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Associated Press
Sacramento Bureau Chief
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To The Bureau Chief,

The recent story that scrutinizes public pension benefits neglects to mention that the average retirement benefit for public sector workers is modest—about \$23,000 annually. And unlike the private sector, public sector workers typically contribute a significant portion of each paycheck to their pension benefit throughout their career—as much as 10% of pay in some states.

Readers might also be interested in further insight on Mr. Godwin, whose retirement is featured in the story. It is our understanding that he logged 41 years of public service, including serving as superintendent at two school districts, and as a teacher, coach, and principal. During that time, he contributed regularly to his retirement benefit via the California State Teachers' Retirement System, where over three-fourths of benefits are financed from employee contributions and investment earnings—not taxpayers. In fact, from 1984 through 2010, only 24% of pension revenues came from state/employer contributions.

In the wake of the financial crisis, governments across the country have been working hard to modify their pensions systems to ensure their continued sustainability. These reforms include everything from increasing employee contribution rates, to raising retirement ages, and even adjusting or suspending cost of living adjustments.

The real issue is the nation's lack of retirement readiness among private sector workers. Indeed, fewer private sector companies offer pensions due to an unworkable regulatory structure, not the inherent pension cost. In fact, the economic efficiencies embedded in group pensions make them the most cost-effective way to fund retirement.

Sadly, the median 401(k) account balance is \$18,000—nowhere near the assets needed for Americans without pensions to be self-sufficient in retirement. Research shows that an overwhelmingly majority of Americans believe that all workers should have access to a pension, and that the disappearance of pensions makes it impossible to achieve the “American Dream.”

Perhaps readers would be better served by articles that examine ways to restore pension coverage rather than fueling a race to the bottom.

Sincerely,

Diane Oakley
Executive Director