

OPENING STATEMENT OF
SENATOR GEORGE V. VOINOVICH, CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA

NOMINATIONS TO THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
APRIL 10, 2008

Good afternoon. Chairman Akaka, thank you for calling today's hearing to consider the nominations of Mr. Saul, Mr. Sanchez, and Mr. Whiting to the Federal Retirement Thrift Investment Board.

First, I would like to thank each of you for your service during the previous five years and for your willingness to serve another term.

The Federal Retirement Thrift Investment Board holds the fiduciary responsibility for the Thrift Savings Plan for federal employees. With combined assets exceeding \$222 billion (as of February 2008), it is the largest defined contribution plan in the world.

We all know too well the challenges facing the federal workforce: 60 percent will be eligible to retire within the next five years, including 90 percent of the Senior Executive Service. According to the Partnership for Public Service, the government will need to hire 193,000 new people to fill mission critical jobs in the next two years. These challenges no doubt will have an impact on the Board as the number of participants and the size of the plan continually increases.

As a nation, we face a challenging financial future. Troubles in today's economy significantly impact the TSP. For example, TSP participants lost approximately \$8 billion from December 2007 to February 2008.

Additionally, individual American's financial situations are not necessarily better. The most recent Federal Reserve survey of Consumer Finances estimated the average credit card debt was \$5,100. Furthermore, and the Department of Commerce has identified a worrisome trend of a negative personal savings rate.

Chairman Akaka, it is fortunate that we are holding this nominations hearing in April, which is Financial Literacy Month. I know this is an important issue for you, and that the Board plays a key role in educating our federal employees on retirement planning.

I look forward from hearing from the nominees on the successes they have achieved during their first term as Board members and how they will meet challenges ahead.

Thank you.