

ICI VIEWPOINTS

AUGUST 30, 2012

The Public Deserves Accurate Reporting of the Debate over Money Market Funds

By Paul Schott Stevens

The *Financial Times* has recently published [a story](#) that significantly distorts recent developments around U.S. money market funds and the actions of the U.S. fund industry. Let's correct the record.

The story begins with the misleading suggestion that the U.S. fund industry has since 2008 “fought all out to preserve the status quo” in the context of financial reform. To the contrary, during the past four years, the fund industry has worked openly and constructively with regulators to change money market funds for the better. Thanks in part to our industry's cooperation, the Securities and Exchange Commission (SEC) became the first agency to address any of the financial products hit by the crisis, passing [a package of sweeping changes](#) in 2010 to tighten regulation and make money market funds more resilient. We weren't fighting “all out to preserve the status quo” then, nor when ICI and others developed [detailed ideas](#) for further reforms in 2011.

No less of a distortion is the story's assertion that the fund industry has enlisted “groups such as city mayors and state treasurers to lobby on its behalf.” I urge *Financial Times* readers and others to consult the record on [the SEC's website](#). From the American Association of Retired Persons (AARP) to the [U.S. Chamber of Commerce](#), an amazing array of voices from across the economy has expressed strong support for the core features of money market funds. Read their comments—they have not spoken out as some sort of favor to the fund industry. They have done so to preserve the benefits that money market funds bring to their organizations or businesses, their communities, and the broader economy.

A majority of commissioners at the SEC recently opposed pursuing flawed “structural” changes to money market funds. They recognized the importance of the 2010 reforms and the value of money market funds to investors and to the U.S. economy.

The public deserves reporting that accurately portrays the nature of the debate over money market funds. Unfortunately, the *Financial Times'* recent report falls well short of that mark.

Paul Schott Stevens was President and CEO of ICI.