

May 19, 2025

Chairman French Hill
House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Ranking Member Maxine Waters
House Committee on Financial Services
4340 O'Neill House Building
Washington, DC 20515

Re: Concerns Regarding Electronic Delivery of Financial Statements as Default

Dear Chairman Hill and Ranking Member Waters:

We, the undersigned organizations, write to express our strong concerns regarding the *Improving Disclosures for Investors Act of 2025*, which would make electronic delivery the default method for financial statements and disclosures. While we recognize the potential benefits of electronic delivery for some, we believe that making it the default option poses significant risks and challenges, particularly for older Americans and those without reliable internet access, and risks investors not receiving important information they need to make financial decisions.

Right to Receive and Retain Information

Every individual has the right to receive and retain information in the format that best suits their needs. Current federal securities laws require the default delivery of disclosures in paper, ensuring that all investors have access to vital information in a manner that they can easily review and retain. The federal E-Sign Act allows delivery of disclosures only where investors have requested such “e-delivery,” and only after the investor has demonstrated their actual ability to access and retain the disclosures that will be delivered electronically. The proposed legislation would eliminate this critical protection, overriding choices investors have already made and potentially depriving them of information in their preferred format.

Preference for Paper Statements

Polling and research consistently show that a significant majority of older adults prefer to receive paper statements. For instance, AARP's polling indicates that most adults with employer-sponsored retirement plans would prefer to receive paper statements in the mail at least once a year.ⁱ This preference is especially pronounced among those aged 50 and older, individuals with household incomes under \$50,000, and those who do not use computers at work. Similar findings have been reported by Vanguard, the Pension Rights Center, FINRA, and the SEC.^{ii,iii} This widespread preference underscores the importance of honoring the preference of Americans and maintaining paper statements as a default option to ensure that all investors have access to critical financial information in a format that they can easily review and retain.

Access and Digital Divide

Millions of Americans, particularly those aged 50 and older or living in rural areas, do not have regular broadband internet access or do not routinely use computers at home.^{iv} This digital divide means that many would miss out on critical account information if electronic delivery were the

default. Many people can access the internet only with their smartphones – including 17 percent of adults over 65.^v The ability to read and digest complex financial information on such small screens is limited. Much has been done to increase access to high-speed internet and build digital skills, but significant gaps remain. More than one in four people aged 65 and older do not routinely use the internet, and only 70% of adults in this age group have access to broadband at home.^{vi}

Millions of workers are not just without internet access or a personal computer at home; they also do not have access to computers at work. Jobs in the construction, transportation, manufacturing, and storage sectors, for example, are unlikely to require use of a computer. Roughly 50 percent of workers in these fields have very limited exposure to computers or digital skills.^{vii} If this proposal passes without changes, these hardworking Americans could very well never see disclosures again, leaving them with no knowledge about what is happening with their hard-earned money.

Current e-delivery disclosure frameworks are preferred by some, but importantly, not by all. Most have low click-through rates and a multi-step process, which can frustrate and dissuade recipients from reading important disclosures, especially where they have limited access to email and the internet.^{viii} Investors who are pushed into e-delivery could potentially need to monitor websites for the availability of new regulatory communications and then search for them. Further, where investors miss the notice, fail to check an online account, or do not see a notice in their spam filter, they also may never see these vital disclosures.

Risks of Electronic Delivery

Electronic delivery poses several risks, including the potential for important disclosures to be missed if consumers do not check their online accounts, fail to see notices in their spam filters, or change email addresses. Additionally, if an individual passes away, paper statements may be the only indication to their family that an account existed. The obligation to switch back to paper delivery should not fall on consumers, especially when the fundamental statutory obligation to disclose important financial information is at stake.

Recommendations

We urge the Committee to consider the following recommendations to ensure that all consumers receive the financial disclosures they need in a format that works for them:

- **Ask Consumers for Their Preference:** All consumers should be asked their preference for receiving disclosures.
- **Default to Paper if No Preference is Submitted:** If a participant fails to submit a preference, paper should be the default.
- **Monitor Electronic Delivery:** Providers should determine if participants who elect email or smartphone disclosures actually open them.
- **Revert to Paper if Necessary:** Paper disclosures should be sent if electronic disclosures bounce back or are consistently left unread.

We believe that these guidelines will help protect consumers, particularly older Americans and those without reliable internet access, from missing required disclosures of critical financial information. We would be pleased to discuss this further with you.

Sincerely,

AARP

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

American Forest & Paper Association

Americans for Financial Reform

Consumer Federation of America

EMA Foundation for Paper-Based Communication

Envelope Manufacturers Association

Greeting Card Association

National Consumer Law Center (on behalf of its low-income clients)

National Rural Letter Carriers' Association

PRINTING United Alliance

Public Citizen

Public Investors Advocate Bar Association

ⁱ Brown, S. Kathi. *Retirement Account Statements: Paper or Electronic?*, May 2022, <https://doi.org/10.26419/res.00529.00>.

ⁱⁱ Vanguard Research, The Digital Investor, “Patterns in digital adoption,” July 2017, <https://personal.vanguard.com/pdf/CIRDA.pdf>.

ⁱⁱⁱ FINRA, “Investors in the United States,” 2016, https://www.usfinancialcapability.org/downloads/NFCS_2015_Inv_Survey_Full_Report.pdf.

^{iv} Pew Research Center, “Share of those 65 and older who are tech users has grown in the past decade,” January 13, 2022, <https://www.pewresearch.org/short-reads/2022/01/13/share-of-those-65-and-older-who-are-tech-users-has-grown-in-the-past-decade/>.

^v Pew Research Center, “Internet, Broadband Fact Sheet,” November 13, 2024, <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>.

^{vi} Pew Research Center, “Internet, Broadband Fact Sheet,” November 13, 2024, <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/#who-has-home-broadband>.

^{vii} National Skills Coalition, “Nearly 1 in 3 workers lack foundational digital skills, new report finds,” May 20, 2020, <https://nationalskillscoalition.org/blog/future-of-work/nearly-1-in-3-workers-lack-foundational-digital-skills-new-report-finds/>.

^{viii} Consumer Federation of America, “House Financial Services Committee Considers Anti-Investor Disclosure Bill,” March 23, 2023, <https://consumerfed.org/house-financial-services-committee-considers-anti-investor-disclosure-bill/>.