
May 28, 2021

The Honorable James Lankford
316 Hart Senate Office Building
Washington, DC 20510

The Honorable Michael Bennet
261 Russell Senate Office Building
Washington, DC 20510

Dear Senator Lankford and Senator Bennet:

I am writing to thank you for your leadership in introducing the “Enhancing Emergency and Retirement Savings Act of 2021.” We believe that this bill would enhance Americans’ ability to save for emergencies while at the same time enhancing rather than undermining retirement security.

State Street Global Advisors (State Street) is one of the largest asset managers working with US Defined Contribution (DC) plans today. With nearly 40 years of experience in the DC market, we manage more than \$650 billion in DC assets around the world, of which over \$496 billion belong to participants in the US.¹

The last year has seen tremendous upheaval in our country and its impact on Americans’ employment and financial situation has been significant. The pandemic has also highlighted the fact that millions of Americans are unprepared for an emergency expense. According to a 2019 Federal Reserve study, approximately 40% of American adults would have trouble covering a \$400 emergency expense and 12% could not pay the expense at all.² In addition, a survey conducted by the National Endowment for Financial Education in October 2020 found that a lack of emergency savings is Americans’ top financial stressor during the coronavirus pandemic.³

The critical need for emergency savings is why we support the “Enhancing Emergency and Retirement Savings Act of 2021.” This legislation would be a major step forward in providing a penalty-free source of emergency savings. We also believe that if low and middle-income individuals know that they can access their retirement savings without a penalty in the case of an emergency, they will feel comfortable contributing more, so that the bill would enhance both emergency savings and retirement savings.

Thank you for your leadership on this issue, and we look forward to working with you as this important legislation moves toward enactment.

Sincerely,



David Ireland
Global Head of Defined Contribution
State Street Global Advisors

¹ As of March 31, 2021.

² *Report on the Economic Well-Being of U.S. Households in 2018*, FED. RESERVE (May 2019), at 21–22 (available at <https://www.federalreserve.gov/publications/files/2018-report-economic-well-being-us-households-201905.pdf>).

³ *Survey Update: Over 4 in 5 Americans Still Experiencing COVID Related Financial Stress*, NAT’L ENDOWMENT FOR FIN. EDUC. (Oct. 8, 2020), <https://www.nefe.org/news/2020/10/survey-update-americans-still-experiencing-financial-stress.aspx>.