

---

## The Bucket

---

By Editorial Staff      *Fri, Jun 20, 2014*

---

*Brief or late-breaking news items from NFP Advisor Services, Prudential Financial, Northwestern Mutual, Guggenheim Securities, Allianz Life, Barclays, MetLife and Zillner.*

---

## Michael McLaughlin joins NFP Advisor Services

Michael McLaughlin has joined NFP Advisor Services as the managing director of Fusion Advisor Network and senior vice president of Business Consulting. He will support and develop business consulting functions for Fusion Advisor Network and Advisor Services. McLaughlin joins NFP after earlier stints at Gerstein Fisher, SEI and Lord Abbett. He holds Series 7, 24, 63, 65 license and earned a B.A. from Bucknell University.

## Behavioral finance drives Prudential's new website tools

Prudential Retirement, a unit of Prudential Financial, Inc, has introduced several technology tools designed to help participants, plan sponsors and intermediaries take more positive steps toward improving retirement savings, according to a press release this week.

The new tools, which leverage behavioral research, include an update to Prudential Retirement's Retirement Income Calculator (RIC) and the introduction of the "Day One Achievement Meter," "Quick Join" and "Plan Health."

Both Prudential Investments and Prudential Retirement also launched "Experience Day One," an interactive web site designed to educate participants about the effects of life events or milestones on retirement savings goals.

### Retirement Income Calculator (RIC)

The new RIC offers a personalized report and action plan for participants, with specific savings recommendations and a "Do It" button, making it easy to implement those recommendations. The images portrayed throughout the experience help participants visualize their life in retirement based on the pleasurable activities they imagine themselves enjoying.

### Day One Achievement Meter

Using the techniques of "gamification," this tool encourages users are encouraged to take positive actions such as repaying loans or increasing contributions.

## Quick Join

Quick Join is a mobile-ready web site that allows users to join their employer's defined contribution retirement plan within minutes. The web site eliminates the need to register and offers participants the chance to enroll with one click, allowing them to join with pre-selected options from their employer or choose their contribution percentage and investment style on their own, based on their risk tolerance

## Plan Health

Plan Health is a web tool that gives plan sponsors and advisors quick access to information that can diagnose the health of their retirement plan, such as cash-flow details and how long a participant has been enrolled in the plan. It also includes industry benchmarks for key metrics such as participation rate and average account balance, and allows plan sponsors and intermediaries to gauge the effectiveness of a plan and make appropriate changes to better prepare participants for retirement.

## Experience Day One Funds

Experience Day One Funds is an interactive web site designed to help people visualize their life in retirement. Animations featuring two fictitious characters show their different paths to retirement beginning during the year they enrolled in the Day One Funds. The animations illustrate such life events as repaying college loans, marriage, starting a family, buying a home, becoming a caregiver for a parent, starting a business, and receiving an inheritance. Experience Day One Funds is a joint effort of Prudential Retirement and Prudential Investments.

# Retirement... It beats working: Northwestern Mutual

The retirement attitudes and expectations of Americans who are still working versus those already retired differ significantly, according to Northwestern Mutual's *2014 Planning and Progress Study*.

The research suggests that many people will work longer by choice rather than necessity. Others – and there are plenty of them – aren't as fortunate and don't feel they'll have the luxury of choice.

Among retirees:

- The average age they retired was 59
- 72% say they are completely retired from working

Among those still working:

- The average age they expect to retire is 68 (nearly a decade longer than the retirees in the study)
- 45% say they will continue to work in retirement because they want to
- 21% are not sure how many years he or she will spend in retirement
- 13% think they'll never be able to retire

- 38% aged 60 and over estimate that they will have to work until age 75 or older

### **Working adults are pessimistic; retirees happy**

Working adults describe their own future retirement as “bad/poor,” “bleak/dismal” and “nonexistent.” Retired Americans describe their retired life as “fun/cheerful” and “good/pleasant.”

- 37% of working adults expect they to be happier in retirement than today
- 84% of current retirees say they are happy in retirement
- 60% say they’re happier now than when they were working
- 70% of retirees describe life as ‘fulfilling’

Half of retirees saw health care costs increase significantly in retirement, and among them 45% didn’t anticipate these expenses.

Retirees who call themselves as “highly disciplined” planners are much likelier than non-planners to say that they are “happy in retirement” (91% vs. 63%). The study found that 42% of adults have never had a conversation with anyone about retirement.

The *2014 Planning and Progress Study* was conducted by Harris Poll on behalf of Northwestern Mutual and included 2,092 American adults aged 18 or older who participated in an online survey between January 21, 2014 and February 5, 2014.

## **‘Esoteric ABS’ specialist joins Guggenheim Securities**

Guggenheim Securities, the investment banking and capital markets division of Guggenheim Partners, has hired Matt Bissonette as a managing director in the fixed income division, effective in August, the firm announced this week. He will work on structured products transactions with a focus on Esoteric Asset-Backed Securities (ABS).

