

Public Interest Organizations Join Forces to Protect Americans' Retirement Savings

SaveOurRetirement.org will educate workers and retirees about the "Retirement Advice Loophole" – and mobilize public support to close it

Washington, D.C., January 15, 2015. A broad range of national public interest organizations have joined forces in a new campaign to protect Americans from the "Retirement Advice Loophole" that can drain away thousands of dollars of hard-earned savings from a single retirement account. As a focal point for their efforts, the groups are launching SaveOurRetirement.org, a new website that will educate workers and retirees about threats to their retirement security under current law and mobilize their support for long-delayed consumer protections that the U.S. Department of Labor is trying to adopt.

The organizations supporting the new campaign include some of America's most prominent retiree, labor, consumer, and financial reform groups:

- AARP
- American Federation of State, County, and Municipal Employees (AFSCME)
- American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
- Americans for Financial Reform
- Better Markets
- Consumer Federation of America
- Pension Rights Center

The Problem:

Because of the Retirement Advice Loophole – which dates back to the 1970s – Wall Street brokers and other financial firms with major conflicts of interest are allowed to provide investment advice that serves their own interests instead of what's best for their clients. For example, they can sell financial products that pay large commissions but hurt their clients with unnecessary fees, poor returns, or excessive risks. Millions of Americans are affected by this loophole every year without even knowing it, and it is draining away their retirement savings.

Right now, some advisers are required to put their customers' interests first while others are not – and it is often extremely difficult for workers and retirees to know which type of adviser they are dealing with.

The existing, outdated rules were written during the Ford Administration, before 401(k) plans existed and when Americans had just \$3 billion invested in IRA's. Today, Americans have more than [\\$12 trillion invested](#) in IRAs, 401(k) plans, and other defined contribution plans. With \$12 trillion in assets at stake, the Wall Street firms that reap huge profits by putting their own interests ahead of their clients' best interest will spare no expense to obstruct reform.

The Solution:

The U.S. Department of Labor is expected to take action soon to update the rules for the first time in 40 years. The revised rules can close the retirement loophole by limiting conflicts of interest and requiring everyone who gives retirement investment advice to act solely in their client's best interest – a common sense standard known as the fiduciary duty.

Taking Action:

Over the next several months, the participating organizations will use SaveOurRetirement.org as a focal point for broad-based public outreach. The goal is twofold: 1) educate Americans about the threats to their retirement from the current system and about ways they can protect themselves, and 2) mobilize public support for an effective consumer protection rule from the U.S. Department of Labor that will close the loophole for good.

For More Information:

AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. To learn more, visit www.AARP.org. Media Contacts: Dave Nathan or Josh Rosenblum, (202) 434-2560, media@aarp.org.

The AFL-CIO is the country's largest labor federation, with 56 affiliate unions representing some 12 million working men and women. To learn more, visit www.aflcio.org. Media Contact: Amaya Smith, (202) 637-5018, Asmith@aflcio.org.

AFSCME's 1.6 million members provide the vital services that make America happen. With members in hundreds of different occupations — from nurses to corrections officers, child care providers to sanitation workers — AFSCME advocates for fairness in the workplace, excellence in public services, and prosperity and opportunity for all working families. To learn more, visit <http://www.afscme.org>. Media contact: Cheryl Kelly, (202-429-1136), CKelly@afscme.org.

Americans for Financial Reform is a coalition of more than 200 national, state, and local groups who have come together to work for a safer, fairer, simpler financial system. Members of our coalition include consumer, civil rights, investor, retiree, community, labor, faith based, and business groups. To learn more, visit www.ourfinancialsecurity.org. Media Contact: Jim Lardner, (202) 466-3311, jim@ourfinancialsecurity.org.

Better Markets is an independent, nonprofit, nonpartisan organization that promotes the public interest in financial reform in the domestic and global capital and commodity markets. Better Markets advocates for transparency, oversight, and accountability with the goal of a stronger, safer financial system that is less prone to crisis and failure thereby eliminating or minimizing the need for more taxpayer funded bailouts. To learn more, visit www.bettermarkets.com. Media Contact: Jesse Strauss, (202) 618-6433, jstrauss@bettermarkets.com.

Consumer Federation of America is a non-profit association of more than 250 national, state, and local pro-consumer organizations. It was formed in 1968 to represent the consumer interest through research, advocacy, and education. To learn more, visit www.consumerfed.org. Media Contact: Barbara Roper, (719) 543-9468, bnroper@comcast.net.

The Pension Rights Center is a nonprofit consumer organization committed to protecting and promoting the retirement security of American workers, retirees, and their families. To learn more, visit www.pensionrights.org. Media Contact: Nancy Hwa, (202) 296-3776, nhwa@pensionrights.org.