

**FOR IMMEDIATE RELEASE**  
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## **SBIA Expresses Support for Retirement Savings Modernization Act**

**Washington, D. C. (September 29, 2022)** – The Small Business Investor Alliance (SBIA) supports the Retirement Savings Modernization Act of 2022 sponsored by Senate Banking, Housing and Urban Affairs Ranking Member Pat Toomey (R-PA) and U.S. Sen. Tim Scott (R-SC), and by U.S. Representative Peter Meijer (R-MI), that makes clear that defined contribution retirement plan fiduciaries are able to diversify investments sensibly among a variety of asset classes including private equity that invest in Main Street small businesses.

401k plans and similar Direct Contribution (DC plans) are critical retirement vehicles for millions of American families. The vast majority of these retirement nest eggs are filled with publicly traded securities and bonds, with zero exposure to the private capital markets. Without exposure to these private capital markets, 401k and other DC plans often underperform the large defined benefit plans whose portfolios almost always include private equity and private credit as some of their best performing investments. American savers and investors should be given the option to include private capital markets as part of a diversified portfolio.

“This legislation does not mandate that plan fiduciaries invest into private equity,” noted SBIA president Brett Palmer. “Instead, this pragmatic proposal maintains all investor protections and fiduciary duties while clarifying that alternative asset classes are available to help maximize returns that plan participants rely on to fund their retirements. Better returns and broader diversification should be an option for working Americans preparing for their retirement.”

SBIA believes that the Retirement Savings Modernization Act of 2022, if enacted into law, offers practical tools that would encourage prudent diversification options within multi-asset funds, preserve the fiduciary standards of plan sponsors, and invite plan fiduciaries to consider investing in alternative asset classes like private equity that help expand access to capital for many domestic small businesses.

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### **About the Small Business Investor Alliance (SBIA)**

The Small Business Investor Alliance (SBIA) is the premier organization of lower middle market private equity funds and investors. SBIA works on behalf of its members as a tireless advocate for policies that promote competitive markets and robust domestic investment for growing small businesses. SBIA has been playing a pivotal role in promoting the growth and vitality of the private equity industry for over 60 years. For more information, visit [www.SBIA.org](http://www.SBIA.org) or call (202) 628-5055.

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