



March 17, 2017

Office of Regulations and Interpretations  
Office of Exemption Determinations  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210

Re: Definition of the Term "Fiduciary" - Delay of Applicability Date, RIN 1210-AB79

On behalf of the 170,000 bipartisan members and supporters of the American Association of University Women (AAUW), I write to express our strong support for the Department of Labor's (DOL's) conflict of interest rule and our strong opposition to the proposal to delay the rule's applicability date. This rule strengthens protections for retirement savers by requiring financial advisers and their firms to provide retirement investment advice that is in their clients' best interests. Delaying implementation of these new protections would allow financial advisers and their firms to continue to engage in harmful practices that threaten the retirement security of their clients.

On average, women who work full time take home about 80 cents for every dollar a full-time male worker earns.<sup>1</sup> Over a lifetime (47 years), the total estimated loss of earnings of women compared with men are \$700,000 for a high school graduate, \$1.2 million for a college graduate, and \$2 million for a professional school graduate.<sup>2</sup> AAUW's report *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation* found an unexplainable 7 percent difference in the earnings of male and female college graduates one year after graduation, even after accounting for many factors, including college major, occupation, economic sector, hours worked, months unemployed since graduation, GPA, type of undergraduate institution, college selectivity, age, geographic region, and marital status.<sup>3</sup> Clearly, the wage gap exists.

The wage gap persists across all racial and ethnic groups, and it is found in every state. The most recent edition of AAUW's *The Simple Truth about the Gender Pay Gap* found that among full-time workers in 2015, Hispanic, American Indian, African American, and Native Hawaiian women had lower median annual earnings compared with non-Hispanic white and Asian American women.<sup>4</sup> The pay gap was largest for Hispanic and Latina women, who were paid only 54 percent of what white men were paid in 2015.

Pay inequality isn't just a women's issue; it is a family issue. Recent research has found that 50 percent of households with children include a mother who is either the sole or primary


earner for her family.<sup>5</sup> Pay equity is not just a matter of fairness but the key to families making ends meet. Wage discrimination also limits women's choices and has real consequences. It impairs their ability to buy homes and pay for a college education and limits their total lifetime earnings, thereby reducing their retirement savings and benefits. This is why it is even more imperative that when women trust their retirement savings to an adviser, that the adviser puts their best interests ahead of profits.

Research shows that many retirement savers lack basic financial literacy skills, prompting them to seek out financial help and making them vulnerable when it comes to investment recommendations that are not in their best interests.<sup>6</sup> Often, those recommendations promote investment products with high costs, substandard features, elevated risks or poor returns. While the financial adviser may make a substantial profit off these recommendations, the retirement saver pays a heavy price for investment advice that is not in his or her best interest, amounting to tens or even hundreds of thousands of dollars in lost retirement income. Because of these protections, DOL's commonsense rule has the potential to save women and their families billions of dollars every year. With this new fiduciary rule, DOL has provided another vital protection that can help working Americans not only plan for their retirement but have the safeguards in place to protect their hard earned savings.

Retirement savers, particularly small savers, cannot afford to wait any longer for those protections to be in place. AAUW urges the DOL to reconsider whether industry opponents' interests in avoiding having to comply with the rule should win out over retirement savers' interests in receiving the critical protections from the rule. Small savers are disproportionately served by non-fiduciaries today and therefore most susceptible to being given conflicted, harmful advice. As a result, small savers have the most to gain from having this rule be implemented as scheduled because it will ensure that every dollar that they save for retirement counts—that investment returns are maximized and unnecessary and hidden costs are minimized.

Retirement savers need and deserve to receive the protections of the rule without delay. Accordingly, AAUW urges the DOL to conclude that the proposed delay is unjustified and that the rule should be implemented beginning on April 10th. If you have any questions or need additional information, feel free to contact me at 202/785-7720, or Anne Hedgepeth, senior government relations manager, at 202/785-7724.

Sincerely,



Lisa M. Maatz  
Vice President of Government Relations and Advocacy

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<sup>1</sup> U.S. Census Bureau. (2016). *Income and Poverty in the United States: 2015*. [www.census.gov/library/publications/2016/demo/p60-256.html](http://www.census.gov/library/publications/2016/demo/p60-256.html)

<sup>2</sup> National Committee on Pay Equity. (2016). "The Wage Gap over Time: In Real Dollars, Women See a Continuing Gap." [www.pay-equity.org/info-time.html](http://www.pay-equity.org/info-time.html)

<sup>3</sup> AAUW. (2012). *Graduating to a Pay Gap: The Earnings of Women and Men One Year after College Graduation*. [www.aauw.org/files/2013/02/graduating-to-a-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation.pdf](http://www.aauw.org/files/2013/02/graduating-to-a-pay-gap-the-earnings-of-women-and-men-one-year-after-college-graduation.pdf)

<sup>4</sup> AAUW. (2016). *The Simple Truth about the Gender Pay Gap*. [www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap](http://www.aauw.org/research/the-simple-truth-about-the-gender-pay-gap)

<sup>5</sup> Institute for Women's Policy Research (2016). *Breadwinner Mothers by Race/Ethnicity and State*. [www.iwpr.org/publications/pubs/breadwinner-mothers-by-race-ethnicity-and-state](http://www.iwpr.org/publications/pubs/breadwinner-mothers-by-race-ethnicity-and-state)

<sup>6</sup> Consumer Federation of America. (July 2015). Letter on Conflict of Interest Rule. [www.consumerfed.org/pdfs/7-21-15%20CFA%20Comment%20on%20DOL%20Fiduciary%20Proposal%20Comment.pdf](http://www.consumerfed.org/pdfs/7-21-15%20CFA%20Comment%20on%20DOL%20Fiduciary%20Proposal%20Comment.pdf)