

TESTIMONY OF CHAD WILLIAMS

ON BEHALF OF EDWARD JONES

**BEFORE THE SENATE HEALTH, EDUCATION, LABOR
AND PENSIONS COMMITTEE**

FOR THE HEARING ENTITLED

“THE FUTURE OF RETIREMENT”

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INTRODUCTION

Chairman Cassidy, Ranking Member Sanders, my home Senator Kaine, and Members of the Committee, thank you for inviting me to testify on the critically important issues being considered this morning by the Committee. My name is Chad Williams and I have been an Edward Jones financial advisor in Ashburn, Virginia for the past 13 years. As discussed further below, I would like to emphasize at the outset Edward Jones' strong support for the "Auto Reenroll Act" and the "Helping Young Americans Save for Retirement Act," both introduced by Chairman Bill Cassidy (R-LA) and my home Senator Tim Kaine (D-VA).

First, I would like to provide a brief introduction to Edward Jones. Edward Jones offers a wide variety of products and services that are designed to help individual investors and small and mid-sized business owners achieve retirement security for themselves and their employees. Our 20,000 financial advisors serve more than 6.7 million households and care for more than \$2.4 trillion of their assets. Every aspect of our business, from the investments we offer to the location of our branch offices, is focused on serving the needs of individual investors and small and mid-sized businesses.

We currently serve as advisor to 263,000 workplace retirement plans, with more than 1.3 million plan participants. Educational services are available to each of these plans and participants. The average size of our 401(k) plans is \$1.6 million and two thirds of our new plans over the past several years have been start-up plans, as we seek to expand retirement plan coverage and access to savings opportunities.

As an Edward Jones financial advisor, I've spent my career sitting side-by-side at the table with clients helping them to make decisions that help achieve financial outcomes for themselves, their families, businesses, and employees for the future. I meet every day with Americans who want to do the right thing financially but often don't know where to begin. These conversations make it clear how financial education combined with public policy can change behaviors.

My wife and I are raising two young sons while also caring for my parents who live together with us. I have incredible respect for the hard work of my parents and their dedication to providing for us – but like many in their generation, they began saving later in life. Their experiences and the experiences of many Americans I work with are part of what fuels my commitment to helping others avoid those same obstacles. That's why I support lowering the age limit on 401(k) and 403(b) plans to 18 from 21 and facilitating the ability to automatically re-enroll workers after three years. These measures help people build financial security earlier in life.

In addition to running a financial advisory practice with my wife, I serve in leadership for the firm, where I focus on leading initiatives to expand our commitment to helping business owners and their employees achieve financial wellness across the Mid-Atlantic through the workplace. For many Americans, the workplace is where they have their first investment experience – and it represents a critical entry point for those beginning their financial journey.

To foster and support our mission, Edward Jones has partnered with Age Wave and conducted a series of studies about people's hopes, dreams and concerns in retirement. The studies highlighted the importance of financial foresight and saving early as a contributor to overall health, family security, purpose and financial well-being. Retirement may appear a distant prospect, but saving early maximizes compounding, investment returns and eventually retirement income. Retirees surveyed started saving at 38, on average, but in retrospect, they say they should have started saving nearly a decade earlier, at 29, to account for lengthier lifespans. Retirees enjoying the highest quality of life said starting to save early (and consistently) was one of their top financial actions to prepare for retirement.

Both of the bills we are supporting today would enable millions of Americans to start saving earlier.

RETIREMENT SAVINGS SUCCESSES AND CURRENT BARRIERS

Successful Efforts to Promote Retirement Savings. Our nation's private retirement savings system has been a tremendous success for countless Americans because it has enabled them to build a financial nest egg that supplements the retirement income that they expect to receive through Social Security. Congressional efforts to promote retirement savings – in partnership with companies that facilitate those savings, such as Edward Jones – have benefited millions of Americans by encouraging individuals to save for their own retirement and establish retirement plans for their employees.

