July 11, 2012

To the Editor of the Wall Street Journal:

Your extreme bias against public pension plans – and in favor of defined contribution plans – is not only unjustified, but dangerous (*Pension Accounting for Dummies*, July 9).

The good news: the vast majority of public pension plans are solidly funded and recovering nicely from the Great Recession. Three-, five-, 10- and 20-year investment returns are all on the rise – and long-term returns are far more indicative of a plan's health than short-term fluctuations.

The bad news: DC plans are *underfunded* by over $8 trillion, meaning grave uncertainty for most 401(k) owners. Retirement security isn't a luxury, it's a necessity –for the individual and for the national economy. Millenials new to the workforce are competing for scarce jobs with baby boomers who can't afford to retire. Baby boomers who retire with insufficient assets not only won't be able to contribute to the economy, they will likely become drains on public resources. A strong economy demands that we manage our workforce. Older workers must be able to retire with security to make room for younger workers.

It's crucial that we find ways to extend defined benefit pensions to private sector workers. My organization's proposal for a Secure Choice Pension (SCP) – envisioned as a public-private partnership to provide affordable, easy-to-administer pension plans to private sector employers – is the model for legislation now making its way through California's legislature. Our hope is that other states will follow suit and make retirement security for all Americans a priority in our national debate.

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