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*New annual study examines financial advisors and key trends in retirement income delivery*

## ***Lack of Consistency Remains the Norm for Advisors in Working with Retirement Income Clients***

BOSTON, October 4, 2016 – There remains little conformity or consistency in how advisors work with retirement income clients, with no consensus on key elements of support such as the approaches used to meet investor income needs, the use of products specifically designed for income, the targeted withdrawal rate, the desired income replacement rate, or the sources they turn to for assistance according to a new in-depth research report released today by **GDC Research** and **Practical Perspectives**, two independent consulting and research firms working with wealth management providers and distributors.

The 85 page report “**Advisors and Retirement Income Support - 2016**” builds on prior research dating back to 2008 and examines trends in how advisors work directly with individual retirement income clients. The analysis reviews the key challenges advisors experience when working with retirement income clients from a portfolio management, practice development and client relationship perspective, the additional help most important to advisors, and the sources that deliver the most useful retirement income support. The research also examines key aspects of portfolio management for retirement clients including solutions relied on most often, the type of platforms used to manage assets, and the potential impact of the DOL fiduciary rule on advisor support for this investor segment.

*“Retirement income investors comprise the core target audience for many advisors. Yet there remains great diversity in how advisors work with these clients, and little consensus on how to deliver income, which solutions to rely on, or the principles to guide support. There has been virtually no shift in the philosophies advisors use to*

*manage portfolios or greater agreement on the best solutions to use for these investors. Market volatility and low interest rates have created continued challenges for advisors in responding to the fears and anxieties of retirement income investors, especially the newly emerging Baby Boomer”* says Howard Schneider, President of Practical Perspectives and author of the report.

The report is based on input from over 600 financial advisors gathered through an on-line survey conducted in July/August 2016. Those surveyed include full service brokers, independent brokers, financial planners, and Registered Investment Advisors (RIAs).

Highlights of the report include:

- The vast majority of advisors take a more generalist approach in positioning their practice to serve retirement income clients with only 1 in 5 advisors, or 19%, indicating they position their support primarily to retirement income clients and away from a more generalist approach.
- For nearly 6 in 10 advisors, or 59%, retirement income relationships represent more than half of all assets managed and greater than 1 in 2 advisors, or 53%, indicate retirement income investors are more than half of all clients they currently support.
- The most significant focus of retirement income support relates to portfolio construction/investment management and retirement planning/withdrawal strategies, with these capabilities a significant focus for roughly 4 in 5 advisors.
- The most frequently listed providers of useful retirement income support are larger product providers, leading service providers, and other major back office firms with American Funds, BlackRock, Vanguard, Morningstar, Jackson National, JP Morgan, Charles Schwab, Prudential, and TD Ameritrade among the top sources.
- Advisors mention simplicity, additional education, continued updates and data, unbiased and objective information, help with generating income, and marketing support as unprompted key needs for additional help in working with retirement income clients.
- Most advisors do not expect to make significant changes in how they support retirement income clients in response to the DOL ruling on retirement advice, although many expect to increase use of fee-based solutions and to access more low cost options.

*“While support for retirement income clients is a core activity of virtually all advisors, few specialize exclusively on the topic and many still do not have a significant focus on offering help with less traditional subjects such as Social Security, healthcare, or cognitive aging issues”* says Dennis Gallant, co-author of the research report. *“The demand for assistance to help work with and influence retirement income clients -- whether in managing portfolios or accessing value add programs and tools to engage with retirement investors – is strong given the many challenges articulated by advisors. Opportunities still remain for product providers, distributors, and other information or technology sources to help create and enhance the products, solutions, and services that advisors can use with retirement income investors.”*

The detailed report includes 52 Exhibits and is available for purchase by contacting: [gallant@gdcresearch.com](mailto:gallant@gdcresearch.com) or [howard.schneider@practicalperspectives.com](mailto:howard.schneider@practicalperspectives.com)

### **About GDC Research**

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### **About Practical Perspectives**

**Practical Perspectives** was founded in 2002 and provides customized strategic and tactical support to companies involved in the creation and distribution of asset management products and services. Our support is provided for a variety of challenges including marketing, competitive intelligence, product, and retirement issues. [www.practicalperspectives.com](http://www.practicalperspectives.com)