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MEDIA RELEASE

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Tillit Group Reminds Bush on Social Security, 'Education and Oversight Come First'

(PRINCETON, N.J.), May 5 — President Bush's proposed reformation of Social Security, reaffirmed at his recent primetime press conference, is premature given the current level of investment knowledge of employees and retirement plan trustees, claims Jeff DuFour, CEO of Tillit Group LLC, a leader in fiduciary consulting. He urged the President and Congress to establish more formal fiduciary safeguards and employee education mandates before asking Americans to manage their Social Security retirement money.

"Most Americans are simply unprepared to handle their own investments, with neither the experience nor the discipline to do what is necessary to protect their future," says DuFour. "Even so-called experts often don't know what to do."

Today, most retirement money other than Social Security is being managed through company-sponsored plans and that would continue to be the case under the President's plan, especially for the trillions of dollars already at stake. Even though many employees can "direct" their own 401(k) investments, they are counting on the trustees of the plans to give them prudent investment options from which to choose and the education necessary to effectively direct the investments. However, there is currently no requirement that trustees be educated about their obligations, nor is there any meaningful oversight.

Government agencies, such as the Department of Labor and the Pension Benefit Guaranty Corporation, typically enter the picture after the damage is done. Witness the recent "too little, too late" scrambling after Enron, WorldCom and United Airlines.

"Just as important as employees having access to financial advice, they should also expect that the trustees and fiduciaries that are responsible for their money are trained and subject to continuous oversight, specifically in relation to the investment process," says DuFour.

The President has previously offered the Federal Retirement Thrift Plan (essentially a 401(k) plan for government employees and the military) as an example of a personal account plan that works. DuFour suggests that he might have a far easier time convincing Congress and the public about personal accounts if he simply suggested that all Americans could choose to enter the federal plan with a portion of their Social Security taxes.

The program is already a success, with over three million participants, and has trustees who have received training in fiduciary responsibility. There are just a few choices to work with, but they all meet the President's stated goal of offering personal accounts with investment options, including low-risk alternatives. Costs are very low and probably could go lower with more funds invested, eliminating another objection to the President's proposal.

"While there are other budget issues that need to be addressed, it is hard to imagine Congress voting against allowing every American the opportunity to participate in the same plan they belong to," concludes DuFour."

Jeffrey DuFour is the co-founder of Tillit Group LLC, a New Jersey-based company providing independent consulting services to investment fiduciaries. Visit them on the Web at <http://www.tillitgroup.com>.