



First Affirmative
Financial Network, LLC

Investing for a Sustainable Future

November 12, 2013

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: Pay Ratio Disclosure, File No. S7-07-13

Dear Ms. Murphy:

First Affirmative is a United States based investment management firm with over \$825 million in assets under management. We work on behalf of clients who ask us to help them integrate their values with their investment portfolios.

We writing to express strong support for the U.S. Securities and Exchange Commission's proposal requiring disclosure of the CEO-to-worker pay ratio as mandated by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We support the law requiring CEO-to-worker pay ratio disclosure because this data benefits investors as well as other stakeholders.

The ratio of CEO to worker pay at individual companies is material information for investors. High pay disparities inside a company can hurt employee morale and productivity, and have a negative impact on a company's overall performance. Moreover, disclosure of the median employee pay will help investors better understand companies' overall compensation approach to developing their human capital.

Investors will also be able to use CEO-to-worker pay ratios as an additional metric for evaluating say-on-pay votes and other executive compensation issues. Pay ratio disclosure helps investors evaluate CEO pay levels in the context of companies' internal compensation structures. Investors will be able to see how the ratio changes over time at individual companies and compare companies within industries.

As required by Dodd-Frank Section 953(b), the proposed rule appropriately requires companies to disclose the median pay of *all* of their employees. Given recent labor market trends, many publicly traded companies employ a majority of international employees or part-time employees. Investors will receive an incomplete picture of their company's pay practices if these employees are excluded from the disclosure.

We commend the Commission for proposing to reduce compliance costs as much as possible without reducing the benefits to investors. The proposed rule gives companies considerable flexibility through sampling or using payroll data to calculate the median. We also support the Commission's proposal to permit companies to provide supplemental disclosure on their overall workforce compensation practices.

Please act swiftly to adopt the final rule implementing Section 953(b) of the Dodd Frank Act. Investors and other stakeholders will benefit from this disclosure in proxy voting on executive compensation and in making investment decisions based on workforce considerations.

Thank you for taking my views into consideration for your final rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Schueth', written in a cursive style.

Steven J. Schueth

President

First Affirmative Financial Network