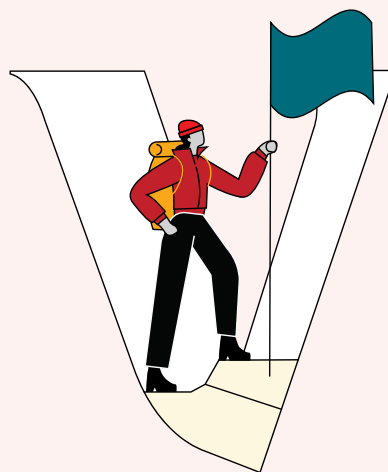




Make moves as a retirement specialist



Looking to grow your business? The small-business retirement space is ripe with opportunity to serve the needs of both plan sponsors and their participants.

31.7M

Small businesses in the U.S.²

What is a retirement specialist?

A retirement specialist is defined as a financial advisor with 50% or more of practice assets under advisement held in employer-sponsored retirement plans. Only 4.0% of financial advisors are retirement specialists.¹

\$2.5T

Advisor-sold defined contribution (DC) assets (as of December 31, 2022)¹

Who can benefit from your expertise?

Small-business plan sponsors

- 53% choose to work with financial advisors over other professionals.¹
- 42% rely on financial advisors to help enroll their employees in the 401(k) plan.¹

Plan participants

- 27% connect with an advisor through their 401(k).²
- Participants select competitive fees (64%) and quality of service (63%) as key factors when choosing an advisor.²

Why is it the right time to grow your business?

Small businesses need support

- Improving retirement readiness education (preparing employees for retirement) is the top priority for 401(k) plan sponsors.¹
- 45% of advisors expect demand for 3(38) fiduciary services to increase.¹

Participants need guidance

- 73% of Americans say that finances are the number one cause of stress in their lives.³
- 56% frequently inquire about the investment choices on the plan menu.⁵

How can you add the most value?

Vanguard + you = the best team in the retirement advisory space

We give you the tools, technology, and financial wellness resources to help you build trust and thrive in this industry—whether you're serving plan sponsors, their participants, or both.

... shows how you can enhance your value through your expertise and experience. We believe that by using the Vanguard Institutional Advisor's Alpha framework, financial professionals can add up to 4.5% in value.

Fiduciary considerations

>0 bps

Investment policy statement

~150 bps

Plan design and monitoring

~320 bps

Estimated alpha*

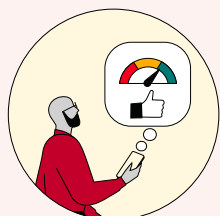
~450 bps

Note: While we sum the numbers for DC financial professionals, we make the distinction throughout the Institutional Advisor's Alpha paper that the value attributed to the investment policy statement accrues to the plan sponsor and involves decisions made by the plan sponsor, whereas the value attributed to plan design and monitoring accrues to the end participants and involves decisions made by the participant, though influenced by the plan sponsor and financial professional. Bps stands for basis points; 1 basis point is equal to 1/100th of 1%, or 0.01%.

*Our estimate was rounded down to 450 bps to be conservative.

Source: Vanguard.

How retirement specialists feel about financial wellness programs



31%

indicate that financial wellness programs create opportunities to gather retail assets.¹



40%

say financial wellness programs help add value to plan sponsor relationships.¹

It pays to think through your fees

When choosing a retirement advisor, participants and their employers focus on two key factors: a competitive fee structure and the quality of services provided. Clients aren't just paying for your advice. They're paying for your experience, wisdom, and time you devote to creating and helping them execute a long-term plan.

Advisor fee allocation preferences⁴

96%

PRO RATA
based on account balances

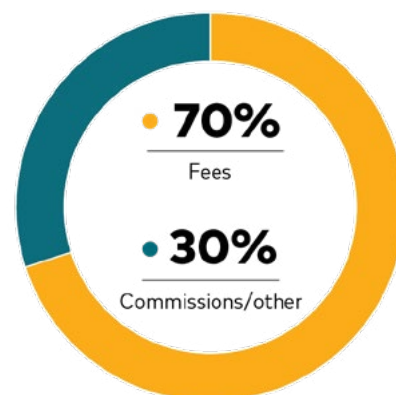
3%

PER CAPITA
shared equally among participants

1%

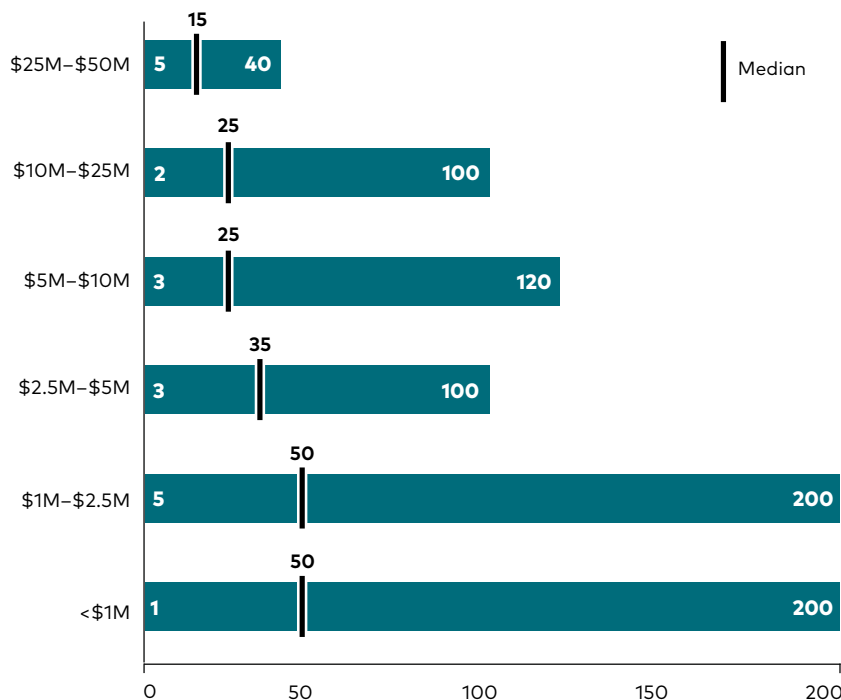
BILL EMPLOYER

How households prefer to pay for their advice⁵



Vanguard Retirement Plan Access™ advisor fee ranges⁶

in basis points by assets under advisement



Note: Advisors' fees may be calculated as a percentage of plan assets.

Let us help you help your clients. For more information, contact your Vanguard regional director or [connect with your sales representative](#).

¹Source: The Cerulli Report, U.S. Retirement Markets, 2022.

²Source: The Cerulli Report, U.S. Retirement End-Investor, 2022.

³Capital One CreditWise Survey, 2023.

⁴Source: Cogent Syndicated: Retirement Planscape, May 2023.

⁵Source: The Cerulli Report—U.S. Advisor Metrics 2021.

⁶Source: Vanguard, 2022.



© 2024 The Vanguard Group, Inc.
All rights reserved.

Connect with Vanguard® > institutional.vanguard.com

All investing is subject to risk, including the possible loss of the money you invest.

231635.02 013124