



June 2, 2022

The Honorable Patty Murray
154 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Richard Burr
217 Russell Senate Office Building
Washington, D.C. 20510

Chairwoman Murray and Ranking Member Burr:

Thank you both for your important work to champion improvements to the ability of households in America to save for the short and long term. We are writing to thank you for including the Emergency Savings Act of 2022 in the Retirement Improvement and Savings Enhancement to Supplement Healthy Investments for the Nest Egg (RISE & SHINE) Act. The Aspen Institute Financial Security Program believes that emergency savings is a critical solution to build short-term financial resilience and safeguard retirement security. At the March 29th hearing before the Senate HELP Committee titled "Rise and Shine: Improving Retirement and Enhancing Savings," I discussed research from the CFPB which found that households with emergency savings were substantially less likely to overdraft, take on high-interest debt, or withdraw early from their retirement savings. Additionally, our research shows that emergency savings were a particularly important lifeline for families during the economic crisis caused by Covid-19, with 73 percent of Americans reporting a reduction in their income during 2020.

The Emergency Savings Act of 2022, introduced by Senators Cory Booker and Todd Young, will help address financial wellbeing by allowing employers to offer workers automatic enrollment into retirement-linked emergency savings accounts, which research shows is a best practice for increasing participation in emergency savings. This is an important innovation in savings that researchers on emergency and retirement savings have championed for years, and we commend your leadership for taking a critical step to make better emergency savings tools a reality for workers in America.

We believe that these are important steps toward improving financial security and preserving retirement savings. Thank you for your leadership on these critical issues, and we look forward to working with you further on building an effective savings system for all.

Sincerely,

A handwritten signature in black ink, appearing to read "Ida S. Rademacher".

Ida S. Rademacher
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