

**2015 HOUSE POLITICAL SUBDIVISIONS**

**HCR 3056**

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Prairie Room, State Capitol

HCR 3056  
3/6/2015  
24445

- Subcommittee  
 Conference Committee

*Amanda Muscha*

### Explanation or reason for introduction of bill/resolution:

Directing Legislative Management to study projections on the number of low-income individuals on the state over the next 10 years and the desirability and feasibility of developing and expanding asset-building programs for those individuals.

### Minutes:

Testimony 1, 2, 3, 4, 5

Chairman Klemin: Opened hearing on HCR 3056. We have received testimony from Sarah Hasbargen who was not able to be here (testimony 1).

Josh Boschee: Introduced the bill- testimony 2

Representative Koppelman: I am curious about the aim or objective of the resolution?

Josh Boschee: Asset building is what many of us do every day. The idea is that many folks who are low-income may not have the financial ability to start that. Things like helping promote savings is a way we can encourage people to asset build. Sarah mentioned in her testimony their program called the individual development account. It has been proven throughout the country and worked well for many families in the state to save. It becomes a 2 for 1 match with a cap where for every dollar they save there is a 2 dollar match from the federal government up to 4,000 from the federal government. The idea is that they created a savings account.

Representative Koppelman: I understand the need for those financial decisions but my question is how does state government enter in? Are you envisioning something learning based?

Josh Boschee: I don't have the answer that is the purpose for the study.

Representative Becker: If I could follow up on Representative Koppelman's line of thought. I don't think anyone would be against finding ways to help people but what is the role for government? Where something might be obvious to you and me may not be the same to everyone else. How do you think we should get the idea across to the others?

Josh Boschee: I would reference yesterday Representative Beadle introduced a resolution that was looking at people who are receiving economic assistance from the government and are incentivized to get more hours in the work environment we have. In that resolution we want to look at how we as a state may make some policy changes for folks that are receiving the economic assistance to incentivize them to work more and not necessarily lose all their benefits but bring themselves to a point where they don't need to receive the benefits. With asset building but also looking at programs that we could use to help the low number. We know that they are working but they are still in poverty.

Representative Becker: There was one word I was waiting to hear and didn't but incentivize is great. In helping can there also be a requirement?

Josh Boschee: That can be part of the discussion. We want to figure how we can get them on a program but not keep them on it longer than they need to. I am not naïve to the decision making of our body and I wouldn't look at this as growing any of those programs necessarily. I would look at how can the state use its resources to set some short term outcomes for folks and help them asset build.

Karen Ehrens: Testimony 3

Josh Askvig: Testimony 4

Representative Koppelman: Your information is interesting and judging from my family going to Florida and having many houses I think things are better off than they used to be for retired teachers. As I look at your statistics and I am not diminishing the concern in any way the concerns of people in poverty but you talk about 92% of people over 45 or in that age range who are concerned about whether or not they will have enough money for retirement and 1/6.

Josh Askvig: So you're talking about the polling data. It is 52% are anxious about having enough money in retirement and there is 1/3 people who don't have work place savings options.

Representative Koppelman: What it's interesting is I fit both of those but I am not destitute so I don't know how. I am in that age category and I am self-employed. Virtually most people I know are concerned about if they will have enough money for retirement. Does that put them in the risk category?

Josh Askvig: It would place them at high risk but those who do not have access to work place savings accounts are 1300% less likely to put money away for retirement. If you own your business you do have an assist. You have the business aside of it. There are many who don't have that piece of it and many are renters. It is a broad way of saying to you 'does that mean everyone falls into that category, no'. We need to encourage more and make it easier for people to take steps in a manor to build assets for themselves.

Representative Koppelman: Depending how much value you put on that asset, it could be for sale. One thing I did find encouraging in your statistics is which you may be intending it to be negative, 34% rely solely on Social Security and that means the vast majority don't.

Josh Askvig: We would agree but 34% is a large number. If you consider the fact that you have those have it as 50% or more of their retirement program you are at 61%.

Representative Zubke: When we say more than 2/3 don't have access to work place savings plan and would take advantage of it if offered they do have access to IRA's, ROTH IRA's, and low cost savings plans don't they?

Josh Askvig: They do have access to those but I would point you do the statistic that they are 1300% less likely to do it on their own. Yes we do and if we can find ways to steer them to do it more on their own, great but we should also look at we know where they do save and that is when they have access through work so how do we and how can we facilitate that.

Representative Zubke: That leads me to where I am going with the retirement plan proposal also. Over half supported proposal to offer access to a North Dakota Retirement Manage plan and going back to this IRA and work place retirement I have a feeling that they support a North Dakota Manage Retirement Plan if somebody else is putting in the money.

Josh Askvig: I can find the question for you but that was not the insulation that we intended to give. The point was access to a vehicle for you to put away money through your work place.

Representative Zubke: Please don't misunderstand me. I do support these things.

Josh Askvig: The way it is worded here I see why you drew that conclusion.

Representative Kelsh: I look at this as an education process to help people plan for their retirement plan for having a decent living, putting together the information that helps them to not get on social service programs but to get off them. Is that correct analysis of what you are trying to do?

Josh Askvig: I believe the study would look at that.

Representative Anderson: I think the whole financial market to people is confusing and they don't know how to do it. What part of educating financial markets would be helpful for people in that age group?

Josh Askvig: That is why we support auto enroll policies that require an act of opt out that help facilitate individuals being engaged. As far as the education component of it I have to check our policy. I will tell you that we have learned and did a series of 10 steps to retirement last year. Everyone thought we would talk about products and the magic tool but we talked about if they have taken care of their health care needs before you start drawing because just because you reach Medicare and draw Medicare doesn't mean your health care expenses go away. I would also say the market is confusing and when people get confused they walk away. Anything we can do to help them get a better understanding is supported by us. The sooner you can start that in a way that makes sense will help.

Representative Anderson: As we look at the study of poverty and we look at the education pieces maybe not costing a lot of money to do that. Am I looking at that right?

Josh Askvig: There are a number of organizations that do education outside of the educational system. If the state can find ways to implement policies which may or may not cost money that help foster people getting that start makes sense to me.

Marilyn Fozz: I am here representing the North Dakota Banker's Association. We see value in this study to gather information which private industry can use to evaluate what financial products can better serve low-income customers and what are the impediments to them taking advantage of those products currently. We would think it had more value if it focused on that information gathering and the role of private industry to meet any identified needs. We would not see the desirable result of this study seeing more state programs or state funded programs but we do see value in gathering information banks already. I am also authorized to say the credit union league was at a separate hearing but supports what I have said.

Blake Crosby: Testimony 5

Representative Becker: Your words tie closely to Representative Kelsh's comments. My perception is that at the national level it is to see how many people we can get on the welfare programs but I would like to support this. How do we help people get off the programs is what we need to look at.

Blake Crosby: I agree. This resolution is the intent of that.

Representative Toman: I would like to see the amendment to expand the research of what the actual problem is. I move the amendment.

Representative Koppelman: Second

Representative Zubke: I would hate to see us delete the words of developing and expanding asset building programs because it is a key part. I would oppose the motion unless we can keep those words.

Representative Beadle: I don't think our intention is to expand state assisted asset building programs; we want to include the private sector also. It is written so we study it. I would oppose that amendment in exchange I would make it say the desirability and feasibility of encouraging development and expansion of asset building programs for those individuals. We are encouraging the development expansion be a private sector be it through non-profit groups that are out there.

Representative Koppelman: I understand what they are saying but I don't think that is what the resolution is saying. My heart burn is over the word programs. Do you have another word for that Representative Beadle?

Representative Beadle: That is where I would infer the encouragement of encouraging development and expansion so then our role as a government program would be the encouragement of the development expansion of the programs be it exists in the private sector. We understand that there is 3 quarter of elements control in the legislature if this is looking at public sector program growing A- legislative management will never chose the study and B- it will never come out of the interim committee with a proposal for that sort of

program. Realistically we know that is not going to be the intention of legislative management when they chose it or the outcome.

Representative Koppelman: Words mean things. If you have a synonym for programs maybe we could use that because the word program implies government programs.

Chairman Klemin: Opportunities.

Representative Beadle: I just want to make sure that we would retain the asset building programs within there.

Representative Toman: I withdraw my motion

Representative Koppelman: I withdraw my second.

Representative Koppelman: I would change the amendment to fit around what we just discussed and add the language proposed by Representative Toman. I move to adopt the amendment.

Representative Beadle: Second

Representative Koppelman: I think this illustrates what they all mentioned.

A Voice Vote Was Taken: Motion Carries

Representative Hatlestad: I move a do pass as amended

Representative Zubke: Second

Representative Beadle: I support this because we need to give more options and there is a need to get people off some of the public assistance programs. We do a disservice by not having more financial educational courses required in our high schools or in education system.

Representative Koppelman: Most of us don't learn much about financial literacy in school.

Representative Anderson: I see with this study is the financial study also. We have people living pay check to pay check not accessing any of our services but once they quit work they start accessing. It would be great if they weren't in poverty when they are elderly.

Representative Kelsh: Serving on the education committee we have had those bills that bring up financial literacy requirements. The need is now.

