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BUILDING WEALTH AND FOSTERING INDEPENDENCE: CREATING OPPORTUNITIES TO SAVE

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C O N T E N T S

BUILDING WEALTH AND FOSTERING INDEPENDENCE: CREATING OPPORTUNITIES TO SAVE

THURSDAY, JULY 15, 2021

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, DC.

The Committee met, pursuant to notice, at 9:37 a.m., via Webex and in Room SD–562, Dirksen Senate Office Building, Hon. Robert P. Casey, Jr., Chairman of the Committee, presiding.

Present: Senators Casey, Blumenthal, Kelly, Warnock, Tim Scott, Braun, Rick Scott, and Lee

OPENING STATEMENT OF SENATOR ROBERT P. CASEY, JR., CHAIRMAN

The CHAIRMAN. The Senate Special Committee on Aging will come to order. I would like to welcome everyone to the Aging Committee's first hybrid hearing of this Congress, with members having the option to attend in person or online. Welcome, everyone.

This hearing will focus on the challenges individuals face when working to achieve long-term financial security and save for a stable retirement. All Americans worry about their economic future, especially as we grow older. For people with disabilities, finances, savings, and income are especially worrisome issues. According to the Bureau of Labor Statistics, in 2020, across all age groups, people with disabilities were much less likely to be employed than those with no disabilities. The same report found that across all educational attainment groups, unemployment rates for people with a disability were higher than for those without a disability.

Since people with disabilities are less likely to be employed and much more likely to be underemployed, their lifetime earnings are far less than the average citizen. Family members are often forced to quit their jobs to help care for other family members, family income has often been significantly limited.

For these families, Congress has removed some of the barriers to saving and to planning for the future. The bipartisan Stephen E. Beck, Achieving a Better Life Experience Act, or as we know it by the acronym the ABLE Act, which Senator Burr and I led in the Senate when it passed in 2014. This act makes it possible for people with disabilities to save for the future. With an ABLE account, people with disabilities can save for the future without losing their Federal disability benefits such as Supplemental Security Income or Medicaid. With the opening of ABLE accounts in 43 states, over

91,000 people have been able to save over $759 million, an average of over $8,300 per account.

These essential assets allow people to open their own businesses, save for retirement, purchase the technology they need, and so much more. That includes, in my home State of Pennsylvania, over 5,200 people who have used ABLE accounts to save over $57 million so far.

One such Pennsylvanian is a member of our witness panel today, Dr. Badger, who will tell us how an ABLE account helped her buy her first home.

ABLE has made building wealth a real possibility for millions of Americans but our work on this issue is not done. ABLE accounts are not available to all people with disabilities. To open an account, a person has to acquire their disability prior to their 26th birthday. This needs to change. Many people acquire their disability after age 26, including over 1 million veterans.

That is why Senator Jerry Moran of Kansas and I, along with 10 additional colleagues—four Republicans, six Democrats—have introduced Senate Bill 331, the bipartisan ABLE Age Adjustment Act. The bipartisan House version, which is H.R. 1219, has been introduced by Representatives Tony Cárdenas and Judy Chu of California and Cathy McMorris Rodgers of the State of Washington. They have been joined by 39 Democrats and 20 Republicans to help pass this important legislation.

The ABLE Age Adjustment Act will provide 6 million additional Americans with disabilities with the opportunity to open an ABLE account. The ABLE Age Adjustment Act legislation is an important step toward a more stable economic future for people with disabilities. There remain other challenges which must be addressed. As we will hear today, barriers to economic also plague many communities of color. Higher levels of poverty and unemployment have made it more difficult to save long-term for many people from African American, Latinix, and other diverse communities. This is a disturbing set of numbers I am about to read.

A 2020 report from the Federal Reserve, and that is obviously very recent, estimated that white families had eight times—eight times—the wealth of the typical Black family and five times the wealth of the typical Hispanic family. No one can be satisfied with those numbers. The same report has also found that the asset-based net worth of white households was more than four times the level of Black households. As a Nation, we have only begun to address the barriers to economic security for people with disabilities and communities of color as they age.

I look forward to hearing from our witnesses today about these important issues and the progress we hope to be able to make.

Before we begin, I want to remind Committee members and witnesses to please keep remarks and questions to five minutes. Following opening remarks, Senators will ask questions based on seniority whether joining in person or by camera virtually.

Ranking Member Scott, I am pleased to turn it over to you for your opening remarks. It is great to see you in person.

OPENING STATEMENT OF SENATOR TIM SCOTT, RANKING MEMBER

Senator TIM SCOTT. Thank you, Chairman Casey.

It is good to see you in person, as well. This is such an important Committee and we do good work under your leadership and I appreciate the way that you have handled the responsibilities of chairing this Committee and keeping our focus not on each other or each side but on the American people and specifically on seniors and folks with disabilities. It is really important for us to recognize that many of us are blessed. We are blessed to serve in the U.S. Senate on behalf of our states and on behalf of people who need help.

One of the things I think about, Chairman Casey, as I ponder this conversation around retirement security is how fortunate we are to be in a position where we have retirement accounts connected to what we do. Many times folks who have 100 employees or fewer do not have access to a retirement account. I know that is true here in Washington, DC. as well as it is true at home in South Carolina.

Growing up in poverty has another impact on that wealth gap that you talked about, the difference between African Americans, Hispanic and white folks, the amount of net worth they have typically can manifest in the equity in a home. If you do not have access to home ownership because of challenges, then you are going to see that wealth gap only increase. As that wealth gap increases, we will see that have an impact on how comfortable you are in retirement.

There are many pieces to the life puzzle of retirement that we will address today and I am thankful that we have an opportunity to do so. I am also thankful that, as a kid growing up in poverty, I had the chance of meeting a small business owner who was my mentor, who started teaching me about financial literacy at 15, 16, and 17 years old. That was a blessing that too many Americans do not have.

Learning those lessons early in life allows for your retirement years to look very differently. Far too many Americans living paycheck to paycheck, including vulnerable populations facing poverty, and some with disabilities, retirement seems out of reach no matter how old you are.

Too often, you see good people who have worked all their lives having to continue to work well into what we would consider your traditional retirement years.

For others, there are obstacles such as keeping your retirement plan when you are switching jobs. Getting access to a retirement plan when working for small businesses, as I just mentioned, is harder to do. In South Carolina, approximately 400,000 full-time employees do not have access to an employer-sponsored retirement plan. Two hundred thousand-plus South Carolinians who are working part-time do not have access to a retirement plan.

African Americans disproportionately have less access than other folks. Employers are a critical major piece of this retirement puzzle. One of the ways that we can help this is to make sure that employers have an easier access to establishing retirement plans.

As a former small business owner myself, I know the passion that we have for our extended families that we see as our employees. We see our employees as a part of our extended families. When we have an easier path to establishing and setting up retirement accounts for our employees, we look forward to that opportunity. We lean into that opportunity. It does solve a lot of problems. When you are making between $30,000 and $50,000 a year you are 12 times more likely not to be able to save for your retirement unless you work at a place where they have a retirement system there. Despite wanting to, small employers find it difficult and often impossible to provide retirement plans because of administrative burdens, startup costs, fees, and liabilities.

There is good news, though. The SECURE Act signed into law in December 2019 makes it easier for small business owners to set up retirement plans that are less expensive and frankly, much easier to administer. Today we will have the good fortune of hearing from an entrepreneur, a South Carolinian, John Iacofano, who is launching his company's first retirement plan today. Wonderful. I am excited to hear from John.

This new retirement plan is also the result of work by Matt Watson, a local advisory in Charleston who is helping small businesses across the State launch their own plans.

We have wonderful examples throughout the great State of South Carolina of these folks taking advantage of a simpler, more effective way of providing for retirement security for their employees. Bitty and Beau's Coffee in Charleston is one of those great examples that comes to mind. This coffee shop specifically employs folks with disabilities, helping them achieve financial independence.

Despite the struggles that so many Americans face, there is good news. Two-thirds of Americans living in retirement over the age of 65 over the past 5 years say that retirement is becoming a little more comfortable. In 2019, four out of five Americans aged 65 and older reported having enough money to live comfortably. This all means the financial well-being of seniors has improved substantially in recent decades and it gets better every single year. There is still more work to be done, and that is one of the reasons why we are working on what I would call SECURE Act 2.0, a bill designed to help us solve some of these problems and overcome some of the challenges.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Ranking Member Scott.

Now we will turn to our witnesses. Before I do that, I want to acknowledge the presence of Senator Blumenthal, who is here with us. We will have Senators coming in and out today. As you know, Thursday morning is a busy committee morning, so we will have Senators coming in, sometimes coming in and having to leave and come back for questions. We will try to fit everybody in as they are available.

I want to turn to our first witness, Mr. Tom Foley. Mr. Foley is the Executive Director of the National Disability Institute. He has more than 30 years experience in the disability community. He has dedicated his career to working to create pathways to employment and financial security for people with disabilities. We welcome him.

Our second witness is Mr. Rodney Brooks, a retirement columnist and author. He brings decades of experience writing on retirement, personal finance, and business issues for publications ranging from U.S. News and World Report, the Washington Post, and the Philadelphia Inquirer. He has committed his career to helping people prepare for retirement and save for the future. We welcome Mr. Brooks.

Third, our third witness is, as I mentioned earlier in my opening statement, Dr. Josie Badger from New Castle, Pennsylvania. That is Lawrence County on the Ohio border in Western Pennsylvania, north of Pittsburgh. Dr. Badger is the founder of J. Badger Consulting, Incorporated where she provides youth development and disability consulting services for various organizations.

