



on the future
of retirement



Closing Comments

RIIA and the IIR's 3rd. Annual Managing Retirement Income

February 12 & February 13, 2007



Thank you to our co-Chairs for keeping us on schedule while managing substance over process.

- **Morning - Day 1** – *co-Chair: David Macchia, Wealth2K*
 - ▶ **Strategic Context**

 - **Afternoon - Day 1** – *co-Chair: Bob Del Col, FundQuest*
 - ▶ **The Present of Retirement Income Offerings**

 - **Morning - Day 2** – *co-Chair: John Bahnken, Bank of America*
 - ▶ **The Future of Retirement Offerings**
 - *Concurrent Session Co-Chairs: Chris Durbin, John Pyndus*

 - **Afternoon - Day 2** – *co-Chair: Brian Birmingham, Genworth*
 - ▶ **The Investor's Behavior**
-

Conference Theme Cluster #1

How Much Farther Can Incremental Changes Go?



- **Focusing the Opening Comments' Key Questions:**
 - ▶ How long can we “change the story” without changing the product set or the business models?
 - Do current solutions look expensive and/or complicated from the customer's point of view?
 - **Key Questions arising from the Conference discussions:**
 - ▶ What is the scope and magnitude of retirees' need to dip into their savings in order to supplement or maintain their retirement incomes?
-



- **Focusing the Opening Comments' Key questions:**
 - ▶ **What are the limits of current products, processes and methodologies?**
 - **Do we need to move from the risk-based orthodoxy to a goal-based paradigm in order to address the investors' need for personal necessities, joy as well as protection from financial shocks?**

 - **New Questions arising from the Conference discussions:**
 - ▶ **What third-party enabling developments must gain acceptance before new retirement income solutions can emerge?**
 - ▶ **What are the implications for the financial industry if key aspects of the retirement income business are governed by the economics of information technologies and subject to annual price-performance doubling laws?**
-

Conference Theme Cluster #3

Where are the Scalable Solutions?



- **Focusing the Opening Comments' Key Questions:**
 - ▶ How much market fragmentation are we observing and expecting?
 - Which Baby Boomers are expressing and acting upon preferences for more customized lifecycle solutions?
 - **New Questions arising from the Conference discussions:**
 - ▶ Will intermediary-based distribution meet demand adequately given expectations of declining advisor ranks and an increasing customer base?
 - ▶ Will structured products be the new winners and become to mutual funds what mutual funds became to pre-401(k) insurance products?
-

The Evolution of RIIA's Key Questions from 2006 to 2007



- *Is the market shift from asset accumulation to distribution for income generation real?*
 - ▶ **What is the scope and magnitude of retirees' need to dip into their savings in order to supplement or maintain their retirement incomes?**
 - *Will the money-in-motion reach trillions of dollars?*
 - ▶ **Will intermediary-based distribution meet demand adequately given expectations of declining advisor ranks and an increasing customer base?**
 - *Do large market segments lack convenient access to the products, tools and processes that match their needs?*
 - ▶ **What third-party enabling developments must gain acceptance before the new retirement income solutions can emerge?**
 - *Are existing asset accumulation products, tools and processes likely to be inadequate for providing income generation?*
 - ▶ **Will structured products be the new winners and become to mutual funds what mutual funds became to pre-401(k) insurance products?**
 - *Are early income generation products, tools and processes not likely to meet the entire volume of money-in-motion?*
 - ▶ **What are the implications for the financial industry if key aspects of the retirement income business are governed by the economics of information technologies and subject to annual price-performance doubling laws?**
-