



November 5, 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:

The pandemic has highlighted the gaps in Americans' preparedness for emergency expenses. So many individuals, and especially women, were not prepared for the emergency costs and loss of income triggered by the circumstances of COVID-19. In that regard, a problem that had been simmering for several years has shown a more immediate concern to revisit all of our thinking on how we can help Americans be better prepared for tomorrow's emergencies.

Writing on behalf of the Women's Institute for a Secure Retirement ("WISER"), we are pleased to support your bill -- the "Enhancing Emergency and Retirement Savings Act of 2021" -- which would not only provide a new source of emergency savings but would do so in a way that strengthens retirement savings, another critical issue for working women.

WISER has long been dedicated to the mission of enhancing savings opportunities for women. In that regard, I would like to highlight work we did in connection with the Latina Retirement Savings Project. An excerpt from our report on that work is below, which has a direct relationship to your bill.

Th[e] report describes participant outcomes from the Latina Retirement Savings Project ("the project"), which ran from October 2017 to July 2019. The project is a collaboration between Women's Institute for a Secure Retirement (WISER) and MANA, a National Latina Organization (MANA), and was designed to encourage and facilitate savings among low- and moderate-income Latinas in four cities across the U.S. -- Albuquerque, New Mexico; Baytown, Texas; Fort Worth, Texas; and Topeka, Kansas.

. . . Latinas . . . face significant obstacles to successfully building wealth. This project sought to promote savings habits, while developing achievable savings goals through the use of low-cost saving options paired with savings incentives. The project also incorporated financial education designed to help Latinas understand the barriers they face when saving and how to overcome challenges. . .

According to the Federal Reserve, four in ten Americans would have difficulty covering an unexpected expense of \$400, with racial and ethnic minorities (including Hispanics) even less able to handle a financial setback. Most project participants, if they successfully maintain the savings built up so far and keep up their savings habit

going forward, will be on track to accumulate \$400 in liquid savings by the end of one year. Such funds can provide a buffer against unexpected expenses or declines in income. In post-project surveys, savers indicated a high degree of motivation and intent to continue their savings behaviors.

This project demonstrates that low- and moderate-income Latinas can overcome formidable obstacles to saving. Evaluation of the project points to several factors influencing this outcome: accessible, actionable financial information delivered by trusted messengers; an appropriate financial product offered by a trusted institution; and a heightened motivation to save that comes from an empowering experience undertaken with peers, combined with the offer of a financial incentive. (emphasis added)

Our work on savings issues for women, such as the study noted above, strongly supports your bill, which makes it very simple for all Americans to save for emergencies in a manner that has proved to be very effective – payroll deduction at work. Moreover, we are hopeful that the bill will lead to higher levels of retirement savings, because workers will feel more comfortable contributing to a retirement plan knowing that they have access to the savings for emergencies if needed. And we also believe that retirement security will also be enhanced because most of those additional savings will likely not be used and thus will stay in the plan.

Your bill will provide an important step forward for women’s savings and retirement security and we are pleased to support it.

Sincerely,

A handwritten signature in black ink that reads "Cindy Hounsell". The signature is written in a cursive, flowing style.

Cindy Hounsell
President, Women’s Institute for Secure Retirement