projects. An automated savings program would help me offer benefits similar to what larger companies offer and would alleviate some of the burdens we face in identifying and retaining top talent. My business could use a program like this.”

Johnnie Edwards Bellows Jr., Aura Company LLC, Ann Arbor



“ An employee's ability to plan for the future relies on having access to important benefits like retirement, which typically comes from an employer. However, many small businesses—like my organization, which works to address issues perpetuating poverty in low-income communities—don't have the means or ability to provide these essential benefits. An automated savings program in Michigan would have a huge impact on the communities we serve and our business as a whole.”

Melva Bradford, The LaStraw Inc., Detroit



“ My business values itself on helping people improve their lives every day through fitness so that they feel their best. However, being a small-business owner, I face many challenges when it comes to hiring new employees and retaining top talent. Having an automated savings program in our state would allow small businesses to access much needed benefits and allow us to spend more time focusing on the business areas where we excel.”

Latricia Wilder, Vibe Ride, Detroit