A Roll Call Vote Was Taken: Yes 12, No 1, Absent 1 (Oversen)

Motion Carries

Representative Beadle will carry the bill

March 6, 2015

*Handwritten:*  
36-15

PROPOSED AMENDMENTS TO HOUSE CONCURRENT RESOLUTION NO. 3056

Page 1, line 3, replace "programs" with "opportunities"

Page 1, line 20, replace the first "and" with a comma

Page 1, line 21, replace "programs" with "opportunities"

Page 1, line 21, after "individuals" insert ", ways to encourage and improve financial literacy among the people of this state, and ways in which the private sector can assist people in improving their financial stability"

Renumber accordingly

Date: 3/6/2015  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3056

House Political Subdivisions Committee

Subcommittee  Conference Committee

Amendment LC# or Description: 15.315.02001

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Koppelman Seconded By Beadle

Representative	Yes	No	Representative	Yes	No
Chairman Lawrence R. Klemin			Rep. Pamela Anderson		
Vice Chair Patrick R. Hatlestad			Rep. Jerry Kelsh		
Rep. Thomas Beadle			Rep. Kylie Oversen		
Rep. Rich S. Becker			Rep. Marie Strinden		
Rep. Matthew M. Klein					
Rep. Kim Koppelman					
Rep. William E. Kretschmar					
Rep. Andrew G. Maragos					
Rep. Nathan Toman					
Rep. Denton Zubke					

VOICE NOTE  
MOTION CARRIED

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Date: 3/6/2015  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HCR 3056

House Political Subdivisions Committee

Subcommittee  Conference Committee

Amendment LC# or Description: 15.3115.02001

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation

As Amended  Rerefer to Appropriations

Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Hatlestad Seconded By Zubke

Representative	Yes	No	Representative	Yes	No
Chairman Lawrence R. Klemin	X		Rep. Pamela Anderson	X	
Vice Chair Patrick R. Hatlestad	X		Rep. Jerry Kelsh	X	
Rep. Thomas Beadle	X		Rep. Kylie Oversen		
Rep. Rich S. Becker	X		Rep. Marie Strinden	X	
Rep. Matthew M. Klein		X			
Rep. Kim Koppelman	X				
Rep. William E. Kretschmar	X				
Rep. Andrew G. Maragos	X				
Rep. Nathan Toman	X				
Rep. Denton Zubke	X				

Total (Yes) 12 No 1

Absent 1 (Oversen)

Floor Assignment Beadle

If the vote is on an amendment, briefly indicate intent:

motion carries

**REPORT OF STANDING COMMITTEE**

**HCR 3056: Political Subdivisions Committee (Rep. Klemin, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HCR 3056 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "programs" with "opportunities"

Page 1, line 20, replace the first "and" with a comma

Page 1, line 21, replace "programs" with "opportunities"

Page 1, line 21, after "individuals" insert ", ways to encourage and improve financial literacy among the people of this state, and ways in which the private sector can assist people in improving their financial stability"

Renumber accordingly

**2015 SENATE POLITICAL SUBDIVISIONS**

**HCR 3056**

# 2015 SENATE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Red River Room, State Capitol

HCR 3056  
4/2/2015  
Job Number 25768

- Subcommittee  
 Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A concurrent resolution directing the Legislative Management to study projections on the number of low-income individuals in the state over the next 10 years and the desirability and feasibility of developing and expanding asset-building opportunities for those individuals

### Minutes:

Written testimony # 1 Rep. Josh Boschee  
Written testimony # 2 Josh Askvig  
Written testimony # 3 Karen Ehrens

**Chairman Burckhard** opened the hearing on HCR 3056. All senators were present.

**Rep. Josh Boschee** introduced HCR 3056 to the committee. (:46-4:08) Written testimony # 1 and in support of HCR 3056.

**Marilyn Foss** (4:23-5:55) appearing this morning on behalf of the North Dakota Bankers Association. Our perspective in supporting this resolution is that banks provide services to all classes of the community. We sometimes struggle to find products and services that can meet the needs of the low and moderate income groups in our community. We have both moral obligations and legal obligations to serve those community members and having information about the size of that population and the services that private enterprise, and I do focus on that, private enterprise may offer it to that community as something that would benefit both banks and other businesses in North Dakota. That's why we support it. Our perspective on that would be we would participate in the study and our perspective would be providing our business members and our bank members with information from which they can focus on the products and services they can provide. We generally do not support having government decide services where private enterprise can meet the needs of the community and we think that information here will help us do that.

**Senator Anderson** It seems to me that we had a program to help build assets for low income people and we called it a House buying program for zero or 5% down. It didn't work very well in the long term, or did you find it in North Dakota it did work better than I think it did?

**Marilyn Foss** I am not very familiar with the program you're talking about so I honestly couldn't give you an answer.

**Senator Anderson** I could go out and buy a house if I was a first time home buyer for 5% down or zero, through the banks. Then the idea was that I would be making payments and building some assets with that house over time.

**Marilyn Foss** Through the banks and housing finance agency. Honestly I don't have enough information on whether that program was successful or not to truthfully respond to your question. I will note that in North Dakota the mortgage difficulties that affected the rest of the country did not affect North Dakota. We did not have programs with such no down payment programs where there were unanticipated levels of default. We did not have no-doc loans and all of the kinds of scandalous things that caused the mortgage crisis. We have in North Dakota with the possible exception of Minot, because of flood issues, the lowest mortgage default rate in the country and have for quite a while.

**Senator Judy Lee** Well I thought it would be helpful for the committee to know that the Housing Finance Agency purchases first time home buyer loans but they don't, there not, not all processed by local lenders. They are the secondary market. If you buy with zero down it is in most cases going to be if you're a veteran because there is a zero down payment program for veterans; the FHA or Federal Housing Administration loans which are a very popular way for a lot of folks to finance their homes because it is an assumable loan to another qualified buyer. Well it's now 6% I think for down, the total cash is much less also because there is a mortgage insurance premium which the purchaser pays for which is unwritten by the feds in each of those cases. So it's not we don't have a pool of money in North Dakota that is being used to give zero or low or no-down payment loans. The only Federal government program that I can think of which I've never really approved very much of is one through the Farmers Home Administration which is intended for rural use except they no longer will lend on farm homes in the Farmers Home Administration. They think it is their responsibility to keep small towns alive but they can't. There are things they can't have. They have to have very modest houses, they can only have a single garage, they can't have a walk in closet, they can't have fireplace, things like that. Those were subsidized with loans that were written at rate for you and me and we are the ones who paid the difference between the two and there was a high default rate on those when those were quite popular several years ago. Just because of people who were buying them, were people who couldn't afford it and they weren't vetted at all in the same way that loan applicants are vetted for an FHA or a VA loan or a conventional loan and it's after the banks approval has taken place that it is then moved forward to approval by the Housing and Finance agency here in Bismarck. Then they end up being the holders of those loans for those dollars and the local lender can go back and relend again. I thought that might be helpful.

**Josh Askvig** AARP of North Dakota (10:12- ) this is the first time I have ever been in front of this committee. We stand in support of HCR 3056 the study options for asset building. Written testimony # 2.

**Senator Anderson** It seems to me like a lot of the deficiency in that group of people that you say doesn't have access through their employer and consequently doesn't save for retirement. It's more of educational issue than it is other issues. I mean all of the self-

employed people that we have in North Dakota don't really have access to an employer sponsored retirement plan. They have to make that decision on their own if they're going to put some money away for retirement. Maybe we've created some false hopes with people that Social Security is going to be enough to take care of them, I don't know. Can you answer that a little bit about why the self-employed people are doing better than the ones who are working for somebody?

**Josh Askvig** I can. They have an asset. If they are self-employed they have a business or an asset they can likely sell and many of them use that as their retirement savings vehicle. If that works for them, great! One of the things though that many find out is that it doesn't last as long as they thought it was going to after they sold it and so encouraging people to save more is something we do and we do often. We don't disagree with the idea that more education would certainly help. We also think there are probably other options and opportunities for the private sector working with the state and others to create options that make it easier for people to put money away. The figure I stated about not saving if you don't have access through an employer, I don't know how you get around that and I would be happy to dig up the source for you. I didn't include it in this testimony. But, that is huge. Some would say a lot of people in the retail sector etcetera, don't feel right and we certainly believe they should. I told the story in the House when they heard this bill, about the first thing my Grandmother did for me when I got married was give me \$50, gave my wife \$50 and said now go start a retirement savings account. My wife said, are you nuts? So we did today that has some value in it because we've continued to put money in it each month and it's grown even through some of the tough times. Now I have to tell you my wife today looks at that and says it was the best decision your Grandma ever made. I said, well I am glad that it is Grandma who gave me the \$50, because if it was my Mom, we would have spent it on our honeymoon. So, part of me is the messenger, so is what I am trying to get at.

**Senator Judy Lee** Of the three speakers who have come up this morning, I haven't heard a single one talk about personal responsibility and I appreciate Senator Anderson's comment about self-employed people, because there are a lot of self-employed people who don't have an asset to sell. I made a good living in the real estate but I didn't have an asset to sell. There are people who may businesses maybe farmers who rent land, that don't own land. I mean, aside from one's residence which is the most common asset that most people might have, part of this is if everybody was as engaged I suppose. If everybody was as engaged as the 6 of us might be, or the 12 or 15 of us in here, we would have everybody would then probably have completed an education that would enable them to earn a living whether working for somebody else, or being self-employed. There are tremendously high rate of percentage as has been mentioned, of self-employed people in the state. But we have a personal responsibility for making sure that we are doing this and it scares the heck out of me to see the number of people who are in their 50's who for whom a vacation trip and the big flat screened television are way more important than that really boring contribution to that retirement plan that now you're really glad you did because your Grandma was really smart. So how do we, you can't legislate personal responsibility and honestly we are responsible for our own well-being as much as possible. It is the state's responsibility is to help those vulnerable folks for whom total personal responsibility is not possible.