She is the campaign manager of the United Way of Southwestern Pennsylvania's #IWantToWork campaign, where she works to improve the employment of people with disabilities. She is also a person who knows firsthand the challenges people with disabilities face when trying to save for the long term.

Due to the Federal asset limit for many years, Dr. Badger was unable to save more than $2,000 without risking the loss of her Federal benefits. That changed with the passage of the ABLE Act, which allowed her to finally save for her future.

For our fourth witness, I will turn to Senator Scott, our Ranking Member, to introduce Mr. Iacofano.

Senator TIM SCOTT. Thank you, Chairman Casey.

It is my pleasure to introduce today John Iacofano. John is the owner of Iacofano's Catering in Mount Pleasant, South Carolina. He is an entrepreneur, a leader, and a successful employer. I am proud of his work and the company he has built in my home State.

With only $90 to his name and money coming in from a painting job, John opened his first location in February, 2002. Today, John has 85 employees, six locations across the country including Charleston, Denver, Cleveland and Philadelphia. Iacofano's provides catering and food services to corporate events, weddings, inflight service, senior living facilities, and meal service non-profits such as Meals on Wheels, which proved so critically important during the peak of COVID–19.

John's testimony today is about his efforts and success at offering a brand new retirement savings plan to his employees because of the passage of the SECURE Act.

I do not want to steal his thunder about what he is doing on this, his launch date for the retirement plan, but I look forward to hearing his comments.

John, we truly appreciate your entrepreneurship and hard work offering new opportunities to your employees. Thank you for taking the time to be with us today.

The CHAIRMAN. Thanks, Ranking Member Scott.

Now we will turn to our witnesses for their statements. We will begin with Mr. Foley. Mr. Foley, you may begin.

STATEMENT OF THOMAS FOLEY, EXECUTIVE DIRECTOR, NATIONAL DISABILITY INSTITUTE, WASHINGTON, D.C.

Mr. FOLEY. Good morning, Chairman Casey, Ranking Member Scott, and other distinguished members of the Committee. Thank you for the opportunity to be here today.

My name is Thomas Foley. I am the Executive Director of the National Disability Institute. In addition to that, I am someone who is blind, who has spent time on SSI, spent time on SSDI but has managed, over time, to build an economic future for myself and my family.

As was mentioned earlier, there are far too many barriers to economic advancement for people with disabilities. I still vividly remember as a freshman in college, learning about the $2,000 asset limit because I was on SSI. I thought the person who told me that was actually joking. I wanted what everyone else did. I wanted to buy a home. I wanted a financial future, a job that led to a career, a family. I wanted the American dream. I was not sure how I was going to accomplish the American dream if I was not allowed to save money.

That $2,000 asset limit has not changed since I was a freshman in college and that was a while ago. Simply put, asset limits and income limits discourage savings, work and hope for people with disabilities.

Many other factors complicate building an economic future. As was mentioned, people with disabilities have a difficult time finding stable full-time employment. Workforce participation rates in June, according to ODA the workforce participation rate for people with disabilities was 21 percent versus 67 percent for people without disabilities. It is nearly impossible to save for a long—term future without stable competitive employment.

In addition to that, recent research has shown that people with disabilities face additional costs that people without disabilities do not face. They average $17,000 a year. These extra costs have to be met somehow, as well.

I was really lucky in high school as well, as was Senator Scott, to take a financial education course. I learned about saving money, how to avoid debt, how credit cards worked, why it was so important to get a bank account. Recent data from the FDIC reports that people with disabilities are three times more likely to be unbanked, 16 percent versus 4.5 percent, than the rest of the population. It is difficult to build a financial future without the basic building blocks of a bank account or financial education and financial coaching for people with disabilities.

Underlying much of this is an unspoken but palpable belief, sometimes by teachers, sometimes by employers, unfortunately sometimes by friends and family, that folks with disabilities cannot work and cannot build a financial future. Sometimes people with disabilities internalize this.

Fortunately, removal of policy barriers can change this narrative. One such policy action was the ABLE Act in 2014, as mentioned earlier. We have seen firsthand how this has changed people's lives. People buy homes, they go back to school, they start small businesses.

Particularly for folks with disabilities, who might have episodic or contractual work, we have seen that ABLE savings that, on average, that $8,000 per account allows people to navigate periods of unemployment, remain financially resilient through economic downturns and ultimately, improve their short-and long-term financial outcomes.

Unfortunately, as currently written, the ABLE account leaves out lots of people from being to access this tool and realize these benefits. Therefore, we strongly advocate for the passage of the ABLE Age Adjustment Act. Passing this will allow people with disabilities, with disability onset up to age 46, to open new accounts and expand the universe of ABLE accounts. We believe it will increase utilization of accounts and there are up to 6 million people who could benefit.

In addition to that, we believe it strengthens the ABLE financial perspective and will create innovation within the ABLE space. In addition, it will allow older Americans who have become disabled by chronic illness, by accident, or by military service to benefit from this program as well.

Members of this Committee, I started this testimony by talking about my American dream. I have achieved that. I bought the house, I have a solid retirement account. I put two-and-a-half kids through college. I am not particularly special. People do not need to change, systems do.

With your help, today, we can begin to change those systems and increase financial security and economic outcomes for people with disabilities.

Thank you for the opportunity.

The CHAIRMAN. Thank you, Mr. Foley, for your statement.

Now we will turn to Mr. Brooks. Mr. Brooks, you may begin.

STATEMENT OF RODNEY BROOKS, RETIREMENT COLUMNIST AND AUTHOR, SILVER SPRING, MARYLAND

Mr. BROOKS. Good morning, Chairman Casey, Ranking Member Scott and members of the Committee.

My name is Rodney Brooks. I am a personal finance author and business journalist. I have written about retirement issues and wealth disparities for publications like U.S. News & World Report, the Washington Post, USA TODAY and National Geographic.

I want to thank you for the opportunity to appear before you today to discuss some of the critical retirement issues faced by all Americans, especially some of the issues faced by older African Americans. Black women, in particular, face huge financial challenges as they age. You have all heard we are having a retirement crisis. That is because we are not saving enough to sustain ourselves when we retire. We all realize it and we worry about it.

Forty-five percent of baby boomers said outliving their retirement savings is one of their greatest fears. There is good reason for that concern. Fifteen percent of Americans have no retirement savings at all.

Today, we are living longer and thus, we need for our retirement savings to last longer. Today, a couple aged 62, the surviving spouse will probably live until 92.

In the past we have had pensions that would provide financial resources for the rest of our lives. Our fathers and their fathers knew that their money would not run out and they would be taken care of. That is one of the reasons people worked for 25 or 30 years at one company. It was not just for the gold watch. It was to for the pension.

Today pensions are largely a thing of the past. In 1975, pensions covered 40 million Americans. Today only 13 percent of non-union private sector workers are covered by pensions. That means pensions have been replaced by what I call do it yourself retirement plans such as 401(k)'s. I call it do it yourself because it puts the pressure on the workers. The workers have to figure out how much to save, what to invest in, and how to manage those investments.

For older Americans, particularly Black women, the situation is more dire. Many older Americans have endured decades of discrimination, and as a result they have lower levels of education, income, and wealth.

Additionally, Black Americans suffer disproportionally from eight of the top 13 causes of death in the United States. Black women have the lowest levels of income and wealth, which means that they need to continue to work as they age. Yet health problems can limit their ability to continue working.

The impact of these economic inequities has resulted in multiple generations of poverty, and predictions from Prosperity Now that the average net worth of Black Americans will be zero by 2053 if nothing changes.

These economic and health issues have been exacerbated by the COVID–19 pandemic.

Fifty percent of Americans do not have retirement accounts largely because they work at small companies or they are part-time and do not qualify.

Some of the programs that may improve those numbers are one, auto-enrollment. When a new employee starts, the company automatically enrolls them in the plan. That has improved participation dramatically.

Two, a number of states have started State savings plans and require companies to actually offer these plans to employees.

Three, if companies, small companies had the option to join together to offer better plans it reduces the costs both the businesses and their employees.

They are all complicated and interrelated issues with no single or simple solutions. If nothing is done, we are going to see more Americans, especially Americans of color, fall into poverty.

I want to thank you again for the opportunity to provide testimony and for your interest. I will be happy to answer any questions the Committee may have.

Thank you.

The CHAIRMAN. Thank you, Mr. Brooks, for your statement.

Dr. Badger, you may begin.

STATEMENT OF JOSIE BADGER, Ph.D., CAMPAIGN MANAGER, #IWANTOTWORK, NEW CASTLE, PENNSYLVANIA

Dr. BADGER. Thank you so much.

Good morning. I would like to thank the Chairman, Ranking Member Scott for hosting this hearing and inviting me to speak. I would also like thank the Committee members for attending.

This is an extremely important issue for the largest minority in America, or in your State, in fact.

As you heard in my introduction, provided by Senator Casey, I have my doctorate and I am a business owner. I am also a homeowner, a partner, a daughter, a friend, and of course a dog mom.

What you did not hear is that I am a person with a significant physical disability that I can say affects all areas of my life. I cannot put it into a category like I did with the other topics those are just elements of my identity. Having a disability affects my entire life and all parts of my being. It is the reason why I do not walk or breathe on my own, my need for 24-hour care, my relationships, my work, and even how I earn and save money.

It does not affect the way I work, earn, or save money in the way that you might think it would. I work over 40 hours a week. I can do all elements of my jobs without accommodations from my employers. My disability forces me to stay poor and not save for those big steps that were mentioned earlier, the American dream, or retirement in general.

