



Written by [James Murphy](#) on February 2, 2023

Half the Senate Challenges Biden Admin Rule on ESG Investing

All GOP senators, along with Democrat Joe Manchin from West Virginia, are launching yet another attack against President Biden's embrace of so-called ESG investing. The senators are accusing Biden and his team of politicizing the retirement savings of more than 150 million Americans.

ESG — which stands for Environment, Social, and Governance — requires companies and fiduciaries to consider climate change and other environmental and social-justice issues when making business decisions. The ESG funding scheme is akin to the World Economic Forum's Klaus Schwab's "stakeholder capitalism."



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Late last week, more than two dozen states [filed](#) a suit to stop Biden's new rule, known as the "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights." The new legislation against ESG investing was introduced by Senator Mike Braun (R-Ind.). A companion bill, introduced by Representative Andy Barr (R-Ky.) will be introduced in the House of Representatives.

"President Biden is jeopardizing retirement savings for millions of Americans for a political agenda," Braun said in a [statement](#). "In a time when Americans' 401(k)s have already taken such a hit due to market downturns and record high inflation, the last thing we should do is encourage fiduciaries to make decisions with a lower rate of return for purely ideological reasons."

The GOP minority in the Senate isn't alone in fighting against the new Biden rule. One Democrat, West Virginia's Joe Manchin, has joined them. Recall that Manchin held the line for several months last year in defiance of Democrats who were attempting to pass Biden's "Inflation Reduction Act." Manchin eventually capitulated, and the \$790 billion travesty was signed by Biden in August of last year.

"At a time when our country is already facing economic uncertainty, record inflation and increasing energy costs, it is irresponsible of the Biden Administration to jeopardize retirement savings for more than 150 million Americans for purely political purposes," an outwardly penitent Manchin said of the new legislation.

"I'm proud to join this bipartisan resolution to prevent the proposed ESG rule from endangering retirement incomes and protect the hard-earned savings of American families. I encourage my colleagues on both sides of the aisle to support this important resolution to ensure Congress is promoting economic security for West Virginians and Americans, not further exacerbating the serious economic challenges they are already facing," he added.

Manchin's fellow West Virginia senator, Shelley Moore Capito, a Republican, also came out in strong support of the new legislation. West Virginia is a huge producer of fossil fuels, most notably coal, and Biden's climate agenda puts many jobs in that state at risk.



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“Americans who work today and save for tomorrow need to optimize their returns to afford life in retirement,” Capito said. “Political agendas like Joe Biden’s ‘woke’ ESG requirements pressure financial experts to shift potential gains away from American retirees and into Joe Biden and the Department of Labor’s political projects. These efforts harm Americans saving for retirement by pressuring investing specialists to use Americans’ life savings to fund the radical agenda in the White House.”

The House version of the legislation is expected to hit in the coming days. Both bills should be voted on in the next few weeks, according to an aide of Senator Braun. The House and Senate can promise this under the terms of the Congressional Review Act, which states that joint resolutions of disapproval must be considered on the floor.

“Retirement plans should be solely focused on delivering maximum returns, not advancing a political agenda,” Barr said. “If Congress doesn’t block the Department of Labor’s rule greenlighting ESG investing in retirement plans, retirees will suffer diminished returns on the investment of their hard earned money. It’s time for Congress to act and I applaud Senator Braun and our colleagues for renewing this fight.”

While the House of Representatives and the Senate work to overturn the new rule legislatively, 25 states are challenging the new rule in court.

“The Biden Administration is promoting its climate change agenda by putting everyday people’s retirement money at risk,” Utah Attorney General Sean Reyes, one of the state leaders, said.

“Americans are already suffering from the current economic downturn. Permitting asset managers to direct hard-working Americans’ money to ESG investments puts trillions of dollars of retirement savings at risk in exchange for someone else’s political agenda. We are acting with urgency on this case because this illegal rule is set to take effect next week. It must be stopped.”

President Biden will most likely veto the legislation should it pass.

More than a globalist ploy to attain climate and “woke” agenda initiatives that cannot be met through legislative efforts, ESG seeks to use people’s own money — their retirement savings — to advance policies that most would not vote for or accept.



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