**Josh Askvig** Two things one, to be clear AARP is always believe that Social Security combined with a work place vehicle along with your own savings, and we've always said that. We've always been clear that there are at least three and some would argue four, facets that being access to quality health care and affordable health care for retirement. So I want to be clear, we do believe that that is a part of that piece. The second thing I would tell you is I don't disagree that continuing to provide education and encouraging people to put savings away is great. One of the things that I think we have to remember is that individuals even those who do save and do it right, sometimes still end vulnerable and when they don't have the resources as you alluded too, where do they end up. They end up at the state door step through Medicaid, through other relatives for money, but one of the things that I think has been interesting, is been if you look at the number of what we call sandwich generation family, these families who their parents are now living with them at the same time as their raising their own kids due to many of them probably didn't put enough money away for retirement or what they thought, so I don't necessarily disagree with the underlining premise and that they certainly have to be a part of personal responsibility, but if we can make it, easier for them to do that we should.

**Blake Crosby** Ex. Director of the North Dakota League of Cities (19:57-21:37) I specifically wanted to follow Josh because I want to talk probably a little bit less about building assets as I do with a concern I have about maintaining assets. We have seen an incredible erosion of the purchasing power of social security in North Dakota just in the last 4 or 5 years. Therein lies my concern about the number of citizens in North Dakota that are living on a fixed income and that fixed income probably being social security check. So I am in favor of this study. I think we need to identify the quantity of that, is it an elephant were talking about, is it a breadbox, but I think we need to identify the quantity of it. Can we fix it, probably not? But can we maybe try to lessen the impact of it going forward some-how, I think we at least should give that a try. Therein lies my concerns, about those elderly living on a fixed income particularly when we're seeing property evaluations going up. Property taxes are going up even with the graciousness that which you bought them down. The utility bills are going up, cost of living in general is going up, that social security check just doesn't go very far anymore. I think we need to find out just how far it is not going. I encourage a do pass on this so we can a get a handle on it. Looking at the census data every 10 years I am sorry that is just data that comes in to late.

**Karen Ehrens** (22:23-25:38) representing the North Dakota Economic Security and Prosperity Alliance. In support of this resolution to study projections on the number of low income individuals of the state over the next 10 years. (Written testimony # 4).

**Chairman Burckhard** asked for those in favor of this resolution, opposed, in neutral stance for this resolution. Chairman Burckhard closed the hearing on HCR 3056.

Chairman Burckhard reconvened the committee for discussion on HCR 3056.

**Senator John Grabinger** moved a do pass on HCR 3056

2<sup>nd</sup>. **Senator Bekkedahl**

Roll Call vote: 6-0-0

Carrier: **Senator Anderson**



**REPORT OF STANDING COMMITTEE**

**HCR 3056, as engrossed: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).** Engrossed HCR 3056 was placed on the Fourteenth order on the calendar.

**2015 TESTIMONY**

**HCR 3056**

HCR 3056

3/6/2015

1.1

**North Dakota Community Action Partnership Testimony**

**RE: HCR 3056**

**March 4, 2015**

**Submitted by Sarah Hasbargen, Program Coordinator**

Mr. Chairman and Members of the Committee, thank you for allowing me the opportunity to provide written testimony regarding the Individual Development Accounts program and its impact on the low-income residents of North Dakota. My name is Sarah Hasbargen and I serve as Program Coordinator for the North Dakota Community Action Partnership. I support HCR 3056 because I truly believe that it is necessary to establish the needs of low-income residents of North Dakota and to expand asset-building programs, such as Individual Development Accounts (IDAs).

There are seven Community Action Agencies across the state and we operate programs that enable North Dakota residents' opportunities to secure and maintain self-sufficiency. We serve all 53 counties across the state and some of our programs include Head Start, Weatherization and Volunteer Tax Assistance. North Dakota Community Action Partnership is the state association for all seven Community Action Agencies provides support and advocacy for low-income residents of North Dakota. Individual Development Accounts were established as an additional program within North Dakota Community Action Agencies in North Dakota in 2002.

IDAs are long-term matched saving accounts for low to moderate income people to be used for a targeted asset goal. The three asset goals our program accepts are: college tuition, small business capitalization and first-time home ownership.

Participants are required to deposit money each month into a savings account; their

deposit must come from earned income which means their contribution comes from money they earn while working. Every dollar deposited into the savings account by the participant is matched by a combination of federal and nonfederal funds at a rate of 2:1. In our program participants are able to save up to \$2,000 for a match of \$4,000. This means if the maximum amount is saved, the participant receives a total of \$6,000 to use for their asset purchase. The IDA enables participants to acquire a lasting asset after saving for a few years.

Although IDAs were piloted in North Dakota in 2002 they are certainly not a new concept to the United States. IDAs were initially created in 1998 and are currently available in each state. There are currently 35 states that have instituted a state-supported IDA program. Some of the states include: Minnesota, Iowa, Illinois, Michigan, Connecticut, Indiana, and Missouri. Since our pilot in 2002, a total of 216 IDAs have been opened all across North Dakota and more than \$200,000 of individual savings have been invested in asset purchases in North Dakota.

Our program teaches participants a slow and realistic savings plan. Participants are required to save for a period of at least six months. Throughout the course of the savings period many things happen to ensure the participant's success. First, each participant is required to complete financial literacy training. We feel strongly that financial literacy is a critical component as it teaches participants skills such as: creating and following a budget, owning and managing a bank account or credit card, credit counseling and credit repair, and guidance of refundable tax credits such as the Earned Income Tax Credit.

In addition to financial literacy training participants are also required to attend asset-specific training. This training is focused on the participant's asset that they intend to purchase upon the completion of their IDA savings. For example, a participant who is saving for a first-time home purchase is required to attend a home buyer education class. Someone saving for their small business is required to develop a solid business plan and attend training offered through the Small Business Administration. A student saving for education is required to meet with their advisor to ensure an effective course of study is in place for graduation requirements. Finally, participants are required to have regular meetings with their case manager. This relationship is also critical because it fosters success for the participant.

IDAs not only promote self-sufficiency but also promote economic development; by no means is this a give-away program. This is not only an investment in human capital but also an investment in our economy. Participants who graduate from college will have better jobs, those who expand their small business will generate revenue for our economy, and first-time home owners will pay property taxes and likely become more active in their communities

In addition to my testimony I have included below several comments from IDA participants that have graduated the program and purchased an asset.

Cassandra B: I had a goal of purchasing a house within a time frame, and I was saving money for a down payment. The IDA program turned me on to an agent who guided me through the 1<sup>st</sup> Time Home buyers program and information, budgeting classes, and how to improve my credit score for a better chance at a loan for a home with a bank or credit union. With completion of the program and my personal

contribution of 2000, I have been matched 2:1 and will have been gifted \$6000 to use on closing costs for the new home I am purchasing for me and my son. It was a beneficial learning experience that has helped me become financially independent and stable.

Ashley S: The IDA program has greatly aiding me in being able to afford secondary education without going into deep debt. Through the training that was offered and the money that was matched in my IDA account, I was able to attend the University of Mary that year without taking out a single loan.

Sara C: Without the match and in my current financial situation, I would not have been able to invest in a business. Having the money "ear marked" for a specific asset was a great teaching tool for me in saving and planning. I feel much more optimistic about my financial future

Laura G: The IDA program has provided me with the financial assistance and tools necessary to be successful saving and managing money. I was able to achieve my goal of becoming an Occupational Therapist with lower financial debt after graduation.

North Dakota Community Action Partnership strongly believes in the necessity of a long-term assessment of the low-income residents in North Dakota, and in the expansion of asset building programs such as Individual Development Accounts. Thank you so much for your time and thoughtful consideration of HCR 3056 and North Dakota Community Action Partnership welcomes any questions or feedback at

[andreao@sendcaa.org](mailto:andreao@sendcaa.org) or (701)232-2452.

HCR 3056

3/6/2015

2.1

Testimony in support of HCR 3056

March 6, 2015

Joshua A. Boschee, District 44 Representative

Chairman Klemin and members of the House Political Subdivisions committee, for the record, my name is Joshua Boschee and I have the privilege of representing District 44 in north Fargo.

HCR 3056 was introduced in an effort for the Legislative Assembly to better understand how many low-income North Dakotans are projected to be in the state over the next decade. As many of you know, North Dakota continues to be the envy of the nation in terms of personal income growth, economic growth, workforce development and unemployment. While all of these impacts have greatly benefitted hundreds of thousands of North Dakotans and our state, there are still too many North Dakotans that are struggling to make ends meet.

This past interim I started to dig deeper into the reality of low to moderate income North Dakotans throughout the state. There isn't a county in our state that doesn't have North Dakotans that are experiencing poverty, whether that is in struggling to pay rent, heat or food. One of the most interesting things I learned was that according to the Great Plains Food Bank, 80% of food stamp recipients are working. While this is interesting, it shouldn't be surprising as we all know that North Dakotans value work and accepting economic assistance doesn't impact that. The challenge of researching these various programs and the number of recipients, was that it felt like I was going down a rabbit hole. Each time I learned something new about a program or the number of individuals receiving assistance, I came up with several more questions, which made it feel like I could be in the rabbit hole for a while.

