Another fiduciary rule delay would cost retirement savers $10.9 billion over 30 years

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The Trump administration’s Department of Labor is actively working to weaken or rescind the “fiduciary” rule (the rule that requires financial advisers to act in the best interest of their clients). The latest step in these efforts is **a proposed 18 month delay** of key provisions of the rule past their already-delayed implementation date of January 1st, 2018.

An additional 18-month delay would be enormously expensive to retirement savers. **Previously**, we estimated that the delays the department has *already* instituted under the new administration mean that retirement savers will lose $7.6 billion over the next 30 years. Using the same **methodology**, we estimate that an additional 18 months of delay of key provisions in the rule announced yesterday will cost retirement savers an additional $10.9 billion dollars over the next 30 years.

The map below shows how much retirement savers would lose in each state over the next 30 years as a result of an additional 18 month delay. The losses range from $16 million in Wyoming to $132 million in Iowa to $646 million in Texas to $1.2 billion in California.

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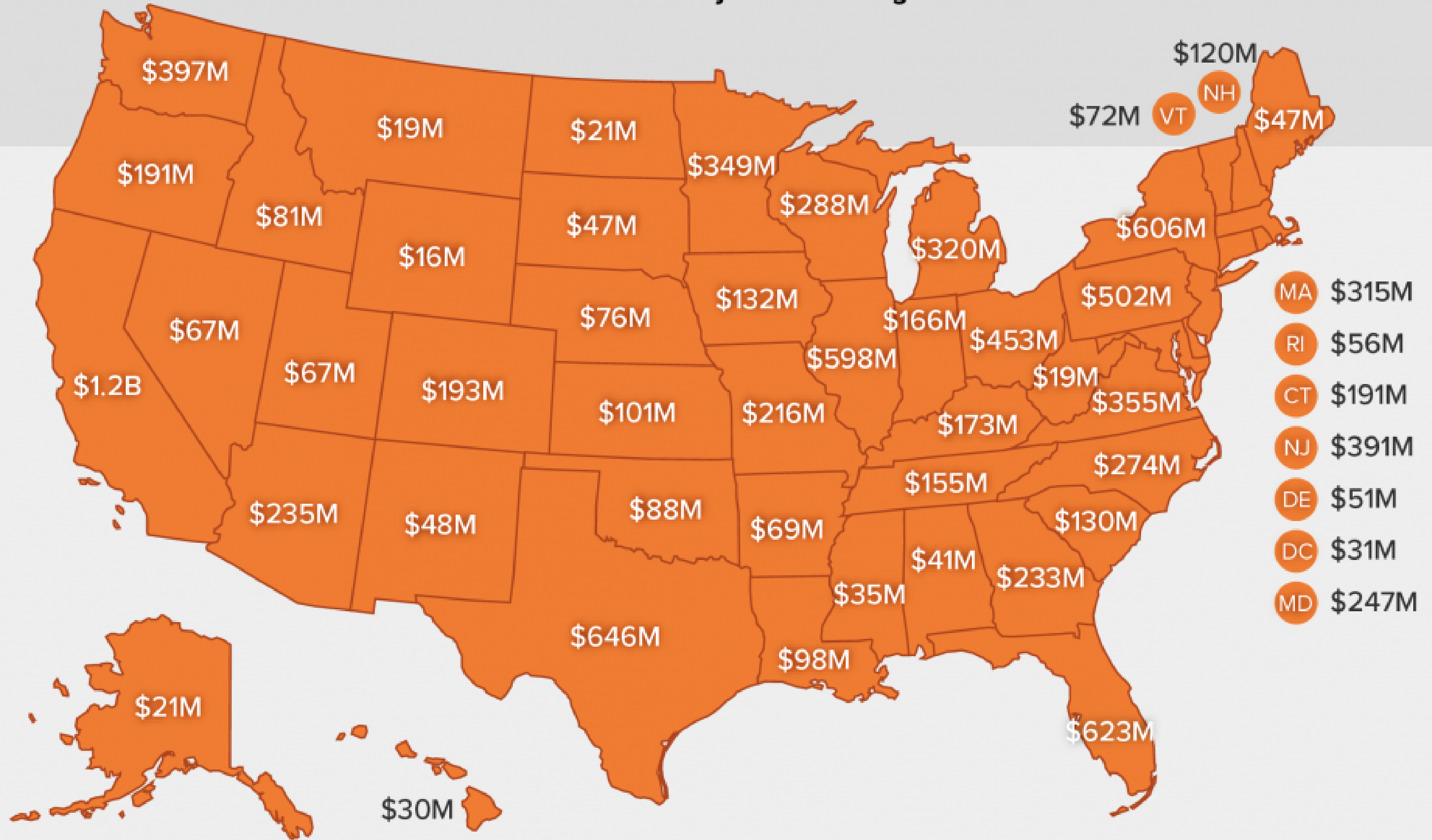
The conflict of interest or **“fiduciary” rule** will require financial advisers to act in their clients’ best interest—just like doctors and lawyers. But the Trump administration and Republicans in Congress are trying to weaken or kill the rule. **Another 18 month delay will cost retirement savers this much in each state over 30 years of saving:**



Source: EPI analysis of Survey of Income and Program Participation (SIPP) data; *The Effects of Conflicted Investment Advice on Retirement Savings* (White House Council of Economic Advisers, February 2015)

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Note: We look over a 30 year horizon because if there is a delay, losses to retirement investors persist and compound long after the delay ends. The **Labor Department has noted** that as a result of a delay, the losses to retirement investors would “continue to accrue until affected investors withdraw affected funds or reinvest them pursuant to new recommendations“ and that losses up to that point “would not be recovered, and would continue to compound, as the accumulated losses would have reduced the asset base that is available later for reinvestment or spending.”

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