

# PUBLIC SUBMISSION

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Financial Factors in Selecting Plan Investments

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Financial Factors in Selecting Plan Investments

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## Submitter Information

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## General Comment

The Department of Labor is proposing a rule that they frame as protecting public interest under the guise of fiduciary responsibility rules. I strongly disagree with the intent and implications of this rule, and urge the Department not to move forward with the proposal. I write as a concerned citizen, a Professor of Sociology (PhD) and a specialist in environmental policy and practice. It is my personal and professional opinion that this rule is a backhanded attempt to minimize the free choice of individuals and investment firms in order to produce outcomes preferred by the current administration.

I find the proposed ruling not only problematic for its narrow-mindedness, but unethical for its indirect purpose of curbing socially responsible and sustainable investing that the current administration does not approve of. Claiming to be seeking these changes on behalf of the public is paternalistic and disingenuous, especially given that the American public has shown a preference for market based initiatives such as divestment and investment strategies for addressing social problems like climate change. A majority of Americans show significant concern about this issue and a preference for addressing climate change in a way that does not lead to catastrophic changes in their contemporary way of life. It is not within the authority of the agency to limit the variables that investors consider when making investment choices.

By presuming that the numerical, fiduciary value of an investment is the only factor that should be considered in the course of an investment, the Department of Labor obscures the complexity of economic well-being that investments can and should procure for both investors and the

communities they are embedded in. Both individuals and organizations have the right to make choices about their investments that include, but are not limited to financial concerns, which are never purely numerical, but always a reflection of values, interests, and the subjective goals of the parties involved. There are always social factors which inform the fiduciary value of an investment--things like subsidies, political climate, past distributions of wealth, etc. There is no way to separate the economic value of investments out of their social contexts. This rule is therefore not only unrealistic, but ungovernable.

In attempting to curb the process by which fiduciaries and their clients select investments, the Department of Labor risks curbing the freedom of choice that Americans hold dear. Whether the administration likes it or not, this must include the freedom to choose community, sustainable development, and investment in the public well-being--not simply the private accrual of numerical wealth. It would be ironic indeed if the Department used its governmental authority to limit the choices people make about their investments to promote a narrow vision of economic prosperity that cuts off market-based solutions to social problems.

In sum, I urge the Department to drop this proposed ruling, and, if action must be taken, to adopt policy that encourages socially responsible, sustainable and ethical investments that decrease reliance on fossil fuels, invests in public health and education, furthers equal opportunity for all Americans, promotes conservation of ecological resources, and invests in the institutions that make democracy possible, such as the arts. This will promote the economic health and well-being of all Americans, instead of just a narrow few.

Thank you for considering my comment.

Sincerely, Allison Ford

The Department of Labor (Department) in this document proposes amendments to the "Investment duties" regulation under Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), to confirm that ERISA requires plan fiduciaries to select investments and investment courses of action based solely on financial considerations relevant to the risk-adjusted economic value of a particular investment or investment course of action.