

SPEECH

May 6, 2005

Long-Term Financial Security Symposium: Overview of Remarks by Speaker of the House

Speaker of the House Addresses Congressional, Fund Industry Leaders Speaker of the House Dennis Hastert (R-IL) speaks at the Institute's Leadership Dinner on May 4. Washington, DC, May 5, 2005 - Speaker of the House Dennis Hastert (R-IL) discussed the important role mutual funds play in America and the challenges confronting the public and private sectors in helping Americans realize long-term financial security at a gathering of ICI leaders, Members of Congress, senior Bush Administration representatives, as well as SEC and other officials in Washington, DC at the historic Library of Congress on May 4. "We're not where we need to be, but more and more, you see Americans focusing on saving, investing and putting a nest egg away for the future," Hastert noted in keynote remarks at ICI's Leadership Dinner, which was attended by 35 Members of Congress, SEC Chairman William Donaldson, and nearly 80 representatives from ICI member firms. ICI Chairman James S. Riepe and ICI President Paul Schott Stevens hosted the event. "Part of getting Americans to invest more and invest wisely is having access to good advice and financial literacy. Your industry has done an exemplary job of offering these services and I want to applaud you on your efforts." Dennis Hastert (R-IL), Speaker of the U.S. House of Representatives

"We have to face the facts," Hastert remarked. "The pension system is in major need of reform. We need to use some of the innovative strategies out there in the business and investment communities to keep employers engaged and offering retirement plans to their employees."

ICI Chairman Calls for Broad Approach to Retirement Security Issues

In [closing remarks at the Leadership Dinner](#), Riepe, Vice Chairman of T. Rowe Price Group, Inc. observed, "[T]onight is an opportunity to reassert our commitment to ensuring trust in those of us who have been given important responsibility for investor monies. This gathering signals our determination to strengthen lines of communication between the leadership of America's mutual funds and senior policymakers throughout government.

"It is safe to say that effective dialogue between leaders of mutual funds and government policymakers has never been more important than it is today," Riepe added. "Never has it been more important for Americans to strengthen their own long-term financial capacity. Regardless of how one feels about the issues in the current Social Security debate, I think it is tremendously beneficial to have a public discussion that highlights to so many Americans the importance of retirement security. It has taken an appropriate place on the top of the

public agenda, with Social Security at the center. Sen. Paul Sarbanes (D-MD) and ICI Chairman James S. Riepe participate in an ICI Policy Forum, where the legislator interacted with fund industry leaders.

"The future long-term financing challenges of our government social security program highlight the need to strengthen the other two legs of the retirement stool—individual savings and employer savings plans. For example, deferring taxation of mutual fund distributions that are automatically reinvested in the same fund, until the shares are sold, would provide a powerful and immediate incentive for private savings and investment for retirement. We can also expand opportunities for employer plans by automatically enrolling employees, providing more effective investment options and eliminating restrictions on investment advice."

"Ultimately, one of the best solutions to the growing pressures on Social Security is to reduce retirees' dependence on it." ICI Chairman James S. Riepe

Senator Sarbanes Discusses Sarbanes-Oxley Act

At an afternoon policy forum moderated by Riepe, Sen. Paul Sarbanes (D-MD) spoke with fund leaders on a range of topics, including the seminal [Sarbanes-Oxley Act of 2002](#) and [Social Security reform](#). The policy forum was followed by a reception and leadership dinner where Hastert summed up the importance of a unified effort to encourage saving. "At the end of the day, workers and their families all want the same things: a good-paying job, a roof over their heads, enough to provide for their children, and yes, a little money tucked away. Working together, those of us in the public and private sectors can make sure that they have access to that American Dream."