

Hita La'mon: Hasso Independence

“As with all things that require faith to achieve, let us jump start the process once more and throw ourselves into the hard work ahead!”

- Paul J. Bordallo,
Former Senator and Businessman



Guahån's Current Retirement Landscape

“The DC plan was created in 1995 to replace the government’s Defined Benefit plan, which was too costly. When the Benefit plan closed, it left behind the unfunded liability, which is currently around \$1.3 billion. “

- Pacific Daily News, May 2017

“For more than a decade, the Retirement Fund and certain lawmakers worked to overhaul the system after recognizing that roughly 8,000 DC plan members had an average of \$40,000 saved for retirement.”

- Pacific Daily News, May 2017

“**...retirement takes much planning, consistency, and time to make it a reality...**to rely on anyone else to secure their own future is a big risk.”

- Jon C. Ulloa, financial advisor at Asia Pacific Financial Management Group (PDN, 2016)

What does political status have to do with retirement?

“American public pension funds have no such minimum requirement, and even if they did, there is no regulator to enforce it. Company pensions are bound by federal funding rules, but Congress has a tendency to soften them.”

- New York Times, 2014

“This is one of the essential responsibilities of nationhood: to establish a ratio between resources and population that will yield to all individuals a good quality of life.”

- Paul J. Bordallo, February 1974

“(Outside of status quo) [Retirement] plans will require that **all or a substantial portion of the funds be invested for economic development purposes in Guam**, rather than in U.S. stocks, bonds, and other securities.”

- Joe Bradley, 2000

Learning from an Independent Model Nation: The Netherlands



The Netherlands is known for having one of the best pension systems in the world. The country's retirement structure underwent a massive restructuring after the global financial crisis of 2008. Responding to the catastrophe, the Dutch today rely on a three-pillar system of retirement: (1) Public Pension, (2) Collective/Occupational Pension, and (3) Individual Pension. All three pillars work collectively to create different safety nets that people can pull their retirement income from.

Funding for each pillar is invested into different funds in a way that accounts for fluctuations in the market or other such financial changes. In addition to savvy investment strategies, each pillar is managed by strict regulations that are regularly enforced by the nation's bank, the Dutch Central Bank.

"The (Dutch) central bank in 2002 began to require pension funds to keep at least \$1.05 on hand for every dollar they would have to pay in future benefits. If a fund fell below the line, it had just three years to recover."

- *New York Times*, 2014

"The Dutch approach bears little resemblance to the American practice of shielding the current generation of workers, retirees and taxpayers while pushing costs and risks into the future, where they can metastasize unseen."

- *New York Times*, 2014

Respetu Para I Mañaina



Planning for retirement is best understood when thinking about the latte. Long ago, Chamorus used the latte as a means of supporting their homes, educational spaces, and meeting areas. Though each pillar was strong on its own, four or more latte were positioned parallel to one another to serve as the foundation for our homes. Retirement in Guahån today resembles a lone latte. We are pouring our money into one fund, and as such, we are building only one latte. However, even if that latte were as large as the ones Tåga built, if we were to place a home on top of it, surely it would topple over. As an independent nation, we can look to models like the Dutch retirement

system and build multiple latte to provide us with a foundation for retirement. Considering the Dutch system uses only three pillars, you may be wondering what final latte will be used to balance the foundation? That fourth and final latte will represent our respect and love for i mañaina-ta (our elders). Retirement should mean living one's life without worry or stress. And we can do much more to ensure that our mañaina-ta are living stress-free, peaceful lives.

Nihi Ta Hassuyi Este (Questions to Consider):

1. How can we better prioritize the needs of i mañaina-ta (our elders)?
2. What pillars of support can we start building today?