As I visited with my local county social services office, nonprofit service providers and faith based organizations that worked with low income North Dakotans one thing was apparent. There is no one who's role it is to end poverty in our state. There were plenty of good people and organizations working to meet the immediate needs of low income North Dakotans, but there were very few who were actually working to move people up and out of poverty.

While we could debate for days the role of government in terms of moving citizens out of poverty, I think we could likely agree that we can assist in educating and encouraging citizens to build assets that allows them to move themselves out of poverty. I also think that we could agree that public-private partnerships are a reasonable way to promote resources available in our communities that are already established.

Additionally, there have been many forms of legislation introduced by legislators and organizations to address the needs of low income North Dakotans. Financial literacy, workforce development, retirement savings, tax credits are just a few that have been discussed in the first half of this session. While we all may have our own idea of what's the best way, I think it's important for Legislative Management to forecast the need over the next decade, to explore established asset-building programs to promote North Dakotans moving themselves up and potential new asset-building programs to bring to the state.

I will be followed by other folks who will share information about asset-building programs they work with and suggest we research further as a body.

Chairman Klemin and members of the committee, this study will us to be better educated on the economic assistance programs that exist, the expected number of low income North Dakotans over the next year and best practices to encourage individuals and families to build assets to move themselves out of poverty. As a low-population state, that has low unemployment and a low poverty rate, I think our great state could be the first state to eradicate poverty, if we plan well for the future.

I stand for any questions.

Reference information for HCR 3056:

WHEREAS, North Dakota ranks first in job creation and has the lowest unemployment rate in the nation for the sixth consecutive year while also having a 12 percent average annual economic growth rate;

- <http://www.commerce.nd.gov/news/NorthDakotaRanksFirstinJobCreationforthe6thConsecutiveYear/>
- <http://www.bls.gov/web/laus/laumstrk.htm>
- <http://www.bls.gov/news.release/laus.nr0.htm>
- <http://www.commerce.nd.gov/news/NorthDakotasEconomicGrowthOutspacesAllOtherStatesforFourthConsecutiveYear/>

and WHEREAS, the average adjusted gross income for individuals for 2013 rose to \$71,538, but poverty rates were 11.6 percent for individuals and 7 percent for families;

- <http://www.commerce.nd.gov/news/TaxpayersIncomeDoublesSinceNDBoomBegan/>
- <http://www.commerce.nd.gov/uploads/8/CensusNewsletterFeb2015.pdf>

and WHEREAS, nearly 9 percent of North Dakota households were food insecure at some time during 2013, with 3.1 percent of households having very low food security;

- <http://frac.org/wp-content/uploads/2010/07/nd.pdf>
- 

and WHEREAS, North Dakota's population has grown to an all time high of 739,482 residents over the past decade, and although the average age has declined, the over age 65 population is estimated to grow an additional 18 percent in the next decade;

- <http://www.commerce.nd.gov/news/NorthDakotasPopulationReachesanAllTimeHigh/>
- <http://www.ndcompass.org/demographics/key-measures.php?km=age#0-6559-d>

and WHEREAS, 10.6 percent of North Dakotans have a disability, which may impact their level of employment, and Social Security comprises the sole source or majority of income for 61 percent of individuals over the age of 65;

- <http://www.ndcompass.org/demographics/key-measures.php?km=disability#0-7006-d>
- <http://www.ag.ndsu.edu/pubs/yf/famsci/ec1673.pdf>

HCR 3056

3/6/2015

3.1

Testimony on Behalf of  
The North Dakota Economic Security & Prosperity Alliance (NDESPA)  
House Concurrent Resolution 3056 – House Political Subdivisions Committee  
March 6, 2015

Chairman Klemin and members of the House Political Subdivisions Committee, my name is Karen Ehrens and I am representing the North Dakota Economic Security & Prosperity Alliance. NDESPA is a coalition of citizens and organizations working to build assets for North Dakotans of low and moderate income through public policy change. I am here in support of HCR 3056 to study projections on the number of low-income individuals in the state over the next 10 years in order to gauge the necessity of creating or expanding programs that help to build assets.

It is true that many in North Dakota are experiencing prosperity now, but there are still people who earn low and moderate-incomes and struggle to make ends meet. One out of every 9 North Dakotans, or about 75,000 people, nearly 25,000 of whom are children, are living with low or moderate-incomes<sup>1</sup>. In fact, Missouri Slope area wide United Way recently reported the following information, gathered in 2014:

- In Bismarck-Mandan, 45 percent of young children living with a single parent live in poverty. This number rises to 84 percent for Native American children.
- More than 13,000 individuals in Burleigh County rely on food pantries to meet their nutritional requirements.

On average, a typical working family in the anteroom of retirement — headed by somebody 55 to 64 years old — has only about \$104,000 in retirement savings, according to the Federal Reserve's Survey of Consumer Finances. That's not nearly enough. And the situation will only grow worse. The Center for Retirement Research at Boston College estimates that more than half of all American households will not have enough retirement income to maintain the living standards they were accustomed to before retirement, even if the members of the household work until 65, two years longer than the average retirement age today.

3.2

What is “asset-building” and why is it an important way to look at reducing poverty? While it sounds simple enough, for many people, tools are needed to help make the most of their income, to learn how to save money, and to prepare for a downturn in tough economic times. Asset-building focuses on helping individuals navigate and succeed in the financial marketplace, to make the most of their income in both the short and long terms<sup>iii</sup>. Some of the most familiar types of asset-building tools include Individual Development Accounts (IDA’s), Earned Income Tax Credits (EITC’s) and matched children’s savings accounts like the successful 529 programs available through the Bank of North Dakota. A range of services from financial education and counseling to helping people save money in recognized financial institutions, to helping people save for college to protecting from financial predators all help people to build assets. Some of these tools require public policy support from government agencies and policymakers.

In North Dakota, we have a shared opportunity and responsibility to determine whom in our state would benefit from greater asset-building tools and programs. To do so would create an atmosphere of support and self-sufficiency and would contribute to employment opportunities – good for all of us – as well as shoring up the vibrant economy.

The North Dakota Economic Security & Prosperity Alliance urges the committee to pass HCR 3056 to study projections on the number of low-income individuals in the state over the next 10 years in order to gauge the necessity of creating or expanding programs that help to build assets. Attached to this testimony is a list of NDESPA partners who stand in support of this legislation. I would be happy to take questions from the Committee.

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<sup>i</sup> U. S. Census Bureau, <http://quickfacts.census.gov/qfd/states/38000.html>

<sup>iii</sup> Corporation for Economic Development, [http://cfed.org/assets/pdfs/Integrating\\_Financial\\_Security\\_and\\_Asset-Building\\_Strategies\\_into\\_Workforce\\_Development\\_Program.pdf](http://cfed.org/assets/pdfs/Integrating_Financial_Security_and_Asset-Building_Strategies_into_Workforce_Development_Program.pdf)



North Dakota  
Economic Security  
and Prosperity  
Alliance

North Dakota Economic Security & Prosperity Alliance  
(NDESPA)  
2015

**AARP-ND**

North Dakota Women's Network

CAWS North Dakota

North Dakota Disabilities Advocacy Consortium

North Dakota Community Action Partnership

North Dakota Head Start Association

North Dakota Human Rights Coalition

North Dakota United

Charles Hall Youth Services

Family Voices of North Dakota

American Association of University Women in North Dakota

Charles Hall Youth Services

North Dakota Chapter of the National Association of Social Workers

Childcare AWARE

Mental Health America of North Dakota

Prevent Child Abuse of North Dakota

North Dakota County Social Service Directors Association

*NDESPA works to build and sustain a system of economic security for all North Dakotans through poverty awareness and education, grassroots and community capacity building, research and data development, and promotion of policies and practices to eliminate disparities and obstacles for achieving economic security.*

HCR 3056

3/6/2015

4.1



# North Dakota

HCR 3056 – SUPPORT

March 6, 2015

House Political Subdivisions Committee

Josh Askvig – AARP ND

jaskvig@aarp.org or 701-989-0129

Chairman Klemin, members of the House Political Subdivisions Committee, I am Josh Askvig, Associate State Director of Advocacy for AARP North Dakota. We stand in support of HCR 3056.

Dr. Ethel Percy Andrus, a retired educator and AARP's founder, became an activist in the 1940s when she found a retired teacher living in a chicken coop because she could afford nothing else. Dr. Andrus couldn't ignore the need for health and financial security in America and set the wheels in motion for what would become AARP. We are a nonprofit, nonpartisan membership organization with 85,000 members in North Dakota and 38 million nationwide. We understand the priorities and dreams of people 50-plus and are committed to helping them live life to the fullest, including here in North Dakota.

