

THE TIMING OF CONVERSATIONS IS KEY TO CAPTURING MORE ROLLOVER IRA OPPORTUNITIES

Considering the size of the Rollover IRA market, financial advisors may want to prioritize firm efforts around capturing potential IRA assets in motion. However, capturing rollovers can be difficult given the events that must align to do so, including having discussions at an opportune time. As a result, initiating discussions early and often in client relationships can be key in successfully capturing Rollover IRAs.

A 2021 Secure Retirement Institute study revealed that the timing of a conversation about Rollover IRAs with a client or prospect is essentially as important as the reasons for doing so. The reason that timing is so important is that most investors have a good idea about what they plan to do with a plan balance prior to leaving an employer. Specifically, 54% of investors who complete a rollover decided to do so before leaving their former employer, and 32% of all investors who completed a rollover decided to do so 90 or more days before leaving.¹

Initiating conversations early on in the relationship is important for two reasons, the first of which is simple: if you don't capture the rollover, another financial advisor probably will. Generally, 61% of investors age 40-75 who recently left an employer roll their plan balance to an IRA. Of those who did, 40% spoke with a financial professional beforehand, and 34% said that a financial professional had the biggest influence on their rollover decision.¹ And regardless of whether you're dealing with existing clients or not, there could be competition from a plan advisor or another independent financial advisor actively soliciting Rollover IRA business.

Another reason that timing is so important is that you're competing with more than just other advisors for Rollover IRA opportunities. Investors can complete a "roll-in" to a new employer plan, cash out their entire balance, convert part or all their balance to an annuity, or simply leave their balances in their former employer's plan. All are valid actions, depending on an investor's circumstances and needs.

Getting out ahead of a job change or retirement decision goes a long way in capturing Rollover IRAs, and having an existing dialogue with clients is paramount to doing so. In addition, implementing and maintaining a Rollover IRA marketing campaign can help on the prospecting side.

As it may be difficult to know exactly when your clients or prospects begin considering their retirement plan balances in conjunction with a job change or retirement decision, it's important to have regular client check-ins with the intent of collecting information about job changes and to mention Rollover IRAs in all prospecting discussions. For help with this potentially significant business-building opportunity, refer to our Rollover IRA checklist and Rollover IRA scripts for idea generation and to help ensure you're discussing all relevant items.

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Asset Management

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¹SRI, "Money in Motion: Understanding the Dynamics of the IRA Rollover Market", 2021

²Asset under management as of March 31, 2021

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