



The Asset Management Industry
SERVING INDIVIDUAL INVESTORS

STATEMENT
OF
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BEFORE THE
US HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON CAPITAL MARKETS

HEARING TITLED:
FROM WALL STREET TO MAIN STREET:
THE FUTURE OF HOW AMERICA INVESTS

JUNE 25, 2026

Dear Chairman Hill, Ranking Member Waters, and Members of the Financial Services Committee,

My name is Tom Quaadman, and I serve as Chief of Government Affairs and Public Policy at the Investment Company Institute (ICI)¹. ICI is the leading association representing the asset management industry. ICI's members manage \$46.1 trillion in funds regulated under the Investment Company Act of 1940 (1940 Act), serving more than 125 million investors in the United States. ICI members also manage trillions of dollars on behalf of American families through related financial products—collective investment trusts (CITs) and retail separately managed accounts (SMAs). I appreciate the opportunity to appear before the Subcommittee on Capital Markets to discuss the future of how America invests.

Mutual funds, money-market funds, exchange-traded funds (ETFs), closed-end funds (CEFs), and business development companies (BDCs) as well as CITs and SMAs are key investment vehicles that channel the savings of hard-working Americans into investments that drive the American economy forward. These regulated funds² and related financial products allow Americans to access professionally managed investments with the protections and transparency that federal law requires.

For more than 100 years, regulated funds and related financial products have powered the American Dream and supported wealth creation. Millions of middle- and lower-income Americans rely on regulated funds and related financial products to achieve their long-term financial goals, such as buying a home, supporting their children, paying for educational opportunities, and ensuring comfort in retirement. As our nation celebrates its 250th anniversary, I wish to speak about how regulated funds and related financial products have shaped the America we know today: supporting long-term financial security for American families; funding public infrastructure from schools and hospitals to roads and bridges; and channeling Americans' savings into businesses that drive innovation, economic growth, and job creation. The asset management industry, composed of ICI's members, will continue to be the

¹ The [Investment Company Institute](https://www.ici.org) (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$46.1 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 125 million investors. Members manage an additional \$10.4 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI Associate Members include service providers to member firms and CIT trust companies. ICI has offices in Washington DC, Brussels, and London.

² The term "regulated fund" refers to investment companies registered, or business development companies (BDCs) regulated, under the '40 Act. This includes mutual funds, ETFs, CEFs, and unit investment trusts.

primary driver of middle- and lower-income American families' ability to build up wealth and achieve financial security as our nation embarks on its next 250 years.

Over the past two decades, ownership of regulated funds has grown fastest among middle- and lower- income households, highlighting the role funds and related financial products play in broadening participation in capital markets. Fund investing has reached across a broad range of US households. Indeed, the median household income among the lowest-income fund-owning households is \$40,000. Across all fund-owning households, the median household income is \$124,000.³ For families saving for the future, regulated funds and related financial products are not speculative tools; they are long-term savings vehicles.⁴ In 2025, about nine in 10 mutual fund-owning households reported that saving for retirement was one of their financial goals, and 65% first invested through their employer-sponsored retirement plans. Through these investments, Americans are able to save efficiently, diversify risk, and share in the growth of the US economy, helping transform long-term financial security from a privilege reserved for the wealthy into a realistic goal for working families.

And it is still a great time to be an American investor. According to ICI's 2026 report, "Trends in the Expenses and Fees of Funds, 2025,"⁵ average expense ratios for equity mutual funds have decreased 62% over the past 29 years.⁶ Similarly, average ETF expense ratios have seen a marked decline since 2017.⁷ That trend translates to a lower-cost environment for investing Americans that increases their long-term returns and reflects strong competition and economies of scale across the regulated fund industry. As assets have grown and new entrants and products have expanded the marketplace, firms have reduced costs and delivered more cost-effective investment options. Investors have benefited from this market-driven development by retaining a greater share of their investment returns.

The future of how Americans invest—and how they invest in America—depends on whether the legal framework for regulated funds and related financial products keeps pace with the innovation and growth in the US capital markets. ICI's members remain focused on helping American households save, invest, and participate in the country's continued economic growth.