When I was growing up, I dreamed of being a marine biologist. Long story short, I am on a ventilator. I do not swim. A change of plans ensued. I became a business owner.

However, no one ever told me, quote/unquote, that's a great idea for you to be a marine biologist or a professor but you are not allowed to make that much money. No one told me to not work so hard in school, not to be valedictorian or not to get my degrees and pursue my dreams. That is exactly what the system is set up to do, to be prepared for success but not be able to actually achieve it, at least financially and stability-wise.

As I was graduating with my doctorate, I was thinking, now what? I had spent years completing higher education, volunteering, and working part-time. Most of my peers were applying for fantastic jobs and comparing their offers about the best locations, opportunities, salary, and benefits while I was trying to figure out how to not be too successful.

The reason I cannot be too successful is that I rely on government insurance programs such as Medicare and Medicaid for my survival. No private insurance will pay for the long-term supports and community-based services that I require to just get out of bed every day and to work in the first place. These amazing programs, however, have fairly strict income and asset limits. To be able to survive by having those services, I have to keep myself poor.

To do so, I started a business so that I could salary but take job opportunities that I felt called to. Such a structure has allowed me to work while still receiving the medical care that could only otherwise be received through nursing home. If I did not get Medicare and Medicaid, I would be in a nursing home. This was only possible because I underpaid myself and did not have savings accounts or retirement.

I can honestly say that it is more work to be able to work than the work itself.

Some of the barriers to working and economic stability did change with the ABLE Account. That was the first opportunity I had to save more than $2,000 due to asset limits. In the past, I kept my income under those limits because I could not risk losing those life sustaining services.

However, I opened an ABLE account because it seemed like a good thing to do and all the cool kids were doing it. I did it, too. At that point, I had no idea how useful it could be in my future.

Then, during the pandemic, while I was in a small house renting with my partner and our two dogs and two cats, I realized how important having a space that I loved that was bigger really mattered, as I am sure maybe some of you realized, as well.

I decided that it was time to buy a home. I knew that I could easily pay the monthly mortgage payments, but I did not have even close to what I needed set aside for a down payment. That is where ABLE came into play for me. It made home ownership possible.

Through the little bit of savings that I had put into accounts and a gift, I was able to purchase my home a year ago today actually—yesterday. According to Facebook, yesterday.

This was only possible because of the ABLE savings accounts. It is a wonderful program, but as it has been mentioned, the strict age criteria with it being that you have to acquire your disability before the age of 26, really limits the number of people that can receive this type of account. We need to fix that problem. We need to address an even bigger issue: the limitations on earning money. The Substantial Gainful Activity Limit, SGA for short, restricts how much money a person receiving Social Security Disability Insurance can earn a month. There are similar limits for SSI, Medicare and Medicaid.

For SSDI, the limit is currently $1,310 per person. That is $1,500 less than the Federal poverty limit for a one-person household. Earning more than SGA means the possibility of losing life-sustaining medical and health care coverage in addition to the case benefits.

Because of such policies people with disabilities, including me, we are capping our employments and earnings and ultimately our opportunities. It limits our success in order to just make sure that we are receiving life preserving and sustaining care.

At one point in time, the asset and income limits probably made a lot of sense. No taxpayer wants to be giving money to people who do not need it. However, with medical advancements, assistive technology, workplace accommodations, and actually changes in the work world and fields, these restrictions are actually restricting individuals from pursuing opportunities.

People like myself, who receive and require a high level of support and medical care, would not have survived previously without these advancements let alone be able to work in previous decades. Now not only are we surviving, but we are capable of thriving.

Thank you so much.

The CHAIRMAN. Doctor, thanks very much. I just want to make sure we can move through our witnesses.

The fourth and final witness is John Iacofano, and he will provide his testimony and then we will get to questions.

STATEMENT OF JOHN IACOFANO, OWNER, IACOFANO'S CATERING, MOUNT PLEASANT, SOUTH CAROLINA

Mr. IACOFANO. Thank you. Good morning, Chairman Casey, Ranking Member Scott, and members of the Committee.

My name is John Iacofano and I am the owner of Iacofano's Catering in Mount Pleasant, South Carolina.

Twenty years ago, as a struggling student with $90 to my name, I painted a building to get the down payment for a 300 square foot space to start my catering business. Iacofano's began by preparing deli trays for corporate groups and later opened three restaurants.

Today, Iacofano's provides catering and food services to corporate events, weddings, in-flight catering, senior living facilities, and meal service for non-profits such as Meals on Wheels. We have 85 employees and six locations across the country, including Charleston and Columbia, South Carolina; Charlotte, North Carolina; West Deptford, New Jersey, a suburb of suburban Philadelphia; Cleveland, Ohio; and Denver, Colorado. Our average employee age is 45, with the oldest being 78.

During the pandemic we were able to maintain a workforce and add additional quality employees from large corporate layoffs. As large corporations began to rehire, we were unable to keep up with the benefits they offered, specifically retirement plans. We lost one of our best employees when her former employer, an international catering company, offered to reinState her benefits. We offered her over 11 percent more pay plus success sharing checks but she went back with her former employer for one simple reason, the bigger firm offered her a retirement plan.

My small business attempted many times to implement our own employee retirement plan but were shut down by the excessive fees along with plan liabilities and administrative burdens my team could not handle.

At Iacofano's we are on a mission to cover the entire circle of life for our employees: from health care, competitive pay, vacation, and more. However, the number one inquiry candidates and employees ask is, "do you have a retirement plan?"

Just a few months ago, Matt Watson at NFP approached me with a possible solution to our retirement plan struggles. The SECURE Act had passed through Congress and established Pooled Employer Plans (PEPs), allowing unrelated employers to join together to provide workplace retirement savings options without some of the costs, administrative burdens, and liability attached to sponsoring a plan on their own. One month later we are on a conference call setting up our plan and 2 months later we are launching our first employee retirement plan at Iacofano's.

The new PEP system is a plug-n-play plan that links directly to our payroll system at a low cost of $2,600 per year broken into quarterly payments. Our plan provider offers educational classes to our team; and handles all employee enrollment, legal requirements, and administrative work. These cost and administrative savings are the sole reason we are now able to offer our employees retirement benefits. Plus, these low costs allow us to offer a very competitive match. These are new dollars going into the paychecks of our valuable team members.

Chairman Casey, Ranking Member Scott, and members of the Committee, I am thrilled to announce that as of today our employee retirement plan is open for enrollment. For the majority of my employees this is the first workplace retirement plan ever.

On a personal note, my father was a small business owner. He passed away and the business was closed. My mother, as a stay-at-home mother for 30 years, had to reintroduce herself into the workforce. Now, at 78 years of age, her current retirement plan includes $1,450 from Social Security and only $270 from a large company that she had worked for over 10 years. Had access and education of the PEP plan been available to my family, my mother would not have to be working full time to make ends meet in retirement.

The PEP is going to help my employees engage in the retirement that they once thought they were destined to have.

Our next goal is to continue to grow the diversity of employees within our company. We are fortunate to work with Babcock Centers in Columbia, South Carolina, an Adult with Disabilities Empowerment Organization. Babcock approached us over 2 years ago asking if we were willing to bring on one or two of their clients to work in our facility. With the help of a Babcock representative, we hired a gentleman named Jay. Jay continues to work for us and is a vital part of our team. If it had not been for our services providing meals to the Babcock Center, we would have never known about the opportunities to hire adults with disabilities.

Small businesses need more information and availability to hire, train, and provide these new opportunities for adults with disabilities. This, along with the new PEP plan, will only help small businesses like mine become competitive employers and take care of the entire circle of life of their employees.

I would be happy to help this Committee in any way possible to get the word out to small businesses.

Thank you for your time and I am happy to answer any questions you that may have.

Thank you.

The CHAIRMAN. Thank you for your testimony.

I want to make sure that I am correct about something. I have pronounced your name more than once now and I want to make sure I am pronouncing it correctly. I put the emphasis on "ick-ofano" and I thought I heard you say—I want to make sure I am right—more like "I-cofano".

Mr. IACOFANO. Yes, so it would be like "ya-cofano" really, but we have been—it is "I-cofano". We say "I—cofano."

The CHAIRMAN. Okay, I will try to

Mr. IACOFANO. Iacofano. That is okay. You are not the first person to butcher our last name. You will not be the last, I am sure.

Senator TIM SCOTT. I was wondering the same thing about "ick" or "ike". He just entered another element though, so we are going to be here for a long time.

The CHAIRMAN. Well, we are grateful

Mr. IACOFANO. I am not going to say "ick", "ick" in catering would not be a good introduction.

Senator TIM SCOTT. Yes, icky. We will go with "ike".

The CHAIRMAN. I think we have to give you extra time because of that question I just asked you, but thanks so much.

We will turn to our questions. I wanted to start with Dr. Badger. Doctor, I wanted to thank you for sharing your story, which is both a story about the challenges you have faced, but also a story of real inspiration, what you have had to overcome, to open a business and to buy a home and to do so many other things that you have related today.

In your testimony, you talked about how ABLE was your first opportunity to save more than $2,000 due to asset limits for Medicaid. You also said you had not really put much thought into long-term savings since you had never had the opportunity to save before. As you put it, the way the system is set up, you said it was set up "to be prepared to be successful but not to actually be permitted to achieve success, at least financial success and stability."

That is a powerful statement and, I think, emblematic of what we are wrestling with here.

You said that it was the COVID–19 pandemic that motivated you to start saving with a goal in mind. Were is my question: how did an ABLE account, in your case, help you to level the playing field for people with disabilities in your case, but more broadly for people with disabilities who can access them?

