

GIVING SMALL BUSINESS A COMPETITIVE EDGE: THE CALIFORNIA RETIREMENT SAVINGS PLAN

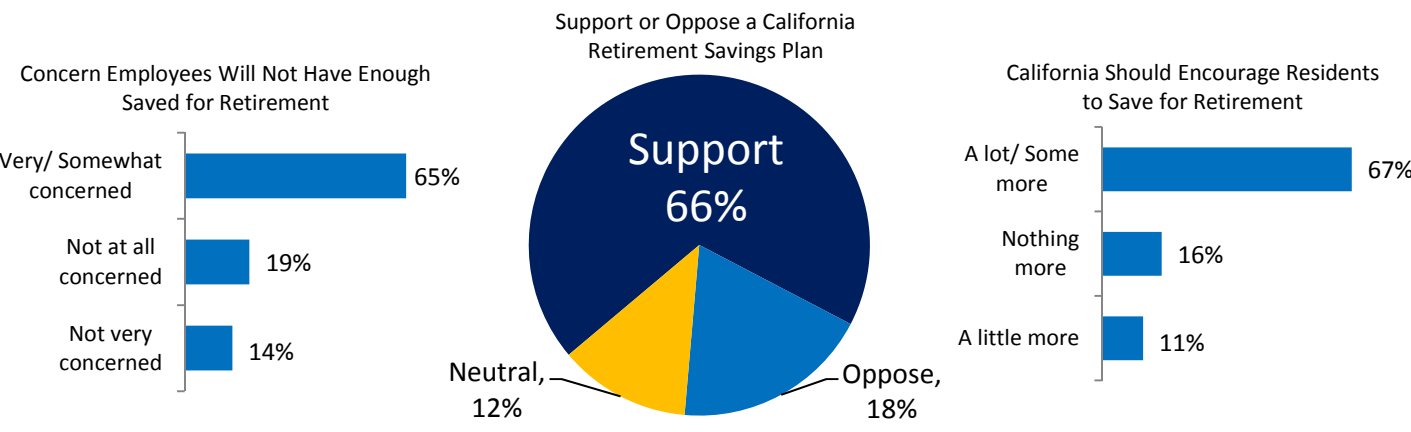


Survey findings show most California small business owners and decision makers (those with 0-100 employees) agree that saving for retirement through work is important. Two-thirds support a state retirement savings plan that would help California residents build their own private retirement savings, and equal proportions agree that California should do more to encourage residents to save for retirement.

Concern for employees is important, but many employers also see the business case for offering retirement savings plans. Three-fourths of respondents agree that offering a retirement plan provides a competitive edge. Unfortunately, many face challenges providing a workplace savings account. Four in five do not provide a workplace retirement savings plan, with business size or cost cited as the main reasons for not providing a plan. Over half would use a state retirement savings plan if available.

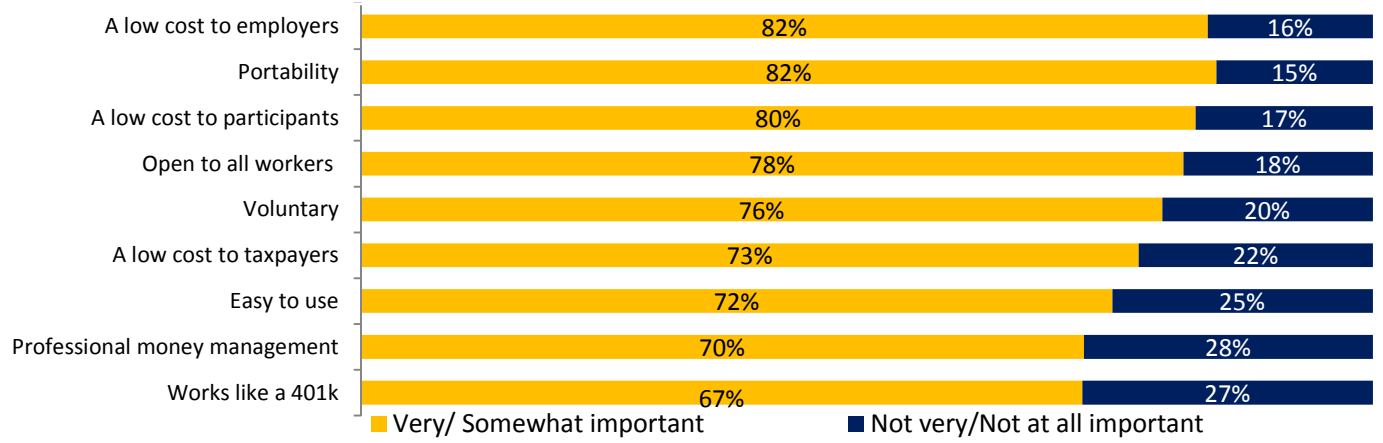
SUPPORT FOR CALIFORNIA RETIREMENT SAVINGS PLAN

2 in 3 California small business owners support a state retirement savings plan, and many agree that California should do more to encourage residents to save for retirement



