

**Managing Retirement Payouts: Positioning, Investing, and Spending Assets** was the theme of the very well-attended 2007 Pension Research Council Symposium, co-sponsored with the Wharton School's Boettner Center. Executive Director **Olivia S. Mitchell** co-hosted the event with **John Ameriks**.



**John Ameriks, Olivia S. Mitchell, and Steve Zeldes discuss annuities.**

Participants highlighted emerging issues regarding assets and expectations on the verge of retirement. Analysts explored retirement asset positioning and location, phasing of spending patterns, and debt as well as housing consumption in later life. Financial advisers and academics debated ways to effectively manage assets in retirement, including the role of advice engines and tax challenges. Lawyers and policy experts evaluated regulation for the retirement payout marketplace, along with long-term care insurance.



**Harold Evensky and William Sharpe prepare for their presentations.**

Retirement consumption patterns were the subject of new research by **Erik Hurst**, who showed that observed drops in expenditures are not reflected in retiree food consumption. A presentation by Nobelist **William Sharpe** on efficient retirement strategies was greeted with much interest and enthusiasm. Other speakers included **Jeff Brown**, who used the Health and Retirement Study to explore respondents' willingness to trade their Social Security benefits for a lump sum, which many were willing to do at less than actuarially neutral pricing. Financial adviser **Harold Evensky** discussed retiree economic literacy. Work by **Victor Hallman** investigated phased withdrawal plans and deferred annuitization, taking taxes and bequest motives into account. **James Mahaney** and **Peter Carlson** modeled alternative approaches to retirement income phasing.

## 2008 Symposium

The 2008 Symposium will highlight trends in public sector retirement systems in the US and around the world. Speakers will evaluate public plan investment and accounting controversies, explore developments in governance, and assess the challenges of retiree medical care costs for the survival of the public retirement system.



**Ann Combs and Joe Piacentini evaluate retirement readiness.**

## PRC News

**Anna Rappaport** co-authored a recent Conference Board report on phased retirement after the PPA. She also spoke in Chicago on the workforce of the future. **Steve Utkus** and **Olivia S. Mitchell** spoke at the 2007 NBER conference on financial literacy on 401(k) investment decision-making, as well as the National Tax Association on 401(k) plan design.

## PRC Upcoming Events

*Members: Mark your calendars!*

- October 18, 2007: Senior Partner & Board Dinner
- October 19, 2007: PRC Fall Board Meeting
- May 1 and 2, 2008: PRC/Boettner Symposium
- May 2, 2008: PRC Spring Board Meeting
- October 16, 2008: Senior Partner & Board Dinner
- October 17, 2008: PRC Fall Board Meeting



**Jeannine Markoe Raymond and Gary Anderson explore public plan options.**

## The Pension Research Council

The Pension Research Council of The Wharton School of the University of Pennsylvania is an organization committed to generating debate on key policy issues affecting pensions and other employee benefits. For more information: [www.pensionresearchcouncil.org](http://www.pensionresearchcouncil.org)

## **EXECUTIVE DIRECTOR**

OLIVIA S. MITCHELL  
THE WHARTON SCHOOL  
UNIVERSITY OF PENNSYLVANIA

## **PRC SENIOR PARTNERS**

AARP  
AIG VALIC  
ALLIANCEBERNSTEIN  
AON CONSULTING  
BARCLAYS CAPITAL  
CALLAN ASSOCIATES  
FIDELITY RESEARCH INSTITUTE  
FORD MOTOR COMPANY  
WILLIAM A. FREY  
HAMILTON LANE  
INTERNATIONAL FOUNDATION OF  
EMPLOYEE BENEFIT PLANS  
JOHN HANCOCK LIFE INSURANCE CO.  
LOOMIS, SAYLES & COMPANY, L.P.  
METLIFE  
MUTUAL OF AMERICA LIFE  
INSURANCE CO.  
PRUDENTIAL FINANCIAL  
T. ROWE PRICE  
TIAA-CREF INSTITUTE  
THE VANGUARD GROUP  
WATSON WYATT WORLDWIDE

## **PRC INSTITUTIONAL MEMBERS**

DAIWA FUND CONSULTING CO. LTD.  
FINANCIAL ENGINES, INC.  
INVESTMENT COMPANY INSTITUTE  
MFS INVESTMENT MANAGEMENT  
PRINCIPAL FINANCIAL GROUP  
THE SEGAL COMPANY  
SOCIETY OF ACTUARIES  
TEXAS MUNICIPAL RETIREMENT  
SYSTEM

