PUBLIC SUBMISSION

Received: July 28, 2020
Tracking No. 1k4-9i2g-hkhp
Comments Due: July 30, 2020
Submission Type: API

Docket: EBSA-2020-0004
Financial Factors in Selecting Plan Investments

Comment On: EBSA-2020-0004-0002
Financial Factors in Selecting Plan Investments

Document: EBSA-2020-0004-DRAFT-0575
Comment on FR Doc # 2020-13705

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General Comment

The US Department of Labor's proposed rule-making to restrict the use of environmental, social, and governance (ESG)-themed investments within tax-qualified retirement plans governed by the Employee Retirement Income Security Act (ERISA) will discourage financial advisers from considering ESG criteria. At the moment, three-quarters of all asset managers considered ESG investments as a way to improve returns and minimize risk over time.

As you well know, the DoL is rushing this rulemaking by cutting public comment from 90 days to only 30. This is completely unacceptable, particularly in a season of public upheaval like COVID-19.

The Democratic Senator opposition letter argued that fiduciaries "should be able to consider whether or not companies have established diverse leadership teams, whether they foster inclusive or discriminatory workplaces, and whether they engage in a variety of other practices that may impact a companys performance."
Furthermore, Millennials are demanding that their 401k be invested in ESGs to protect their investments and align with their values. This rule-making would hinder financial managers from being able to do the bidding of those whose money is invested.