INVESTMENTS & WEALTH INSTITUTE
RETIREMENT MANAGEMENT ADVISOR CERTIFICATION 2023 CURRICULUM

INVESTMENTS & WEALTH INSTITUTE

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—incorporating 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, barbelling
- 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