MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 4 p.m., with Senators permitted to speak for up to 10 minutes each, with the time equally divided between the majority leader and the Republican leader or their designees.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT SECURITY FOR AMERICANS

Mr. BINGAMAN. Mr. President, I have come to the Chamber today to speak about a subject that is of great importance to the people of my State, and I think people throughout the country, and that is the issue of retirement security.

We give a lot of speeches in the Senate about security: national security, homeland security—a variety of securities. We are concerned about security. The American people are concerned about security.

But there is one aspect of security that has not gotten a whole lot of attention so far in this Congress, and I am here today to call attention to it. That aspect of security is retirement security.

The collapse of Enron and the resulting collapse of the retirement plans of many Enron workers and plans across the country that held substantial amounts of Enron stock have underscored the need for changes in our pension laws and our retirement plan laws.

Frankly, I am disappointed that the House, in passing a watered-down version of the administration's modest proposals, has failed to increase retirement safety for those American workers who do have pensions, since that is all on which that bill really focuses.

The one proposal they should have watered down—that was the ''conflicted adviser'' provision in that bill—was left intact. It has the effect of removing one of the few protections in current law against conflicts of interest by financial service companies.

I am hoping the Senate will follow the lead of the Senate Health, Education, Labor and Pensions Committee and also the Finance Committee and their respective chairs and provide a more meaningful piece of legislation drafted to protect the rights of workers instead of exposing them to greater risks. So that is an issue that has been brought to national attention because of the collapse of Enron.

At the same time I refer to that, let me say that an even more troubling trend is the fact that we have heard nothing from the administration and, really, in either House of Congress about the lack of pension coverage of any kind for large segments of our working population—both the lack of coverage and the substantial reduction in retirement wealth for most of the workers in this country.

Approximately 2 weeks ago, Dr. Edward Wolff of the Economic Policy Institute—he is a professor at New York University—presented his report entitled ''Retirement Insecurity: The Income Shortfalls Awaiting the Soon-to-Retire.'' I would like to take a few minutes to highlight some of the points that were made in that report. I believe it makes the case, in a very compelling way, of the need for more attention to this issue for everyday workers.

The report and the most recent Department of Labor statistics demonstrate that retirement plan coverage has not increased in the past 30 years despite all of the efforts to expand coverage. Let me show a chart I have to make the case.

This shows the retirement plan coverage rates for full-time, private sector workers. You can see this covers the period 1972 to 1999. When you look at all workers, you see the retirement plan coverage rate for all workers in 1972 was 48 percent; in 1999—nearly 30 years later, 27 years later—it was 51 percent. So there has been a very modest increase, but modest indeed.

When you look at the figures for male workers, you see there has been an actual decline in the coverage rates for full-time, private sector male employees during that period, 1972 to 1999. Mr. President, 54 percent of male workers had pensions of some type. When I say ''pensions,'' I include in that 401(k) plan participation; they had some kind of a plan where they were putting away money for retirement. It was 54 percent in 1972; 52 percent in 1999.

The percentage for women has improved because they were at 38 percent in 1972 and they are now at 49 percent. But it is substantially below where it ought to be.

That means roughly half of America's private sector employees will have to enjoy their retirement on the other two legs of the proverbial three-legged stool. Some who are listening may not be aware of this metaphor, but the three-legged stool is what people who focus on retirement circumstances are always referring to. They say: You have three legs you can depend upon for your retirement income; one is Social Security, the second is your savings, and the third is your pension.

What these statistics show is that one of those so-called legs that a person can depend upon in this so-called three-legged stool, the pension part, is not there for half of the workers in this country. In truth, my guess is that many private sector workers who do not have a pension or retirement plan probably do not have a second leg on that stool either because they do not have any significant savings. So they are essentially left with Social Security as their only real source of support after their retirement.

For minorities, the prospects are even dimmer. Unfortunately, the coverage for minorities is unacceptably low; it has been for a long time and continues. This chart makes the point for different groups of employees. For all workers in 1999, the percentage of private wage and salaried workers covered under their employer's pension plan was 44 percent. When you go down to Black, non-Hispanic workers, it was 41 percent; Asian and Pacific Islanders, non-Hispanic, 38 percent; others, minorities, non-Hispanic, 35 percent; and Hispanic workers, 27 percent. That last figure is important to me because 40 percent of the people in my State are Hispanic. This statistic indicates that only 27 percent of the private sector employees who are Hispanic in this country actually have a pension on which they can rely.

There has been an interesting shift I will point out. This comes out of Dr. Wolff's report. There has been a shift from defined benefit plans to defined contribution plans. Let me explain what that is. A defined benefit plan essentially guarantees that when the worker retires, they will receive a specific amount, a defined benefit, regardless of what has happened to the economy or to the investment, the retirement funds, or anything else in the interim while they were working.

In 1975, when you looked at all of these various pensions people had in the private sector, 71 percent of them were defined benefit plans and only 29 percent were defined contribution.

Defined contribution, of course, means the risk is much more on the employee. It does not guarantee you any particular payment on a monthly basis or a yearly basis once you retire. It says you put in a specified amount each month while you are working, and then at the end of your work time, we look to see what the investment of those funds has added up to and how much there is for you to actually get in the way of retirement. So there is much less risk on the employer, much more risk on the employee in a defined contribution plan.

The interesting thing about this chart is the defined benefit plans used to represent 71 percent of all pension plans; now they are 35 percent. The defined contribution plans used to represent 29 percent; they are now 65 percent. So there has been a dramatic shift away from defined benefits to defined contributions.

When this trend started, the case was made by those who advocated it that this was going to allow much greater expansion of pension coverage; we were going to be able to cover a great many more workers if we shifted to a defined contribution plan instead of a defined benefit plan. So we did. We had a dramatic shift from defined benefit plans to defined contribution plans. Unfortunately, there has not been any increase in the percentage of workers covered, as that earlier chart made the case very clearly.