## **PRC ADVISORY BOARD**

GARY W. ANDERSON  
DAVID S. BLITZSTEIN  
CHRISTOPHER M. BONE  
PHYLLIS C. BORZI  
ROBERT L. CLARK  
JULIA L. CORONADO  
P. BRETT HAMMOND  
BETH HIRSCHORN  
DAVID I. LAIBSON  
JEANNINE MARKOE RAYMOND  
RAIMOND MAURER  
JUDITH F. MAZO  
ANDREW METRICK  
ALICIA H. MUNNELL  
MARTHA PRIDDY PATTERSON  
RICHARD PROSTEN  
ANNA M. RAPPAPORT  
KENT SMETTERS  
NICHOLAS S. SOULELES  
STEPHEN P. UTKUS  
JACK L. VANDERHEI  
MARK WARSHAWSKY  
STEPHEN P. ZELDES

## **SENIOR SCHOLARS**

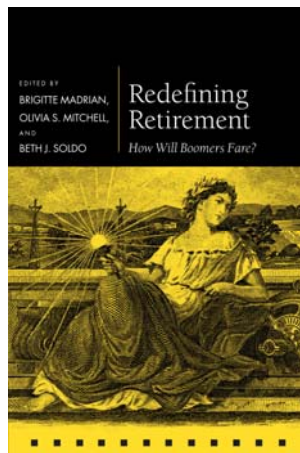
BRIGITTE MADRIAN  
BETH SOLDO  
SAMUEL H. PRESTON

## **PRC EMERITUS MEMBERS**

DAN MCGILL  
JERRY ROSENBLUM  
MARK TWINNEY

## **PRC Publications**

**Redefining Retirement: How Will Boomers Fare?** Eds. Brigitte Madrian, Olivia S. Mitchell, and Beth J. Soldo. An invaluable study of Baby Boomers as they enter retirement. While Boomers will be better off than their predecessors in many ways, having benefited from the long run-up in housing prices, better healthcare, and economic growth, this large generation will require new approaches to retirement risk management. Analysts offer new evidence about prospects for health, income, retirement pensions, portfolio allocation, and financial literacy. ISBN 0-19-923077-3



**Restructuring Retirement Risks.** Eds. David Blitzstein, Olivia S. Mitchell, and Stephen P. Utkus. Retirement security is one of the central policy concerns of our time, yet pension systems confront deep challenges and governments are unsure how to proceed. Although retirement systems are stressed by volatile capital markets, poor corporate earning streams, weak macro-economic performance, and international turmoil, contributors offer creative guidance to pension fiduciaries, plan participants, and policymakers. ISBN 0-19-920465-9

## **To order books online**

[www.pensionresearchcouncil.org/  
publications/books.php](http://www.pensionresearchcouncil.org/publications/books.php)

## **For more information**

Pension Research Council  
The Wharton School, University of Pennsylvania  
3620 Locust Walk, 3000 SH-DH  
Philadelphia, PA 19104-6302  
T: 215.898.7620 • F: 215.573.3418  
[prc@wharton.upenn.edu](mailto:prc@wharton.upenn.edu)  
[www.pensionresearchcouncil.org](http://www.pensionresearchcouncil.org)

**Reinventing the Retirement Paradigm.** Eds. Robert L. Clark and Olivia S. Mitchell. Rising pension and healthcare costs and workforce aging drive pension and retirement consumption. Capital market volatility, ever-higher medical expenses, and low saving rates make retirement behavior and policy a moving target. ISBN 0-19-928460-1

**Pension Design & Structure: New Lessons From Behavioral Finance.** Eds. Olivia S. Mitchell and Stephen P. Utkus. This book draws on behavioral finance to challenge key assumptions behind commonly held theories of retirement decision-making. Authors trace implications of frontier research in psychology, marketing, and economics, to enhance pension system design and structure. ISBN 0-19-927339-1

**The Pension Challenge.** Eds. Olivia S. Mitchell and Kent Smetters. This book shows how pension systems can help protect against risks in light of current uncertain economic and financial global stresses. Challenges for employees, retirees, companies, and governments are explored. Experts analyze whether and how financial products and systems can be better designed to meet and manage retirement risks. ISBN 0-19-926691-3

**Innovations in Retirement Financing.** Eds. Olivia S. Mitchell, Zvi Bodie, P. Brett Hammond, and Stephen Utkus. Only half of all Americans report that they have thought about retirement saving, and many of those who have tried don't know if they are saving enough. This book offers fresh approaches and new methodologies for financial planning. ISBN 0-8122-3641-6

## **Forthcoming Publications**

**Lessons from Pension Reform in the Americas.** Eds. Stephen J. Kay and Tapen Sinha. This new PRC book addresses American experiments with pension reform. Many are now re-evaluating these privatizations; this volume is the first to critique and reassess many various pension reforms. The work covers demographic trends, pension system default options, and reform efforts in the United States, Canada, Mexico, Costa Rica, Brazil, Peru, Uruguay and Argentina. ISBN 0-19-922680-6