³ <https://www.ici.org/ici-viewpoints/funds-democratize-investing-in-the-united-states>.

⁴ <https://www.ici.org/ici-viewpoints/investing-in-america%E2%80%99s-next-250-years>

⁵ <https://www.ici.org/system/files/2026-03/per32-01.pdf>

⁶ <https://www.ici.org/news-release/mutual-fund-and-etf-fees-remained-near-historic-lows-in-2025>

⁷ *Id.*

My testimony focuses on three key areas for policymakers to consider:

1. Maintaining and expanding access to the marketplace of regulated funds and related financial products through targeted reforms, investor choice, and innovation;
2. Expanding opportunities for funds and their investors through strong public and private markets; and
3. Preserving and broadening the retirement system for American savers.

1. Maintaining and expanding access to the marketplace of regulated funds and related financial products through targeted reforms, investor choice, and innovation.

A. The Investment Company Act of 1940 serves as the critical foundation for the regulated funds industry but is due for comprehensive review by the Securities and Exchange Commission.

The 1940 Act, and the regulations thereunder, is the primary regulatory framework for funds. More than 125 million Americans invest in regulated funds for long-term financial goals, such as education, housing, and retirement. The primary attributes of regulated funds—full-time professional investment management, diversified investment portfolios, reasonable cost, and investment opportunities that would be difficult or impossible for individuals to access on their own—are particularly important for Main Street investors with modest amounts to invest.⁸

Because regulated funds are offered to retail investors, these funds and their investment advisers must adhere to the 1940 Act. This Act was designed to evolve over time as the markets evolved. The 1940 Act explicitly grants the Securities and Exchange Commission (SEC) broad authority to modify the provisions of the Act “to the extent necessary or appropriate in the public interest and consistent with the protection of investors and [the purposes of the Act].” The SEC’s use of this authority has allowed the fund industry to continuously evolve over the past eight decades and launched multi-trillion-dollar innovations like the ETF, the money market fund, and the target date fund (TDF).

However, it has been more than 30 years since the SEC last comprehensively reviewed the 1940 Act regulatory framework.⁹ In the intervening decades, considerable evolution has occurred in the financial markets, in the means of communication, in investor understanding of

⁸ <https://www.ici.org/news-release/reimagining-1940-act>

⁹ <https://www.ici.org/system/files/2026-02/26-cl-40-act-modernization-priorities.pdf>

fund investing, and in how investors make their investment decisions. Given the importance of regulated funds to the American public and the capital markets, it is time for the SEC to adopt reforms reflecting those developments with two principles in mind: first, that the core 1940 Act regulatory framework remains fundamentally sound; and, second, that any proposed changes advance the interests of individual investors.¹⁰

Between 2023 and 2025, ICI and its members undertook a comprehensive review of the 1940 Act regulatory framework, convening the country's leading experts in the investment management field, including fund professionals, independent directors of fund boards, distinguished legal practitioners, former SEC officials, and academics. Some of our recommendations, like permitting mutual funds to create ETF share classes, have been implemented by the SEC, but several important recommendations remain outstanding. Key provisions of ICI's recommendations on modernizing the 1940 Act to support middle-class wealth creation that should still be implemented by the SEC include:

- Restoring the ability of funds to cross-trade fixed income securities, subject to appropriate conditions, which would save investors hundreds of millions of dollars in trading costs.
- Adopting reforms to strengthen CEFs, including by giving them additional tools to combat harmful predatory activists and expanding their flexibility to invest in private market assets, without sacrificing investor protection.
- Adopting electronic delivery of information as the default delivery option, and reforming the fund proxy system.
- Updating requirements for in-person voting by directors.

Many of these topics were addressed in the Financial Services Committee's INVEST Act, which is discussed in further detail below.