Dr. BADGER. Thank you so much for the question. Yes, I believe that ABLE is one of the fundamental areas that will allow people to be more successful. For me, it was home ownership and I hopefully will continue to use it to pay off that monthly mortgage of mine.

I think for other individuals there has been a long-standing concern and teaching from the system that you, as a person with a disability, cannot have money. I know a lot of individuals who are my age and younger who are putting money under their mattresses or only working in cash which, when I was redoing our house, we found money in our ceiling. We are reverting back into acts that were done during the Great Depression of saving money when possible. The bigger issue is not having money to save in the first place. I think that is the next step beyond allowing more people to earn, save, and know that they are not going to lose life sustaining care to do so.

The CHAIRMAN. That is very helpful, to have you walk through your own personal experience.

Speaking with people with personal experiences, I want to turn to Mr. Foley. We heard, as I just mentioned from Dr. Badger, that her ABLE account, what it means to her and so many in the disability community. One of the real limitations, one of the problems we are trying to solve with the legislation, is the 26-year-old limitation. Meaning that the accounts are only open to people who have had a disability before their 26th birthday.

Can you explain why the original ABLE act included the age limit, which we now want to change, and why it is important to expand ABLE accounts?

Mr. FOLEY. Thank you, Senator.

Yes, so the changing it to disability onset before age 26 was kind of a last minute accommodation made back in 2014 from a scoring perspective for the bill. The entire time folks were advocating for it and talking about it, a much larger group of people had been envisioned. It was mostly for scoring purposes.

To the second part of your question, you know, we estimate that there are as many as 6 million people who would be newly eligible if the ABLE Age Adjustment Act happened. Those are people whose—obviously, their disability happened after age 26. Maybe that was an accident. Maybe that was an illness picked up later in life or someone from military service.

Having worked in this space for quite a while, it is really difficult to meet a 27-year-old who is recently spinal cord injured and tell them there is this great product out there but it is not for you. Or someone coming back from a tour of duty who has been injured fighting for this country and telling him or her that ABLE is not for them.

There are 1 million veterans that could be eligible for ABLE and it is imperative that ABLE be extended to be able to be a benefit from a financial standpoint, from a support standpoint, and from a long-term economic development standpoint for those individuals.

The CHAIRMAN. Mr. Foley, thanks very much. I will turn to Ranking Member Scott for his questions.

Senator TIM SCOTT. Thank you, Mr. Chairman. I understand that Senator Lee is available now for questions, and I am happy to defer to Senator Lee if he is still available for questions now and I will take the second round.

The CHAIRMAN. Senator Lee.

Senator TIM SCOTT. Sounds good.

Mr. Iacofano, a quick question for you. I know that the SECURE Act provided you with an opportunity to start your retirement account today and congratulations. As a former small business owner myself, I understand and appreciate the excitement that when you are able to offer new benefits for that extended family, as I discussed in my opening comments, it really is heartwarming for you and certainly good for your employees.

I know that there are several parts or aspects of the SECURE Act that can be helpful, whether it is reducing the price or helping to cover the liability exposure. Which of the two, or other aspects of the SECURE Act, help you start your retirement account today?

Mr. IACOFANO. There is multiple aspects. One major one is obviously $2,600 a year is the cost to me, broken apart in quarterly payments which is huge.

Then you have the administrative, the fiduciary, the entire liability basically is being handled by the plan itself where with the old plan, before you guys put this new SECURE Act through, the old plan had the "one bad apple" part of it.

Everybody could be liable in the plan. This got rid of that, which is excellent. The new plan helped to do that.

The two, the liability and the very low cost of $2,600.

Senator TIM SCOTT. During your opening comments, you made a statement that caught my attention and I want to ask you a question and give you a little more time to expound on the importance of the competitive advantage that comes with the ability to offer retirement programs to your employees. You talked about losing a key employee, or at least an important employee, because they were able to have a retirement system. They turned down an 11 percent wage increase in order to have an opportunity to secure resources in retirement.

How important is having something like the SECURE Act in place and you launching your own retirement plan in retaining your best and brightest employees?

Mr. IACOFANO. It is—I will not be competitive if I do not offer retirement. This allows me to not only offer retirement, become competitive, be able to obtain new team members. Due to the low cost, it also allows me to match. We will be matching 100 percent on the first 3 percent and 50 percent on 4 and 5 percent, which makes me extremely competitive against very large corporations and puts us on the same level.

Senator TIM SCOTT. Mr. Iacofano, I would say that you are doing better than most corporations. One hundred percent on the first 3 percent is pretty remarkable. That is fantastic.

Mr. IACOFANO. Thank you.

Senator TIM SCOTT. It tells me that you care about your employees.

Mr. IACOFANO. Well, it is the low cost. It is the low cost.

Senator TIM SCOTT. That is fantastic. It allows you to transfer those resources or the benefits to your employees through the additional matching opportunities. That is good, that is being a good employer and something that we should all celebrate.

You also do something else that I think is really important to the workplace and very important to maximizing human flourishing. You look for ways to hire folks who are very talented, who might have varying skill sets, different talents, but also different challenges to coming to the workforce. I know that you have done a good job of offering opportunities to folks with disabilities.

How can we encourage more companies to follow your path in recruiting and retaining vital workforce talent to include those folks with special needs or disabilities?

Mr. IACOFANO. Well, I was fortunate enough to work with Babcock Center or else I would not have even known that there was such a thing as employing adults with disabilities, nor would I even know the need for it.

We have very talented workers out there that need jobs. I believe in South Carolina alone and in Pennsylvania the unemployment rate for adults with disabilities, in Pennsylvania I believe it is 61 percent and South Carolina is about 67 percent. Transportation is a huge need. Jay, who is an adult with disability and been with us for over two years, we pick him up and drop him off to—pick him up from home and drop him off at home every day. Transportation is huge.

How can we create the space or what needs do the adults with disabilities have in the workforce? Whether it is special equipment, whether it is the ride to work. What do they need to get to work and be able to be successful at work is the question. I believe that is where our resources can go.

Senator TIM SCOTT. Thank you, Mr. Iacofano.

With my last 30 or 40 seconds, Mr. Brooks, I would like to ask you a question about retirement portability. Said simply, when you have a small retirement account, $5,000 or $6,000 and you change jobs, oftentimes what happens is what we call leakage. You just take that money that is in your retirement account and you cash it out. You pay a penalty. You have to claim it as ordinary income. Those retirement dollars are gone.

I worked with the DOL and a guy named Bob Johnson to help create the framework for auto portability between retirement plans. How important is this reform for those living in the underserved communities? How can we continue this progress?

Mr. BROOKS. Yes, I think portability is critical. As you said, people cash out their plans, especially if they have a small amount. Part of it is the company's do not encourage you to merge them.

I think what might help that is some financial education because most of the people who—many of the people who cash out are low-income or young. I do not think they realize the tax implications when they do cash out until they have to file their tax returns.

Senator TIM SCOTT. Then it is a big surprise.

Mr. BROOKS. Yes, a big surprise.

Senator TIM SCOTT. Thank you, Mr. Brooks. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Ranking Member Scott.

We will turn next to Senator Kelly.

Senator KELLY. Thank you, Mr. Chairman.

I want to followup on a couple of Senator Scott's questions. This question is for Dr. Badger.

Dr. Badger, Employment First is a framework that seeks to make integrated employment the goal and priority for states and public systems. In 2017, Governor Ducey, the Governor of Arizona, signed an executive order declaring Arizona an Employment First State, which required state agencies to partner with outside vendors to improve job opportunities for people with a disability. Stakeholders across the State worked collaboratively to make this happen.

Arizona is one of many states working on this, and it is a priority for the Federal Department of Labor. Could you describe some successes that you have seen that more states should try to emulate?

Dr. BADGER. Absolutely. Thank you so much for that question.

I was part of—through the #IWantToWork campaign we worked to establish our Employment First legislation. I think what we are seeing, and it is really trend based, is that states that have had Employment First specifically legislation and executive directives, they are having progressively more individuals with disabilities who are employed. I think that if you start looking at the numbers, and there was a recent report put out by ACL, 30 Years of Living, you will see that the states that have had those pieces of legislation on the books longest have the highest employment rates. I think we need to look at the data to show the success.

Senator KELLY. Beyond the legislation that is already on the books, what are the top one or two ideas to continue to increase the employment rate for adults with disabilities?

Dr. BADGER. I think going forward we are looking at making sure that that mindset of Employment First, making sure that competitive integrative employment is the mindset that we hope for all individuals, starting with IEPs in high school, is key, and endorsing that as a State. Also, really working on the collaborative efforts that you mentioned to make sure that our policies and actions in the country, State and locally truly support that employment work of people with disabilities.

Senator KELLY. Thank you, Dr. Badger.

Dr. BADGER. Thank you.

Senator KELLY. Mr. Foley. Mr. Foley, your testimony mentioned the increased likelihood that individuals with disabilities would be underbanked. We know that asset and income limits make saving complicated. I am also curious about access to credit.

Could you describe what the challenges are for gaining access to credit and building credit over a lifetime for adults with disabilities?

Mr. FOLEY. Absolutely, thank you for the question.

We have done research that indicates that folks with disabilities are two to three times less likely to have access to the credit they need than the general population. This goes along, I think generally, with the information about being underbanked.

Basically, people with disabilities would benefit greatly from financial education, financial counseling, credit education, and credit counseling. Many of the financial education curriculums out there and credit bureaus are more and more doing a lot of work to try to reach low—and moderate-income communities and we work closely with several of them to make sure that people with disabilities are included in that work.

