



Is your business aging well?

It's no secret the population is getting older. And many leading advisors have already shifted their business to accommodate the rising tide of retirees. Are you one of them? Use the following insights from Nationwide® to make the most of this growing business opportunity.

The information in this article is based on interviews and discussions conducted by GDC Research and Practical Perspectives with hundreds of leading advisors. These top advisors have an average of 20 years' experience, focus on affluent clients and offer customized solutions.

Five reasons to consider retirement income planning.

In general, serving retirement income clients is more complex, more time consuming and requires more knowledge. So, you're probably wondering why it's even worth considering. Here are five good reasons:

- 1. The population is aging** — Based on the 2010 U.S. Census, more than 78 million baby boomers are beginning to shift into retirement. And while it won't happen immediately for all of them, many are already looking for help and guidance during the transition.
- 2. People are living longer** — Not only will the number of retirement-age clients keep increasing, but these clients will also be living longer periods of time in retirement. Some boomers can expect to live 25 to 30 years after leaving the workforce.
- 3. Clients want protection against retirement risks** — Clients today are wary of the market and want to know their assets are protected. They're looking for advisors who offer comprehensive solutions that can help them navigate the various risks they may face in retirement.
- 4. There are more assets in motion** — While the market downturn affected the overall value of portfolios, the amount of available wealth in motion is likely to remain high. In fact, an estimated one trillion dollars will be in motion annually from maturing employer-sponsored retirement plans by 2012.
- 5. Clients are consolidating their assets** — As boomers age, they tend to consolidate relationships and work with fewer investment professionals. When it comes to choosing an advisor to help with retirement income planning, they tend to look to someone they already trust.

Now that you know a few of the reasons for considering a retirement income business, let's talk about what it actually takes to begin building that business.

Retirement income planning basics.

Most advisors are familiar with serving the accumulation needs of their clients. Their goal is to build assets leading up to retirement. Retirement income planning includes a broader approach. It aims to help clients not only grow their preretirement assets, but also helps them manage and protect those assets for income once they begin to transition and live in retirement. A solid retirement income planning approach will:

- Address uncertain time frames
- Offer a high level of client customization
- Be based on risk and cash flow
- Be broad in scope
- Emphasize process as a solution
- Focus on achieving lifestyle goals

Now that we've reviewed how the accumulation approach differs from retirement income planning, let's see how you can help ensure your clients' needs are met.

Create a network and follow a process.

The needs of today's retirees are diverse and include more than just retirement income: wealth transfers, estate planning, health care, funeral arrangements — the list goes on. But as a retirement income advisor, you want to be able to help them meet those needs, whether it's directly or indirectly.

Building a network of resources may be a good way to broaden your offerings. Many advisors employ a combination of methods, such as leveraging technology and relying on alternate sources. These sources may include in-house experts, their home office broker-dealer or custodian, and a network of external professionals including CPAs, elder care specialists, attorneys, health care specialists and insurance agents.

Focusing on process also reflects the expanded scope of retirement income support, extending beyond specific product offerings. In fact, studies have shown that nearly nine in ten advisors surveyed believe the process they employ is the key factor in successful retirement income delivery. Clients have diverse needs in retirement. And to meet those needs, it's important to have a process in place — one that can help walk your clients through their options. An emphasis on process helps advisors provide a holistic approach with a higher degree of customization and adaptability.

Learn to build retirement income portfolios.

Now that you have some background on the retirement income business, the next step is learning about the approaches used to manage retirement income portfolios.

Retirement income portfolios are created by customizing solutions to specific client needs. For most advisors, retirement income delivery is not a one-size-fits-all solution, but a more tailored approach to portfolio customization. Building retirement income portfolios involves a deep understanding of your clients' situations, needs and goals.

Most advisors structure retirement income portfolios with similar goals in mind: to offer clients a mix of sustainable income and long-term growth. The objective is to deliver cash flow for core needs while maintaining the purchasing power of the portfolio over time.

While goals for building retirement income portfolios tend to be similar across the universe of advisors, how they construct and manage portfolios for clients varies. You'll need to consider the most effective way for you to manage retirement income for your clients by recognizing your own preferences and knowledge.

Nationwide® can help.

Now that you know more about what's needed to build a retirement income business and manage retirement income portfolios, it's time to take the next step.

Nationwide is prepared to help you begin building your retirement income planning business today. Contact the Income Planning Desk at IPLNDESK@nationwide.com, or at **1-877-245-0763**, Monday through Friday, 9 a.m. to 6 p.m. Eastern time.



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