

Richter-Gordon, Chamberlain Launch Firm to Vet Lifetime Income Options in 401(k)s



transforming the DC plan industry's approach to investigating annuity options



by **Brian Anderson, Editor-in-Chief** · May 9, 2023 · 4 minute read



Retirement industry veterans Michelle Richter-Gordon and Mark Chamberlain today officially launched their new company, Annuity Research & Consulting (ARC), as a fee-only consultant to 401(k) retirement plans and their recordkeepers.



Michelle Richter-Gordon

The startup's objective is to transform the defined contribution industry's approach to investigating lifetime income options by bringing an outside expert specialist resource to those who seek objective, thorough and analytical annuity advice.

“The thesis of this entity is that there are #plansponsors and advisors who would want to safely introduce #annuities via plans, but who may not themselves feel sufficiently expert to make an annuity recommendation in an #ERISA context,” Richter-Gordon said in a May 8 LinkedIn post.

The two operating partners' combined 60 years of experience is from both the insurance and asset management industries, which is a critical requirement for analyzing what are often complex arrangements. Chamberlain noted they not only read the contracts but interpret them for fiduciaries so they can understand key differences.

“As a fee-only Registered Investment Advisor and/or consultant to 401(k) retirement plans and their recordkeepers, we intend to support the advisors who

serve them,” Chamberlain told *401(k) Specialist*. “ARC’s goal is to offer an institutional-quality resource to those who feel they need unbiased search capabilities, a rigorous selection process, proper benchmarking for costs versus benefits, and/or prudent monitoring of guaranteed lifetime income solutions.”



Mark Chamberlain

With ERISA 3(38) and 3(21) fiduciary capabilities, Chamberlain said ARC will also provide non-fiduciary consulting and education for both sponsors and participants to help them think about ways to integrate annuities with traditional 401(k) investment policy to manage longevity risk.

“Our institutional philosophy and unconflicted business model will bring a new value proposition to a crowded marketplace that is unique in its philosophy and level of detail,” Chamberlain said.

A press release announcing the company’s launch said its disciplined due diligence process follows industry best practices for analyzing risk and return utilizing a deeply qualitative, 10-factor process that is engineered to meet or exceed the current Safe Harbor guidelines in ERISA Section 404(e).

“The Firm is able to make unconflicted and impartial annuity recommendations that are in the best interest of the Plan client since it does not accept

commissions or other product-based compensation,” says a [Wagner Law Group opinion letter](#) available through the ARC website.

Counterparty risk

One of ARC’s key evaluations is counterparty risk. “It’s something plan sponsors and participants both say is critically important to them,” [Richter-Gordon](#) said. “The history of insurers taking risks that were not well understood at the time is sometimes forgotten. Two of the biggest insurance company failures had ‘A’ ratings and top-selling annuity products when they faltered. They took risks other companies did not and ended up in trouble when their models broke. The fallout was painful. Past receiverships were not pleasant experiences and consumers should be spared this stress if possible.”

Richter-Gordon said ARC’s 3(38) fiduciary process focuses on screening for the most transparent balance sheets and the least amount of leverage. “We see this as a prudent institutional approach and a mandate for us as fiduciaries. Members of Congress and the DOL are currently looking at the reinsurance practices of insurance companies so we don’t see how experts can ignore it.”

‘There is no perfect annuity—only tradeoffs’

ARC’s process holds there are no perfect retirement income strategies—only tradeoffs. Understanding them is especially challenging for the universe of annuities.

“We begin from the premise that it’s in the consumer’s best interest for all available tools to be in their advisor’s’ toolbox—from systematic withdrawal to guaranteed for life,” Chamberlain said. “Every retirement income solution can be

viewed through Modern Portfolio Theory as a nearly unique mix of capital markets exposures.”

For example, he notes there are different levels of counterparty risk, liquidity, inflation protection, deflation protection, and a number of other factors ARC considers. “This is true not only between annuity categories but also between annuities within each category. While annuities can do things that systematic withdrawal from risk assets cannot, there are trade bequests for lifetime security that must be considered,” he said. “We feel it’s prudent to evaluate the opportunity set from a true open architecture perspective, without biases.”

He said ARC’s process applies principles from economic finance that follow the law of one price since CAPM and MPT are based on it. This aligns ARC with a key statement in the UPIA, which states, “The tradeoff between risk and return is identified as the fiduciary’s central consideration.”

