

---

## Retirement research from the CFA Institute etc.

---

By Editorial Staff    Tue, Oct 17, 2017

---

*Experts at the CFA Institute, PIMCO, Alliance Bernstein, Standard & Poors', IMCA (now the Investment and Wealth Institute), State Street Global Advisors and elsewhere produced a lot of great retirement research over the past two years. Here's a sampler.*

---

The tiger-pit known as “sequence” risk. The unscalable challenge of converting defined contribution savings into lifelong income. Palliatives for the mixed blessing of ultra-longevity. A peek at how the natives up north (Canada) and down under (Australia) pay for their retirement.

The CFA Institute has released a list of links to its best and freshest (or almost-fresh) retirement research, which cover the above topics and then some. Unless you're preoccupied with the text of the latest Republican tax plan, or an annuity prospectus, or the new season of Curb Your Enthusiasm, check them out:

**[Reducing Sequence Risk Using Trend Following and the CAPE Ratio \(Financial Analysts Journal, 2017\)](#)**

Using U.S. equity return data for 1872–2014, this paper shows how sequence risk can be significantly reduced by applying trend-following investment strategies. The authors also show the importance of knowing the CAPE ratio, at the beginning of a decumulation period.

**[Longevity and Sequencing Risk: Using alternative investments to address pre- and post-retirement issues \(Invesco, 2017\)](#)**

This paper will explore the issues and challenges associated with longevity and sequencing risk, especially in the current market environment, and examine how alternative investments offer investors potential solutions for these risks.

**[Turning DC Assets Into a Lifetime Paycheck: Evaluating Investment Choices \(PIMCO\)](#)**

In this paper, Stacy Schaus and Ying Gao argue that the best strategy for creating a retirement income stream is for retirees to keep savings in their Defined Contribution plan.

**[Longevity Risk and Retirement Income - CFA Institute Research Foundation Literature Review \(2015\)](#)**

The authors present a literature survey over the past 50 years on longevity risk and portfolio sustainability. They highlight and deliver key insights on important and emerging themes with the topic areas.

**[DC Pensions - The Longevity Issue \(SSGA, 2017\)](#)**

This edition of SSGA's “The Participant” celebrates five years of the magazine with a special issue, which explores how increasing life spans are affecting retirement savers.

**[Making STRIDEs in Evaluating the Performance of Retirement Solutions \(S&P Dow Jones Indices, July 2017\)](#)**

This paper tests S&P STRIDE's approach to consumption risk and asset allocation over the period 2003-2016 for hypothetical 2010 retirees by comparing the S&P STRIDE Glide Path 2010 Index Total Return to the average 2010 target date fund (TDF).

**[Lifetime income solutions for DC pensions \(Willis Towers Watson, 2016\)](#)**

Willis Towers Watson presents their findings on a survey conducted to learn more about what actions

employers are taking to address employees' longevity risk.

**[How much can retirees spend? The “virtual annuity” approach \(Barton Waring & Laurence Siegel\)](#)**

The authors of this paper propose the “virtual annuity” approach to help determine a retiree's spending rule.

**[Optimizing Retirement Income Solutions in Defined Contribution Retirement Plans \(SOA, 2016\)](#)**

This 58-page report aims to help plan sponsors, advisors and retirees achieve their goals by providing them with an analytical framework for evaluating a variety of possible retirement income solutions.

**[Are Target Date Funds On Target? \(QMA\)](#)**

Jeremy Stempien examines how the probability of success is measured, the sensitivity of income expectations to different return assumptions, and finally considers the outlook for asset class returns.

**[Designing the Future of TDFs: Improving US retirement outcomes \(AB, 2017\)](#)**

The author delivers insights on an improved glide path design—incorporating a broader set of asset classes with a multi-manager architecture that can potentially reduce risk and build more retirement income.

**[The Case for “Bonds for Financial Security” \(IMCA, 2016\)](#)**

IMCA explains, Bonds for Financial Security (BFBS) and argues that this single instrument can help investors achieve retirement objectives at lower risk, lower cost, and with greater liquidity and simplicity than traditional portfolios.

**[Canada: Decumulation, The Next Critical Frontier: Improvements for DC and Capital Accumulation Plans \(ACPM, 2017\)](#)**

This paper explores the concern that the decumulation products and services currently available to individuals may not produce optimal outcomes, while group decumulation options are not broadly available.

**[Australia: How Safe are Safe Withdrawal Rates in Retirement? \(FINSIA, 2016\)](#)**

This report by Finsia examines the next step in the post-retirement or decumulation phase in one's retirement journey. Surveying the annualized performance of different investments in a number of countries over a period of 112 years.