Many people with disabilities are also what is known as credit invisible. You know, if you do not have a bank account and you are not working, there are not a lot of accounts or credit bureaus to pull from. I know the industry is working on new models to help alleviate these issues. It is definitely a concern with regard to credit access to folks with disabilities.

Senator KELLY. Mr. Foley, do the credit agencies use any different standards for individuals with disabilities?

Mr. FOLEY. You know, I would certainly, you know, from an income standpoint, SSI and SSDI qualifies as income. I do know that from a scorer's perspective, medical debt has begun to be treated differently in recent years with regard to its impact on credit scores.

I guess the short answer to that is yes, to some extent, but there is still more work to be done.

Senator KELLY. All right, thank you, Mr. Foley. Thank you, Dr. Badger.

The CHAIRMAN. Senator Kelly, thanks very much. Now we will turn to Senator Lee, who is joining us virtually.

Senator LEE. Thank you, Mr. Chairman.

Savings and investments enable us to serve our respective communities and increase our future capacity to afford necessities. Financial capital, in fact, underpins social capital. Savings allow us to form and expand families and to surround ourselves with neighbors and institutions that enrich our lives.

Savings make retirement possible, which provides us with the opportunity to invest ourselves and our time more deeply in our communities.

Mr. Iacofano, what are some of the ways in which empowering your employees with the opportunity to save for retirement might have a trickle-down effect that benefits other members of the community in the Mount Pleasant area? For example, do you think that making retirement savings possible for your employees allows them to invest their time and their resources more fully in their communities?

Mr. IACOFANO. Well, you are talking about having to have people unprepared for retirement and having to work, going to work all the way until your 70's and your 80's because Social Security is not going to give you the full retirement that you need. Therefore, in the community, are you able to be part of your community more? Are you able to donate time to your community? Or are you going to be working 50, 60 hours a week when you are 70, 80 years old?

Really, right? As you age, you start to donate more time and resources and knowledge to your community. Are we going to have the ability for our aging population to do that, is the question? I would say no.

Senator LEE. Thank you.

In 2019, Congress passed legislation that created Pooled Employer Plans to provide businesses with more flexibility in how they can band together with other businesses to offer retirement plans to their employees. I have heard from Utah companies and Utahans seeking to save for retirement, that this has been a great benefit for them.

Mr. Iacofano, you mentioned in your testimony that the ability to provide these Pooled Employer Plans, or PEPs, to your employees will change the retirement that they once thought they were entitled to have. How have these plans benefited your employees? Are there any additional barriers that you face as you seek to create opportunities for your employees to achieve their retirement and the kind of retirement they desire?

Mr. IACOFANO. The biggest barrier is knowledge and understanding of how important it is, right? When you are 20, 30, maybe in your 40's, you are not even thinking about retirement. You are not thinking, that is way off in the future. By starting this plan, it forces my company to educate all levels, all age levels of employee within the company and it begins to focus on the retirement. With the match, with the PEP and the SECURE Act being put in, it allows me, due to its being so low cost, allows me to match.

What that is going to do is really, as any employee, you should be donating 5 percent of your wages because we are going to be matching 4 percent. Now you are putting 9 percent away toward retirement. Whether you do that 401(k) or Roth is up to you. Nine percent will be put away and you are donating 5 and we are giving you 4. This is allowing us to educate what typically somebody would not be paying attention to.

Senator LEE. Thank you, that is helpful.

Mr. Brooks, you mentioned in your testimony that under the majority of today's retirement plans the responsibility falls on the individuals to figure out how much to save, in what to invest, and how to manage their investments. What is your assessment, Mr. Brooks, of the financial literacy of Americans when it comes to retirement savings? Is there better financial literacy for some types of retirement savings accounts than for others?

Mr. BROOKS. Well, financial literacy as a whole, there are more courses offered—actually mandatory courses—at the high school level where I think they have to start. Not that many. When it comes to financial literacy as a whole, I think we are pretty weak.

Now there are companies who, along with their plans, offer some sort of support. My experience has been that many do not.

When I say employees are left to themselves, they can call possibly an 800 number but at one time human resources companies—I am sorry, human resources departments offered that kind of assistance. Now companies have cut back so that is not available anymore.

Senator LEE. Thank you.

Thank you, Mr. Chairman. I see my time has expired.

The CHAIRMAN. Senator Lee, thanks very much.

I want to acknowledge some Senators who joined our hearing, Senator Rick Scott, as well as Senator Warnock. I know we are awaiting some other Senators to arrive. In the interim, I will start with another question. If other Senators arrive, I will cut myself off.

I wanted to turn to Mr. Rodney Brooks. Mr. Brooks, you examined the real world impact of retirement policy on people working hard to save for their future. Many proposals that have been discussed today have looked at ways to improve retirement accounts for people who already have access. We have also heard form people who face steep barriers to long-term and stable employment or career advancement, which would provide them access to retirement accounts. Unfortunately, we know that communities of color and people with disabilities are more severely impacted by these issues.

I am ask you kind of a question that you made reference to in your opening but I wanted to reiterate some of it. What steps need to be taken to increase long-term savings for those who have traditionally struggled to access stable retirement accounts, such as those holding multiple jobs or facing difficulty holding a job long-term?

Mr. BROOKS. One option, I think, is the State savings plans that are being offered. I think a dozen states are offering it. Again, those are offered through, mostly through employers.

One option might be a baby bonds type program that has been proposed by economist William Darity and in legislation proposed by Senator Booker that would basically provide say $1,000 to a baby born anywhere. The amount depends on the income of the parents. By the time they are 18, they will have some income to invest for either college education or to buy a house.

Morningstar basically said a baby bond program would cut the racial wealth gap in half.

The CHAIRMAN. Thank you very much. I appreciate you bringing your experience to bear in providing suggestions for steps we can take.

I want to turn next to Dr. Badger and Mr. Foley, maybe a kind of a joint answer or a question for both, depending on who wants to take it first. You have both worked over the years to improve economic access for people with disabilities and you both have personal experience with some of these challenges we have talked about.

Mr. Foley, your work at the national level and, Dr. Badger, your work in Pennsylvania have given you important perspectives in this work not only professionally but personally.

Mr. Foley, in your testimony, you put it simply. You said "Asset and income limits discourage savings, work, and hope." You have both discussed, both Dr. Badger and Mr. Foley have both discussed the asset limit for Federal benefits and how ABLE accounts have helped to address part of that issue or part of that problem but other challenges remain.

Maybe we will start with Dr. Badger because I know you made reference to some of these issues when I was calling the time or cutting you off for time. What are the one or two other actions that you think we need to take to make it possible for more people with disabilities to obtain jobs and be able to plan for their economic future? I will go with Dr. Badger, I will give Pennsylvania priority here, and then Mr. Foley.

Dr. BADGER. Thank you, Senator.

I think that we need to look at other options allowing people to earn more. I think some of that is expanding the Medicaid buy-in for workers with disabilities. In Pennsylvania it is called MAWD, Medical Assistance for Workers with Disabilities.

The other part is we need to start looking at these issues such as retirements. At this point, those of us who require medical assistance, Medicaid or Medicare, or cash benefits cannot have liquid savings accounts. We cannot have retirement that can be liquidated. We need to start looking at different savings plans that can be permissible that would allow us to retire.

ABLE is wonderful and they are still saying it will take about $1 million to retire comfortable, and that is not even close to what we can save.

Thank you.

The CHAIRMAN. Thanks very much. Mr. Foley.

Mr. FOLEY. Thank you, Senator.

Yes, Medicaid buy-in programs and, you know, I would like to put out the idea of a national Medicaid buy-in program that met certain criteria that was portable would certainly go a long way to helping people with disabilities seize new opportunities outside of a State that they might be currently working in.

I still think ABLE Age Adjustment Act is a huge piece of what we have seen drives savings, drives work, drives small business development.

I will circle back to that original quote. We are telling 18-year-old kids with disabilities not to save, not to work. Even if you do, you will not be able to save your money. We have got to do something about that $2,000 asset limit because those are the formative years. You know, that first job, that second job where you learn a work ethic, you learn that you can save money to buy baseball tickets or go out to eat or whatever are just really, really important for building long-term stable employment.

Without those experiences, without those learnings, you know, a lot of people with disabilities will not be able to build that career, build that retirement account and purchase a house. I think we definitely have to do something about that $2,000 asset limit, as well.

The CHAIRMAN. Thanks very much.

I will turn next to Senator Braun and then, after that, Ranking Member Scott if you want to start another round.

Senator Braun, who I think is joining us virtually.

Senator BRAUN. Yes, thank you, Chairman Casey.

My question here in a moment is going to be related to not building wealth in the sense of retirement plans and so forth. It is going to be preserving wealth. Being a business owner, I found it easier to put together—especially when you get to a certain size—good retirement plans. The real wrestling match and the depleter of wealth in many cases is the wrestling match you have with the health care system.

My question is for Mr. Iacofano, in the sense that I know he used the concept of pooling, allowing smaller businesses and entities to pool together to get some of the benefits that you get in any case where you align forces, you kind of increase your bargaining power.

I am concerned that whatever you do there, as you are running a company, you still have the biggest challenge for your company and your employees, and it is our broken health care system. Thirteen years ago I took it on when I had 300 employees, just large enough to where you did not need to pool to get the benefits that were largely not there for companies my size.