Bissonette had been co-head of the Special Situations sector within Structured Credit at Deutsche Bank, where he focused on Esoteric ABS and related financing products. He has structured and led securitizations for wireless cell towers, ground leases, rooftop leases, broadcast towers, distributed antenna systems (DAS) and non-US assets.

He holds a B.S. in economics from the Wharton School of the University of Pennsylvania.

## **Allianz Life sees “2020” in alliance with Barclays**

Allianz Life’s exclusive agreement with Barclays on the use of Barclays US Dynamic Balanced Index, which began in 2013, will extend through 2020, the Minneapolis-based Insurer announced this week.

This agreement includes the index on Allianz Life Fixed Index Annuity (FIA) and Fixed Index Universal Life (FIUL) products. Depending on realized market volatility, the Barclays US Dynamic Balance Index provides

shifts weight daily between the S&P 500 Index and the Barclays U.S. Aggregate Bond Index.

Since late 2013, the Barclays US Dynamic Balance Index has been added to several index allocation options available on Allianz Life FIA and FIUL products including:

- Allianz 222 Annuity
- Allianz 360 Annuity
- Allianz 365i Annuity
- Core Income 7Annuity
- Signature 7 Annuity
- Allianz Life Pro+ Fixed Index Universal Life Insurance Policy

The Barclays US Dynamic Balance Index shifts weight toward the S&P 500 Index when volatility is low and towards the Barclays bond index when volatility is high, reducing the issuer's risk exposure. and allowing it to increase the potential crediting rate. the client more upside potential. Currently, FIA index allocations using the Barclays US Dynamic Balance Index apply a spread, and Life Pro+ index allocations apply a participation rate, the company said.

## **Retirement income “barometer” is rising: MetLife**

“Keep it simple and avoid over-complication” when designing retirement plans.

That's what executives at almost 90% of companies that offer defined benefit and defined contribution plans and 77% of DC-only plan sponsors say, according to the *2014 MetLife Qualified Retirement Plan Barometer (QRPB)*.

The Barometer was created by MetLife to assess the prevalence of a “new culture” among plans sponsors at FORTUNE 1000 companies that emphasizes on retirement savings and retirement income equally. As it was in 2011, the highest score this year was 89. But the lowest score in 2014 was 30, up from 19 in 2011.

Most companies that only offer a DC plan are talking to all or most of their participants about retirement income, such as the effects of longevity (56%), the importance of establishing target retirement income levels in relation to current pay (56%). DC-only plan sponsors are also “exploring” guaranteed lifetime income options, the release said.

According to the QRPB, Over half (57%) of DC-only plan sponsors who do not include an income annuity have discussed this option with their record keeper, according to the study. Over a third (34%) have reviewed lifetime income solutions available in the marketplace and 11% have conducted due diligence about the providers of income solutions.

The Barometer score across all plan types was 58 out of a possible 100. Companies that offer broad access to DB and DC plans outpace their peers with a Barometer score of 71, indicating a much stronger

retirement income culture. DC-only plan sponsors were more than twice as likely (58% to 28%) to believe that their workers will reach retirement age with inadequate retirement savings.

Matthew Greenwald & Associates and Asset International, Inc., publisher of PLANSPONSOR and PLANADVISER magazines, conducted the online survey of Fortune 1000 companies for MetLife.

## **Seniors will spend \$4.7 trillion: Zillner**

Stocks, bonds and REIT shares aren't the only things that older folks will be buying in the years ahead.

Spending in the age 50+ consumer market, which includes about 104 million current retirees and Boomers of diverse races, religions and lifestyle, is estimated at \$3.1 trillion across all industries, except health care, which is estimated at an additional \$1.6 trillion, according to Zillner, an agency providing research, strategic and marketing services focused on Senior consumers.

The 50+ group includes people in second careers, traditional retirees, parents of children and teens, divorcees, widows and widowers, grandparents, empty nesters and caregivers. "Two consumers of the same age may be experiencing very different lifestyles, creating complexity in effectively reaching and communicating," the release said. Adults often become more individuated and "comfortable in their own skin" as they age, so marketers must make messages targeted and personalized.

By 2025 the population will be: 20.5% Hispanic; 5.8% Asian; 12.6% Black; and 57.6% White. Boomers will be America's most culturally and racially diverse older generation. They include the first generation of fully acculturated Asian and Hispanic matures, raised by foreign-born parents.

To help marketers, Zillner has produced *All the Wiser-Senior Consumer Insights and Outlook* is a four-part research and insight series focusing on senior:

- Buying power and marketing
- Technology
- Lifestyle — Mind, Body and Spirit
- Influence

Part one of *All the Wiser - Senior Consumer Insights and Outlook*, is available now at [zillner.com/wiser](http://zillner.com/wiser).