The fund proxy system is especially ripe for reform. Recent ICI survey results show this system is increasingly inefficient, expensive, and ineffective.¹¹ We conservatively estimate that total costs for fund proxy campaigns from 2020 through 2025 ranged from \$675 million to \$1.14 billion. Notably, not all of the current fund proxy system's costs are quantifiable in dollars, meaning the true cost is much higher. In some cases, anticipated costs deter or delay funds from taking certain beneficial actions, including adding talented individuals to fund boards, changing investment policies in response to dynamic markets, and pursuing fund mergers that would lower costs. These growing costs are imposed on fund shareholders, and the SEC can

¹⁰ <https://www.ici.org/paper/reimagining-the-1940-act-full-paper-pdf>

¹¹ <https://www.ici.org/system/files/2026-03/26-confronting-growing-burden-fund-proxy-campaigns.pdf>

and should reform the system. Smart, targeted reforms such as lowering quorum requirements while increasing the required affirmative vote to a supermajority on certain proposals would cut down on the time and money involved in executing fund proxy campaigns and encourage funds to pursue other beneficial changes. These changes would reduce expenses ultimately borne by investors and save those investors from a barrage of unwanted solicitation phone calls, texts, paper mailings, and emails.¹²

B. Congress should pass the GROWTH Act to ensure a level playing field and ensure that investors maximize the potential benefits of mutual funds.

Around 40 million Americans hold \$7 trillion of long-term mutual fund assets in taxable brokerage accounts. These households are predominantly middle class, with a median income of \$140,000. However, under current law, investors in mutual funds and other registered funds held outside of retirement accounts must pay taxes each year on capital gains distributions, even if they did not sell a single share and even if those gains were reinvested automatically. In practice, that means mutual fund investors are being taxed on money they never really saw, and that tax burden also limits the compounding effect on their investments. One recent ICI study found that this tax burden can reduce returns by up to \$1,340 for an investor with a \$10,000 investment in an actively managed mutual fund over a 10-year period.¹³

Fortunately, H.R. 2089, the Generating Retirement Ownership Through Long-Term Holding (GROWTH) Act of 2025, would resolve this issue by allowing mutual fund investors to defer tax on automatically reinvested capital gains until they sell their fund shares, helping middle-class Americans keep more of their invested savings.

C. Growing investor interest in ETFs must continue to be reflected at the SEC.

Since taking the helm of the SEC in 2025, Chairman Paul Atkins has sought to re-route the SEC away from regulatory overreach and to return the SEC to its mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.¹⁴ The SEC has taken a careful, considered approach to opening new paths toward innovation and marketplace growth.

¹² <https://www.ici.org/news-release/fund-proxy-reforms-would-save-funds-and-investors-money-and-time>

¹³ <https://www.ici.org/issues-%26-advocacy/key-policies/ensuring-tax-fairness-and-financial-security>; <https://www.ici.org/news-release/americans-could-see-up-to-1340-more-in-mutual-fund-returns-under-the-growth-act>

¹⁴ <https://www.sec.gov/newsroom/speeches-statements/atkins-keynote-remarks-economic-club-washington-042126>

Nowhere is this more apparent than in the SEC's action to allow funds to offer ETF and mutual fund share classes. ETF share class relief marks a major step forward in maintaining and expanding access to regulated funds by giving investors more flexible, lower-cost ways to access regulated products while preserving the protections within the fund frameworks.¹⁵ As the industry has begun navigating these shifts, ICI has engaged in extensive operational planning and helped our members address tax, technology, reporting, intermediary, and investor experience considerations so implementation can be orderly and investor-focused.¹⁶ ICI applauds the SEC for embracing this innovation.

ETFs first grew to prominence as lower cost tools for tracking broad indexes like the S&P 500, and these products are still seeing large inflows. But in recent years, ETFs also have become important vehicles for innovation. Actively managed ETFs, buffered ETFs, and other outcome-oriented strategies have attracted significant investor attention.

This expansion reflects investor demand. According to ICI data, net issuance of ETFs has totaled more than \$7 trillion over the past decade, and total assets under management have surpassed \$14 trillion. Demand is especially strong for bond and active strategies, accounting for over half of the recent inflows into ETFs.¹⁷

Ensuring that market infrastructure, disclosure, and operational systems keep pace with this growth will be critical to supporting innovation responsibly, strengthening market resiliency, and broadening long-term investor access to the regulated funds marketplace.

