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## Americans like 'fiduciary,' but can't explain it

By Editorial Staff    Thu, Apr 20, 2017

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*More than half of respondents (53%) to a recent Financial Engines survey mistakenly believe that all financial advisors are already legally required to put the best interests of their clients first.*

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Americans overwhelmingly favor the intent of the Department of Labor's fiduciary rule, when requires financial advisors who provide advice to rollover IRA owners to act in their clients' best interests, according to a survey by Financial Engines, a major provider of managed accounts to 401(k) plan participants.

The rule, created by the Obama administration and in effect since last June but not yet enforced, is under review by the Trump administration. Industry groups have been pressuring the administration and legislators to undo certain aspects of the rule, such as the right it gives aggrieved investors to file class action suits against financial services companies and the restraints that it applies to sellers of fixed indexed and variable annuities.

According to the survey, 93% of Americans think financial advisors who provide retirement advice should be legally required to put their clients' best interest first. But more than half of respondents (53%) mistakenly believe that all financial advisors are already legally required to put the best interests of their clients first.

Compared to a similar survey last year, Americans have a slightly better understanding of the difference between a financial advisor who is a "fiduciary" and one who is not (21% understand the difference today, compared to 18% a year ago). However, many Americans still don't know how to tell if an advisor is a fiduciary. Only 50% of investors who work with a financial advisor are certain that their advisor is a fiduciary, while 38% don't know if their advisor is a fiduciary or not.

Complete results of the survey can be found at <https://financialengines.com/workplace/resources>.

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