

September 20, 2021

The Honorable Richard Neal  
Chairman, House Ways and Means Committee  
United States House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

**Re: Letter of Support for the Retirement Subtitle of the Build Back Better Act**

Dear Chairman Neal:

As a leading provider of 401(k) plans to small and medium-sized businesses (SMBs), we write to express our gratitude for your long-standing commitment to retirement policy and dedication to expanding automatic retirement plan features, and to express our support for the Retirement Subtitle of the Build Back Better Act.

Human Interest is a full-service 401(k) provider specifically focused on helping SMBs offer low-cost, high-quality retirement plans for their employees. Since its launch in 2015, Human Interest has helped more than 5,000 businesses across the country offer retirement plans to more than 100,000 employees—a benefit previously offered only by large companies. While we are making tremendous strides in addressing the retirement savings crisis, we recognize that more needs to be done, because far too many Americans lack access to a retirement plan at work.

Fortunately, Congress is continuing to follow your leadership to address one of the most critical problems facing our country. Years of innovative legislation, including several retirement focused bills you have sponsored has shaped the discussion around retirement policy, not only in Congress, but across state and local governments and throughout the private sector.

As a provider of low-cost retirement plans for SMBs, Human Interest was heartened to see that the Retirement Subtitle of the Build Back Better Act seeks to address such issues head on by requiring almost all employers without pre-existing employer-sponsored retirement plans to automatically enroll their employees in IRAs or 401(k)-type plans. The wisdom of this legislation is the powerful combination of reforms that provide nearly universal retirement plan access, removing coverage gaps, and reinforcing incentives for low-cost and well designed retirement plans that serve to strengthen retirement security for millions of American workers.

As said in your Opening Statement, having access to an employer-sponsored retirement plan is key to preparing for retirement. But, plan access is only the first step—employee participation is necessary for us to unlock and break down the barriers to retirement security.

While research consistently shows that retirement plans with automatic enrollment have dramatically increased employee participation rates,<sup>1</sup> less than a third of employers opt for

---

<sup>1</sup> [National Bureau of Economic Research](#), 2002; [Employee Benefits Research Institute](#), 2010; [Bipartisan Policy Center](#), 2019

automatic enrollment.<sup>2</sup> The potentially perilous outcomes for non-participating employees extend far beyond their retirement savings accounts—they are more likely to be in poor health, have lower household income, and less job tenure.<sup>3</sup> Providing nearly universal access removes coverage gaps for the approximately 46% of American private sector workers who do not currently have access to a retirement plan through their employer<sup>4</sup> and can be the catalyst to providing these workers with an easy way to save for retirement consistently and longer.<sup>5</sup> The situation faced by those with a retirement savings deficit is dire, as the lack of sufficient funds to pay for critical needs such as housing, food, and medicine results in older Americans choosing between relying on means-tested government assistance, returning to work, or bankruptcy.<sup>6</sup>

The tools needed to restore retirement security are at hand. The legislation addresses the retirement savings crisis by eliminating employee barriers and increasing employer benefits. By simply providing access to retirement plans and encouraging participation, millions more working Americans will be able to have a secure and dignified retirement.

Not only does the Build Back Better Act align both employer incentives and tax code requirements, but it also reflects our experience working with SMBs throughout the country who are interested and eager to offer retirement benefits to their employees. A recent study found that more than 80% of SMBs view retirement plan offerings as essential for attracting and retaining employees,<sup>7</sup> and yet, employees at SMBs are 5 times less likely to have access to 401(k) plans than their peers at large companies.<sup>8</sup> Why? Because retirement plans have historically been too expensive, too burdensome, and too difficult to administer. The demand for our simplified and economical 401(k) stands in stark contrast with those products and is a testament to your vision that existing private sector infrastructure can solve the retirement savings crisis by making retirement plans accessible, affordable, and easy to use.

We are confident that your continued efforts will help close the retirement coverage gap, including the racial retirement savings gap<sup>9</sup>, by creating retirement wealth-building opportunities for Black and Hispanic and low- to moderate-income workers, particularly those in SMBs.

Human Interest is grateful for your leadership in making retirement security a legislative priority, and we look forward to working with you on this and other proposals to address the retirement savings crisis for all Americans. We urge Congress to swiftly enact the Retirement Subtitle of the Build Back Better Act into law.

Sincerely,

*Jeff Schneble*

Jeff Schneble

Chief Executive Officer

Human Interest

---

<sup>2</sup> [Pew Trust](#), 2017

<sup>3</sup> [Rand](#), 2015

<sup>4</sup> [National Institute on Retirement Security](#), 2021

<sup>5</sup> [Center for Retirement Initiatives](#), 2021

<sup>6</sup> [Aspen Institute](#), 2019

<sup>7</sup> [Principal Financial Group](#), 2021

<sup>8</sup> [The New School SCEPA](#), 2020

<sup>9</sup> Excluding Social Security, for every \$1 of retirement wealth held by Black and Hispanic workers, white workers hold \$7.28 and \$5.05, respectively. Reported in *The Debt We Owe*, [Human Interest](#), 2020; see also [Ariel Aon-Hewitt](#), 2012.