



For Immediate Release

Statement from Latinos & Economic Security Project on New myRA Program

Los Angeles, California, January 29, 2014—Today President Barack Obama signed an executive order creating the myRA program, a new option for retirement savings, supplementing the existing IRAs, Roth IRAs and 401(k) retirement accounts. The myRA targets mainly lower-income Americans and those employed by small companies that do not offer retirement programs. The Latinos & Economic Security (LES) Project supports this new vehicle to promote retirement savings among Latinos, especially those who may not be knowledgeable about current retirement vehicles. This new program lessens the risks of loss, mismanagement and fraud, an issue important to immigrants, young Latinos, and older Hispanics who have been too often victimized by unscrupulous financial practices. Most importantly, the accounts will be protected against loss. Since all funds will be invested in government securities, risk is almost entirely eliminated. Specifically, there is no risk to individuals with low financial literacy being exposed to market risks upon opening an IRA/Roth IRA and losing their money due to account mismanagement. We are also pleased by the absence of administration fees, since workers can start small accounts (minimum initial deposit = \$25) without worrying about the balance being eaten away by fees. Withdrawals are permitted, without incurring a penalty. This will reduce the likelihood of every dollar deposited being left in the account until retirement. myRA may also provide a solution for people who are afraid to commit their money to a traditional retirement account, where money can't be touched until retirement without incurring a significant penalty.

About LES

Latinos & Economic Security (LES) is a national research project funded by the Ford Foundation and designed to inform the U.S. public about economic policy and how public policy in the areas of social security, retirement, pensions, healthcare, and education and other related areas affects them. The overall goal is to give the Latino community the tools to understand and determine for themselves how financial planning impacts their retirement and aging options. LES aims to provide the factual knowledge base to allow them to participate in ongoing policy debates. The lead Institute for the LES project is the UCLA Center for Policy Research on Aging. LES is a collaborative effort of the USC Ethel Percy Andrus Gerontology Center, and the UCLA Chicano Studies Research Center, in partnership with the National Hispanic Council on Aging (NHCOA), the National Association of Latino Elected and Appointed Officials (NALEO), and the National Council of La Raza (NCLR).

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