Received: July 30, 2020
Tracking No. 1k4-9i41-5s25
Comments Due: July 30, 2020
Submission Type: API

PUBLIC SUBMISSION

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-1508
Comment on FR Doc # 2020-13705

Submitter Information

Name: John Cascarano

General Comment

To the Department of Labor,

I write today in support of the DOLs proposed rule on ESG investing in private pension plans. I have been an attorney for over a decade, and have saved for retirement throughout my career. Today, for the first time ever, I am concerned that my retirement may be at risk.

Over the years, I have strategically contributed to a private pension fund in hopes that I could retire comfortably once I decided to step away from my career. I recently learned that fund managers have decided to use ESG factors when determining where to invest my money. It worries me that fund managers could be playing politics with my money, rather than attempting to maximize returns.

Environmental, social, and governance issues are of critical importance, and I am a strong supporter of reforms. Fortunately, there are nearly unlimited avenues for private citizens to pursue these goals. I gladly participate. Pension funds, on the other hand, should prioritize returns over all else to ensure that beneficiaries like me are best served.

I have always taken for granted that my investments were protected by certain ethical and governing statutes. Paramount to this, a fund managers primary duty should be to the investor. ERISA, for example, mandates that private pension funds to be solely focused on maximizing the returns of the beneficiary. Corollary to this, fund managers should not accept additional risk in order to promote a public policy, social belief, or any other nonpecuniary goal. ESG investments are frequently, if not always, used as a means to push a social or political goal. Meanwhile, studies show that they perform worse than standard index funds. I cannot fathom how these clearly nonpecuniary goals comply with ERISA, not to mention ethical obligations towards investors.

I am hopeful that my concerns will not be ignored by Secretary Scalia. Thank you for your time and I hope you strongly considering approving this rule.