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## **Insurance U. Becomes Retirement U.**

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By Kerry Pechter     *Wed, Feb 17, 2016*

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*Conceived by Solomon Huebner (pictured in the 1950s) to give life insurance salesmen a professional gloss, The American College has, with money from New York Life, become Retirement Income U. Its RICP designation has 2,000 grads and another 8,000 enrollees.*

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Elite colleges and universities are easy to find in the leafy suburbs of Philadelphia. There's Villanova, of hoops fame, and the Quaker trinity of Swarthmore, Haverford and Bryn Mawr. Then there's The American College, a kind of grad school where adults study taxation and insurance and add credentials like the CFP and CLU to their business cards.

The American College of Financial Services, to use its full name, is fast becoming known for another acronym: RICP. Since 2013, more than 10,000 advisors have enrolled in its Retirement Income Certified Professional designation program and some 2,000 have graduated. The RICP recently passed the CLU (Chartered Life Underwriter) as the college's biggest revenue source.

The American College wasn't the first to market a retirement income-focused designation. InFRE's Certified Retirement Counselor (CRC) and the Retirement Income Industry Association's Retirement Management Analyst (RMA) preceded it. But the College's reputation and resources, along with some strategic staffing, are making the RICP the most popular ornament for advisors who want to position themselves as retirement experts.


Far from the din of the DOL rule, these programs are fomenting a modest revolution in financial advice. Most advisors still specialize either in investments or insurance, but these programs are predicated on the idea that a combination of the two product types can give retirees the best financial results—and the most fiduciary results. The revolution is taking longer than some people hoped and expected, but not for lack of effort by these designation-shops.

### **The main courses**

The RICP program is self-directed and based on distance-learning. It provides what David Littell, J.D., ChFC, the 1988 Olympic fencer who teaches taxation and holds the Joseph E. Boettner Chair in Research at the College, calls an "asynchronous experience." Enrollees in New York, California, Colorado or Florida, for example, can study remotely and on their own schedules.

The curriculum consists of three learning objectives, each covered by a single course. “The first course is about process,” Littell told *RIJ* during a recent interview at the college. “That’s where we identify the elements of the retirement income planning process. In courses 2 and 3 we go deeper into specifics. The second course covers Social Security claiming strategies, flooring with annuities or investments, and other portfolio building issues.

“The third course looks at reverse mortgages. We use Harold Evensky’s strategy for tapping home equity conversion mortgage lines of credit (HECM LOCs) for current income instead of selling depressed assets, and then paying them down later. We also look at long-term care insurance and Medicare choices. It ends with retirement income portfolios.”



## The RICP’s Three Required Courses

**Retirement Income Process Strategies & Solutions**  
A step-by-step guide to building a retirement income plan (and a retirement income practice), including calculating a client’s financial readiness for retirement; addressing any shortfalls; anticipating tax and legal threats to an income plan; reviewing common retirement risks; and developing a strategy for converting assets to income.

**Sources of Retirement Income**  
This course shows advisors how to determine each client’s appropriate Social Security claiming age and optimal retirement age, how to choose annuities, and how to help clients create retirement savings portfolios. It also covers executive benefits and retirement benefits for federal and military employees, life insurance, the needs of small business owners, and recent research on sustainable retirement income.

**Managing the Retirement Income Plan**  
This module covers tax-efficient distributions from retirement plans, optimal Medicare and other health insurance choices, and optimal retirement housing decisions. It also addresses long-term care needs and the need for periodic mid-retirement strategy corrections. The course also shows advisors how to help clients make the transition into retirement, maintain satisfaction in retirement, and ensure that financial strategies support life goals.

These courses are delivered via the Internet, using reading material, recorded videos and the Blackboard interface between school and student. “There’s an online lecture and a Power-Point presentation for each course. For each course we have a detailed outline and practice questions. The outline is like a book; it has all the points that are in the lecture,” Littell said.

## Open architecture

The RICP videos are produced in the College’s own video production center. The talent in these televised presentations, interviews and roundtable discussions is provided either by members of the College faculty or by a growing pool of retirement experts who make guest

appearances.