Edward Jones was strongly supportive of the bipartisan retirement savings legislation enacted in 2019 and 2022, the Setting Every Community Up for Retirement Enhancement ("SECURE") Act of 2019 and the SECURE 2.0 Act of 2022. We were particularly supportive of the enhanced credits for small businesses to start a plan, the tax credit for the adoption of automatic enrollment, the increase in the ability of older Americans to catch up for years of not saving enough, and the increasing of the age when savers are forced to withdraw savings. Based on our experience and understanding of our clients, we know that these wonderful bipartisan efforts have and will continue to improve the retirement readiness of the individual investors and employees of the businesses that Edward Jones serves.

Edward Jones is also very proud to have started the proposal -- later included in SECURE 2.0 -- that created new tax credits for small employers that provide accelerated eligibility and vesting rights for military spouses. This provision recognized the unique challenges that military spouses face in saving for retirement as they move around the globe when their spouses are deployed. We thank Senators Susan Collins (R-ME) and Maggie Hassan (D-NH) and Representatives Jason Crow (D-CO) and Brad Wenstrup (R-OH) for addressing this important issue in stand-alone legislation. I would also like to thank our managing partner, Penny Pennington, for her leadership in first identifying this issue based on input from a client of the firm and taking action. This was never a business issue for us; it was simply a case of wanting to do the right thing for the spouses who give up so much for our country.

Today, we applaud Chairman Cassidy and Senator Kaine for their bills and commend the entire Committee for its work in continuing the longstanding bipartisan support for retirement savings. We understand that many issues before Congress are partisan, but retirement savings has been one very important exception. The dedication of Members of Congress to retirement savings bipartisanship is cherished and commended. Thank you.

More Work to Be Done. Although Congressional efforts to encourage personal retirement savings have benefited millions of Americans, much more can, and should, be done to increase personal retirement savings and encourage the creation of workplace retirement plans, especially for the employees of small businesses. In that context, we would like to express our strong support for the two bills introduced by Chairman Cassidy and Senator Kaine.

First, I would like to address the automatic reenrollment bill. The success of automatic enrollment in increasing retirement plan participation is well-documented. For example, in 2023, the Plan Sponsor Council of America found that automatic enrollment can increase participation rates by 15 percentage points or more depending on plan size.¹

But we can do more. Under automatic enrollment, an employee can opt out of participating in the plan, and never be automatically enrolled again, losing valuable time and opportunities to save. Under automatic reenrollment, an employee who opts out of the plan initially is again automatically enrolled in the plan periodically, such as every three years. This would apply the power of automatic enrollment to far more employees and help increase plan participation while preserving the ability of employees to select to opt-out again, if they so choose. Accordingly, we strongly support the “Auto Reenroll Act” that would powerfully facilitate auto reenrollment by clarifying that the inclusion of auto reenrollment features are permitted under key aspects of the law.

I also want to address the bill moving employees’ eligibility age from 21 to 18. Saving at an early age can make a significant difference. First, saving early means that the money has more years to grow before retirement, so that even a small amount set aside at age 18 can grow into a very important part of a retirement nest egg. Second, helping younger employees get into the habit of investing in their future can help establish a culture of saving that will serve those employees well throughout their lifetimes. Our work with Age Wave has also reinforced the need to save early, as retirees look back and wish they started saving earlier.

Because of this, we strongly support the “Helping Young Americans Save for Retirement Act.” This bill would reduce the eligibility age from 21 to 18 for 401(k) and 403(b) plans. Under current law, an employee who is younger than 21 can be excluded from all plans, even if they have 1,000 hours of service. This bill would eliminate the right to exclude such employees from 401(k) and 403(b) plans.

