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General Comment

As a college student, I have many things to look forward to, and many challenges to face in the future. Like generations before me, I do not know all that lies ahead, and factors that remain unknown will pose both obstacles and opportunities. However, one obstacle that lies bare, and has laid bare for decades, are the ramifications of climate change on our communities, our country, and our planet.

I pause at the claim that environmental factors are separate from the workings of our society. We've seen waves of migration, geopolitical instability, and catastrophic disasters that affect not just individuals, but entire nations. The environment is embedded in how we live.

Likewise, environmental factors are one of the gears that both run and dictate our economy. They determine the industries sought after by a certain region, the ability for a region to be self-sustaining, and the individuals who are there to provide labor.

Capital allocations, too, dictate our economy and environment. I'm reminded of a podcast episode on sustainable investing (16:20 of <https://bit.ly/2X4pdxxy>) in which a portfolio manager stated that the environmental impact of a \$100,000 portfolio dwarfs the potential impact of individual actions such as diet or greenhouse gas emissions from travelling. Likewise, these portfolios, as of late, have outperformed non-ESG portfolios.

Economy and environment are inextricably intertwined. Ultimately, the proposed rule stifles our ability to both mitigate economic and environmental risk and produce future economic growth.

To the issue at hand, let us take a look at one of the provisions to the proposed rule.

"The Department does not believe that investment funds whose objectives include non-pecuniary goals even if selected by fiduciaries only on the basis of objective risk-return criteria consistent with paragraph (c)(3) should be the default investment option in an ERISA plan. ERISA is a statute whose overriding concern relevant here has always been providing a secure retirement for American workers and retirees, and it is inappropriate for participants to be defaulted into a retirement savings fund with other objectives absent their affirmative decision."

To claim that environmental, as well as their interconnected social and governance factors, do not hold monetary ramifications in the future counters the due diligence of the fiduciary. As ERISA's main premise is "providing a secure retirement for American workers and retirees," notwithstanding the potential social and environmental damage, investments will reduce in value should the economy be left with the climate change's countless negative externalities.

Failing to integrate ESG principles across all sectors of our economy is an action in and of itself. And to expressly restrict the default option from being cognizant of these principles is tantamount to forcing fiduciaries to relinquish their responsibility to their clients' long-term economic and general well-being.

While much of what I have said may seem "pure doom and gloom," another side remains. As I have stated, the future holds both obstacles and opportunities. To integrate ESG principles into investment funds, including those compliant to ERISA, is to encourage exposure into industries and innovations that will mitigate risk and promote growth in our future economy, society, and world.

Numerous ESG-based funds have weathered the unfortunate economic storm caused by the COVID-19 epidemic. These funds recognize that the economy should not only value the production of goods and services but the promotion of resilient goods and services that provide for communities while recognizing environmental and social impacts. To even those who are bound to pure laissez-faire, past and current issues of systemic racial and gender discrimination notwithstanding, ESG principles and economic and pecuniary returns do not appear mutually exclusive.

As investors are aware, past performance does not guarantee future returns. However, this is the case with non-ESG funds as with ESG funds, perhaps even more so. To stick with past precedent in an ever-changing technological and environmental landscape, however, near-guarantees failure to mitigate risk and take advantage of a global economic shift.

I write this comment today not as an investor, though I do put my money where my mouth is. And I am not writing as a journalist, though I have heard countless stories of fellow youths affected by climate change. I write this comment as an American, as a student, as a current worker and future retiree, as the son of a to-be retiree, hopefully as a future parent, as a member of my local community and a steward of my planet.

If we're speaking economic theory, past performance does not guarantee future returns. But in

practice, our past actions on climate change led to current and future social and environmental consequences. Our actions now and going forward have the potential to change some of that.