



spotlight on savings

Coming: More Help For American Families?

(NAPS)—There is a growing movement underway in the US House of Representatives that will help Americans save for their retirements. Bipartisan legislation has been introduced that would increase the annual contribution limit for all Individual Retirement Accounts (IRAs) to \$5,000.

For years the IRA has been an invaluable savings vehicle for more than 30 million working American households. Unfortunately, the limit that one can contribute to an IRA has been stuck at \$2,000 since 1981. Had it merely kept up with inflation, Americans would now be able to contribute almost \$5,000 today.

Although the economy continues to grow at an unprecedented rate, the savings rate in this country recently dropped to its lowest level in history. This low rate of savings threatens our continued economic growth by limiting business capital, increasing our reliance on foreign investment and goods, and creating an environment for higher interest rates. Even more troubling, this savings crisis creates uncertainty for the future financial security of the baby boom generation who have generally not saved enough for retirement and will begin to retire in less than 15 years. Unless we act now, too many Americans will be left without the resources they need for a secure retirement.

Raising the IRA contribution limit to \$5,000 would encourage



Kathy Hamor, Executive Director of the Savings Coalition of America. The Savings Coalition of America is dedicated to increasing personal savings for all Americans.

more savings and would especially benefit working women, who have a longer life expectancy and are often in and out of the workplace to raise children.

More than 120 Members of the House of Representatives have co-sponsored legislation to raise the IRA contribution limit to \$5,000. Now is the time to increase America's ability to save to ensure financially secure retirements. If you agree, you should write to your Representative or Senators and urge their support for raising the IRA contribution limit. You can contact them at the US House of Representatives, Washington, DC 20515 or the US Senate, Washington, DC 20510.