D. The asset management industry continues to drive innovation that benefits investors and creates efficiency.

The industry is facing another transformative moment. The continued evolution in artificial intelligence, the tokenization of real-world assets, and distributed ledger technologies present enormous opportunity, as well as the need for appropriate risk mitigation, within the financial services industry. These technologies can reduce operational redundancies, automate front- and back-office functions, and increase the speed of settlement and access to liquidity through near-instant settlement and digitized registries updated in real time. Tokenization, in particular, has the potential to modernize both securities infrastructure and transform how securities are delivered and used. ICI and its members look forward to working with Congress and regulators

¹⁵ <https://www.ici.org/ici-viewpoints/etf-share-class-relief-a-major-step-forward>

¹⁶ <https://www.ici.org/sites/default/files/2025-10/25-ici-pub-etf-shareclass-whitepaper.pdf>

¹⁷ <https://www.ici.org/viewpoints/25-charting-the-next-stage-of-etfs>

in support of measured and balanced legislation that protects investors and our markets, while embracing these unprecedented opportunities.

2. Expanding opportunities for funds and their investors through strong public and private markets.

A. SEC’s initiative to Make IPOs Great Again is important to the vibrancy of public markets.

In a recent speech about public markets and public ownership of American companies, SEC Chairman Atkins stated that “. . . the path to public ownership has become narrower, costlier, and overly burdened with rules that often create more friction than benefit . . . These trends have eroded American competitiveness; locked average investors out of some of the most dynamic companies; and pushed entrepreneurs to seek capital elsewhere.”¹⁸ Chairman Atkins continues to raise these concerns as part of a call to strengthen American capital markets. That approach was captured in one phrase: “Make [Initial Public Offerings] Great Again.”

The strength and resiliency of America’s economy rests in its public markets. Strong public markets are essential because they broaden investment choice, support capital formation, and allow Americans on Main Street and Wall Street alike to participate in the growth of public companies. ICI shares Chairman Atkins’s goal of encouraging public companies to pursue IPOs and remain public.

Reforms that foster innovation and growth in regulated funds will also enhance the development of deep and vibrant public markets, and we also applaud Chairman Atkins for his openness to these reforms. Regulated funds are among the largest and most consistent sources of capital for American enterprise.¹⁹ US investment companies manage roughly \$47 trillion in assets. This scale matters. It means that household savings invested through funds help finance everything from research and development to factory expansions and technology upgrades across the economy. In turn, access to public equity and debt markets has allowed families saving for the future to benefit from the continued growth of the American economy.

In addition, regulated funds help keep capital markets liquid and efficient and lower the cost of raising money for businesses both large and small. As new industries emerge and existing ones evolve, regulated funds provide American businesses with investment capital that supports innovation, competitiveness, and job creation over the long term.

¹⁸ <https://www.sec.gov/newsroom/speeches-statements/atkins-120225-revitalizing-americas-markets-250>

¹⁹ <https://www.ici.org/ici-viewpoints/investing-in-america%E2%80%99s-next-250-years>

For these reasons, ICI was pleased to see the SEC's recently proposed amendments to registered offerings that would encourage capital formation and expand access to CEFs and BDC offerings.²⁰ Additionally, the Commission's proposed reforms regarding state registration requirements will save millions of dollars in compliance costs. Registering unlisted BDCs across all 50 states and DC can take years and cost investors millions in legal and filing expenses. Those burdens have discouraged broader public offerings and pushed many issuers toward private BDC structures available only to accredited investors. The SEC's reforms will increase access to regulated funds, which will in turn facilitate more private companies going public.

Through targeted regulatory reforms, the SEC can foster a new era for public companies and their investors that will maintain and improve investment opportunities in public markets for generations to come.

B. Smart policymaking can also carefully expand access to private markets for retail investors.

While public markets are critical for long-term success, the number of publicly listed companies has declined dramatically over the past few decades. Fewer public companies mean less choice for individual investors. But private markets, which have experienced sustained growth for the past decade, are playing an increasingly important role in capital formation in the United States.