How ARC came to be



Co-Founders Richter-Gordon, who serves as Executive Director of The Institutional Retirement Income Council, and Chamberlain first connected in January of 2020 after following each other’s posts on LinkedIn. “We shared a common passion for progressing prudent retirement planning practices for Middle Class Americans,” Chamberlain said.

The two collaborated on a pro bono consumer advocacy project, published as a free e-book online called “[LDI For Individual Retirement Planning; Corporate DB Practices Applied to 401\(k\) and IRAs.](#)”

In 2022, Chamberlain said they were both teaching at The Center for Board Certified Fiduciaries, and “came to realize there will be many RIAs who are likely to never want to become annuity experts, so we decided lead by example and started this company to help them.”

ARC also offers innovative ideas for retirement education. According to Chamberlain, “evolution in retail retirement planning has been hampered by fragile risk tolerance questionnaires. This has worked out well for the industry but not so well for many retirees. It’s time for DC to graduate to the current asset/liability matching model followed by corporate DB plans... we can help.”

SEE ALSO:

- [Professional Advice Must Drive Participant Retirement Income Decisions](#)
- [Despite Big Concerns, Plan Sponsors Know They Need Lifetime Income Options](#)

Author



Brian Anderson, Editor-in-Chief



Veteran financial services industry journalist Brian Anderson joined 401(k) Specialist as Managing Editor in January 2019. He has led editorial content for a variety of well-known properties including Insurance Forums, Life

Insurance Selling, National Underwriter Life & Health, and Senior Market Advisor. He has always maintained a focus on providing readers with timely, useful information intended to help them build their business.

[View all posts](#)

[ANNUITY](#)

[ANNUITY RESEARCH & CONSULTING](#)

[DC](#)

[DEFINED CONTRIBUTION](#)

[FIDUCIARY](#)

[LIFETIME INCOME](#)



[VIEW COMMENTS \(0\)](#)



Corporate Roundup: Franklin Templeton Moves; PSCA Signature Awards



Show me the income: discover plan sponsor and participant preferences for creating retirement income.



Richter-Gordon, Chamberlain Launch Firm to Vet Lifetime Income Options in 401(k)s



401(k) Business Growth: Understanding Generational Shifts



Why Financial Advisors Need Personal Branding: Sheri Fitts



401K BEST PRACTICES, FINANCIAL WELLNESS, RESEARCH/TOOLS, YOUR 401K NEWS

The Youngest Workforce is Also the Most Financially Confident

Recent data by Northwestern Mutual finds Gen Zers are the most determined in their quest to financial security

by **Amanda Umpierrez**



FIDUCIARY LITIGATION, YOUR 401K NEWS

401k Participants Score Low-Fee Court Victory: Tibble

A seminal case in the trend towards lower fees took a major step towards resolution with an announcement Thursday...

by John Sullivan



RETIREMENT 401K PRACTICE, THE 401K PRACTICE, YOUR 401K NEWS

Americans Point to Inflation for Lack of Retirement Savings

New Bankrate report finds inflation and other reasons are keeping Americans away from contributing to their retirement goals

by **Amanda Umpierrez**



RETIREMENT 401K PRACTICE, THE 401K PRACTICE, YOUR 401K NEWS

Most Expensive Cities to Retire: Where \$1 Million Isn't Enough (And Where it Is)

One state has 12 of the 20 most expensive metro areas for retirement, where a nest egg much larger than \$1 million is needed for a comfortable retirement

by **Brian Anderson**, Editor-in-Chief

Show me the income: discover plan sponsor and participant preferences for creating retirement income.

by **Invesco**

Debt Limit Standoff: Are Social Security Benefits at Risk?

by Brian Anderson, Editor-in-Chief

Why Financial Advisors Need Personal Branding: Sheri Fitts

by Brian Anderson, Editor-in-Chief

401K CLIENT ACQUISITION

MARKETING

YOUR 401K NEWS

401(k) Business Growth: Understanding Generational Shifts

Rebecca Hourihan explains why understanding the communication preferences and content consumption habits of each generation is essential for retirement plan advisors

by **Rebecca Hourihan** · May 8, 2023 · ⌚ 3 minute read

Image credit: © Fizkes | Dreamstime.com

Rebecca Hourihan

Effective communication is key for growing your 401(k) business. And if you can believe it, not everyone has the same communication preferences. Each generation likes to receive and consume information differently. As you think about your business and who your ideal clients are, it's essential to consider

which of the four main generations they belong to: Baby Boomers, Gen X, Millennials and Gen Z.

