

**Statement by
The Savings Coalition of America
In Support of
New Simple and Expanded Savings Vehicles
March 8, 2005**

The Savings Coalition of America applauds Senator Craig Thomas and Representative Sam Johnson on introducing proposals to create new simple and expanded savings vehicles, which will significantly increase opportunities for Americans to save for the future through new and less complicated venues. These accounts will provide Americans with a variety of savings vehicles that will meet their needs throughout their lives. The administration, Senator Thomas and Representative Johnson recognize the importance of simplicity as incentives for saving. Savings Coalition members know from experience that fewer rules and restrictions often result in higher participation rates across all socio-economic levels. The Savings Coalition looks forward to working with the Administration and Congress to have this enacted thereby allowing all Americans to save for their futures.

The Lifetime Savings Accounts (LSAs), Retirement Savings Accounts (RSAs), and the Employer Retirement Savings Accounts (ERSAs) will encourage Americans to save tax-free for all of life's major occurrences. The LSAs will promote the concept of savings to Americans at all ages.

The RSAs address a key component of retirement -- personal savings. Personal savings is the third leg of the retirement stool in addition to employer-provided plans and Social Security. By eliminating income restrictions, the RSA will be a great tool for Americans to save for their retirements, especially baby boomers who are within a decade of beginning to retire. The ERSAs make many of the employer plans easier to understand and therefore easier to use. Both retirement account proposals will greatly assist Americans to be financially prepared for retirement.

The Savings Coalition of America has more than 75 member organizations representing tens of millions of American savers. Its membership includes representatives from a wide variety of interests including consumer, health care, education and business groups, engineers, home-builders, realtors, trust companies, banks, insurance and securities firms and financial services companies. The Savings Coalition of America was established in 1991 to support incentives to increase the level of personal savings by all Americans.

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For additional information contact: Kathy Hamor at the Savings Coalition of America, (202) 223-2632