
BlackRock declares itself the retirement leader, hires Bruce Wolfe

By Kerry Pechter *Thu, Jan 23, 2014*

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Birds don't do it. Bees don't do it. Not even the flowers or the trees do it. But, in recent years, several large financial services companies haven't been able to resist declaring themselves to be *the* next leader of the retirement space.

The latest self-annointee is BlackRock, the \$4.3 trillion asset manager and purveyor of iShares exchange-traded funds (ETFs) and LifePath target date funds (TDFs). Though not a plan recordkeeper, the firm has also been a leader in the DCIO (defined contribution investment-only) business.

This week, BlackRock announced that it would create a combined United States Retirement Group (USRG) to coordinate and grow its sales into the DC and IRA markets. Chip Castille, the head of its DC business, will be the new group's leader while continuing to lead the DC business. Bruce Wolfe (above), who once led a similar reorganization effort at Allianz Global Investors and has been a consultant to BlackRock, will be USRG's chief operating officer.

Last fall, BlackRock with some fanfare introduced its CoRI Index, an online tool that helps individual investors calculate their retirement readiness. Bond funds that will serve as the proverbial blades in the CoRI razor are yet to be publicly announced. Castille gave a presentation on CoRI at the Retirement Income Industry Association meeting in Austin, Texas, last October.

In a recent internal memo to U.S. employees and contractors, Rob Fairbairn, head of BlackRock iShares and retail, wrote, "We want BlackRock to be the undisputed leader in helping our clients manage and solve this crisis. Beyond any single retirement product or initiative, BlackRock should own the retirement category and transform the way investors, financial advisors and institutions approach it."

Wolfe, in an interview with *RIJ* this week, briefly described what he'll be working on at BlackRock in 2014, and how BlackRock might compete with entrenched soup-to-nuts firms like Fidelity and Vanguard, which serve the entire retirement savings food chain with individual and institutional funds and ETFs, plan administration and recordkeeping, IRA rollovers, brokerage services and annuity distribution.

"The question became, 'How can [BlackRock] expand its DCIO business to take the company into retirement in a broader context? My new responsibilities will involve developing product strategies and marketing efforts around the retirement theme. I'll be taking the lead on issues around decumulation,'" Wolfe said.

Part of Wolfe's job will be to follow the money, which is steadily flowing from DC plans to rollover IRAs. "We'll be developing, or evaluating, multi-asset products and asking, 'How do we get them not only onto defined contribution platforms but also work to penetrate the IRA market?'" he said. "We'll distribute not

just through the U.S. Retirement Group but will also partner with U.S. Wealth Advisory, BlackRock's U.S. retail business."

Wolfe provided no new details on the CoRI project. "On a tactical level, the CoRI index is out and available. The products associated with it have not been approved yet. These are registered funds and they're still in the approval process. CoRI has applications in the DC space and with the insurance companies," he said. "The short answer to your questions is that we're going to look at everything."

Founded in 1988 within The Blackstone Group as a fixed income specialist, BlackRock adopted its current name in 1992. It became a subsidiary of PNC Financial in 1995 before going public in 1999. Since then it has acquired Merrill Lynch Investment Managers (2006), the Quellos Group LLC (2007) and Barclays Global Investors (2009).

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