

## **Advancing a Savings and Financial Security Agenda in California 2009 State Legislative Session**

In today's economy, financial security and mobility depend not just on one's job and income, which can come and go in a flash, but increasingly on one's ability to accumulate assets, both personal and financial. The purpose of New America's Asset Building Program is to significantly broaden savings and assets ownership in America, thereby providing all Americans with both the means to get ahead and a direct stake in the overall success of our economy. While pursuing an ambitious policy agenda at the federal level, we recognize that it is at the state level, in our nation's 'laboratories of democracy' where the most innovative policies are often enacted. In the 2009 California legislative session, we are advancing the following state policy initiatives:

### **Assembly Bill 125 (De Leon) California Employees' Savings Program**

This measure creates a voluntary, universal, portable retirement savings account for California workers who do not have access to a retirement savings plan at their workplace. The account supplements the current employer-based system and Social Security. It promotes expanded retirement security for working Californians by making it easier for them to save through payroll deduction while providing small businesses a basic retirement savings plan to offer their employees.

### **Assembly Bill 325 (Beall) California Working Families Economic Stimulus Act**

This measure seeks to draw down millions in unclaimed 100% federally-funded Earned Income Tax Credit (EITC) dollars for working families by designating the Department of Community Services and Development as the lead agency to administer the (EITC) outreach options specified in the Department of Social Services report due out in 2009.

### **Assembly Bill 550 (Lieu) California Financial Literacy Initiative**

This measure creates a financial literacy program in the office of the Controller funded by a financial literacy fund established in the Office of the Treasurer. It represents a much-needed commitment by the state to start addressing the root causes of personal financial struggles precipitated by a lack of consumer financial education and codifies the state's financial interest in reducing consumer debt and bolstering personal savings.

### **Assembly Bill 1058 (Beall & Fuentes) California Workforce Mobility and Savings Initiative**

This measure repeals the \$2,000 asset limit in CalWORKs for current recipients and eliminates the \$4,650 vehicle limit from CalWORKs eligibility rules to encourage low-income families to build the savings they need to permanently exit *CalWORKs*. The eligibility rules currently penalize low-income families for saving with a reduction or loss of benefits, thereby discouraging families from building the personal safety net they so desperately need to climb out of poverty and become self-sufficient.

### **Senate Bill 323 (Oropeza) Tax-Time College Savings**

This measure creates an easy way for California families to save for college by amending the state income tax form to allow filers to directly deposit their refund into an existing state-administered tax-advantaged 529 college savings account designed to help children and their families save for postsecondary education.

For more information visit:

[www.newamerica.net/programs/asset\\_building/california\\_asset\\_building](http://www.newamerica.net/programs/asset_building/california_asset_building)

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