

Greetings & a warm welcome to this week's edition of 401k Real Talk. This is Fred Barstein contributing editor at WealthManagement.com's RPA omnichannel and CEO at TRAU, TPSU & 401kTV - I review all of the past week's stories and select the most important and interesting ones providing open honest and candid discussion you will not get anyway else. So let's get real!

The retirement industry reached [\\$40 trillion in Q2](#) according to the ICI led by \$14.3 tr in IRAs and \$11.3 tr in DC plans with participant directed plans accounting for 64% of all assets.

IRAs have grown by 204% since 2007 followed by 152% by DC plans and just 27% for private DB which has just \$3.2 tr.

While significant, the S&P has grown from 1468 in 2007 to 5600 over the same period or 213% with IRAs aided by rollovers and hindered by withdrawals and DC plans helped by contribution and hurt by rollovers.

So while the \$40 tr milestone is worth celebrating especially on ERISA's 50th anniversary, it's also worth noting that investible wealth assets at the end of 2023 were \$118.3 trillion growing 137% since 2007 where

assets managers and advisors can charge more which is why the wealth industry has so many more providers and advisors despite the growing attention to retirement plans.

When the big dog barks, the pack listens. [Fidelity announced it would not allow credential sharing](#) making it more difficult for advisors to manage their clients' DC accounts through firms like Pontera, FutureCapital and Bloom.

The Boston behemoth stated that the move was done in the “customers best interest...to enhance security and customer exposure.”

In 2023 Fidelity limited screen scrapping forcing data miners to use their API which may be the route that credential sharing firms must go.

Though these firms are still small, they have signed up an impressive array of clients including Captrust and Commonwealth who may force the issue with Fidelity as the convergence of wealth and retirement marches on raising questions of whether other record keepers will follow or use the move to compete.

Over 20% of retirement plan websites [flunked basic customer expectations](#) while a similar percentage failed to provide a valuable experience according to the latest JD Powers report.

The firm warned that clients are in danger of being digitally disengaged judged by websites ease of use and ability to find information falling behind other industries like insurance, auto finance, utilities and banking. The top 3 firms were Schwab, Nationwide and Fidelity, all consumer brands.

DC participants will judge their digital experience against consumer websites and apps, not other record keepers.

[Commonwealth announced a PEP](#) using Vestwell as the record keeper and PPP and FuturePlan as the TPA after a long and protracted process.

While MassMutual announced their PEP over a year ago, most other broker dealers are taking a wait and see approach deploying an integrated unbundled support system leveraging the home office and 338 services for smaller and larger plans.

What are the attributes of a great RPA? Read my [recent column](#), which details the evolution of RPAs from fund pickers to co-fiduciaries to fee detectives and now financial benefit consultants as the convergence of wealth, retirement and benefits heats up.

There are 9 key attributes covering 3 areas including:

Industry & Business knowledge

Science & technology

Human elements

See how you compare.

And, last but not least, [this week's LinkedIn Poll](#) asked: "Which is the following record keepers are the most advisor friendly?"

Due to restrictions by LinkedIn only 4 could be listed with John Hancock the overwhelming favorite (as of recording).

Look for my next LinkedIn poll on Friday about who will the World Series (I know my pick).

So those were the most important stories from the past week. I listed a few others I thought were worth reading covering:

- [Half of all RPAs expect to leverage AI](#)
- [U.S. House passes anti-ESG bill](#)
- [T Rowe releases annual RPA/consultant survey](#)
- [401Go partners with Pontera](#)
- [Blackrock and Microsoft plan \\$30 billion AI fund](#)

Please let me know if I missed anything or if you would like to comment. Otherwise I look forward to speaking to you next week on 401k Real Talk.