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House Education and Labor Committee
U.S. House of Representatives

"The Impact of the Financial Crisis on Workers' Retirement Security"

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Thank you, Mr. Chairman and committee members, for the opportunity to speak to you today and I look forward to your questions.

My name is (Thomas F.) "Tif" Joyce. I have had the good fortune to have been born and raised in the bay area and have lived my entire life here in Northern California. For more than 20 years I have been working as a Certified Financial Planner, and 8 years ago, my wife Judy and I started Joyce Financial Management.

We are a small business with just one employee, specializing in retirement planning and fee-based asset management for individuals, families and some small businesses. Only a handful of our clients could be considered wealthy by today's standards, and about 40% of them are already retired.

It's important to educate people that market ups and downs are normal, and we emphasize finding out our clients' true risk tolerance before they go through a market decline. Then we encourage them to buy "on sale," which is how they learn that you can use risk to your advantage. Our clients are weathering this storm because they have reasonable expectations, age-appropriate diversification, and we continually stay in touch to support them.

I am not an expert in macro-economics or public policy, but I do hope to offer your some "real world" perspective from Main Street consumers and their advisors.

- First, after they calm down, people view the recent financial turmoil as the latest in an ongoing string of challenges that must be overcome. We need to fix our problems because we have no choice.

At times like this, both investors and government alike need to be concerned about overreaction and trying to create permanent solutions for temporary problems.

If you ask most voters what they think of “a new national defined benefit plan” I strongly believe they would say, “Please fix Social Security first.”

On October 7th, a witness testified before this committee stating that our nation’s pain and chronic financial anxiety is caused by the corrosive effects of 401k plans...I suggest to you it has much more to do with 9/11, gasoline prices and war.

People understand that life is not always fair and they don’t expect government to legislate certainty. Let’s also keep in mind that huge numbers of people have successfully used retirement plans exactly as they were intended to be used.

- Second, please do not give up on educating people about money!

Now, more than ever we need to be a nation of informed consumers. People want the government to help, but more importantly, they aspire to be independent and self reliant.

But, how can they realize the “American Dream” without at least *some* financial “know-how?” Unfortunately, mere disclosure of information is not education. If it were, then schools would only need libraries, and they could fire all the teachers!

In our homes, schools, businesses – in our entire culture – we desperately need to promote the daily application of good financial habits.

- Ultimately, I believe that good can come from this financial crisis. Thank you, again, and I look forward to your questions.