

EDITOR'S NOTE

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Robert J. Powell III, CFP®

One great joy of being the *Retirement Management Journal* editor is sharing interviews of leading retirement experts with our readers.

In this issue, I'm pleased to present the distillation of interviews with not one but two visionaries. The first is Nobel Laureate Robert Merton, PhD, a professor at the MIT Sloan School of Management. The second is Wharton School Professor Olivia Mitchell, PhD, who also serves as executive director for Wharton's Pension Research Council and a director of its Boettner Center on Pensions and Retirement Research.

In our interview with Merton, Zvi Bodie, professor emeritus of finance at Boston University, and Stacy Schaus, founder and chief executive officer of Schaus Group, and I spent roughly six hours with Merton as he held court on a variety of subjects. I left with two takeaways. One, the vast majority of average Americans should seriously consider annuities and reverse mortgages as they pursue secure retirements. Two, there are ten design principles for achieving a good retirement. Discover those principles, as well as key information about annuities and reverse mortgages, in the condensed transcript of our discussion.

In our interview with Mitchell, Anna Rappaport, chair of the Society of Actuaries Committee on Post-Retirement Needs and Risks, Jason Fichtner, a senior lecturer at the Johns Hopkins University, and I explored another wide variety of retirement topics. I left with one giant takeaway: The biggest need pertaining to retirement security in the United States is the reform of Social Security, because it is, as Mitchell said, "the first pillar of support for U.S. retirees."

Also, in this issue:

- David Blanchett, PhD, CFA®, CFP®, head of retirement research at Morningstar Investment Management LLC, explores the potential benefits of developing a retirement income that considers both immediate fixed annuities and immediate variable annuities using a stochastic utility model combined with a scenario framework.
- James B. Sandidge, JD, a principal of The Sandidge Group LLC, provides a convincing argument that eliminating "Monte Carlo" from conversations should lead to safer, simpler, and more personalized retirement-income portfolios for investors and help advisors create a brand of original thinking.
- Nick Halen, RICP®, a corporate vice president who leads strategy, business development, and research initiatives for New York Life's retail annuities business, Kelli Faust, FSA, MAAA, a corporate vice president and actuary working on the Retail Life Financial Reporting and Projections team at New York Life, and Todd Taylor, FSA, a vice president who leads marketing, strategy, and analytics for New York Life's retail annuities business, provide an appropriate strategy for managing healthcare expenses in retirement.
- François Gadenne, RMA®, co-founder, chairman, and executive director at the Curve, Triangle, & Rectangle Institute, presents an overview of ergodicity economics, which applies modern mathematics to familiar financial concepts to reveal previously unseen implications and consequences.

As always, I want to thank those who helped make this issue become a reality, especially Debbie Nochlin, newly promoted to editorial director, and Mary Corbin, who edited the transcript of our interview with Merton, and our editorial advisory board for all they do—reviewing papers, writing book reviews, and so much more.

With much gratitude,

Robert J. Powell III, CFP®

Editor-in-Chief

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