

INVESTMENTS & WEALTH INSTITUTE  
**RETIREMENT MANAGEMENT ADVISOR  
CERTIFICATION 2023 CURRICULUM**



Revised 2022

## THE RETIREMENT OPPORTUNITY

### A. The Retirement Landscape

Knowledge of retirement demographics and trends
Knowledge of lifecycle finance and goals-based financial planning during retirement
Understanding of the implications of modern retirement/lifestyle, and realities of aging
Knowledge of the roles of the client, advisor, and industry
Understanding of how advisors add value (concepts of advisor alpha and gamma)

### B. Retirement Mindset and Behavior

Knowledge of the evolution of retirement approaches (past, present, future)
Knowledge of the planning implications of shifting from accumulation to decumulation
Understanding of behavioral science related to finance, aging, retirement, cognitive decline, and family dynamics
Ability to explore retirement possibilities and phases, and help set appropriate expectations

### C. The Ethical Advisor

Knowledge of business standards in the context of advisory channels, fiduciary responsibility, and regulatory regimes
Knowledge of the regulatory requirements related to senior designations, NASAA and NAIC module rules, evolution of RMA adherence to state/national regulations
Understanding of ethics concepts unique to retirement advice
Understanding of the Investments & Wealth Institute Code of Professional Responsibility

## THE RETIREMENT CLIENT

### A. Client Discovery and Analysis

Understanding of the essential elements of a prudent, client-oriented advisory process - including discovery, analysis, assessment, plan development, plan implementation, ongoing monitoring and adjustments
Ability to determine goals and retirement expectations by asking the right questions
Ability to perform data-gathering and analysis best practices - comprehensive quantitative, qualitative, situational data
Ability to survey financial and non-financial contracts and policies - insurance, estate docs, POA, healthcare directives, special circumstances
Ability to create and implement retirement plans (year 1)
Ability to monitor and adjust retirement plans (year 2-30)
Ability to evaluate client segmentation and advisory frameworks, including retirement readiness/fundedness (Underfunded, Constrained, Overfunded)
Knowledge of paycheck replacement and implications for planning

### B. Assessing Retirement Readiness

Ability to create detailed top-down or bottom-up projection models of current/ future sources of income and expenses - including expected increases or decreases over time
Ability to optimize a retirement plan for income tax, property tax, consumption tax, estate tax, situational tax events, future tax liabilities
Ability to prioritize essential (fixed and variable), discretionary, and aspirational expenses/liabilities, and understand changes in prioritization over time.
Ability to select and apply appropriate discount rates for future income/expenses
Ability to assess human capital (HC), social capital (SC), and financial capital (FC)
The thorough process of constructing a comprehensive, present value household balance sheet - including assets (FC, SC, HC), liabilities (consumption, debt), and household equity
Ability to interpret household balance sheet as a basis for forming full retirement plan - including retirement readiness, financial ratios, flooring level, strengths/weaknesses, completeness, accuracy, scenarios, and resilience

### C. Retirement Risk Management

Understanding of the tradeoffs between various theoretical approaches to risk assessment and risk management in the context of retirement planning
Knowledge of the key differences and similarities of retirement risk concepts that result in particular outcomes – including risk aversion, risk tolerance, risk capacity, risk profile, risk exposure
Knowledge of common categories of retirement risks – market, credit, inflation, household shocks, spending, income, healthcare-related expense, longevity, public policy
Knowledge of diagnostic frameworks for assessing risk – hazard, exposure, consequences, probabilities
Knowledge of strategy frameworks for risk management and its connections to a goals-based portfolio approach – retain, manage, pool, avoid
Ability to estimate immunization needs in the context of a goals-based income/flooring portfolio
Ability to estimate risk capacity in the context of a goals-based growth/upside portfolio
Ability to estimate longevity needs in the context of a goals-based insurance/protection portfolio
Ability to estimate cash needs in the context of a goals-based reserves portfolio
Ability to adjust risk management strategy based on iterative planning, unplanned events, and changes in preferences

## RETIREMENT PLANNING TECHNICAL DESIGN

### A. Retirement Portfolio Allocations

Understanding of the tradeoffs between portfolio approaches for different segments of clients – (total return-based, goals-based, product-based) and the ability to select appropriate approaches for the desired outcome
Ability to select the appropriate planning approach – including portfolio optimization, goals-based, liability-driven, asset-liability matching, safety-first vs probability-first.
Ability to construct an income (floor) portfolio in the context of a goals-based plan, using a range of approaches – including SWPs, buckets, asset-liability or duration matching, laddering, barbell
Ability to construct a growth (upside) portfolio in the context of a goals-based plan, using a range of approaches – model vs. customized portfolios, active vs. passive, target-date glide paths
Ability to construct a longevity protected portfolio in the context of a goals-based plan, using a range of approaches – total return, insurance-based
Ability to construct a cash portfolio (reserves) in the context of a goals-based plan, including the use of cash flow reserve, floating floors, income reservoir, time segmentation
Ability to develop capital market expectations to guide the selection of appropriate asset classes/investments and portfolio approaches – including interest rate regimes, fixed income and equity outlooks

### B. Key Retirement Planning Decisions

Knowledge of client-specific strategies for claiming American Social Security
Knowledge of Medicare strategies
Understanding of the range of portfolio withdrawal policies and their tradeoffs – The 4% rule, adaptive withdrawal rates
Knowledge of the rules, policies, and regulations around required minimum distributions (RMDs)
Ability to anticipate future changes in spending, income, risk, taxes, or other planning situations
Understanding of legacy planning as the intersection between family dynamics and estate planning
Understanding of basic estate planning, charitable-giving strategies

### **C. Implementation Strategies**

Understanding of how portfolio allocations and product selection are different but related – including decision-making criteria, tax efficiency, exposure

Ability to recognize products capable of producing outcomes in the context of a goals-based portfolio

Knowledge of tax-efficient investments, account location decisions, and withdrawal sequence

Ability to select investment vehicles (traditional and nontraditional) and perform due diligence

Ability to select insurance vehicles (annuities, LTC, life) and perform due diligence

Ability to select lending vehicles (HECM, reverse mortgage, security-based lending) selection and perform due diligence

### **D. Life in Transition**

Ability to prepare for special situations – including gray divorce, life-transitions, widowhood

Ability to recognize and address cognitive decline, elder abuse

Knowledge of long-term care basics

Knowledge of aging-in-place issues

### **E. Retirement Policy Statement**

Understanding of the retirement policy statement (RPS) as a governance, monitoring, communication, and compliance tool

Understanding of the essential elements of an RPS, its similarities and differences to a traditional investment policy statement (IPS), and the purpose of the document for both the client and advisor.

Ability to create, customize, and deliver an RPS