The rise of private markets cannot be dismissed as a fringe part of the investment ecosystem.

²¹ In 2010, US private market assets under management was nearly \$2 trillion. Fifteen years later, that number had more than quadrupled to \$9 trillion.²²

While these developments are striking, retail investors do not have the same access to private markets as large institutional investors. Middle class American retail investors rely heavily on regulated funds for long-term investing, but federal policies severely limit how much those funds can invest in alternative asset classes. Everyday Americans should have more opportunity to invest strategically in private asset classes through regulated funds—established financial vehicles with a well-established regulatory framework and strong, built-in investor protections. Regulated funds are ideal for expanding access to private markets because they must follow strict legal requirements that include oversight from an independent board of directors, a well-developed valuation framework, limitations on illiquid investments (for mutual

²⁰ <https://www.ici.org/news-release/ici-applauds-sec-proposed-reforms-to-registered-offerings>

²¹ <https://www.ici.org/speeches-opinions/25-moving-into-private-markets>

²² [Source](#): Preqin (a part of BlackRock)

funds and ETFs), and limitations on leverage and affiliated transactions, among other protections.

Recently, ICI wrote a letter in support of the Department of Labor's proposed rule entitled, *Fiduciary Duties in Selecting Designated Investment Alternatives*.²³ The proposed rule would codify an asset-neutral, process-based safe harbor for the prudent selection of designated investment alternatives for 401(k) and other participant-directed individual account plans. The Department of Labor's proposal would facilitate incorporation of a wider range of investment strategies that can provide the opportunity for greater portfolio diversification and higher expected returns for plan participants while also reducing the risk of frivolous litigation against plan fiduciaries.

Expanding Main Street access to private markets must be done responsibly, but it can give investors access to more diversified portfolios and the potential for stronger long-term outcomes. ICI's analysis indicates that relative to a public-only portfolio, a portfolio with a modest allocation of up to 20% to private assets can offer an improved risk-return profile²⁴. For instance, our results indicate that at an annualized expected return of 7%, the public-only efficient frontier has an annualized volatility of 6.7%, while frontiers with allocations to private assets reach the same 7% expected return with lower annualized volatility (5.3% to 5.5%). In addition, simulations of TDF glide paths with modest private market allocations indicate the potential for improved risk-adjusted outcomes for investors. For example, a hypothetical TDF with a 20% allocation to private market assets generates an estimated median account balance that is 12% higher than the public-only baseline over an investor's 40-year working career.

While the DOL proposal allows 401(k) investors to benefit from alternative investments, as pension fund beneficiaries have for decades, Congress must do its part to curb the wave of frivolous lawsuits against ERISA plans. These lawsuits, and the expense and uncertainty they create for plan sponsors, threaten the very existence of the voluntary employer-sponsored retirement system and harm the plan beneficiaries ERISA is designed to protect. The ERISA Litigation Reform Act, H.R. 6084, is a step in the right direction; however, Congress needs to do more in this area. Stronger, more effective pleading standards are necessary to screen weak, conclusory allegations of high fees or underperformance intended only to generate large settlement payouts for plaintiffs' firms and comparatively little for participants.

²³ <https://www.ici.org/system/files/2026-06/26-cl-selection-designated-investment-alternatives-proposed-rule.pdf>

²⁴ <https://www.ici.org/system/files/2026-06/department-of-labor-investment-alternatives-proposal.pdf>

C. Congress should pass and the President should sign the INVEST Act into law. The Senate should pass and the President should sign the FSOC Improvement Act and Financial Exploitation Prevention Act into law.

ICI strongly supports H.R. 3383, the Incentivizing New Ventures and Economic Strength Through Capital Formation (INVEST) Act of 2025. The INVEST Act, a bipartisan package of legislative reforms passed by this Committee and on the floor of the US House of Representatives with strong bipartisan support, would help protect and strengthen Americans' ability to invest and secure their financial futures.²⁵ It should be noted that the INVEST Act has strong bi-partisan support as witnessed by its passage through a vote of 302-123 last December.

