

FOR IMMEDIATE RELEASE

DATE: February 5, 2003

The Savings Coalition of America Applauds the Administration for the New Simple and Expanded Savings Vehicles

WASHINGTON, DC -- The Savings Coalition of America applauds The White House and the Department of the Treasury on the 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.

The accounts proposed by the President will provide Americans with a variety of savings vehicles that will meet their needs throughout their lives. Members of the Savings Coalition are pleased that the administration recognized the importance of simplicity. Savings Coalition members know from experience that fewer rules and restrictions often result in higher participation rates across all soci-economic levels.

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.

"This legislation provides incentives for Americans to save," said Kathy Hamor, Executive Director of the Savings Coalition of America. "For the retirement accounts will allow all Americans to save for their personal retirements while making it easier for American workers to save through their employer-sponsored plans."

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 encourage the passage of expanded IRA legislation.

####

For additional information contact: Kathy Hamor at the Savings Coalition of America, (202) 223-2634