As the story above illustrates, AARP is rooted in its work on enhancing retirement security. Recent data on retirement security illustrate why. Our nation and its working families face an unprecedented crisis: a vast retirement savings deficit, estimated to be as much as \$6.6 trillion, or about \$57,000 per household. Nationally, the median retirement account balance is \$3,000 for all working-age households and \$12,000 for near-retirement households.<sup>1</sup>

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1. National Institute on Retirement Security, "The Retirement Savings Crisis: Is it Worse than We Think?" June 2013. Available online: [http://www.nirsonline.org/storage/nirs/documents/Retirement%20Savings%20Crisis/retirementsavingscrisis\\_final.pdf](http://www.nirsonline.org/storage/nirs/documents/Retirement%20Savings%20Crisis/retirementsavingscrisis_final.pdf)

Additionally, while Social Security does provide a baseline of income for retirees, it is not enough to ensure people can live independently as they get older. As the attached handout shows, the average monthly Social Security benefit in North Dakota is \$1,152 per month. Also, of the North Dakota residents over 65 receiving Social Security, 34 percent of them rely on Social Security as their only source of income. Consider further that 61 percent of North Dakotans over the age of 65 rely on Social Security for 50 percent or more of their income.

So what does the picture of retirement look like in North Dakota? Attached is a summary of some polling AARP did in November 2014. We surveyed 800 North Dakota voters age 45 and older. Over half are anxious about having enough money to live comfortably in retirement. Nearly one-third of those surveyed do not have access to any type of workplace savings plan.

Couple this information with the fact that it is estimated that over 101,000 North Dakota workers are employed by businesses that do not have a pension or retirement plan.<sup>2</sup> It is clear that even working individuals are many times not prepared for retirement, and as baby boomers continue to retire, we will see this crisis grow. AARP believes states working with the private sector should work towards commonsense solutions that help individuals build assets and savings so more people can have the freedom to live independently throughout their lives.

We support HCR 3056 to study options for asset building and urge this committee to give it a DO PASS recommendation.

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<sup>2</sup> AARP Public Policy Institute tabulation of the U.S. Census Bureau's Current Population Survey, March Supplement (2011-2013).

# Social Security

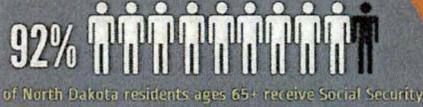
## 2014 North Dakota Quick Facts

### 1 in 6 North Dakota residents receive Social Security



In 2012, North Dakota's population was about 700,000, with 101,000 being age 65+

122,104 number of North Dakota beneficiaries



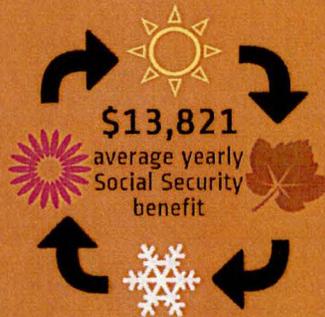
### North Dakota Social Security Beneficiaries



### Social Security generates \$2.5 billion dollars in economic output for North Dakota



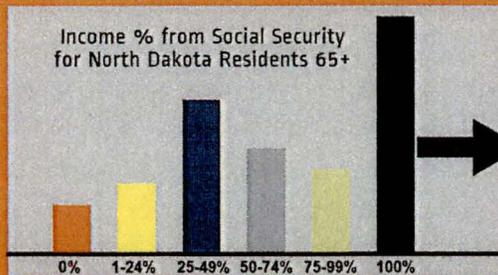
In 2012, North Dakota residents received \$1.6 billion dollars from Social Security



### Social Security lifts 28,000 North Dakotan retirees from poverty



Nearly 42% of the state's 65+ population would have incomes below the poverty line if they did not receive Social Security



34% rely solely on Social Security

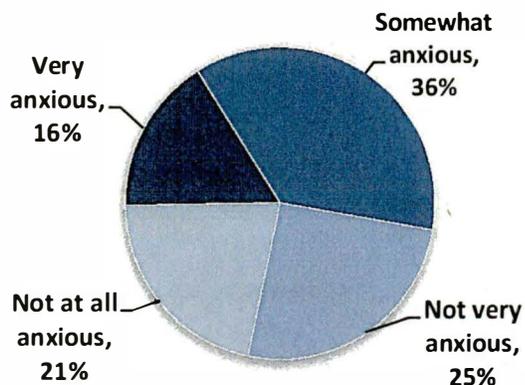
# RETIREMENT SAVINGS: FINANCIAL SECURITY AMONG NORTH DAKOTA VOTERS 45 AND OLDER



Most North Dakota voters 45 and older think they are doing about the same or better than expected financially. However, nearly one-third (32%) of respondents are generally worried about not being able to save enough money. North Dakota has the twelfth highest population of 65 and older residents in the nation, retirement matters for North Dakota<sup>1</sup>.

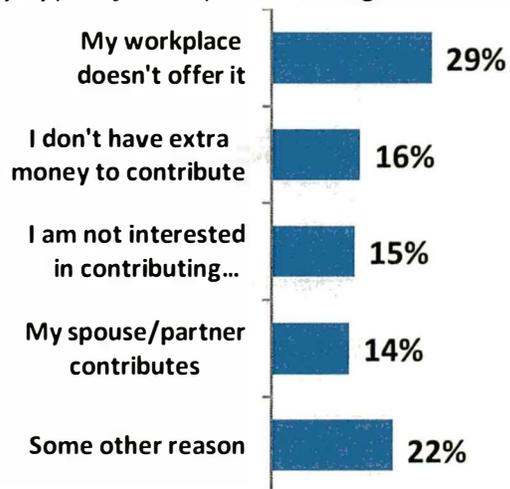
## ANXIOUS ABOUT RETIREMENT

*Over half are anxious about having enough money to live comfortably in retirement*



## WORKPLACE SAVINGS PLAN

*Nearly one-third of employers do not offer any type of workplace savings.*



## WORKPLACE ACCESS

*More than two-thirds without access to a workplace savings plan would take advantage if offered*

**29%**

do not have access to any workplace retirement savings plan

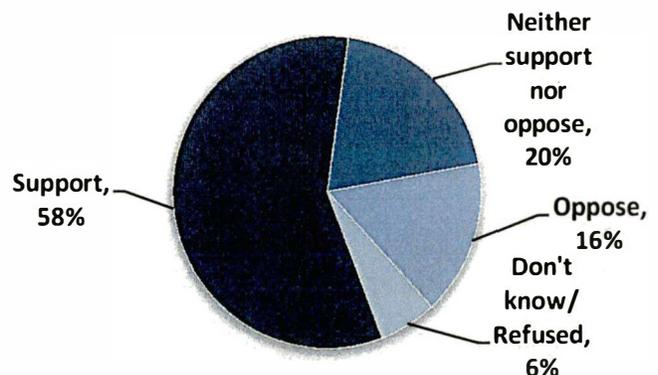


**67%**

of those without access to a workplace savings plan for retirement would be likely to take advantage of a plan if offered

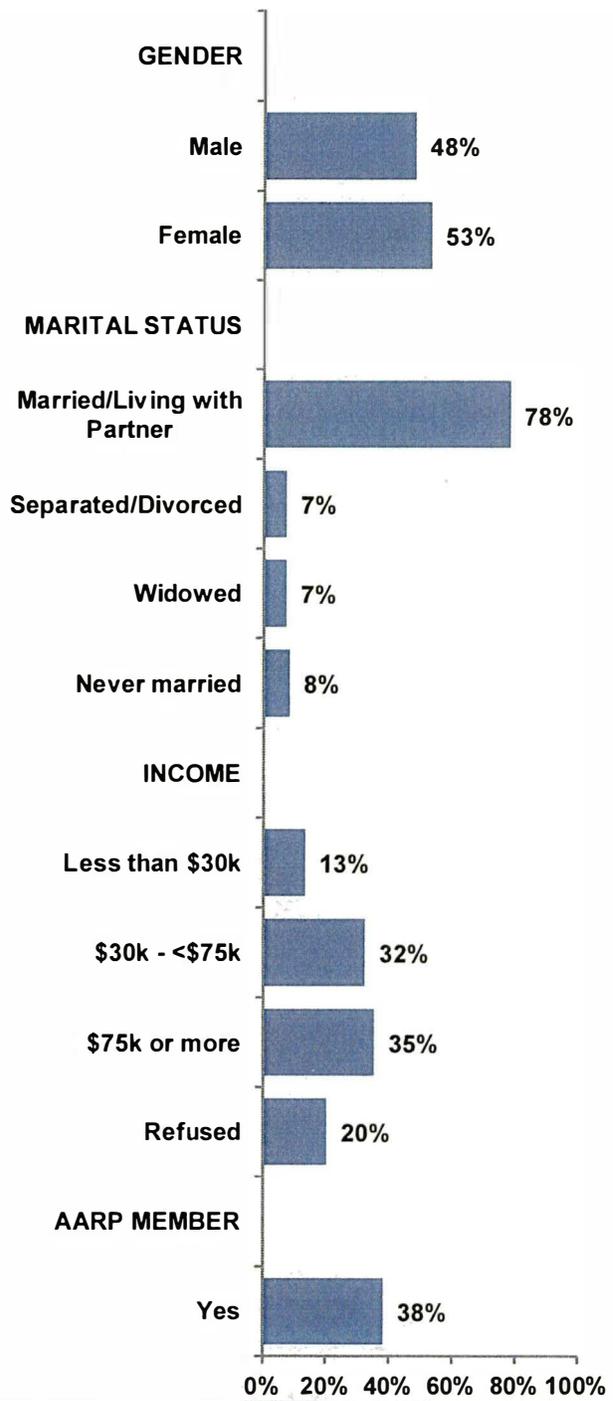
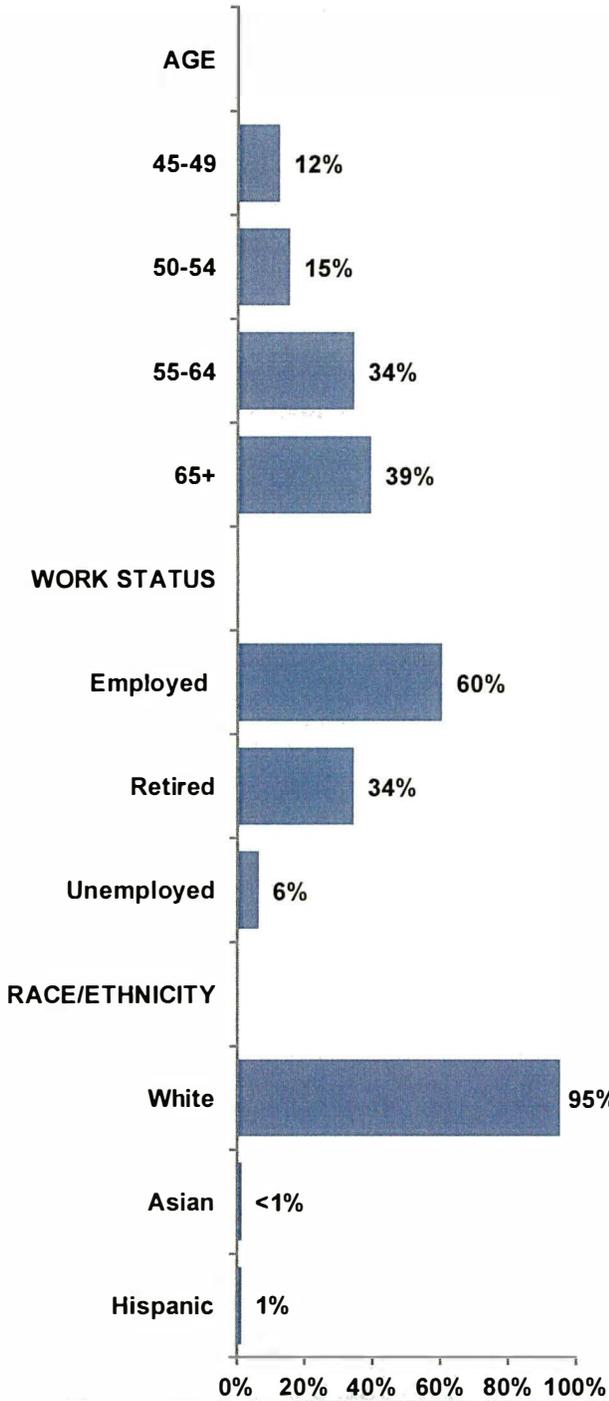
## RETIREMENT PLAN PROPOSAL

