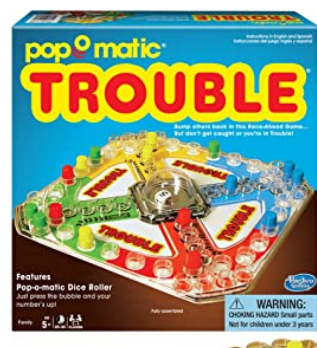


How You Can Stay Out Of Trouble As A Retirement Plan Provider.

There is a running joke I've had for the past 25 years where someone tells me or I tell them to stay out of trouble. When someone tells me to stay out of trouble, I tell them I can't. There are two types of trouble, one trouble where you get entangled in a dispute for what is right and trouble for doing wrong. As someone who is very vocal and willing to stand up for what I believe in that is right, I can never stay out of that kind of trouble. This article is all about the bad kind of trouble and the stuff you could do, to avoid it and avoid harming your business.

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We have a job to do.



Aegon. Only eleven percent said they believe they're on track to achieve about 75% of their retirement income needs.

Only 20% of people aged 20 to 29 in the world believe they'll achieve their full retirement income goals, according to the survey of residents of 15 countries conducted last year by the nonprofit Transamerica Center for Retirement Studies, Aegon Center for Longevity and Retirement (ACLR), and Instituto de Longevidade Mongeral (ILM).

What does it mean? It means that at least for the United States, we have a job to do. If I would say that the retirement plan industry could improve the most, it would be with interaction with plan participants. Plan providers need to understand that the future of the business rests with younger participants and this survey is a clue that there is a lack of confidence in younger participants that they could achieve their retirement goals.

Purchasers need to stay in their lane.

I've written blog posts about the problems that I see when a plan provider I know gets purchased. From experience, any purchase comes along with a lot of change. The problem is most of the time, it's not good.

Some larger providers purchase another plan provider and it actually may cause a huge headache for the purchaser, that they never anticipated.

For example, a large third-party administrator (TPA) might decide to purchase a registered investment advisory firm. In business, it might make sense for companies to expand their business by adding a separate line that is closely connected with their primary business. It's why M&M Mars bought Wrigley. The problem that the TPA doesn't understand is that transaction may get many advisors who brought their business, very wary. The last thing an advisor wants is to bring in business to a provider that might be a competitor. In the history of retirement plans, there have been TPAs that were producing (meaning they had an affiliated advisory company) that stole business from advisors who referred them their clients. When you're a plan provider, you have to be paranoid because of the competition out there.



r/wallstreetbets is another reason why I hate self directed brokerage accounts



What the Reddit group wallstreetbets did with Gamestop in a short squeeze was something quite amazing. I joined in for a couple of days with the purchase of AMC stock that I quickly dumped after only making a couple of hundred dollars. The volatility of owning the stock and seeing the volatility of Gamestop and the attitudes of members of the Reddit group is just another reason why I hate self-directed brokerage accounts for 401(k) plans.

Gamestop is a \$10 stock but was trading north of \$400 before it crashed down back to double digits. It's still trading 9-10 times what it's worth and it's amazing how many of the Reddit group members were insistent they would hold on to the stock no matter what. While so many people. Made money with Gamestop, what about those who got in at \$400?

What we don't need is 401(k) participants with that fearless type of investing. The problem sometimes with fearless investing is the insistence on blaming others when the stock goes bad. Many Gamestop investors blame Robin Hood's trade restrictions. The implosion of Gamestop's stock, but again, it's a dying business. What will stop a 401(k) day trader from blaming a plan fiduciary for allowing them to have a self-directed brokerage account? Nothing.

Well, I have an in with this association

If I got \$5 for every time an advisor or other plan provider told me they had an in with an association, I'd probably have enough to pay my mortgage. The problem. Having an in doesn't mean that advisor or plan provider can offer a pooled employer plan (PEP) or other retirement plan solution that will actually get clients.



I had an in with a group of sole proprietors when I first started my own practice and that. Went nowhere since such small business people didn't exactly have enough to save for a qualified plan. Even if this group had bigger pockets, soliciting business from such a core group is a slow and tedious process.

The "I have this in with an association" line reminds me of the "I know a guy" from the first Ant-Man movie. It might mean something in soliciting business, but it might not either. From my experience, it usually doesn't lead to much business.



FRIDAY, APRIL 9TH, 2021

Plenty of virtual events. just booked.

Now that Spring is almost here, we are booking some live virtual events.

That 401(k) Virtual Bunch, our plan provider interview show, is coming back with new live shows.

On Thursday, April 8th, our guest is Mark Koeppen from FPS Trust. To sign up, please click [here](#).

On Thursday, April 22nd at 4pm, our guest is James Moyna, CPA. To sign up, please click [here](#).

On Monday, May 10th at 4pm EST, we will have a special episode of That 401(k) Virtual Bunch with Congressman Jamie Raskin (D-MD), who had to cancel his appearance for That 401(k) National Virtual Conference, because of their impeachment. This event is free and sign up is [here](#).

On Friday, April 9th at Noon EST, That 401(k) Virtual Conference 10 will be live. For 2 hours, learn how to increase your book of business from some great 401(k) providers.

To sign up, click [here](#).

Anyone who commits to be a sponsor of That 401(k) National Virtual Conference in 2022 will speak at one of our 2021 events for free. First come, first serve. For more info, contact us [here](#).



HOUSTON, TX, WEDNESDAY, SEPTEMBER 29, 2021



Busch Stadium
St. Louis, MO, FRIDAY, SEPTEMBER 10, 2021

We will be live in 2021.

Hopefully, we will reschedule our 2020 events for 2021. We have three to reschedule and booked 2 dates for September.

Sign ups will be available soon. For more information on sponsorship, please contact [me](#).