# Retirement Planners Like American Funds, Franklin Templeton, and Blackrock/iShares, Survey Shows

By Editor Test *Tue, Jun 1, 2010*

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Financial advisor practices are serving more retirement income clients these days, but planners, brokers and RIAs fret about managing investment risk for those investors.

So says *The Continued Evolution of Retirement Income Delivery: An Analysis of Leading Practices in Advisor Support*, a new 110-page report from GDC Research and Practical Perspectives, two independent consulting and research firms.

Sixty-three percent of advisors say they have experienced net growth in the past year in serving retirement income clients, the report said. Advisors also find these clients are receptive to consolidating relationships.

While 91% of advisors believe they can effectively serve new retirees, they are increasingly wary of how t o manage investment risk for retirement income clients**.** One in four advisors are now less confident in their ability to manage investment risk compared to one year ago. They attribute that to market doldrums, low interest rates, and expectations of slow economic growth.

"In response to this uncertainty, advisors have taken a number of actions including rebalancing portfolio targets, shifting to more conservative allocations, and increasing use of guaranteed solutions such as variable annuities," the authors said in a release.

"Advisors are gearing up to support the inevitable wave of boomer retirees, adding new products and services as well as expanding advice delivery" said Dennis Gallant, president of GDC Research and co-author of the report. "Yet only a limited number of advisors—less than one in 25—have shifted the primary focus of their practice to serve this growing market."

"There continues to be little consensus in the best way to create retirement income streams or manage portfolios," said Howard Schneider, president of Practical Perspectives, the report co-author. "While there is growing use of certain vehicles such as ETFs and variable annuities, we continue to find significant variation in the approaches, products and providers that advisors use to deliver retirement income to clients."

The findings are based on over 100 on-line surveys conducted in March 2010 with financial advisors and representatives, as well as interviews with advisors and industry executives. Full service brokers, independent brokers, financial planners, Registered Investment Advisors (RIAs), and bank/insurance representatives participated.

To purchase the report, contact howard.schneider@practicalperspectives.com or gallant@gdcresearch.com.

Other highlights of the report include:

- 86% of advisors say support for low-balance and affluent retirement income clients requires the same amount of time and effort.
- Nearly eight in 10 advisors have changed the way they manage investment risk for retirement income clients in the past year.
- Shifts in government programs and benefits (38% of advisors are concerned), increased taxes (34%), and rising health care expenses (28%) are wild card factors that worry advisors.
- Favorite providers for advisors who are building retirement income portfolios include American Funds, Franklin Templeton and BlackRock/iShares, though those firms don't have specific new solutions for this marketplace.
- Regarding annuities, 55% of advisors are concerned about "the ability of annuity providers to deliver on long-term benefits" and over 90% worry about "safety and credit rating."