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# RETIREMENT INCOME PLANNING: AN INTERVIEW WITH DAVID A. LITTELL

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**T**he New York Life Center for Retirement Income (the Center) at The American College provides retirement income education for financial advisors. Much of the work of the Center is a video library freely available at the website. Many of the videos will be of interest to actuaries. In addition, the Center has been a driving force behind the Retirement Income Certified Professional (RICP®), a professional designation for financial advisors. This is an interview with David Littell, the Director of the Center and the manager of the RICP program.

## WHAT ARE MAIN GOALS OF THE CENTER?

The primary objective of the Center is to elevate the knowledge of financial service professionals so that they can better serve their clients. Through our website we provide basic information for those new to retirement income planning, as well as cutting edge ideas through over 300 short video interviews with experts in the field. We also think it is important to create a community of credentialed advisors who have gone through a rigorous educational process and supported the creation of the RICP® designation. We have also begun sponsor research and recently completed a retirement income literacy survey, discovering that older Americans do not have a good grasp of basic concepts.

## WHO CAN USE THE MATERIALS FROM THE CENTER?

The video library is freely available to anyone who is interested in retirement income planning. The content is available at our website as well as on YouTube. We encourage use of the material, and videos can be linked and embedded in other websites, and can be used as training material.

## WHICH TOPICS MIGHT BE OF THE MOST INTEREST TO ACTUARIES?

We cover a wide range of topics relating to retirement income planning so every actuary

should be able to find material of interest. More specifically, actuaries may be interested in the many videos discussing the range of income strategies that advisors are using today, or the robust section on when to claim Social Security benefits. Areas that can be important to a retirement income plan that actuaries might want to learn more about include tax planning, long-term care planning, and using reverse mortgages in a retirement income plan.

## ARE THERE ANY PARTICULAR VIDEO SEGMENTS YOU WOULD LIKE TO HIGHLIGHT?

I'll mention three. First, I like the interview with Bob Klein in which he compares deferred income annuities with indexed annuities that have guaranteed withdrawal benefit riders—both cost-effective approaches to buying guaranteed lifetime income prior to retirement. Second, I think Wade Pfau's discussion of "Safe Savings Rates" changes the way we should look at saving for retirement. Third, this interview with Manish Malholtra provides a retirement income case study showing how to approach choosing an appropriate retirement income plan.

## ARE ANY ACTUARIES INCLUDED AMONG THE EXPERTS INTERVIEWED?

We have interviewed Anna Rappaport several times, mostly discussing the research of the SOA's Committee on Post-Retirement Needs and Risks. Here is a video in which she discusses research on how people make retirement decisions. She has also discussed the SOA's Retirement Decision Briefs that can be used by advisors to get their clients to consider the right questions before making key retirement decisions.

## THERE IS NO PROFESSIONAL CONSENSUS ABOUT MANY POST-RETIREMENT PLANNING TOPICS. HOW DO YOU HANDLE TOPICS ON WHICH THERE ARE DIFFERENT OPINIONS?

Retirement income planning is a relatively new discipline and it's an exciting time in the field as we have a lot of different ideas and strategies being promoted. Both on our website and in the RICP® curriculum, we simply present the range of good ideas, as we see each having something to offer to our growing knowledge base. For example, a long-line of research supports the 4 percent safe withdrawal rate, however it is based on looking at past investment performance. We have other researchers using predictions about future investment returns who have come up with very different results.

I also think different strategies can appeal to different types of consumers so advisors should learn about all of them. Building a retirement income floor makes sense for those that are marginally funded for retirement and are most concerned about meeting basic expenses. On the other hand, maintaining a diversified portfolio and taking systematic withdrawals may work better for the individual who is well funded and is more concerned about leaving a substantial legacy. Another interesting strategy, asset dedication, may be appealing to the individual not wanting to annuitize but looking for more income security. This approach uses the bond portion of the portfolio to guarantee income for a specified number of years.

### **CAN YOU TELL US ABOUT THE RICP PROGRAM? HOW MANY PEOPLE ARE PARTICIPATING?**

The *Retirement Income Certified Professional* (RICP®), is a three-course professional designation for financial advisors, to help them be better prepared to offer comprehensive retirement income planning for their clients. The first course provides a process for building a plan, and the next two courses do a deep dive into the important areas of planning, which include everything from choosing an income strategy to health care and long-term care planning. We also cover two areas in which advisors can provide

tremendous value to their clients, when to claim Social Security benefits, and tax planning strategies for the retiree. The curriculum includes many of the video interviews created by the Center, providing students with a wide range of voices and perspectives in the retirement income field. The program has been well received and in two years we have more than 850 advisors who have completed the designation and over 5000 students enrolled in the program. Students have been reporting that they find the material practical and that they can use what they are learning in their practices immediately.

### **IF SOMEONE HAS INFORMATION THAT THEY THINK WOULD BE OF INTEREST, CAN THEY CONTACT YOU AND ASK TO PARTICIPATE?**

Absolutely, we are looking to build and improve the content at the Center and in the RICP® curriculum all the time. We also have the view that retirement income planning should be comprehensive, so all topics relating to retirement income planning are important to us. If someone is interested in participating, they should email me, David Littell at [david.littell@theamericancollege.edu](mailto:david.littell@theamericancollege.edu). ■