I am interested in seeing what your issues have been with health care because I think it is very analogous and I think it is the biggest depleter of wealth because of the costs and the fact that, in my case, I was able to freeze health care costs, make my employees engaged consumer focusing on avoiding the system, paying for 100 percent of wellness, but getting them to be in unison with me to take on a challenge that now has—unlike many other companies—become something that is not as dominating as it used to be.

Mr. Iacofano, I would be interested to hear your challenges with health care. Do you think pooling and associating by being able to team up with other companies your size would be a beneficial tool? The health care industry makes it tough to do. Let me know your thoughts on health care as being analogous to what you did with retirement.

Mr. IACOFANO. Thank you, Senator Braun. This is—I do not know that we have enough time for this discussion. Every year it is a challenge for me to just keep my health care. I do not have enough participation, yet we pay approximately over 76 percent of the health care costs for our team members. Every year I have to increase the cost, the deductibles, and everything just to—and the cost of the health care goes up. The deductibles go up, the health care goes up. I try to take on more of the burden. I cannot get the—the importance of health care, the education of the importance of health care is very difficult as well for employees to understand especially depending on the age, whether somebody needs health care.

To do a pooled employer plan would be unbelievable. A a matter of fact, I am from Cleveland originally. When my father was a small business owner, Cleveland had something like that. We only had three or four employees but we benefited at the time. I cannot remember the name of it but I know we benefited at the time from that pooled employer health care plan that was provided. It was some type of business group that was together.

That would be unbelievable. Every year, I a sweating whether or not we are going to be able to even provide insurance for our team.

Senator BRAUN. For you and anyone else listening out there today, I have dropped a bill called the Fair Care Act, which is the most comprehensive approach to what you could do here in the Federal Government to make it consumer driven, embrace transparency, embrace competition. The industry runs like an unregulated utility in that they disguise themselves as being free enterprise with none of the characteristics.

I think that we need to pay attention to that because regardless of what you do on retirement and keeping your bottom line healthy, it is like a tapeworm on your business—and I think Warren Buffet coined that term.

I would be happy to reengage with you where we have more time. Anyone else listening out there, get a hold of my office if you want to see what we can do for the Federal Government. Sadly, the clout of pharma, of hospitals, providers and insurance is so heavy that most Democrats who bring health care as the most important issue there run into issues where they are not willing to reform the industry before they want more government involved with it.

I think you need to do the reform first before you tackle how government gets more involved with it. For you and any other small businesses out there, reach out to our office. I will share with you what I did in my own company to keep health care costs flat and to where my employees are healthier and spend less on health care now than they did 13 years ago.

I think my time is up and that is a lot to digest. Thanks for taking the question. Let's reengage down the road.

The CHAIRMAN. Thanks, Senator Braun.

I will turn to our ranking member, Senator Scott.

Senator TIM SCOTT. Thank you, Mr. Chairman.

I would like to talk to Mr. Brooks about the importance of financial literacy for some portion of my time. It is important for us to recognize that financial literacy is critically important. We should start the conversation not when we are in our 50's or early 60's, but in our 20's. Frankly, even in high school it would be importance for us to have that engagement. As we know the magic of compounding interest takes time. If we have time it is miraculous, comparatively speaking, than starting your conversation about retirement in your 40's.

Mr. Brooks, would you like to weigh in on the importance of starting early in the financial education and then starting early with investing in your own retirement?

Mr. BROOKS. Sure.

As I mentioned before, a good first step would be some sort of requirement of financial literacy courses in high school. There has been some good success for some programs that have actually started before high school.

One of the advantages of a program with financial education for people in elementary school, for instance—and there are some like

Ariel Academy in Chicago—is that in addition to teaching the kids, they teach the parents, as well.

I think the biggest help would be requiring, basically making a financial literacy course a requirement in high schools, and maybe even junior high schools.

Now as people get older, it is harder but it is still important. I think using people going into community centers, senior centers, I think all of that is useful.

Now we are actually seeing professional athletes basically take on the cause.

I think that can make a big impact with young people.

Senator TIM SCOTT. Thank you, Mr. Brooks.

I know that a few years ago, Chairman, I started something called Financial Football where we partnered with the NFL and Visa to bring a Madden-type game of football to high schools throughout the country. Specifically, we started at home in South Carolina at my alma mater Stall High School. We literally had teams playing against each other, students joining teams. We brought in a couple of Carolina Panthers to coach the team so that we could have a conversation and a debate around issues of savings and retirement and investments like mutual funds versus individual stocks and derivatives.

The more complicated the question the more yards you gained or the pass was like a hail Mary. That turned out to be a lot of fun. If we could find a way to make financial literacy a little more engaging, financial education a little more interesting for some of the young folks in 8th and 9th grade, we might find ourselves having a better future for those young folks when they are entering into the retirement years.

I will close with this comment. When I was selling financial plans and some retirement plans, I would say to the folks I was talking to that a 19-year-old that saves $100 a month at 12 percent interest will likely have more money than the 45-year-old that saves $1,000 a month at the same interest when they hit age 65.

The CHAIRMAN. That is remarkable.

Well, Ranking Member Scott, thank you for those questions. We are approaching the end of our time so I wanted to provide a closing statement and then I will turn to Ranking Member Scott.

As we heard today, millions of Americans face barriers to achieving economic independence and a secure retirement. People with disabilities and communities of color face unique and overlapping challenges. Federal asset limits make it easier for people with disabilities to keep their incomes low than to build long-term savings accounts or build a long-term saving account. Workplace biases keep both people with disabilities and communities of color in lower paying and sometimes in multiple low-paying jobs.

These challenges are building up over lifetimes and across generations, making the dream of retirement almost impossible to achieve for so many.

We must find ways to eliminate the employment gap and the wage gap faced by people with disabilities and folks in communities of color. Passing legislation like the ABLE Age Adjustment Act, Senate Bill 331, will provide millions of Americans with disabilities, including over 1 million veterans, a pathway to savings.

I look forward to working with all of my colleagues to advance this critical legislation and other policies that we have heard about today to address these issues. I want to thank, in particular, Ranking Member Scott for his own perspective on this and his ideas and for bringing his own personal experience to bear on these issues.

Ranking Member Scott, I turn to you.

Senator RICK SCOTT. Thank you, Mr. Chairman. Thank you once again for holding a very important hearing that so many Americans, especially folks in their golden years and people with disabilities, will learn important information as they watch this over and over again, I am sure. This is an important hearing about an important topic that will have an impact positively or negatively on retirement years for so many folks.

It is my heart that we can do better. We can do better in educating and informing the public about the importance of starting early. We can do better about informing the public about good legislation that has been passed, whether it is the one that you have been talking about or the SECURE Act.

It is really importance for us to look at strong business owners like John Iacofano, who started his retirement plan for his employees today with 100 percent match. The more education we have, the better off people will be and the more we will enjoy those golden years.

I want to thank Neri, my staff director, as well as my staff and Ben Hobbs who helped put this together for us today. Nothing happens by yourself. Nothing happens in a vacuum. We are really blessed to be surrounded with really highly educated individuals that are motivated to make sure that every single American has a better chance in retirement than they did before this hearing. Thank you for your hard work and I look forward to our next hearing.

The CHAIRMAN. Ranking Member Scott, thanks very much.

I want to reiterate what you said about our staffs. We are lucky. Stacy Sanders, who is over my left shoulder here, certainly fits that description of someone who works with her team to make these hearings informative and make it possible for us to have a hearing like we have had today.

Senator TIM SCOTT. Mr. Chairman, I did mean to mention my other staff who is behind me as well, Sarah.

The CHAIRMAN. I appreciate that. Thanks.

If any Senators have additional questions for the witnesses or statements to be added, the hearing record will be kept open for 7 days until next Thursday, July 22nd.

Again, I want to thank our witnesses for bringing their testimony today and making themselves available and especially bringing their expertise to bear, both personal and professional, on these issues that confront so many communities.

Thank you all for participating today. This concludes our hearing.

[Whereupon, at 11 a.m., the Committee was adjourned.]

APPENDIX

Prepared Witness Statements

Testimony before the United States Senate Special Committee on Aging

Building Wealth and Fostering Independence: Creating Opportunities to Save

Testimony of:

Thomas Foley, JD

Executive Director of the National Disability Institute

Washington, D.C.

Thursday, July 15, 2021

Good morning, Chairman Casey, Ranking Member Scott, and other distinguished members of the committee. My name is Thomas Foley, and I am the Executive Director of the National Disability Institute. Thank you for the opportunity to be here today to be part of Building Wealth and Fostering Independence: Creating Opportunities to Save. I'm here today not only as the Executive Director of the National Disability Institute, but also as someone who is blind, has been on SSI and SSDI and has, over time, learned how to build an economic future for myself and my family.

There remain far too many barriers to economic advancement for people with disabilities. I still vividly remember as a freshman in college, hearing from a friend, of this $2,000 asset limit if one received SSI. I thought she was kidding. Why didn't the government want me to save? I wanted what everyone else did: a job that led to a career, a home of my own, rainy day savings, a family, a shot at the American dream. That $2,000 asset limit hasn't changed since my freshman year in college. Simply put, asset and income limits discourage savings, work and hope.

Many other factors complicate long-term savings for people with disabilities. Stable, full-time employment is still elusive to many people with disabilities who are often the last hired and the first let go, as we have seen during COVID. According to the Office of Disability Employment Policy, in June 2021, the labor force participation rate for people with disabilities was 21.3% versus 67.7% for people without disabilities (ODEP, 2021). It's nearly impossible to save for one's financial future without stable, competitive employment. People with disabilities want to work and are capable of working but often lack the opportunities or ability to successfully navigate byzantine benefit programs and complex work-incentive rules. In addition, recent data indicates that people with disabilities spend an additional $17,000 a year as a result of their disabilities (NDI, 2020).

