The House Education and Workforce Subcommittee on Health, Employment, Labor, and Pensions is scheduled to hold a hearing this Thursday on “Regulatory Barriers Facing Workers and Families Saving for Retirement.” The Save Our Retirement Coalition issued the following statement in response:

"American workers saving for retirement lose out on tens of billions of dollars a year as a result of relying on investment advice from financial professionals who put their own financial interests ahead of their customers’ best interests. Preying on investors and small business owners who lack the financial sophistication to fend for themselves, too many salespeople masquerading as trusted advisers recommend investments that pay them the most even though they expose their customers to high costs, unnecessary risks and subpar performance that erode the value of their hard-earned retirement savings.

"The Department of Labor finalized a rule over a year ago that would address this drain on Americans’ retirement savings by: 1) closing loopholes that allow financial professionals to evade their fiduciary responsibilities to put their clients’ interests first, 2) requiring all financial professionals to provide retirement investment advice that is in the best interests of their customers, charge reasonable fees, and avoid misleading statements and 3) requiring firms to rein in toxic incentives that encourage and reward advice that is not in customers’ best interests.

"As firms have announced their implementation plans to comply with the new rule, evidence has grown that the rule is workable for firms operating under a wide variety of business models and is already delivering tangible benefits for retirement savers. High-quality, affordable advice remains available for investors with small balances, firms are continuing to offer clients a choice for how to pay for that advice, and a host of new investment products have been developed with the potential to dramatically reduce both investor costs and toxic incentives within firms’ businesses.

"Not surprisingly, some powerful financial interests who see their excess profits put at risk continue to do everything in their power to prevent the rule from moving forward, masking their efforts in the cynical claim that they are doing so out of concern for the rule’s impact on small savers. And, the Trump Administration appears to be taking its cues from these industry opponents rather than working on behalf of workers and retirees. It has already delayed the implementation of the rule once and, according to press reports, the Administration is considering further delaying and potentially repealing the rule, at the industry opponents’ behest. The Administration’s actions are throwing the retirement advice market into disarray, causing firms to halt their implementation plans and calling into question whether investors will be able to access the new, lower cost and less conflict-ridden products and services they had previously been promised. This is bad not only for hardworking Americans saving for retirement, but also for the many firms preparing to comply with the best interest standard, who don’t want to see a renewed race to the bottom.

"We urge members of Congress to stand with working families and retirees, who need investment advice they can trust and not just a sales pitch dressed up as advice. A rule that imposes a legally enforceable obligation on all financial professionals to serve the best interests of their clients will be good for workers and retirees, who will keep more of their hard-earned money, and good for those financial professionals and firms that operate with integrity, as they will be rewarded in the marketplace."