

**Crapo Statement at Hearing on Savings Opportunities**  
*May 21, 2024*

**Washington, D.C.**--U.S. Senate Finance Committee Ranking Member Mike Crapo (R-Idaho) delivered the following remarks at a hearing entitled “Child Savings Accounts and Other Tax-Advantaged Accounts Benefiting American Children.”

*As prepared for delivery:*

“Thank you, Mr. Chairman.

“Today’s hearing provides an important opportunity to examine the ways working families can save their hard-earned income for their children’s future.

“Only two years ago, this Committee and others worked together in a bipartisan, bicameral fashion to expand retirement savings through the SECURE 2.0 Act. As we continue to monitor its implementation and the effects the law had on retirement savings, it is appropriate for us to explore other savings needs beyond just retirement.

“Fortunately, Americans already have access to numerous savings options, whether it is saving for a specific purpose through a tax-advantaged account or saving through traditional savings vehicles.

“Tax-advantaged accounts allow benefits such as tax-free growth and withdrawals, making it easier and more efficient to save for a specific purpose. For example, 529 accounts can help families save for their children’s education expenses. Health savings accounts and flexible spending arrangements can be used to help eligible individuals save for medical expenses. Dependent care FSAs can help workers save for expenses for dependents, such as after-school or in-home care for kids or other family members. And ABLE accounts help those with disabilities save for critical tools like assistive technology and transportation, just to name a few.

“Beyond these tax-advantaged accounts, Americans can also save through widely-available, traditional means, such as savings and brokerage accounts. And for children specifically, custodial accounts and even some child-specific accounts offered by some institutions can help teach children the ins-and-outs of saving. When paired with proper financial education, more children and young adults can learn how to budget and save from an early age, carrying best practices on into adulthood.

“Any discussion concerning the options to save goes hand-in-hand with a conversation on the importance of planning and managing savings throughout one’s life. Part of that planning includes the need for many to consider seeking professional financial advice in order to create a comprehensive savings strategy.

“Although families have access to many savings vehicles, navigating this often-complex web of options can be daunting and every family’s needs are different. Whether a

family is saving for a down payment on a home or planning ahead for unforeseen emergencies or health expenses, understanding what options are available is key.

“Effective planning becomes even more important at a time where Americans are experiencing inflation at levels not seen in decades. Higher costs of food, fuel and housing eat up families’ disposable income and squeeze their ability to save. In fact, as compared to January 2021, average U.S. households are spending over \$1,000 extra each month just to maintain their standard of living.

“Today’s witnesses will discuss all of these topics, and I look forward to hearing how Congress can expand opportunities to save in a fiscally responsible manner.

“I also expect to hear testimony on child savings initiatives that some states have implemented. While I respect the steps some states are taking, implementing a similar program at the federal level would come at a significant cost to taxpayers. Expanding options to save is a worthy goal, but we must do so in a way that does not exacerbate already out-of-control government spending or create another unsustainable government program.

“To all of our witnesses, thank you for being here. I look forward to hearing your testimony.

“Thank you, Mr. Chairman. I yield back.”