I was lucky that in high school I received a financial education class that changed my life. I learned that every financial decision I made had a long-term financial implication—and I should take that very seriously. According to 2020 data from the Federal Deposit and Insurance Corporation, people with disabilities are three times more likely to be unbanked than people without a disability: 16.2% versus 4.5% (FDIC, 2020). It is difficult to plan for an economic future without the basic building block of a bank account or basic financial education.

Underlying much of this is an unspoken but palpable belief, that people with disabilities are incapable of building an employment and economic future. I am often asked, "Do you work?" rather than the more traditional "Where do you work?" These low expectations permeate the disability experience from school, to employment, to public policy and even one's friends and family. These low expectations can seep into the hearts and minds of people with disabilities themselves. The removal of policy barriers and the resulting message such actions send goes a long way to changing expectations within the disability community.

One such policy action is the Achieving a Better Life Experience (ABLE) Act of 2014. We at the National Disability Institute manage the ABLE National Resource Center (ABLE NRC), which is the leading, comprehensive source of objective, independent information about federal- and state-related ABLE programs. Our mission is to educate, promote and support the positive impact ABLE can make on the lives of millions of Americans with disabilities and their families.

In this work, we have seen first-hand the positive impact of ABLE accounts in the everyday lives of people with disabilities. From buying a home and covering out-of-pocket medical expenses to providing a way to save money to start a small business, ABLE has been a gamechanger for thousands of people with disabilities. Particularly for people with disabilities, who, due to their disability, have episodic employment or contract work, we have seen how access to savings through ABLE allows individuals and their families to better financially navigate periods of unemployment, remain financially resilient and ultimately, improve their long- and short-term economic self-sufficiency.

As currently written, the ABLE Act prevents otherwise-eligible individuals with disabilities (many of whom spent years advocating for the Act) from realizing the benefits of ABLE accounts. By passing the ABLE Age Adjustment Act, more than 6 million people with disabilities would be allowed to open ABLE accounts, nearly doubling the currently eligible population. Passing this critical legislation would increase the financial security of people across the spectrum of disabilities without jeopardizing their much-needed public benefits.

We strongly urge the passing of the ABLE Age Adjustment Act; this bill would greatly increase the utilization of the program by allowing individuals with disabilities that started before age 46 to open ABLE accounts. Increasing the number of people with disabilities who can open accounts is a market solution that will strengthen the ABLE program from a fiscal perspective while also allowing older adults who become disabled through accidents, chronic illness or military service to benefit from this tool.

Members of the committee, I started this testimony by mentioning my American dream. I bought that house, built a career, and have put two and a half kids through college. I'm not particularly special. People don't need to change; systems do. With your help, today, we have the opportunity to change these systems and increase financial resilience and economic opportunity for millions of people with disabilities and their families.

Thank you for the opportunity.

BROOKS

Testimony of Rodney A. Brooks, retirement columnist and author
Before the U.S. Senate Special Committee on Aging Thursday, July 15, 2021

Hearing on "Building Wealth and Fostering Independence: Creating Opportunities to Save"

Good morning, Chairman Casey, Ranking Member Scott and members of the Committee. My name is Rodney A. Brooks. I am a personal finance author and veteran business journalist. I have written about retirement issues and wealth, health and income inequities for several major online and print publications, including U.S. News & World Report, the Washington Post, USA TODAY and National Geographic.

First, I'd like to thank you for the opportunity to appear before you today to discuss some of the critical retirement issues faced by all Americans, especially the issues faced by older African Americans. Black women, in particular, face huge financial challenges as they age.

First, let's look at the retirement challenges facing all Americans. I'm sure you've all heard that we are facing a retirement crisis. That's because Americans are not saving nearly enough to sustain themselves when they retire. And they worry about it.

Forty-five percent of Baby Boomers said outliving their retirement savings is one of their greatest retirement fears. That's according to the 20th Annual Retirement Survey of Workers conducted by Transamerica Center for Retirement Studies.

There's good reason for that concern. According to data from Northwestern Mutual's 2019 Planning & Progress Study, 15percent of Americans have no retirement savings at all. None.

Today, Americans live a lot longer than they think they will. Since we live longer, we also need our money to last longer.

In 1950, a 65-year-old male could expect to live another 13 years, according to the Centers for Disease Control and Prevention. In 2014, a 65-year-old male could expect to live 18 more years. In 1950, a 65-year-old woman could expect to live another 15 years. By 2014, a 65-year-old woman could expect to live another 20 years. If a couple is both 62 and non-smokers, the surviving spouse would live, on average, until age 92.

In the past workers had pensions, which are known as defined benefit plans, or DB plans. Our fathers and their fathers knew that their money would not run out and that their living expenses would be taken care of. That's one of the reasons people worked for 25 years at one company. It wasn't just for the gold watch. It was to get the pension.

Today pensions are largely a thing of the past. In 1975, pensions covered 40 million Americans. The U.S. Bureau of Labor Statistics says only 13 percent of non-union private sector workers are

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covered by pensions today. (Though those parentages are much higher in public sector jobs and workers covered by unions.)

Today pensions have been largely replaced by defined contribution plans, or DC plans, such as 401(k)s, 403(b)s and Individual Retirement Accounts (IRAs). That puts even more pressure on Americans. You are no longer depending on your company to manage your retirement money. The responsibility falls to the you, the individual workers, to figure out how much to save, what to invest in and how to manage those investments.

That's probably one of the biggest reason Americans are not saving enough for retirement and making no or poor investment decisions. Twenty-two percent of Americans have less than $5,000 in savings earmarked for retirement, according to Northwestern Mutual's 2019 Planning & Progress Study. Five percent have saved $25,000 or less, and only 16percent have saved $200,000 or more. Unbelievably, 46 percent said they had no idea how much they had saved for retirement.

For Black Americans, particularly older Black women, the situation is even more dire. Many Black older Americans have endured decades of discrimination, both overt and subtle, in education, criminal justice systems, healthcare, jobs, housing and credit. As a result, Black older adults have lower levels of education, income and wealth than whites.

Additionally, Black Americans suffer disproportionally from eight of the top 13 top causes of death in the U.S. – heart disease, stroke, cancer, influenza and pneumonia, diabetes, HIV disease, kidney failure and homicides.

Black women, especially older Black woman, have especially poor health. They suffer from some of the highest levels of diabetes, hypertension, and other disabilities. This presents a number of challenges. They also have the lowest levels of income and wealth, which often means they need to continue working until late later years. Yet, their health problems limit their ability to continue working

In addition, they often end up as long-term caregivers for aging and ailing parents and spouses or caring for grandchildren, forcing them to leave jobs and cut short careers. That means they are not paying into company-sponsored retirement plans like pensions and 401(k)s. It also reduces their payments into Social Security, which means their monthly checks will be less when they do retire.

Generations of economic racism have resulted in low wages, low home ownership and no savings or investments for Black men and women. The impact of these economic inequities has reverberated into multiple generations of poverty, and predictions from Prosperity Now that the average net worth of Black Americans will average Zero by 2053.

Both the economic and health issues have been exacerbated by the COVID-19 pandemic. "The current COVID-19 public health crisis devastates both the economy and health of Americans. The burdens of this crisis are not shared equally, however. While communities across the nation have experienced tragic losses, the impacts have been especially hard for low-income and minority communities," according to Financial Reserves and the Racial Wealth Gap from Inequality.org. According to that report 14 percent of white households had zero or negative wealth vs. 28 percent of Black households.

Black families generally have lower incomes than white families, which makes it more difficult to save for retirement. In the Federal Reserve 2019 Survey of Consumer Finances, white families had median and mean family wealth of $188,200 and $983,400, respectively. The median and mean wealth of Black families is less than 15percent that of white families, at $24,100 and $142,500, respectively.

Black Americans often don't participate in employer sponsored retirement accounts and thus don't get the advantage of stock market growth. Only 44percent of Black Americans have retirement savings accounts, with a typical balance of around $20,000, compared to 65percent of white Americans, who have an average balance of $50,000, according to the Federal Reserve. And only 34percent percent of African Americans own any stocks or mutual funds, compared to more than half of white people.

Also, Black Americans have a huge dependency on Social Security. But there's a reason for that. They are typically not given the access to vehicles that allow them a better path to save for those latter years when you need the money to pay for health care expenses.

According to the U.S. Social Security Administration, about 38percent of minority beneficiaries rely on Social Security for 90percent or more of their income, compared with 28percent percent of white people.

The average Social Security benefit is only $1,500 a month, but if you wait until you're 70 to begin receiving payments, the payment rises to about $3,000.

Now, let me discuss some programs that may help alleviate the retirement crisis we face.

It's important to note that 50 percent of Americans do not have retirement accounts. That's largely because they work at small companies that do not offer retirement plans or they are part-time workers who do not qualify.

Any policy that seeks to address the larger problem will need to address the 55 million Americans who are falling through the cracks in our retirement system.

- **Auto-enrollment.** Companies that have instituted auto-enrollment have a much higher participation in their 401(k) plans. Basically, that means the participant would have to opt out of the plan instead of being required to opt in. Also plans that automatically increase the employees' contributions, say for example, 1 percent a year, have shown great success. According to T. Rowe Price, Auto-enrollment almost doubles plan participation and successfully gets participants who might not have otherwise saved saving. However, it can also result in participants saving less than those who voluntarily opt in and set their own deferral rate. Auto-enrollment combined with auto-escalation creates better participation and savings outcomes.

