

Good Morning.

I'm Jean Friday, President of the Pennsylvania Alliance for Retired Americans and I'm a retired steelworker. Better known as PARA, we are an organization of union retirees and community groups with over 300,000 members across Pennsylvania and 147 affiliated chapters. Our mission is to educate seniors and the public about retiree issues, and organize seniors to advocate for their interests in Harrisburg and Washington.

As I understand it, the purpose of this commission and these hearings is to offer residents of Pennsylvania and other interested parties an opportunity to join the Commission members as you examine the subject of the retirement needs of public employees in order to formulate principles, develop objectives and recommend legislation. Thank you for the opportunity to be here today to discuss this vitally important issue and offer our perspective on retirement security and defined benefit pensions.

As I travel over the state visiting our members, it becomes apparent that most of our retirees are covered by employer provided pensions that enable them to live comfortably. But seniors are nevertheless concerned for their children and grandchildren's future as retirement security continues to erode. All of us want them to have the same opportunities that we have experienced, especially the ability to retire and enjoy life as we have. So it is also part of our mission to work to leave a solid legacy for our future generations.

As a woman entering the job market in the 1950s, I never expected to earn a pension at that time. Typical of that era, you could change jobs easily and were always able to improve your life by an increasing your income. Eventually, I applied for a position at the nearby US Steel Clairton Works. Much to my surprise, I was offered a position in the Quality Control Laboratory as a union salary worker- the first woman to be hired in that lab. At that time, the union had bargained for a 13 week

vacation and it was also a time of the deepening of the Vietnam War. I was hired to replace the men who would be taking that vacation and also **because I couldn't be drafted into the service.**

The years went quickly and I thoroughly enjoyed my work. When the 1980s came with the downsizing of the steel industry, I survived that time period thanks to my seniority. But that was the eye opener for me about pensions, watching men who were ready to retire gratefully accepting their pensions, while people midway in their career at least received pensions and insurance, and others not as fortunate but who still received deferred benefit pensions which would be paid when they reached the age of retirement.

I worry about young people today coming out of college who can't find a job. I have to believe that if pensions were as prevalent today as they were in my time, more jobs would be available for them. How many people in the work force are in their late 50s, 60s or even 70s would gladly retire and free up a job opportunity for a young person if they only had the security of a pension? Instead, many workers near retirement saw the 2008 crash wipe out their 401k and force their retirement into the unforeseeable future. I think this is one reason why the most recent recession hit us so much harder than previous recessions. Pensions were a vital firewall that kept economic hard times from getting out of control.

In 1986, US Steel introduced 401Ks, but having known members of my family who lost money in the stock market, I had little interest in them. That suspicion was confirmed when the stock market fell in 1989 and many of my friends lost a major portion of their retirement account. But luckily they **continued to accrue continuous service with their benefit defined pensions.**

In the 1990s, after recuperating from breast cancer, I decided it was time to retire. At that time, we used what was known as the "3 legged stool" to decide if we were financially able to retire. The legs were made up of

(1 the pension accrued based on earnings, length of service and the current multiplier under the existing contract, (2 Social Security benefit earned over the years, and (3 savings. Almost everyone in the post-war era had continued to invest in US Savings bonds so even that helped to balance the stool. If you look at that today, you can see that some of those legs are wobbly if nonexistent.

As you can see, I retired from work, but not from life or caring for people. My pension has made that possible. I joined the Steelworker Organization of Active Retirees at the Clairton Coke Works where I am still President of that Chapter After retirement, my husband Ed and I were thrilled to be able to finally make that “trip of a lifetime” to see our beautiful National Parks as a reward for our years of working. **It was the the culmination of a life-long dream.** And we were finally able to spend more time with our families and become involved with our community, working with the senior centers in our area.

I rely on my pension check and Social Security check which are both direct deposited into our checking account. If we had to rely on a 401k, instead of our pension, Ed and I would worry about out-living our retirement income. We would also worry about the economy and the stock market impacting our quality of life. Our pensions give us the peace of mind that can only come from having a reliable source of income. We lived with economic worries throughout our working lives. I believe that retirees earn the right to stop worrying about our financial situation. Most of us have plenty of young people in our lives to worry about!

As President of the Alliance for Retired Americans, no matter where I go to visit our affiliates, we all share the sentiment that our generation was also the “Lucky Generation” who had the good fortune to live the American Dream. And we all want the same American Dream for our children and grandchildren and our future generations. As we say in PARA, **we don't want to be the last generation to retire.**