*Over half support a proposal to offer access to a North Dakota managed retirement plan.*



1. North Dakota's Aging Population: Profile and Trends of Seniors Ages 65 and Older, NDSU, Ramona Danielson, June 2013

# DEMOGRAPHICS



**Methodology**  
 AARP North Dakota commissioned a telephone survey of 800 North Dakota voters age 45 and older to learn about their experiences and perceptions concerning issues of financial security. This report highlights results from voters interviewed between November 6 and November 16, 2014. The data in this report has been weighted by age, gender and geographic county of residence to reflect the North Dakota population of voters age 45 and older. The survey has a margin of error of ±3.5 percent.

HCR 3056

3/6/2015

5.1

February 13, 2015

House Political Subdivisions

HCR 3056

CHAIRMAN KLEMIN AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

I am here in support of HCR 3056. The importance of identifying low income individuals and developing a strategy to address financial stability via asset-building is a worthy task.

The National League of Cities is encouraging such endeavors across the United States as it has recognized the socio-economic impact of those who are living paycheck-to-paycheck. As we encourage workforce development and try to address housing needs in North Dakota this strategy can:

- Raise awareness on available services.
- Increase access to financial education.
- Mitigate housing problems such as foreclosures and rental walk-aways.
- Encourage employers to assess their benefit structures and HR policies.

It is always better to give a "hand-up" as opposed to a "hand-out".

On behalf of the North Dakota League of Cities, I encourage your support of HCR 3056.

THANK YOU FOR OUR TIME AND CONSIDERATION. I will try to answer any questions.

HCR 3056  
4.2.15  
#1

**Testimony in support of HCR 3056**  
**April 2, 2015**  
**Joshua A. Boschee, District 44 Representative**

Chairman Burckhard and members of the House Political Subdivisions committee, for the record, my name is Joshua Boschee and I have the privilege of representing District 44 in north Fargo.

HCR 3056 was introduced in an effort for the Legislative Assembly to better understand how many low-income North Dakotans are projected to be in the state over the next decade. As many of you know, North Dakota continues to be the envy of the nation in terms of personal income growth, economic growth, workforce development and unemployment. While all of these impacts have greatly benefitted hundreds of thousands of North Dakotans and our state, there are still too many North Dakotans that are struggling to make ends meet.

This past interim I started to dig deeper into the reality of low to moderate income North Dakotans throughout the state. There isn't a county in our state that doesn't have North Dakotans that are experiencing poverty, whether that is in struggling to pay rent, heat or food. One of the most interesting things I learned was that according to the Great Plains Food Bank, 80% of food stamp recipients are working. While this is interesting, it shouldn't be surprising as we all know that North Dakotans value work and accepting economic assistance doesn't impact that. The challenge of researching these various programs and the number of recipients, was that it felt like I was going down a rabbit hole. Each time I learned something new about a program or the number of individuals receiving assistance, I came up with several more questions, which made it feel like I could be in the rabbit hole for a while.

I visited with my local county social services office, nonprofit service providers and faith based organizations that worked with low income North Dakotans one thing was apparent. There is no one who's role it is to end poverty in our state. There were plenty of good people and organizations working to meet the immediate needs of low income North Dakotans, but there were very few who were actually working to move people up and out of poverty.

While we could debate for days the role of government in terms of moving citizens out of poverty, I think we could likely agree that we can assist in educating and encouraging citizens to build assets that allows them to move themselves out of poverty. I also think that we could agree that public-private partnerships are a reasonable way to promote resources available in our communities that are already established.

Additionally, there have been many forms of legislation introduced by legislators and organizations to address the needs of low income North Dakotans. Financial literacy, workforce development, retirement savings, tax credits are just a few that have been discussed in the first half of this session. While we all may have our own idea of what's the best way, I think it's important for Legislative Management to forecast the need over the next decade, to explore established asset-building programs to promote North Dakotans moving themselves up and potential new asset-building programs to bring to the state.

I will be followed by other folks who will share information about asset-building programs they work with and suggest we research further as a body.

Chairman Burckhard and members of the committee, this study will us to be better educated on the economic assistance programs that exist, the expected number of low income North Dakotans over the next year and best practices to encourage individuals and families to build assets to move themselves out of poverty. We've seen what our state can accomplish when we work towards the goal of being supportive of growing businesses, investing in emerging industries and high-quality education. As a low-population state, that has

1.2  
low unemployment and a low poverty rate, I think our great state could be the first state to eradicate poverty, if we plan well for the future.

I stand for any questions.

Reference information for HCR 3056:

WHEREAS, North Dakota ranks first in job creation and has the lowest unemployment rate in the nation for the sixth consecutive year while also having a 12 percent average annual economic growth rate;

- <http://www.commerce.nd.gov/news/NorthDakotaRanksFirstinJobCreationforthe6thConsecutiveYear/>
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and WHEREAS, the average adjusted gross income for individuals for 2013 rose to \$71,538, but poverty rates were 11.6 percent for individuals and 7 percent for families;

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- <http://www.commerce.nd.gov/uploads/8/CensusNewsletterFeb2015.pdf>

and WHEREAS, nearly 9 percent of North Dakota households were food insecure at some time during 2013, with 3.1 percent of households having very low food security;

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- 

and WHEREAS, North Dakota's population has grown to an all time high of 739,482 residents over the past decade, and although the average age has declined, the over age 65 population is estimated to grow an additional 18 percent in the next decade;

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and WHEREAS, 10.6 percent of North Dakotans have a disability, which may impact their level of employment, and Social Security comprises the sole source or majority of income for 61 percent of individuals over the age of 65;

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# North Dakota

HCR  
3056  
4.2.15  
#2

HCR 3056 – SUPPORT

April 2, 2015

Senate Political Subdivisions Committee

Josh Askvig – AARP ND

jaskvig@aarp.org or 701-989-0129

Chairman Burckhard, members of the Senate Political Subdivisions Committee, I am Josh Askvig, Associate State Director of Advocacy for AARP North Dakota. We stand in support of HCR 3056.

Dr. Ethel Percy Andrus, a retired educator and AARP's founder, became an activist in the 1940s when she found a retired teacher living in a chicken coop because she could afford nothing else. Dr. Andrus couldn't ignore the need for health and financial security in America and set the wheels in motion for what would become AARP. We are a nonprofit, nonpartisan membership organization with 85,000 members in North Dakota and 38 million nationwide. We understand the priorities and dreams of people 50-plus and are committed to helping them live life to the fullest, including here in North Dakota.

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Additionally, while Social Security does provide a baseline of income for retirees, it is not enough to ensure people can live independently as they get older. As the attached handout shows, the average monthly Social Security benefit in North Dakota is \$1,152 per month. Also, of the North Dakota residents over 65 receiving Social Security, 34 percent of them rely on Social Security as their only source of income. Consider further that 61 percent of North Dakotans over the age of 65 rely on Social Security for 50 percent or more of their income.

