



MAJOR GROUPS APPLAUD PRESIDENT'S CALL FOR MOVEMENT ON PRO-CONSUMER RULE TO PROTECT AMERICANS' RETIREMENT SAVINGS

Long-Awaited Department of Labor Rule Advances to OMB; Analysis Shows Measure Will Strengthen Retirement Investment Protections and Save Americans Billions of Dollars

Washington, D.C., February 23, 2015 – The seven organizations that launched the SaveOurRetirement.org campaign – AARP, AFL-CIO, AFSCME, Americans for Financial Reform, Better Markets, Consumer Federation of America and Pension Rights Center – applauded President Obama's public support today for the Department of Labor's (DOL) proposed rule to limit conflicts of interest, increase accountability, and strengthen protections for Americans receiving retirement investment advice.

Hailed as a major step forward to protect consumers, the DOL rule is expected to require those giving retirement investment advice to act solely in their client's best interest – a common sense standard known as the fiduciary duty. While still awaiting Office of Management and Budget (OMB) review and final Department of Labor action, the rule is needed to help protect Americans' hard earned retirement savings from advisers who recommend investments based on their own interest – such as those that pay generous commissions – not because they serve their clients' best interest. Today's forward progress moves all Americans closer to an independent, financially secure retirement, as President Obama explained. It sets the stage for adoption of a final rule that ultimately could help millions of Americans save billions of dollars in retirement funds.

The need for the rule was made starkly apparent in [recent press reports of a January 13, 2015, memo](#) reportedly authored by senior officials on the White House's Council of Economic Advisers. The memo explains that "the current regulatory environment creates perverse incentives that ultimately cost savers billions of dollars a year." Citing a wealth of economic and academic research, the memo's "conservative" analysis tallied investor losses from conflicted advice between \$8 billion and \$17 billion a year.

The following statement was issued by the members of SaveOurRetirement.org:



“As the nation’s most prominent retiree, labor, consumer, and financial reform organizations, we welcome President Obama’s support for protecting American workers and retirees from harmful conflicts that eat away at retirement savings. By all accounts, the Department of Labor has engaged in a thorough economic analysis and careful deliberations. We hope and expect that once the rule is finalized, it will move all Americans closer to a decent, financially secure retirement.

The recently leaked White House memo on the benefits of the proposed rule found that a worker who expects to retire in 30 years loses an astounding five to ten percent of his or her potential retirement savings due to conflicted investment advice, or approximately one to three years’ worth of withdrawals during retirement. This glaring evidence of investor harm confirms that today’s progress on the rule is urgently needed.

With the conflicted advice rulemaking advancing to the next step in the regulatory process, we can expect that Wall Street firms reaping huge profits by putting their own interests ahead of their clients’ will ramp up their already aggressive effort to obstruct reform. We applaud the President’s support for moving ahead in the face of this opposition to protect retirement investors, and we encourage the rule’s timely review at OMB. We are heartened by these steps and look forward to weighing in on the substance of the rule upon its release for public comment.”

MEDIA CONTACTS:

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



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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: Jeff Gohringer, (202) 618-6430, jgohringer@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.



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