
More Advisors Using Bucket Methods—FPA

By Editor Test *Wed, Dec 9, 2009*

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More than one-third of financial planners are now using some form of time-based segmentation approach to generating retirement income, according to the Financial Planning Association's 2009 Financial Adviser Attitudes and Perceptions About the Retirement Income Distribution Market survey.

The survey was conducted by Diversified Services Group, sponsored by Nationwide Financial Institute of Retirement Income and published by FPA Press.

Financial planners with clients who are in or near retirement said, because of the economic downturn:

- 40% of clients have made lifestyle adjustments
- 18% of clients delayed their retirement
- 6% of clients who had previously retired returned to work

Sixty-three percent of planners surveyed reported they provided retirement income planning advice, services and products to more than half of their client base in the last year. Almost half of the planners surveyed also said they gained between four and ten new retirement income clients in the last year. Almost 80% of planners assist in client's long-term care decisions.

Additional survey findings include:

Of the time planners spend on retirement planning, 50% is focused on calculating a client's income needs, determining the right asset allocation mix, developing a withdrawal strategy and selecting and processing investment products and solutions.

More than a third of planners reported using a time-based segmentation approach to income, while 14% use an essential versus discretionary income approach. "Three or four years ago, eight out of 10 planners used the systematic withdrawal approach, now only four out of 10 are using that strategy," said Brad Davis, vice president of retirement income solutions at Nationwide Financial.

More survey details are featured in Retirement Distribution Planning, a supplement to the December issue of the Journal of Financial Planning. The full survey is available for \$5,000 for FPA institutional members (\$7,500 for nonmember firms) through the FPA Research Center.