The reforms in the INVEST Act would address many of the issues raised above. The legislation would further expand American investors' access to capital markets through enhancements aimed at boosting capital formation – a worthy goal that could translate into greater household wealth, more jobs, and faster economic growth. The INVEST Act would broaden investment opportunities for Americans, make it easier for businesses large and small to raise capital, expand retirement plan flexibility for nonprofits, and streamline disclosure practices for investors.

In particular, ICI supports the following provisions within the INVEST Act:

- *Sec. 202, Retirement Fairness for Charities and Educational Institutions*
This provision would allow 403(b) retirement plans—available to employees of educational institutions, charitable organizations, and certain nonprofit organizations, such as hospitals—to offer CITs, eliminating the disparity between the fund options available to savers in 403(b) and 401(k) plans.²⁶
- *Sec. 205, Improving Disclosures for Investors*
This provision would modernize disclosures provided to investors by directing the SEC to issue rules helping financial firms to provide disclosures through electronic means. A recent ICI survey found that investors of all ages prefer electronic delivery of investment information.²⁷ And we estimate the potential annual savings ranging from \$589 million to

²⁵ <https://www.ici.org/system/files/2025-12/25-cl-support-invest-act.pdf>

²⁶ See ICI Key Policies: Retirement Fairness for Educators and Nonprofit Employees. Retirement Fairness for Educators and Nonprofit Employees | Investment Company Institute

²⁷ ICI Report: “Americans’ Views on E-Delivery of Financial Documents.” Sep. 2025. “Support for an e-delivery default runs high ... 87 percent of fund investors aged 65 or older agreed with” making e-delivery the default. Pg. 4. See also: Letter from ICI to SEC Chairman Paul Atkins re: Recommendations for a Default E-Delivery Framework. Available at: 25-cl-edelivery-framework-recommendations.pdf

\$797 million per year for funds and their shareholders, with projected cumulative savings of \$3 billion to \$4 billion over five years from transitioning to e-delivery.²⁸ The provision would also preserve the option for paper delivery for those who would prefer to receive a physical copy of their documents.

- *Sec. 206, Increasing Investor Opportunities*
This section would protect CEF investors from activists and create additional investment opportunities for those funds. This provision would remove the loophole that allows activist investors to take over CEFs and force them into liquidity events, benefiting the activist, or radically changing their investment strategy. In addition, this measure would ease investment limits on CEFs, codifying recent SEC actions to increase CEFs' ability to invest in private funds. This expanded access to private markets reflects increasing interest in giving retail investors more options to invest in America's most innovative companies.
- *Sec. 302, Access to Small Business Investor Capital*
This section would address a 2006 SEC rule that led to misleading disclosure concerning BDC fees and expenses in investor disclosures from acquiring funds, which discouraged investment in BDCs. Congress created BDCs in 1980 to promote greater investment in small businesses that have trouble accessing the capital needed for growth. This provision would make it easier for BDCs to grow, which in turn, would further support mid-sized and small businesses.
- Additionally, other legislation, previously passed by the House of Representatives should be passed by the Senate and sent to the President for his signature. The FSOC Improvement Act, H.R. 3682, which passed the House of Representatives through a voice vote, would make common sense reforms to systemic risk regulation and prevent bank-style regulation of asset managers. Similarly, the Financial Exploitation Prevention Act, H.R. 2478, would strengthen investor protections for seniors and vulnerable adults.

3. Preserving and broadening the retirement system for American savers.

Helping Americans save for retirement is at the core of the services that regulated funds provide. Employer-sponsored plans and individual retirement accounts (IRAs) are an important source of income for most American retirees. These investment vehicles are a pillar of financial security for everyday Americans.

The success of the US retirement system stems from industry innovation, competition, and a series of smart policy reforms reflecting an enduring commitment to long-term savers. Today,

²⁸ <https://www.ici.org/system/files/2025-11/25-cl-edelivery-framework-recommendations.pdf>

these reforms are bearing more fruit than ever, with retirement account balances and contribution rates at record highs,²⁹ a growing share of young households owning retirement accounts,³⁰ and significant income replacement for retirees.³¹ Tax incentives and bipartisan reforms have helped turn investing into a habit for millions, channeling over \$30 trillion into Americans' futures. This model works.

