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## RetirePreneur: Fred Barstein

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By Jenna Gottlieb      Thu, Mar 27, 2014

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*The founder of The Retirement Advisor University and author of the NAPA Net newsletter has just finished hosting the NAPA (National Association of Plan Advisors) annual conference in New Orleans.*

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**What do you do?** I'm working on three initiatives. First is the Retirement Advisor University (TRAU), which I launched 2010 while I was still at 401Exchange. I thought a legitimate designation for advisors was needed. We collaborate with UCLA Anderson School of Management Executive Education. Clients have access to top professors at the school. We have about 300 professionals that have earned the Certified 401(k) Plan Specialist [C(k)PS] designation.

<p><b>RetirePreneur:</b> Fred Barstein <b>Company:</b> The Retirement Advisor University (TRAU) <b>Location:</b> Jupiter, Florida <b>Founded:</b> 2010 <b>Niche:</b> Educating plan sponsor advisors <b>Leisure activities:</b> Yoga, meditation</p>
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In 2010, Brian Graff [CEO of the American Society of Pension Professionals and Actuaries] approached me and said that ASPPA had always done an annual conference for advisors, but that advisors should have their own association. So we launched the National Association of Plan Advisors (NAPA) and currently have 7,500 members. I run the website, NAPA Net, which is essentially a daily newsletter and a portal for advisors.

The third initiative I recently launched was The Plan Sponsor University (TPSU). It focuses on small and mid-sized companies with under \$250 million in assets. We have 75 educational zones. We find the best TRAU advisor in their area and train them and help them conduct programs at local colleges and universities. We're on schedule to do 60 programs this year. Plan sponsors can earn a Certified 401(k) Plan Sponsor certificate through the program.

**Why do clients hire you?** There's no SEC or FINRA license specifically for the 401(k) market and they're always struggling to distinguish themselves. Having the designation from TRAU in collaboration with UCLA Anderson makes them stand out. For plan sponsors, the Department of Labor is starting to crack down on plan fiduciaries, inquiring about training. TPSU is a way for them to learn and distinguish themselves.

**Where did you come from?** I went to law school, but I wasn't that interested in practicing law. I went into legal publishing and I eventually ended up in Silicon Valley working on a startup for a database publishing company for lawyers. We grew quickly and sold the company to Thomson. After that, I knew I wanted to start my own company. I didn't want to do something legal-related. I picked the 401(k) industry in 1996 and focused on financial advisors, starting 401KExchange. The company provided market

intelligence and lead generation for advisors. After leaving that, I started TRAU in 2010. [401KExchange declared Chapter 7 bankruptcy in 2012, according to pionline.com.]

**How do you get paid?** For TRAU, the tuition rate is \$5,500. NAPA is a membership organization, but we also have advertising opportunities on NAPA Net and generate revenue from conferences and webinars, plus a magazine that's advertiser-driven. For TPSU, plan fiduciaries pay a nominal fee for designation.

**Are participants well served by the 401(k) industry?** It depends on what we're talking about. Take target-date funds. As was said about Prohibition, it was better than no alcohol at all. The same can be said about 401(k) plans. Having a 401(k) is better than having no savings at all. There is about \$5.6 trillion in 401(k) plans and \$6.2 trillion in IRAs. What if people didn't have that? Could 401(k)s be better? No question. But, are people better off? Absolutely. Befi [behavioral finance] or auto-plans are dramatically improving participation and savings rates. Managed investments like target date funds are improving outcomes. But we need to keep innovating with ideas like requiring all companies over five employees to offer a retirement plan and mandatory minimum saving rates.

**How do you feel about IRA rollovers?** A lot of improvement can be made in IRA rollovers. In a DC plan, the plan sponsors serve as intermediaries. They are regulated by ERISA and the Department of Labor. IRAs don't include that kind of protection. Should there be more protection? Definitely. Just as with DC plans, there needs to be more and better disclosure as well as better training for advisors working on IRAs—it's not just about investing.

**Where did you get your entrepreneurial spirit?** It's almost like I have to do this. I'm compelled to. It's something that drives me. It's my form of expression or creativity. If you're an artist or musician, you have a platform or a means of expression. Creating companies is mine. I love discovering the opportunity, figuring it out and then putting it into place. My first thought is not about making a lot of money. It wasn't always that way, but it is today. I like to think about who would benefit from the idea. Then I think about how it could be funded and implemented, and whether I can make money from it.

**What is your retirement philosophy?** I don't think I'll ever retire. I think you can go from working really hard, to not working as much. Or telecommuting and traveling less. A cousin of mine is 92 years old and runs a mirror company. He's so vibrant and alive. I already live in Florida, so I won't be moving. Yoga and meditation are very important to me. I try to meditate an hour a day. It keeps me focused. I go to a meditation retreat twice a year. It's been an important part of my life.