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From: aiaustin@ft.newyorklife.com [mailto:aiaustin@ft.newyorklife.com]
Sent: Tuesday, July 07, 2015 6:37 PM
To: EBSA, E-ORI - EBSA
Subject: RIN 1210-AB32 - U.S. Department of Labor's Proposed Fiduciary Rule

Mr. Adam I. Austin
23 Clayton Drive
Dix Hills, NY 11746-5503

7/7/2015

Dear Secretary of Labor Perez:

Dear Secretary Perez,

I am writing in regards to the proposed rule RIN 1210-AB32. I read the form letter and decided to address the issue more personally, because, as a younger advisor, this has been of great interest and concern to me.

I understand and appreciate the intentions behind the proposal. However, I insist that what is altruistic in theory will be counterproductive in practice. As an advisor entering his fourth year in business while still under age 30, my clients mostly consist of low and middle income earners (households with total incomes under 250k/year). My most common conversation with clients has little to do with the importance of diversified portfolios. It is not an introduction to the variety of wealth management platforms available to them in the industry. My most common retirement conversation is the importance of scrapping together enough discretionary income to put something--anything--away for retirement in the first place. Many of these low to middle income earners struggle to maintain regular contributions to their retirement plans, regardless of whether it is employer-sponsored or personal. They simply cannot afford the fee-based service of financial planners.

As you may know, the disastrous state of Americans' retirement accounts cannot be overstated. (The following information may not be perfectly accurate but I would be happy to provide citations to more precise numbers if necessary). The median retirement account for an American at age 65 is approximately 25k. Compare this to the median household income in America (50k-60k/year), and the math is fairly simple. The average person could provide income for themselves for approximately 6 months to 1 year. This has nothing to do with 1% annual management fees. It would be a stretch to blame advisors for this terrifying financial epidemic. It appears to me to be more probable that this is because the average American does not understand what is necessary from them to build and live through a successful retirement.

This proposal would not protect my clients. Instead, it has the potential to drive low to middle market financial professionals out of business and limit the access of millions of Americans to affordable, personalized financial guidance. If you still disagree with me on my value to my clients, consider this:

Studies have shown that, on average, an investment advisor adds 1.87% to a client's return. Additional studies have proven that an investor who speaks to some kind of retirement advisor averages an overall retirement account balance double to one who never speaks with any financial professional.

Furthermore, an investor who speaks to their advisor on a regular basis averages an overall balance of four times that of someone who never speaks with a professional. (Again, citations available upon request).

It has been my mission and my struggle to promote financial literacy during the course of my relatively young career. Rather than limit the access of clients such as mine to affordable financial professionals, I would request your assistance in the monumentally important endeavor of raising the level of financial understanding in this country. RIN 1210-AB32, from my understanding, is the financial equivalent of making bandages free. The bandages aren't the cause of the injuries, and, if they're free, most companies won't make them anymore.

Sincerely,

Mr. Adam I. Austin