

U.S. Rep. Steil: Applauds Senator Hagerty introduction of Putting Investors First Act

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WASHINGTON, DC – Today, Congressman Bryan Steil (WI-01) released a statement applauding Senator Bill Hagerty for introducing the Senate companion of Steil’s legislation, the Putting Investors First Act, Steil’s legislation focused on disrupting the woke attack on American capitalism and reining in proxy advisory firms.

“The Putting Investors First Act will bring greater transparency and accountability into the investment decisions being made for Americans saving for retirement,” **said Steil**. “We cannot allow woke, political actors to continue harming Americans’ financial future. This bill will empower investors, restore transparency and accountability, and enhance competition. I am grateful to Senator Hagerty for making this a bicameral effort. ”

“We must put an end to the weaponization of Americans’ hard-earned savings to advance partisan and activist agendas,” **said Senator Hagerty**. “I’m pleased to partner with Congressman Steil and lead this effort in the Senate to address the vulnerabilities being exploited by proxy advisors.”

Background:

Roughly 70 percent of the outstanding shares in publicly traded U.S. companies are held by institutional investors such as mutual funds and pension funds. American families depend on these institutional investors to manage their retirement savings, including voting their shares. However, to save costs, many institutional investors rely on proxy advisory firms for recommendations on how to vote the shares under

their control.

The market for proxy advice is dominated by two firms, Glass Lewis and Institutional Shareholder Services (ISS), which jointly have 97 percent market share. ISS is a German-owned company and Glass Lewis is owned by Peloton Capital, a private equity fund. Far too often, these two proxy advisory firms successfully pressure institutional investors to vote contrary to shareholder economic interests and in support of woke political initiatives.

These firms make more money if there are more shareholder proposals and, as a result, they are incentivized to encourage, including by voting for, activist proposals. At the same time, they also offer companies consulting services to address the same activist proposals they encourage. Making this even worse, the proxy advisory firms do not bear any costs and have no accountability for misguided recommendations. Retirees bear the costs of shareholder proposals and bad recommendations. Recently, with the encouragement of progressive SEC leadership, proposals have strayed into highly political areas that are beyond the expertise or authority of fund managers.

Steil has sent several letters to the SEC regarding changes to proxy advisor rules being made by Chair Gensler. These letters can be found [here](#) and [here](#).

Cosponsors of this legislation include Reps. Andy Barr, Elise Stefanik, Warren Davidson, Mark Amodei, Carlos Gimenez, Drew Ferguson, Mike Flood, David Joyce, John Rose, Dan Meuser, Scott Fitzgerald, French Hill, Burgess Owens, Kelly Armstrong, Scott Franklin, Buddy Carter, Jake LaTurner, William Timmons, and Brian Babin.

For a section by section of the legislation, click [here](#).

For full text of H.R. 448, click [here](#).