So what does the picture of retirement look like in North Dakota? Attached is a summary of some polling AARP did in November 2014. We surveyed 800 North Dakota voters age 45 and older. Over half are anxious about having enough money to live comfortably in retirement. Nearly one-third of those surveyed do not have access to any type of workplace savings plan.

Couple this information with the fact that it is estimated that over 101,000 North Dakota workers are employed by businesses that do not have a pension or retirement plan.<sup>2</sup> It is clear that even working individuals are many times not prepared for retirement, and as baby boomers continue to retire, we will see this crisis grow. AARP believes states working with the private sector should work towards commonsense solutions that help individuals build assets and savings so more people can have the freedom to live independently throughout their lives.

We support HCR 3056 to study options for asset building. Thank you for the opportunity to testify today and I am happy to take any questions you might have.

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<sup>2</sup> AARP Public Policy Institute tabulation of the U.S. Census Bureau's Current Population Survey, March Supplement (2011-2013).

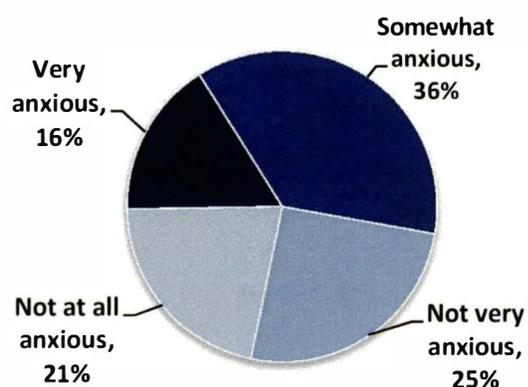
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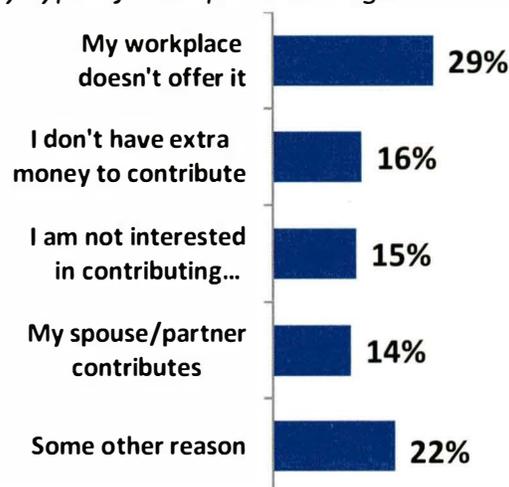
### ANXIOUS ABOUT RETIREMENT

*Over half are anxious about having enough money to live comfortably in retirement*



### WORKPLACE SAVINGS PLAN

*Nearly one-third of employers do not offer any type of workplace savings.*



### WORKPLACE ACCESS

*More than two-thirds without access to a workplace savings plan would take advantage if offered*

**29%**

do not have access to any workplace retirement savings plan

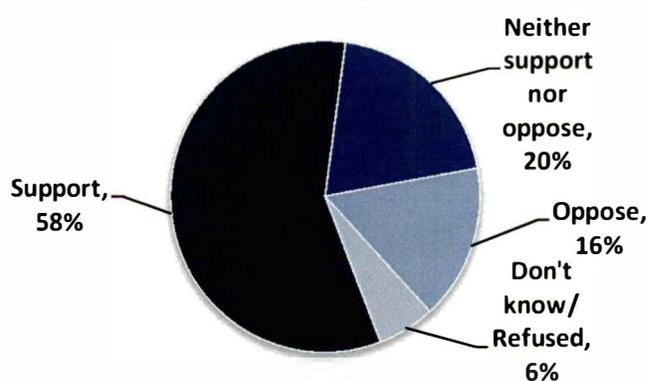


**67%**

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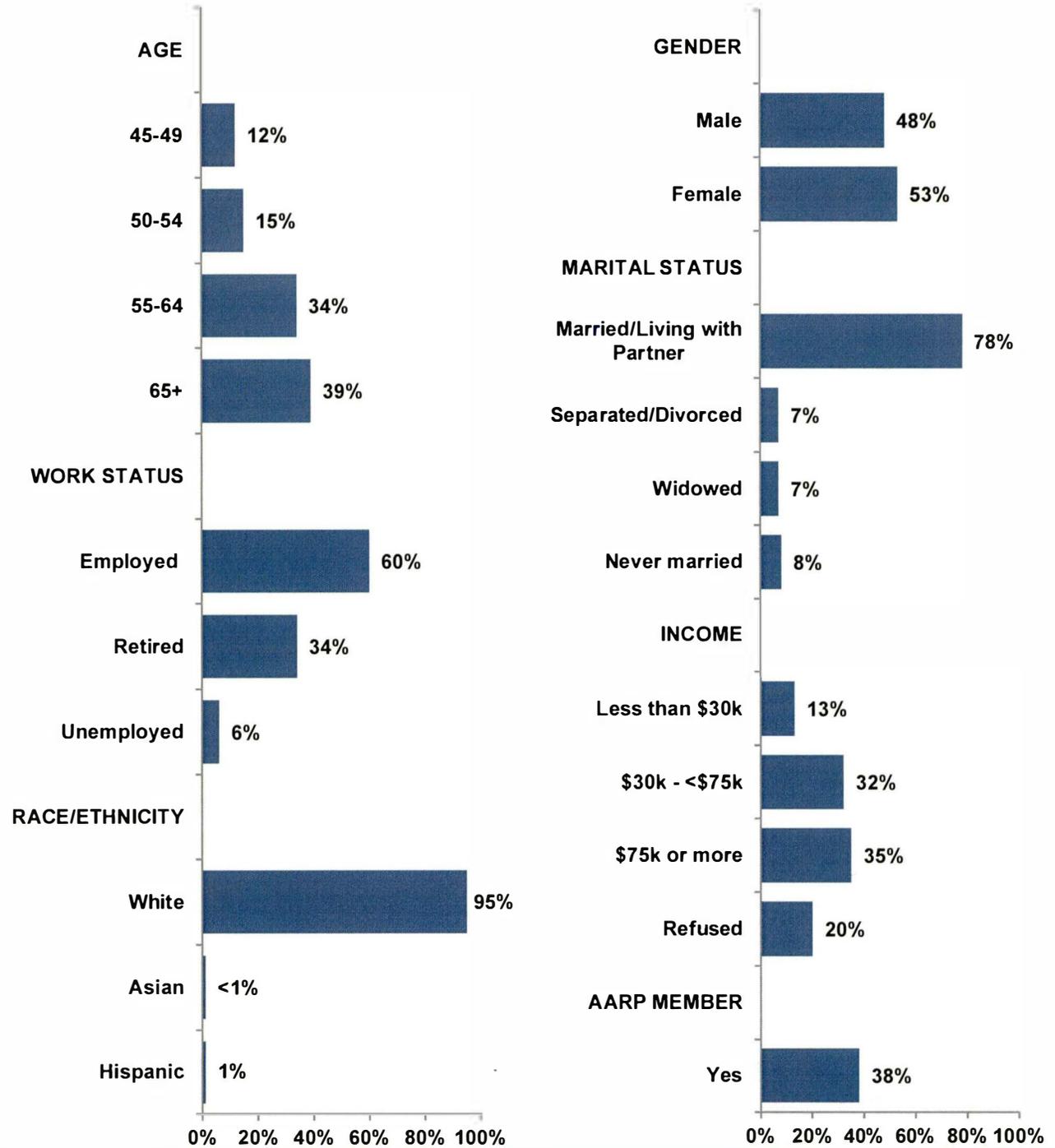
### RETIREMENT PLAN PROPOSAL

*Over half support a proposal to offer access to a North Dakota managed retirement plan.*



1. North Dakota's Aging Population: Profile and Trends of Seniors Ages 65 and Older, NDSU, Ramona Danielson, June 2013

# DEMOGRAPHICS



**Methodology**  
 AARP North Dakota commissioned a telephone survey of 800 North Dakota voters age 45 and older to learn about their experiences and perceptions concerning issues of financial security. This report highlights results from voters interviewed between November 6 and November 16, 2014. The data in this report has been weighted by age, gender and geographic county of residence to reflect the North Dakota population of voters age 45 and older. The survey has a margin of error of  $\pm 3.5$  percent.

**NDLA, S PSD - Wocken, Mary Jo**

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**From:** Burckhard, Randall A.  
**Sent:** Tuesday, April 07, 2015 2:45 PM  
**To:** NDLA, S PSD - Wocken, Mary Jo  
**Subject:** FW: Missing Handout on HCR 3056 testimony

-----Original Message-----

From: Askvig, Joshua J. [<mailto:JAskvig@aarp.org>]  
Sent: Thursday, April 02, 2015 9:52 AM  
To: Burckhard, Randall A.; Anderson, Jr., Howard C.; Bekkedahl, Brad; Lee, Judy E.; Dotzenrod, Jim A.; Grabinger, John  
Subject: Missing Handout on HCR 3056 testimony

Chairman Burkhard and members of the Senate Political Subdivisions Committee-

Looking forward to seeing you shortly on HCR 3056. I just noticed in relooking at my testimony, I forgot to print off this attachment below and do not have time to go print it before the hearing in 10 minutes. Please forgive my oversight and accept it here.