IMPORTANT RETIREMENT SAVINGS PLAN FEATURES

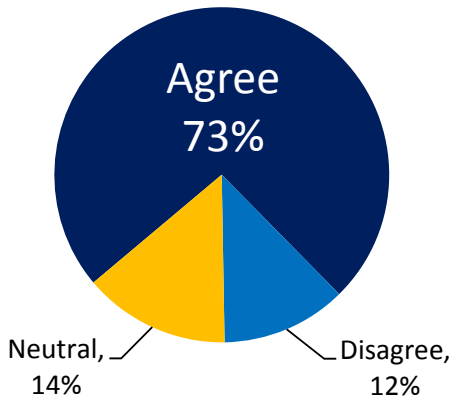
California business owners favor a plan that is low cost to employers and participants, and follows employees from job to job



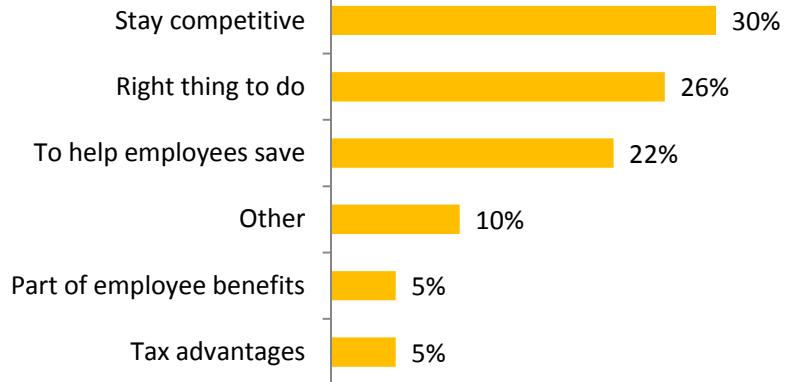
A COMPETITIVE EDGE

3 in 4 small business owners agree offering a retirement plan provides a competitive edge and it is the main reason for offering a plan among those that do so

Agree or Disagree Offering a Retirement Plan Provides a Competitive Edge

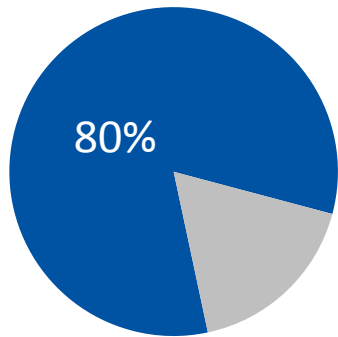


Main Reason for Offering a Retirement Savings Plan Among Small Businesses That Offer a Plan

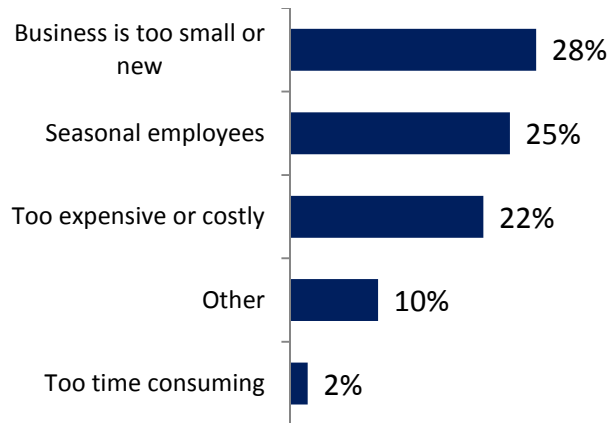


OFFER A RETIREMENT SAVINGS PLAN

Most California small business owners do not offer a retirement savings plan, but over half say they would use a state retirement plan if available



Main Reason for Not Offering a Retirement Savings Plan Among Small Businesses That Do Not Offer a Plan



56%

of small business owners not offering employees a retirement savings plan would use a state plan if available.

Demographics n=896 small business owners with 0-100 additional employees

Business Size: 0 employees: 27%, 1-2: 38%, 3-10: 29%, 11+: 5% **Business Type:** For Profit: 93%, Non-Profit: 6%
Business Tenure: 0-5 years: 19%, 6-25 years: 48%, 30+ years: 33% **Respondent Age:** 18-49: 28%, 50-64: 42%, 65+: 26%
2014 Revenue: Less than \$50,000: 27%, \$50,000-\$500,000: 47%, \$500,000+: 14%
Race Heritage/Ethnicity: White: 65%, Asian: 16%, Hispanic: 12%, Black: 2% **Gender:** Male: 59%, Female: 41%
Ideology: Conservative: 36%, Moderate: 26%, Liberal: 24% **Political Party:** Democrat: 27%, Republican: 26%, Something else: 42%

Methodology

The AARP 2016 California Small Business Owner Work and Save Study was a telephone study among 896 small business owners or decision makers about employee benefits at companies with 0-100 additional employees within the state of California. Interviews were conducted October 21-November 23, 2015. The sample was randomly drawn from the Dun & Bradstreet (D&B) database of businesses with 0-100 additional employees within the state of California. For more information contact Brittne Nelson PhD, AARP Research bnelson@aarp.org (202) 434-6307 or Blanca Castro, AARP California bcastro@aarp.org (916) 556-3021.

Full survey annotation available at <http://www.aarp.org/CAsecurechoice>