The faculty who appear in the videos include, besides Littell, Wade Pfau, Ph.D., and Jamie Hopkins, J.D.. Pfau is a professor of Retirement Income at the College and one of the country's most widely-published retirement authorities. Hopkins teaches taxation and serves as co-director of The American College New York Life Center for Retirement Income.

Dozens of other videos feature a growing list of retirement experts who make cameo appearances as presenters or interviewees. "So far it's grown to include 40 experts. [In terms of investment philosophy], they range from Michael Kitces and Jonathan Guyton, who don't like annuities, to Tom Hegan," the ex-Marine, pro-annuity motivational speaker and author of *Paychecks and Playchecks* (Acanthus 2012), Littell said.

Other experts include, for example, Curtis Cloke, the Burlington, Iowa, advisor who created the THRIVE system of optimizing the tax benefits of combing investments and insurance products, Brent Burns (co-author of *Asset Dedication*, McGraw-Hill 2004), who advocates bond laddering for income flooring, and journalist Mary Beth Franklin, an expert on Social Security claiming strategies.

The cost of the each of the three required courses is \$950. The combined cost is \$2,450 when all three are purchased at once. There are no requirements or prerequisites for enrolling in the program. Many candidates are making the RICP their first designation—something that The American College had not expected, Littell said.

As an added benefit, students earn continuing education credits while studying for the RICP. "If you take the quizzes at the end of each course you can get insurance or CFP continuing-education courses," Littell told *RIJ*. "That adds to the value of the designation and it saves money. Getting CE credit from us means one less conference they have to travel to."

The college draws its students from the ranks of independent advisors as well as from broker-dealers. "We have approval from Merrill Lynch, and we just got approval of the designation from Raymond James. There are now about 40 distribution firms where the designation is approved for use on the advisors' business cards," Littell said.

### **Studiously agnostic**

Founded in 1927 as The American College of Life Underwriters by Solomon Huebner, the first insurance professor at the University of Pennsylvania's Wharton School, the school

later added training for the Certified Financial Professional and Chartered Financial Consultant designations, as well as programs leading to masters of science degrees in Financial Services and in Management. The doctoral program in Financial and Retirement Planning was started in 2012 with a \$5 million grant from New York Life.

In 2008, The American College started its New York Life Center for Retirement Income with a \$2 million grant from the mutual insurance giant. Today, Littell and Jamie Hopkins are co-directors of the center. The center has a video library, accessible to the public on the college's website, with some 60 videos on different topics within the field of retirement income.

"New York Life told us at the time that the coming business would be huge, and that they wanted to improve the field. Since then we've started the video project and the website. Eventually we asked ourselves, 'Won't it make sense for this to become credentialized?'

"Early on, we talked to Francois Gadenne (founder of RIIA) about combining forces behind RIIA's designation—the Retirement Management Analyst—and I even took the course myself. But ultimately we couldn't see how it would work. They had the 'flooring' approach, but we wanted our designation to be broader than that, to include long-term care insurance and housing wealth. We didn't think that the right designation existed yet."

Less than two weeks ago, the College further cemented its claim to thought-leadership in retirement planning when it hired Michael Finke, Ph.D. to be its dean and Chief Academic Officer, starting this summer. Finke has been Director of Retirement Planning and Living at Texas Tech University. Like Pfau, he's a well-known and widely published expert on retirement income planning. (Before Pfau was hired by The American College in 2013, he served as volunteer curriculum director for RIIA's RMA designation.)

The RICP program tries to be ideologically agnostic, promoting neither one type of financial product over another or one business model—commission, fee-based, fee-only, or hourly—over another. One of the principal problems in financial advice today, arguably, is the tendency of advisors to use products and processes that fit their business models—and to ignore others, even if they might suit the client as well or better.

The American College made a strategic decision to remain above that fray. "We intentionally have no commitment to any particular philosophy, Littell said. "We think that's attractive to advisors. On the issue of business models, that's been a concern of ours from the beginning. We decided just to teach people the right ways to do [retirement income

planning] it and assume that there's no bias in their business models one way or the other. Our answer is to just keep telling them how to do it right."

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