

## Desperately Seeking Retirement Plan Investment Reform

I came across another brilliant posting from Dan Solin in the Huffington Post advocating investment industry reform. I'm a big fan of Dan's and we agree about the power of passive investing.

The net net: It's high time that the financial services industry be taken to task about the excessive fees they charge to 401(k) plans - most costs trickling down to the individual employee - and most of them currently undisclosed and unknown by the employee.

I'm thrilled to see an number of article exposes against the 401(k) rip-offs. You can find a good write up in the latest issue of Kiplinger's Retirement Planning magazine.

I hope if you participate in a 401(k), 403(b) or 457(b) plan, you'll start demanding to 1) know the true costs of maintaining your plan that you're paying for; and 2) have index-based mutual funds and ETFs for your investment choices (if not there already).

There are over 80 years of solid evidence to show that actively-managed funds don't hold up as well as index-based passively-managed funds. People make lousy stock pickers and frequent tradings costs you money; it doesn't make you any.

If you have a portfolio of less than \$1 million dollars, you have no business throwing any of your money into actively-managed funds.

I do hope that real reform comes soon. You can help. Write to congress and demand it. I'll highlight key posts in upcoming blog posts right here. In the meantime...

Here's the link to Dan Solin's post:[http://www.huffingtonpost.com/dan-solin/smart-advice-for-the-huff\\_b\\_110349.html](http://www.huffingtonpost.com/dan-solin/smart-advice-for-the-huff_b_110349.html)