

Ally, Ally, InFRE

By Kerry Pechter Wed, Nov 25, 2009

The International Foundation for Retirement Education, directed by Kevin S. Seibert, CFP, has been certifying retirement advisors since 1997. Now the certifier itself is certified.



Betty Meredith

If you've attended a retirement income conference anywhere in the continental United States recently, you've probably met Kevin S. Seibert, CFP, CEBS, CRC, managing director of the International Foundation for Retirement Education, or InFRE.

A tall, sandy-haired Midwesterner, the Barrington, Ill.-based Seibert logs many thousands of air miles each year, delivering slide presentations at retirement conferences and teaching workshops on retirement income to groups of financial advisors, often at banks and insurance companies.

You may even have heard Seibert describe his epiphany when he broke with the orthodoxy of conventional financial planning and realized that life annuities, by virtue of their mortality credits, can be an important source of retirement income.

If you've seen Seibert lately, you may also have heard him announce that the Certified Retirement Counselor designation, which [InFRE](#) confers, is now accredited by the [National Commission for Certifying Agencies](#), after two years of work by Seibert and his colleague, Betty Meredith, CFA, CFP, CRC.



Betty Meredith

So-called "senior designations," as you probably know, have become objects of controversy. Two years ago, a number of self-described "senior specialists" used flimsy credentials and free lunches to hustle retired investors. Several states began prosecuting them.

Regulations soon followed. The State of Massachusetts eventually banned the use of senior certificates except for those accredited by either the NCCA or the [American National Standards Institute](#), two

organizations that certify certifiers.

Financial advisors clearly benefit from having the right acronyms after their names. In the retirement income sphere, several certifying bodies are vying for advisors' attention. To help advisors understand their options, RIJ has initiated an occasional series on organizations that offer certificates in the retirement space.

A few weeks ago, we reported on the Retirement Management Analyst designation, which is currently in development by the Boston-based [Retirement Income Industry Association](#). This week we report on InFRE's Certified Retirement Counselor designation.

Non-partisan manual

Depending on how much you've already read about or know about retirement income, the topics that InFRE's manuals cover and the skills that are assessed during the four-hour, 200-question CRC exams may either be familiar or entirely new.

InFRE's 276-page, spiral-bound study guide, "Strategies for Managing Retirement Income," written by Meredith and Seibert in partnership with NAVA (now the Insured Retirement Institute), presents a six-step process that covers all the basics—client assessment, management of retirement risks, income generation, etc.—in thorough and even-handed detail. It doesn't push any particular philosophy, other than perhaps the assumption that retirement income planning is quite different from financial planning in mid-life.

"We took a lot of the information that's already out there, we researched it thoroughly, and we used it to develop Strategies for Managing Retirement Income," Seibert told RIJ. "That's our main course of study, but it's separate from CRC. It goes into more depth than the study guides for the CRC examination."

The distinction between the educational materials that InFRE promotes and the CRC study guides or "Test Specifications" is an important one. To be NCCA-accredited, a certifying body must show that it isn't merely using a designation as an excuse to sell textbooks or other paraphernalia. Nor does the NCCA accredit an organization that simply awards a framable "diploma" to people who have completed a specific course of study.

"A certification program isn't based on the education, it's based on knowledge," said Jim Kendzel, executive director of the Institute for Credentialing Excellence, or ICE, of which the NCCA is the accrediting arm. "It's always linked to an assessment tool, and it always involves a continuing education requirement."

(The credentialing process presents a kind of infinite regression. InFRE is accredited by NCCA, which is part of ICE. ICE, in turn, is accredited by the American National Standards Institute, whose board consists of officers of major U.S. corporations, academics, and federal officials. ANSI represents the U.S. at the ISO, or International Organization for Standardization, which governs the ISO 9000 quality standards.)

InFRE met those requirements in September, after a two-year application process—and twelve years after the CRC was created. InFRE first developed the designation in 1997 in partnership with the Center for

Financial Responsibility at Texas Tech University in Lubbock and with help from a federal grant. It has been certifying and re-certifying financial professionals since then.

“About 2,000 people are accredited or in the process of being accredited, and we’re hoping to go to 3,000 by end of 2010,” Seibert told RIJ. “About 60% to 70% are in financial services. Our growth slowed down last year, as anticipated, because state compliance departments were saying, ‘We’re not going to let you use your retirement designation until it’s accredited.’”

One of the first to receive the CRC from InFRE was Linda Laborde Deane, CFP, AIF (Accredited Investment Fiduciary) of Deane Retirement Strategies in New Orleans. Her son Keith, a 2008 University of Georgia graduate, is among the most recent to start the CRC process.

“The more credentialing you have, the more clients respect you and the more confidence they have in you,” she told RIJ. “It’s important that CRC has continuing education requirements because clients are aware of that—that is, if you make them aware of it.”

Deane sees no need for annuities for her retired clients, preferring to rely on prudent, adjustable systematic withdrawals for income. She advises her clients each year on how much they can afford to harvest from their accounts. Though not a market timer, she watches the markets closely. In July 2006 she eased back to a 50/50 balance of stocks and bonds, then stood pat. “My clients went through 2008 without any decrease in their income,” she said.

Annuity revelation

Seibert joined InFRE in 2003. A graduate of Miami University of Ohio with an MBA from the University of Wisconsin, he founded and operated Balance Financial Services, a Chicago financial planning and consulting in 1988. Earlier, he’d been a consultant at William M. Mercer Inc., specializing in employee benefits.

His financial life includes a conversion of sorts. “When you grow up in the fee-only CFP world, you’re taught to think that annuities are bad.” He had not considered the mortality pooling effect, however, which enhances the wealth of the surviving annuity owners.

“That was something of a revelation,” he said. “And you’re not just getting more income than you would otherwise. You’re preserving your managed assets as well by making sure that your basic needs will always be met. One of the cons of annuities is that they take away from your estate. But the opposite is true. If you live a long time, they can preserve your estate.”

You might notice that Seibert and Deane don’t hold identical views on the value of income annuities. But then, there’s nothing in the CRC designation that says they have to.