[http://www.aarp.org/content/dam/aarp/research/surveys\\_statistics/general/2014/ssqf/Social-Security-2014-North-Dakota-Quick-Facts-AARP-res-gen.pdf](http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/ssqf/Social-Security-2014-North-Dakota-Quick-Facts-AARP-res-gen.pdf)

Thanks!

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Please excuse brevity sent from my iPad



# Social Security: 2014 North Dakota Quick Facts

## North Dakota's 65+ population is 101,000.

In 2012, North Dakota's population was about 700,000, with 101,000 being age 65 and older residents.<sup>1</sup>

## Social Security generates \$2.5 billion in economic output for North Dakota.

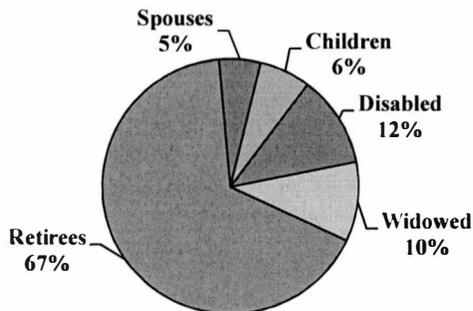
In 2012, North Dakota residents received \$1.6 billion from Social Security.<sup>4</sup> Every \$1 dollar of Social Security received in North Dakota generates \$1.67 of economic output. Spending related to Social Security by beneficiaries, businesses and workers on goods and services generates \$2.5 billion in economic output for North Dakota.<sup>2</sup>

## One in six North Dakota residents receives Social Security.

The Social Security program not only provides monthly benefits to retired workers, but also to families when the worker retires, dies, or becomes disabled. In 2012, over 56 million Americans received Social Security benefits; of these, 122,104 lived in North Dakota.<sup>3</sup>

In 2012, one in six North Dakota residents received Social Security.<sup>1</sup> While 67% of beneficiaries are retirees, 33% are not: 12,270 are widows and widowers; 14,187 are people with disabilities; 6,402 are spouses; and 7,848 are children.<sup>3</sup>

North Dakota Social Security Beneficiaries



## Nearly all North Dakota residents age 65 or older receive Social Security.

Over 18% of all people receive Social Security benefits; in North Dakota, 18% of residents also do. However, older people are more likely to receive the benefit, with 92% of those ages 65 and over receiving it nationwide, and 92% of older North Dakotans receiving it too.<sup>1</sup>

## On average, North Dakotan retirees receive about \$1,152 a month from Social Security.

The average yearly Social Security benefit for a North Dakota retiree in 2012 was \$13,821.<sup>5</sup>

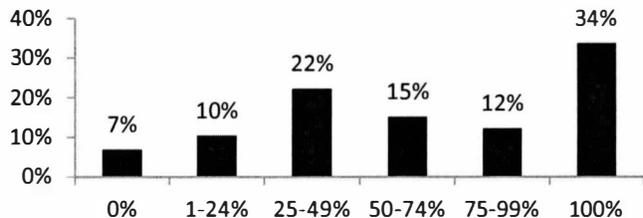
## Social Security lifts 28,000 North Dakotan retirees from poverty.

About 44% of the nation's older population would be living in poverty if they were not receiving Social Security. In North Dakota, 42% of state's 65+ population would have incomes below the poverty line if they did not receive Social Security.<sup>6</sup>

## Social Security is the only source of income for one in three North Dakotans age 65+.

Social Security makes up 50 percent or more of the income for 61 percent of North Dakotans age 65 and older. One in three older North Dakotans rely on Social Security as their only source of income.<sup>7</sup>

Income Percentage from Social Security for North Dakotans 65+



## End Notes

- <sup>1</sup> OASDI Beneficiaries by State and County, 2012. Social Security Administration:  
[http://www.ssa.gov/policy/docs/statcomps/oasdi\\_sc/2012/table01.html](http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2012/table01.html)
- <sup>2</sup> Social Security's Impact on the National Economy, AARP Public Policy Institute, 2013:  
<http://www.aarp.org/work/social-security/info-09-2013/social-security-impact-on-the-national-economy-AARP-ppi-econ-sec.html>
- <sup>3</sup> OASDI Beneficiaries by State and County, 2012. Social Security Administration:  
[http://www.ssa.gov/policy/docs/statcomps/oasdi\\_sc/2012/table02.html](http://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2012/table02.html)
- <sup>4</sup> OASDI Estimated Total Benefits Paid, 2013, Social Security Administration:  
<http://www.ssa.gov/policy/docs/statcomps/supplement/2013/5j.html#table5.j1>
- <sup>5</sup> OASDI Number and Total Monthly Benefits for Beneficiaries, age 65 or older, 2013:  
<http://www.ssa.gov/policy/docs/statcomps/supplement/2013/5j.html#table5.j3>
- <sup>6</sup> Effect of Social Security on Poverty Among the Elderly by State, 2009-2011:  
<http://www.cbpp.org/cms/?fa=view&id=3851>
- <sup>7</sup> 2011 ACS Percent of Income from SS- SPSS calculation by AARP Research:  
[http://www.census.gov/acs/www/data\\_documentation/data\\_main/](http://www.census.gov/acs/www/data_documentation/data_main/)

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AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at [www.aarp.org](http://www.aarp.org).

HCR 3056  
4.2.15  
#3

Testimony on Behalf of  
The North Dakota Economic Security & Prosperity Alliance (NDESPA)  
House Concurrent Resolution 3056 – Senate Political Subdivisions Committee  
April 2, 2015

Chairman Burckhard and members of the Senate Political Subdivisions Committee, my name is Karen Ehrens and I am representing the North Dakota Economic Security & Prosperity Alliance. NDESPA is a coalition of citizens and organizations working to build assets for North Dakotans of low and moderate income through public policy change. I am here in support of HCR 3056 to study projections on the number of low-income individuals in the state over the next 10 years in order to gauge the necessity of creating or expanding programs that help to build assets.

It is true that many in North Dakota are experiencing prosperity now, but there are still people who earn low and moderate-incomes and struggle to make ends meet. One out of every 9 North Dakotans, or about 75,000 people, nearly 25,000 of whom are children, are living with low or moderate-incomes<sup>i</sup>. In fact, Missouri Slope area wide United Way recently reported the following information, gathered in 2014:

- In Bismarck-Mandan, 45 percent of young children living with a single parent live in poverty. This number rises to 84 percent for Native American children.  
More than 13,000 individuals in Burleigh County rely on food pantries to meet their nutritional requirements.

What is “asset-building” and why is it an important way to look at reducing poverty? While it sounds simple enough, for many people, tools are needed to help make the most of their income, to learn how to save money, and to prepare for a downturn in tough economic times. Asset-building focuses on helping individuals navigate and succeed in the financial marketplace, to make the most of their income in both the short and long terms<sup>ii</sup>. Some of the most familiar types of asset-building tools include Individual Development Accounts (IDA’s), Earned Income Tax Credits (EITC’s) and matched children’s savings accounts like the successful 529 programs available through

the Bank of North Dakota. A range of services from financial education and counseling to helping people save money in recognized financial institutions, to helping people save for college to protecting from financial predators, all help people to build assets. Some of these tools require public policy support from government agencies and policymakers. Public and private organizations like Community Action, NDSU Extension and the Village Family Services, among others, also help by providing financial tools and education to those in need.

In North Dakota, we have a shared opportunity and responsibility to determine whom in our state would benefit from greater asset-building tools and programs. To do so would create an atmosphere of support and self-sufficiency and would contribute to employment opportunities – good for all of us – as well as shoring up the vibrant economy.

The North Dakota Economic Security & Prosperity Alliance urges the committee to pass HCR 3056 to study projections on the number of low-income individuals in the state over the next 10 years in order to gauge the necessity of creating or expanding programs that help to build assets. Attached to this testimony is a list of NDESPA partners who stand in support of this legislation. I would be happy to take questions from the Committee.

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<sup>i</sup> U. S. Census Bureau, <http://quickfacts.census.gov/qfd/states/38000.html>

<sup>ii</sup> Corporation for Economic Development, [http://cfed.org/assets/pdfs/Integrating\\_Financial\\_Security\\_and\\_Asset-Building\\_Strategies\\_into\\_Workforce\\_Development\\_Program.pdf](http://cfed.org/assets/pdfs/Integrating_Financial_Security_and_Asset-Building_Strategies_into_Workforce_Development_Program.pdf)



North Dakota  
Economic Security  
and Prosperity  
Alliance

North Dakota Economic Security & Prosperity Alliance  
(NDESPA)  
2015

AARP-ND

North Dakota Women's Network

CAWS North Dakota

North Dakota Disabilities Advocacy Consortium

North Dakota Community Action Partnership

North Dakota Head Start Association

North Dakota Human Rights Coalition

North Dakota United

Charles Hall Youth Services

Family Voices of North Dakota

American Association of University Women in North Dakota

Charles Hall Youth Services

North Dakota Chapter of the National Association of Social Workers

Childcare AWARE

Mental Health America of North Dakota

Prevent Child Abuse of North Dakota

North Dakota County Social Service Directors Association

*NDESPA works to build and sustain a system of economic security for all North Dakotans through poverty awareness and education, grassroots and community capacity building, research and data development, and promotion of policies and practices to eliminate disparities and obstacles for achieving economic security.*