

Press Release



Retirement Savers, Investors Hit By SIFI Designation of Investment Funds

MARISOL GARIBAY | MAY 15, 2014

AAF Finds Retirement Savers Could Lose Over \$100,000 If Investment Funds Are Labeled As SIFIs

The American Action Forum (@AAF) today released new research that examines the cost to savers and investors if regulators designate certain investment funds as systemically important financial institutions (SIFI). The AAF research finds SIFI designation is not only costly but lowers returns for savers and investors; for example:

- A 25 year old beginning with a modest principal, invested in the highest return fund, could lose out on over \$107,000 in earnings over their working life. For a 25 year old invested in the largest fund, they could miss out on over \$44,000 in earnings, or if invested in the lowest return they could miss out on over \$7,000.
- A 50 year old, who has been saving for 25 years and continues to save for 15 years in a highest return fund until retirement, could lose out on over \$43,000 in earnings. They would lose out on over \$17,000 if they are invested in the largest fund, or over \$2,500 if they are invested in the lowest return.
- A 60 year old, who has been saving for retirement and will continue to save for another 5 years, could lose over \$15,000 if they are invested in the highest return fund. They could lose over \$6,000 if they are invested in the largest fund, or over \$900 if they are invested in the lowest return.

The research was conducted by Douglas Holtz-Eakin, AAF's President, and Satya Thallam, AAF's Director of Financial Services Policy.

[Click here](#) to read the research.

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