While the voluntary retirement system has been a huge success, ICI continues to welcome the opportunity to evaluate policies with the intent to broaden and innovate within the retirement system. ICI is a staunch advocate of TRUMP Accounts (as authorized under Section 530A of the Internal Revenue Code), an initiative from Congress and President Donald Trump that will give millions of American children an early opportunity to save, invest, and experience the power of compound returns. ICI has been actively engaged with the Trump administration in the implementation of TRUMP Accounts.³² In fact, ICI was the first trade association in DC to announce a TRUMP Accounts match for its employees. And earlier this month, ICI confirmed that its match will be available for foster children under the care of ICI employees, following the recent announcement of an initiative of First Lady Melania Trump.

In light of our strong interest in ensuring the continued success of the program and to maximize its benefit to young people, we urge Congress to broaden the statutory definition of "eligible investments." For example, the definition should allow funds that invest in a range of strategies and asset classes, including TDFs, fixed income funds, actively managed funds, and global funds. These changes would allow greater diversification of the accounts and allow individuals to align their portfolios to their own risk profiles. We also encourage Congress to establish an open competitive marketplace for initial TRUMP Accounts, so that individuals can open an account directly with their preferred financial services provider instead of having to manage the friction of the rollover process.

Beyond TRUMP Accounts, the Trump Administration wants to build solutions for retirement savings for all segments of the American economy. President Trump recently signed an Executive Order, "Promoting Retirement-Savings Access for American Workers by Establishing TrumpIRA.gov," that aims to complement TRUMP Accounts for workers at small businesses, part-time workers, independent contractors, and self-employed workers who may encounter

²⁹ <https://www.ici.org/viewpoints/24-view-real-progress>

³⁰ <https://www.ici.org/viewpoints/24-view-retirement-prospects>

³¹ <https://www.ici.org/viewpoints/23-view-ret-sys-is-working>

³² <https://www.ici.org/system/files/2026-02/26-cl-recommendations-on-trump-accounts.pdf>

unnecessary barriers to saving for retirement.³³ The Executive Order also prioritizes implementation of the Saver's Match, which will encourage participation by low- and moderate-income workers who otherwise may be less likely than other workers to save and invest for retirement. ICI strongly supports the efforts to increase public awareness of the Saver's Match and implement it in a manner that is simple, efficient, and cost-effective for all parties.³⁴

Establishing the TrumpIRA website as a resource center that leverages existing private sector providers, plan, and IRA infrastructure could help meet both of these goals. The voluntary retirement system is a clear success of smart government policy meeting the strength and innovation of the private sector. Tax incentives and bipartisan reforms have helped turn investing into a habit for millions, channeling over \$30 trillion into Americans' futures. This model works. ICI and its membership stand ready to build on the foundation already in place, alongside Congress and the Administration to help reach those who may have encountered barriers to saving for retirement while ensuring the continued success and innovation of the current system by maintaining individual choice and control, and an open and competitive market.

Conclusion

At this milestone in our nation's history, Congress has an opportunity to ensure the regulated fund framework continues to meet the needs of American investors in a changing marketplace. The task is not to replace a model that has worked, but to modernize it so more Americans can benefit from investment choice, competition, innovation, and strong investor protections.

That requires action across the three areas addressed in my testimony: maintaining and expanding access to regulated funds; strengthening public markets and responsibly broadening access to private markets; and preserving a retirement system rooted in choice, competition, and long-term saving. ICI and its members stand ready to work with Congress and policymakers to help ensure the next chapter of American investing is open, competitive, and secure.

Thank you for the opportunity to testify. I look forward to your questions.

³³ <https://www.whitehouse.gov/presidential-actions/2026/04/promoting-retirement-savings-access-for-american-workers-by-establishing-trumpira-gov/>

³⁴ <https://www.ici.org/letters/24-saver-match-contributions>