

May 31, 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:

LPL Financial (“LPL”) applauds your leadership in addressing an issue that has arisen as a major concern for millions of Americans – the need for emergency savings. We believe that your bill, the “Enhancing Emergency and Retirement Savings Act of 2021,” would create a critical source of emergency savings while also strengthening the retirement security system.

Every day, LPL advisors work with small businesses and individuals to help build financial security for their future and to overcome the obstacles to that security. Our advisors are cornerstones of their community, working with clients who are neighbors and trust their advice to save for the future. Collectively, there are more than 18,000 financial advisors across the country who are affiliated with LPL as independent contractors and small business owners. They manage more than \$1 trillion in client assets, and are primarily located in rural and suburban settings. Accordingly, LPL seeks our advisors’ input on a consistent basis in an effort to better understand what retirement policies will best serve hard-working Americans.

There is extensive data regarding the millions of Americans who are unable to address even small emergency costs.¹ This creates significant financial stress,² which can have far-reaching effects, including family issues, lack of productivity at work, and an inability to save for retirement. Very few other issues have such widespread adverse effects.

While there has been a longstanding consensus that this issue needs to be addressed, very little has been done to address it, which is why we are so appreciative of your leadership. Your bill would provide millions of Americans with access to emergency savings without any penalty, thereby increasing their ability to pay for small emergency costs. And we also believe that your bill will enhance retirement savings. Our advisors understand the reluctance of many individuals to contribute to a retirement plan because of the concern that they might need that money for an emergency and need to quickly access those funds when necessary. By providing access to retirement savings in the event of an emergency, we believe that your bill would result in far greater retirement savings.

LPL is proud to support your bill. We look forward to the opportunity to work with you toward enactment of this critically important legislation. Please contact Nicole Petrosino, Office of Government Relations, at Nicole.Petrosino@lplfinancial.com with any questions or regarding how we can be helpful to you during the legislative process.

Sincerely,



Michelle Kelley
Senior Vice President, Government Relations

¹ *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>).

² *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>.