

# Create a successful retirement income planning practice

Fidelity Advisor Retirement Income Services | Overview

## Become proficient in all things retirement and create a retirement specialist brand

As millions of baby boomers approach retirement, advisors may need to develop their proficiency in retirement-related issues in order to stay competitive and offer the products and services that retirees may need. The following are among the first steps you may want to consider as you make this transition.

- Develop a working knowledge of wealth management issues
- Articulate the value and importance of retirement income planning
- Establish a scalable retirement income planning process
- Learn which products and services may benefit retiree clients

### Know the five key risks

A retirement income plan can help clients avoid or mitigate these risks.

<b>Longevity</b>	Underestimating life span and outliving assets
<b>Health Care Expenses</b>	Rapidly rising costs and inadequate coverage
<b>Inflation</b>	Erosion of asset values, purchasing power, and standard of living
<b>Asset Allocation</b>	Outliving assets in overly conservative investments
<b>Withdrawal Rate</b>	Depleting assets prematurely due to aggressive withdrawal rates

### Develop your brand and articulate your value

Your retirement income planning proficiency is worth little if clients don't know about it. Consider obtaining retirement-related certifications and refer to them in correspondence and on business cards. Craft an "elevator pitch": be able to briefly articulate your qualifications and ask a few probing questions about retirement readiness to clients and prospects.

## Gain a competitive edge by changing clients' perceptions

A 2006 study showed that in the 15 years prior to retirement, 75% of investors switched advisors or added an advisor.<sup>1</sup> Investors may be making these changes because they perceive financial advisors as having the knowledge and ability to help them invest for retirement, but not to manage their wealth and income during retirement.

Advisors who can overcome this perception, convey their retirement proficiency, and prove their value may be able take advantage of the substantial retirement income planning opportunity for years to come.

**When clients feel confident in their advisor's ability to help them meet their retirement income needs, they may be more likely to remain with that advisor long term and have that advisor manage most or all of their wealth.<sup>2</sup>**

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1. McKinsey & Co., "Managing Retirement Income: Innovative Strategies to Capture and Retain Retirement Income," 2006.

2. Cerulli Quantitative Update, Retail Investor Metrics, 2009.



## More resources available

Please visit [advisor.fidelity.com](http://advisor.fidelity.com) or call your Fidelity representative for planning tools, educational information, and shareholder materials designed to help you take advantage of this opportunity to build a successful retirement income planning business.

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## Build a scalable wealth management practice

Many retirees are concerned with maintaining their lifestyle and financial security throughout retirement. You can help build their confidence by expanding conversations beyond investment products and into the issues that affect retirees most.

**Retirement income planning:** Develop a process for covering essential lifetime and discretionary expenses; talk frankly with clients about spending patterns and withdrawal strategies.

**Protecting wealth:** Know how to protect a client's assets from creditors or personal loss. You may want to work with an attorney or an insurance specialist to help clients establish the protection and coverage they need.

**Enhancing wealth:** Consider keeping some assets allocated for growth, and work to maximize clients' tax efficiency during retirement. It may be worthwhile to partner with a tax specialist when offering tax-related services.

**Transferring wealth:** Legacy and estate planning is important to many clients, including wealthy couples and small business owners. To provide estate planning services, you may need to work with an attorney.

**Donating wealth:** Help affluent clients optimize their charitable giving and reach their philanthropic goals.

## Expand your product offering

Retirees typically need a broader range of investment and insurance vehicles to manage their wealth and income and to help spread risk. If you do not already offer these products, you may want to consider adding them to your lineup:

- Annuities and other income-producing products
- Mutual funds that provide an appropriate balance of growth and income potential as part of a strategy designed to help shareholders generate an income stream in retirement
- Health care-related insurance products, including long-term care and critical care insurance

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