- **A number of states have approved or are considering laws that require small businesses to offer access to state-sponsored** retirement programs to employees who have no access to retirement plans. The plans would be offered at little or no cost to the small employer. As of May 2021, 12 states have enacted programs and dozens of others considering legislation. The rules of these programs vary greatly from state to state.

- **Programs that allow multiple small businesses to join together** to offer their employees defined contribution retirement plans. This reduces costs for everyone involved.

- **Financial literacy.** There's a lot that can go under this topic. But I would encourage the Social Security Administration to step up its education and outreach. Granted, most people take Social Security early, before Full Retirement Age, because they can't wait, and they need the money. But I'd question whether they knew they were locking themselves into low payments for the rest of their lives. The amount of the check would increase each year until they get full benefits at full retirement age, which today depends on the year in which you were born. If they wait until age 70 to take benefits, they'll likely be looking at monthly benefits of $3,000 vs. the $1,500 they'll receive at 62.

  Of course, nothing is that simple. People take it early because they can't afford to wait another 8 years. And remember, Black Americans, because of a multitude of health issues, have shorter life expectancies that White Americans. Black Americans know that, and some make the decision based on their family health data.

So, committee members, please realize that these are all complicated and interrelated issues with no simple solutions. But if nothing is done, we will see more Americans, especially Americans of color, fall into cracks and the abyss of poverty.

Thank you again for the opportunity to provide testimony and for your interest in this topic. I will be happy to answer any questions the committee may have.

United States Special Committee on Aging Hearing

"Building Wealth and Fostering Independence: Creating Opportunities to Save"

Testimony of: Dr. Josie Badger

July 15, 2021

9:30 AM

Good morning, I would like to thank Chairman Casey and Ranking Member Scott for holding this hearing and inviting me to speak. I would also like to thank all the Committee members in attendance. This is an extremely important issue for the largest minority group in America.

As you heard in my introduction, I have my doctorate and I'm a business owner; I am also a homeowner, a partner, daughter, friend, aunt, and dog mom. What you did not hear is that I am a person with a significant physical disability. I cannot put it in a category like I could with all of the other defining elements of my life because it affects every element of my being. It is the reason I don't walk or breathe on my own, my need for 24-hour care, my relationships, my work, and even how I earn and save money. It does not affect the way I work, earn, or save money in the way that you may think it would. I work over 40 hours a week, I can do all elements of my jobs without accommodations. My disability forces me to stay poor and not save for those big steps in life, the American dream, including retirement.

When I was growing up, I dreamed of being a marine biologist. Long story short, I don't swim, so a change of plans ensued. However, no one ever told me, "That's a great idea but you can't make that much money." No one told me to not work so hard in school, to be valedictorian or to not get my degrees and pursue my dreams. But that is exactly what the system is set up to do, to be prepared to be successful but to not actually be permitted to achieve success, at least financial success and stability.

As I was graduating with my doctorate, I was thinking, “Now what?” I had spent years completing higher education, volunteering, and working part-time. Most of my peers were applying to fantastic jobs and comparing offers for the best location, opportunity, salary, and benefits while I was trying to figure out how to not be too successful.

The reason I can’t be too successful is that I rely on government insurance programs such as Medicaid and Medicare for my survival. No private insurance company will pay for the long-term supports and home and community-based services that I require to get out of bed every day. These amazing programs, however, have fairly strict income and asset limits. So, to be able to survive and work I have to keep myself poor.

To do so, I started a business so that I could be salaried and take job opportunities that I felt called to me. Such a structure has allowed me to work while still receiving the medical care that I could only otherwise receive in a nursing home because I can underpay myself. But I can honestly say that it is more work to be able to work, than the work itself.

Some of the barriers to working and economic stability changed with the passage of the ABLE Act. ABLE was my first opportunity to save more than $2000 due to asset limits for Medicare and Medicaid that prohibit savings. In the past, I kept my income under the federal limits and I didn't really have money to save. However, I opened an ABLE account because it seemed like a good idea and all the cool kids were doing it. At that point I had no idea how useful it would be.

During the pandemic I realized how important having a space that I love mattered, as I'm sure it did for many of you. I decided that it was time to buy a house. I could easily make the mortgage payments, but I did not have enough savings set aside for a down payment. That is where the ABLE account made home ownership a possibility. Through the little bit of savings that I put into the account and a gift, I purchased a home exactly a year ago yesterday.

This was only possible because of my ABLE savings account. It is a wonderful program, but it is still not enough. Because of the strict age criteria for disability onset, 26 years of age, ABLE accounts don't serve all available people with disabilities, even though their financial needs are the same. We need to fix that problem.

And we need to address an even bigger issue: the limitation on earning money. The substantial gainful activity limit, SGA for short, restricts how much money a person receiving social security disability insurance can earn in a month. That limit is currently $1,310 for a person with a disability. That is $1,500 below the federal poverty level for a one person household. Earning more than the SGA means the possibility of losing life-sustaining medical and health care coverage, in addition to the cash benefits. Because of such policies, people with disabilities, including me, are capping our employment and earnings opportunities and limiting our success in order to preserve life-sustaining services.

At one point in time these asset limitations and earning limits may have made sense. No taxpayer wants to be giving money to people who don’t need it. However, with medical advancements, assistive technology and other workplace accommodations, asset limits and earnings restrictions have become barriers to employment and opportunities for economic self-sufficiency. People like myself, who receive high levels of supports and medical care would not have survived, let alone been able to work in previous decades. Now, not only are we surviving but we are capable of thriving. It is time to update disability support policies and to promote work, economic wealth and to remove the barriers for disabled people to be able to fully contribute to society.

US Special Committee on Aging Hearing
"Building Wealth and Fostering Independence: Creating Opportunities to Save"
July 15, 2021
9:30 AM
Opening Statement by John Iacofano, Owner of Iacofano's Catering

Good morning Chairman Casey, Ranking Member Scott, and members of the Committee. My name is John Iacofano, and I am the Owner of Iacofano' s Catering in Mount Pleasant, South Carolina.

Twenty years ago, as a struggling student with $90 to my name I painted a building to get the down payment for a 300 sq. ft. space to start my catering business. Iacofano's began by preparing deli trays for corporate groups and later opened three restaurants.

Today Iacofano's provides catering and food services to corporate events, weddings, in-flight service, senior living facilities, and meal service for non-profits such as Meals on Wheels. We have 85 employees and 6 locations across the country, including Charleston and Columbia (SC), Charlotte (NC), West Deptford (NJ – suburban Philadelphia), Cleveland (OH), and Denver (CO). Our average employee age is 45, with the oldest being 78.

During the pandemic we were able to maintain a workforce and add additional quality employees from large corporate layoffs. As large corporations began to rehire, we were unable to keep up with the benefits they offered, specifically retirement plans. We lost one of our best employees when her former employer, an international catering company, offered to reinstate her benefits. We offered her over 11% more pay plus success sharing checks but she went back with her former employer for one simple reason, the bigger firm offered her a retirement plan.

My small business attempted many times to implement our own employee retirement plan but were shut down by the excessive fees along with plan liabilities and administrative burdens my team could not handle.

At Iacofano's we are on a mission to cover the entire circle of life for our employees: from healthcare, competitive pay, vacation, and more. However, the number one inquiry candidates and employees ask is, "do you have a retirement plan?"

Just a few months ago, Matt Watson at NFP approached me with a possible solution to our retirement plan struggles; the SECURE Act had passed through Congress and established Pooled Employer Plans (PEPs), allowing unrelated employers to join together to provide workplace retirement savings options without some of the costs, administrative burdens, and liability attached to sponsoring a plan on their own. One month later we are on a conference call setting up our plan and two months later we are launching our first employee retirement plan at Iacofano's.

The new PEP system is a plug-n-play plan that links directly to our payroll system at a low cost of $2,600 per year broken into quarterly payments. Our plan provider offers educational classes to our team; and handles all employee enrollment, legal requirements, and administrative work. These cost and administrative savings are the sole reason we are now able to offer our employees retirement benefits. Plus, these low costs allow us to offer a competitive match. These are new dollars going into the paychecks of our valuable team members.

Chairman Casey, Ranking Member Scott, and members of the Committee; I am thrilled to announce that as of **today** our employee retirement plan is open for enrollment. For the majority of my employees this is the first workplace retirement plan ever.

On a personal note, my father was a small business owner, he passed away and the business was closed. My mother as a stay-at-home mother for 30 years had to be reintroduced into the workforce. Now at 78 years of age her current retirement plan includes $1,450 in Social Security and $270 from a large company that she worked for 10 years. Had access and education of the PEP plan been available to my family, my mother would not have to be working full time to make ends meet in retirement. This PEP is going to help my employees change the retirement that they once thought they were destined to have.

Our next goal is to continue to grow the diversity of employees within our company. We are fortunate to work with Babcock Centers in Columbia, SC, an Adult with Disabilities Empowerment Organization. Babcock approached us over two years ago asking if we were willing to bring on 1 or 2 of their clients to work in our facility. With the help of a Babcock representative, we hired a gentleman named Jay. Jay continues to work for us and is a vital part of our team. If it had not been for our services providing meals to the Babcock Center, we would have never known about the opportunity to hire adults with disabilities.

Small Businesses need more information and availability to hire, train, and provide new opportunities for adults with disabilities. This along with the new PEP plan will only help small businesses like mine become competitive employers and take care of the entire circle of life of their employees.

I would be happy to help this committee in any way possible to get the word out to small businesses. Thank you for your time and I'm happy to answer any questions you that may have.