Both bills would enable savers to save earlier and more. For example, many beneficiaries of

¹ Society of Human Resources, *Automatic, Not Autopilot: Managing 401(k) Plans in the Auto-Enrollment Era* (June 2024), available at: <https://www.shrm.org/topics-tools/news/benefits-compensation/automatic--not-autopilot--managing-401-k--plans-in-the-auto-enro?utm>

automatic reenrollment are young employees who may have opted out at a very young age, and need another catalyst, such as automatic reenrollment, to save.

Most business owners I work with currently do not allow participation earlier than age 21 and none have adopted automatic re-enrollment. These bills would change things for the better for my clients without any material burden on them. We believe that these two bills carry on the proud tradition of bipartisanship in shaping a better tomorrow and enhanced retirement security for workers.

Caregivers. Edward Jones continues to advocate in additional ways to strengthen retirement security for individuals whose career path poses challenges in attaining retirement security. In that context, Edward Jones supports the Improving Retirement Security for Family Caregivers Act and the Catching Up Family Caregivers Act sponsored by Senators Susan Collins (R-ME), and Mark Warner (D-VA), and Representatives Brittany Pettersen (D-CO) and Maria Elvira Salazar (R-FL) to provide additional savings opportunities to help the millions of Americans who provide caregiving services to family and friends.

According to a recent Milken Institute report, the U.S. is facing a growing caregiving crisis that demands urgent attention. Today, 53 million Americans — 21% of adults — are family caregivers, and 60% of them are also holding down jobs. With 10,000 adults turning 65 every day, the need for long-term care is surging — and by 2030, 73 million people will be aged 65 and older, with 70% expected to need some form of care. A 2025 study by Edward Jones and Age Wave found that 92% of caregivers express financial concerns about their own retirement, with more than half cutting back on personal spending and nearly 1 in 4 reducing work hours or leaving jobs entirely.

The bills would create additional opportunities to help caregivers save for a secure retirement by (1) permitting additional ways for caregivers to make more contributions in later years to make up for years out of the workforce, and (2) allowing caregivers to make Roth IRA contributions even for periods when they are fully or partially out of the workforce.

Edward Jones would like to continue to partner with Congress on a bipartisan basis to enhance retirement security. One of the areas that we are particularly focused on is retirement plan coverage among small businesses. According to recent data compiled by the Bureau of Labor Statistics, 90% of private sector employees who are employed by a business with 500 or more employees have access to a workplace retirement plan. By comparison, only 55% of private sector employees who are employed by a business with less than 50 employees have access to a workplace retirement plan.¹ This coverage gap for small business employees is particularly concerning given that only 28% of Americans without access to a workplace retirement plan have any retirement savings.²

In my experience, this small business coverage gap is not the result of a lack of interest from small business owners. According to a survey conducted by the Employee Benefit Research Institute and the Center for Retirement Research at Boston College, over 90% of small business owners offering a plan do so for the positive effect on employees. According to the same survey,

the most significant barriers preventing small businesses from establishing a workplace retirement plan for their employees were the costs of plan creation and the lack of profitability and stability of the business.³

We look forward to working with this Committee on further initiatives to address the barriers to small business retirement plan coverage.

CONCLUSION

In closing, I would like to again thank Chairman Cassidy, Ranking Member Sanders, my home Senator Kaine, and the rest of the Committee, on behalf of myself and Edward Jones, for holding this important hearing to discuss the actions that can be taken to make it easier for more Americans to enjoy a financially secure retirement. In pursuit of these goals, Edward Jones fully supports the two Cassidy/Kaine bills that strengthen the retirement savings system and help more Americans enjoy the dignified and secure retirement they have worked so hard to achieve.

¹ Bureau of Labor Statistics News Release, *Employee Benefits in the United States – March 2025*, available at: <https://www.bls.gov/news.release/pdf/ebs2.pdf>.

² *Survey Highlights Worker Perspective on Barriers to Retirement Savings* (Sept. 2017), available at: https://www.pewtrusts.org//media/assets/2017/09/barriers_to_worker_savings_report_draft.pdf.

³ *Id.*