

104TH CONGRESS  
2D SESSION

# **S. RES. 238**

Expressing the sense of the Senate that any budget or tax legislation should include expanded access to individual retirement accounts.

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## **IN THE SENATE OF THE UNITED STATES**

MARCH 29, 1996

Mr. HELMS (for himself, Mr. ROTH, Mr. LOTT, Mr. D'AMATO, Mr. NICKLES, Mrs. HUTCHISON, Mr. FAIRCLOTH, Mr. BREAUX, Mr. SHELBY, Mr. BENNETT, and Mr. SANTORUM) submitted the following resolution; which was referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs, with instructions that if one committee reports, the other committee have thirty days to report or be discharged

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# **RESOLUTION**

Expressing the sense of the Senate that any budget or tax legislation should include expanded access to individual retirement accounts.

Whereas the Congress recognizes that an increased saving rate would be beneficial for the American economy, providing much needed capital for investment which leads to economic growth and increases in jobs and wages;

Whereas the personal saving rate in America averaged between 6 percent and 8 percent from 1950 through 1980, but dropped below 5 percent in the late 1980's, where it remains today;

Whereas the United States now has the lowest saving rate of all other industrialized nations in the world and this results in deficit financing and foreign borrowing to finance our consumption and investment;

Whereas when the deductibility of contributions to individual retirement accounts (“IRAs”) was significantly curbed in 1986, deductible contributions to IRAs dropped from almost \$40,000,000,000 in 1985 to a low of about \$7,000,000,000 in 1993;

Whereas millions of people are currently precluded from making fully deductible IRA contributions, and they are relying on Congress to increase the current income limit on individuals eligible to contribute to IRAs and to create a new nondeductible IRA so all Americans can utilize IRAs to save for their futures;

Whereas the time has come to allow spouses working at home to have an equal opportunity to invest in an IRA since out of the 53,000,000 households with married couples, at least 35 percent have only one wage earner in the household, thereby illustrating the need for IRAs for spouses working at home;

Whereas because of the current restrictions on IRAs, only around 8 percent of American workers invest in them;

Whereas unless remedial action is quickly taken to increase the saving rate, millions of Americans will be lacking in sufficient resources to fund their retirement needs;

Whereas 50 years ago 42 workers contributed Social Security taxes for every beneficiary, today there are fewer than 4 workers per beneficiary, and by 2025 the ratio will have dropped to only 2.2 workers per beneficiary;

Whereas if an expanded individual retirement package is included in any budget agreement or appropriate tax measure, it will give millions of Americans the opportunity to use IRA funds to provide for retirement, buy a first home, pay for children's college education, or protect themselves in the event of extended unemployment—all without incurring any penalty; and

Whereas if an expanded individual retirement account package is included in any budget agreement or appropriate tax measure, millions of Americans can immediately begin using IRAs to save for their futures, reducing dependence on government, and millions of unemployed or underemployed Americans can pursue the American Dream: Now, therefore, be it

- 1        *Resolved*, That it is the sense of the Senate that any
- 2 budget agreement or appropriate tax measure coming be-
- 3 fore Congress this year shall include expanded access to
- 4 individual retirement accounts so that the saving crisis in
- 5 America can be reversed, new jobs can be created, eco-
- 6 nomic growth can be increased, and the American Dream
- 7 can be restored.