Baby Boomers

Today, Baby Boomers have significant control over 401(k) decisions and represent around 25% of the labor market. However, with 10,000 Boomers turning 65 every day, the retirement age wave is upon us.

If your clients and prospects are Baby Boomers, they tend to prefer a more traditional way of receiving information, such as **phone calls, newsletters** or **in-person meetings**. They also value personal interactions and face-to-face conversations. Boomers tend to be loyal to an advisor and appreciate consistency in communication.

Gen X

Gen Xers, born between 1965 and 1980, are usually in senior leadership positions, such as CFO or controller. They are comfortable with technology and prefer to use email and phone calls to communicate. Gen Xers are skeptical of salesy tactics and value personalized messages where they are seen as individuals. To nurture this group, it's essential to send educational emails that demonstrate your retirement plan expertise and value-add content such as **checklists, plan sponsor guides**, and **calendars**.

Millennials

By 2030, Millennials are expected to represent 45% of the labor force. This generation has grown up and evolved from being dragged as avocado toast

slouches to the leaders of HR, technology and finance departments.

Millennials are tech-savvy and are avid users of social media platforms. Within client communications, engaging with Millennials is important, as they prefer to communicate via **text messages**, **social media**, and **email** rather than phone calls or in-person meetings. Millennials appreciate authenticity and transparency in communication, so it's best to take a more conversational approach.

Gen Z

Gen Z is the true digital native generation, born between 1997 and 2012, and is more comfortable with new technology than any other generation. Gen Zers tend to use newer social media platforms like Instagram, Snapchat and TikTok, rather than Facebook or LinkedIn. They prefer visual content such as **videos**, **memes**, **infographics** and tend to have short attention spans.

While these new job seekers may not be decision-makers, they are the newest 401(k) participants. It's crucial to have employee education and financial wellness strategies in place to help them save and prepare for retirement.

Communication with Your Clients

When communicating with clients, it's essential to consider their communication preferences. For example, if you're advising a Baby Boomer plan sponsor, an in-person meeting would be effective. During the meeting, you can explain retirement plan updates and answer any questions they may have.

On the other hand, Millennials or Gen Z might prefer to use video conferencing or email to discuss the 401(k) plan and its findings. Using visual content such as

plan sponsor guides, checklists, reports and graphics can make the information more digestible.

Content Strategy

Effective content strategy depends on understanding the target audience's preferences. If you're targeting Baby Boomers, focus on print media such as physical newsletters, brochures and other traditional marketing materials. Gen Xers prefer email campaigns with personalized messages and informative content.

For Millennials, creating conversational content that is informative and engaging through social media platforms such as LinkedIn can be instrumental in reaching this audience. Finally, for Gen Z, visuals such as memes, short-form videos and graphics that are easily shareable and incorporate humor and relatable content are more effective.

Investing in Different Business Development Strategies

Today's workforce comes from different generations and communicates differently. As a retirement plan advisor, understanding the communication preferences and content consumption habits of each generation is essential.

With this knowledge, tailor your communication strategy to resonate with your preferred cohorts. Investing in different business development strategies can enhance relationships, increase client engagement and ensure your 401(k) business continues to grow to its fullest potential.

Thanks for reading and Happy Marketing!

SEE ALSO:

- [2023 NAPA 401\(k\) Summit: Advising the Generations in the New Age of Uncertainty](#)

Author

Rebecca Hourihan

in

Chief Marketing Officer at 401(k) Marketing Talks about #401k, #protips, #marketing, #401kmarketing, and #advisormarketing

[View all posts](#)

401(K) MARKETING

CLIENT COMMUNICATION

GENERATIONS



SHARE



TWEET



SHARE

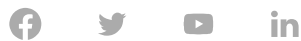
[VIEW COMMENTS \(0\)](#)

Show me the income: discover plan sponsor and participant preferences for creating retirement income.

Richter-Gordon, Chamberlain Launch Firm to Vet Lifetime Income Options in 401(k)s

401(k) Business Growth: Understanding Generational Shifts

Why Financial Advisors Need Personal Branding: Sheri Fitts



[About Us](#) [Advertise](#) [Contact Us](#) [Podcast](#) [Reprints](#) [Subscribe](#)