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Mark your calendars!

On Monday, September 15th, the nomination process to fill five board seats (*four service firm & one plan sponsor*) will begin. Even those running for a second term will need nominations.

Making Retirement Income Security Work

By Randy Myers

Stable Value Investment Association Chairman James King is proud to be part of the stable value industry. “It is an important asset class, and it’s part of the fabric of defined contribution plans,” he said as he welcomed his industry colleagues to the SVIA’s 2014 Spring Seminar in April. “We should be proud of being stewards of stable value, and of bringing it to retirement plans in the American workplace.”

King, also managing director and senior client portfolio manager in the Stable Value Markets Group at Prudential Financial, isn’t alone in having good feelings about the industry in which he works and the products it delivers. Last year, the SVIA polled 29 firms that have been providing stable value products consistently since 2007. By year-end 2013 those firms had \$702 billion in stable value assets under management, representing about 12 percent of the total assets in defined-contribution retirement savings plans. That was up from just over \$459 billion at year-end 2007.

That’s solid growth, and it demonstrates that retirement plan participants see a lot of value

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The 2014 Elections and What Will They Mean

By Randy Myers

Could a Republican takeover of the U.S. Senate make it easier for President Obama to get things done? Republican businesswoman Gwendolyn King, president of the Podium Prose speakers bureau and a former Social Security commissioner, thinks it’s possible.

Republicans already control the House. Conventional wisdom posits that gaining a lock on both chambers of Congress would make it even more difficult for President Obama to carry out his agenda in the final years of his second term.

Gwendolyn King isn’t so sure. Addressing the 2014 SVIA Spring Seminar, Mrs. King said that if the GOP takes the Senate, Obama could indeed wield his veto pen regularly, extending the political gridlock that has gripped Washington. Or he could move toward the center of the political spectrum in a bid to find common ground with Republicans, move some key legislative initiatives forward, and develop his legacy.

That sort of compromise isn’t impossible, King insisted. “Bill Clinton, even when he

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A Predictable Surprise: The Unraveling of the U.S. Retirement System

By Randy Myers

If you think it’s harder for the average American to build a financially secure retirement today than it was a few decades ago, you’re probably right. But the usually cited culprits—the ongoing demise of the defined benefit pension plan, the failure by many individuals to adequately fund their defined contribution plans—aren’t solely to blame. So too, says Sylvester Schieber, is the shaky state of the Social Security system, which will pay most Baby Boomers less than they put into the system.

Schieber is a former chairman of the Social Security Advisory Board and the author of *The Predictable Surprise: The Unraveling of the U.S. Retirement System* (Oxford University Press, 2012). Speaking in April at the 2014 SVIA Spring Seminar, Schieber noted that an average earning single male retiring in 1975 at the age of 65 could expect to collect, on average, \$108,838

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The 2014 Elections

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was impeached by the Republicans, found a way to work out a budget deal and to do reform on Welfare,” she said. “It happened with George Bush as well. And it happened with Ronald Reagan when he and Tip O’Neil got together and worked out a budget deal and reform of Social Security.”

King said she thinks it is “almost a slam dunk” that Republicans will win majority control of the Senate this year, although she conceded that the party has found ways to lose seemingly winnable elections in the recent past.

Colbert King, a Democrat, Pulitzer-Prize-winning *Washington Post* columnist and Gwendolyn King’s husband, isn’t convinced that his party is about to relinquish the reins of the Senate. Joining her on the SVIA stage, he reminded his audience that “in politics, overnight is a lifetime. The way things look today may not be the way things will become [in] November.” While Republicans have been hammering Democrats over the new healthcare law, for example, King noted that more than eight million people have signed up for health insurance under the law and that public sentiment seems to be shifting in favor of President Obama’s signature legislative accomplishment. “It has a growing number of supporters, which tends to neutralize the opposition that Republicans would mount against it,” King said. He also noted that it’s impossible to predict what might happen in countries outside the U.S. between now and the November midterms that could alter the prospects for either party.

Assuming Republicans do prevail in the Sen-



Gwendolyn King is President of Podium Prose, a speakers bureau and speechwriting service, in Washington, DC. Prior to her launch of the company, Mrs. King was Senior Vice President of Corporate and Public Affairs for PECO Energy Company (formerly Philadelphia Electric Company) from 1992 until her retirement in February 1998. From 1989 to 1992, she served as the 11th Commissioner of the Social Security Administration under President George H. W. Bush. Mrs. King was appointed by President Ronald Reagan as Deputy Assistant and Director of Intergovernmental Affairs at the White House from 1986 to 1988. While there, she was appointed to the Advisory Commission on Intergovernmental Relations, the Interagency Committee on Women’s Business Enterprise, and later, the Board for International Food and Agricultural Development. She was appointed by President Bill Clinton to the Commission on the Social Security Notch Issue, and by President George W. Bush to the Presidential Commission to Strengthen Social Security. Prior to her Presidential appointments, Mrs. King directed the Pennsylvania Governor’s Washington, D.C. office for six years, following her service as senior legislative assistant to US Senator John Heinz (R-PA). Mrs. King was a Founding Partner of The Directors’ Council. She is a director of Lockheed Martin Corporation and Monsanto Company, and ended 12 years of service on the board of Marsh and McLennan Companies in May 2011. She served for six years as director of the National Association of Corporate Directors, from 2004-2010. She is a trustee of the Barnes Foundation in Philadelphia, PA.

ate, Gwendolyn King said, immigration reform could be the most likely starting point for compromise. “That’s an issue where both sides want to do something,” she said. “Republicans recognize they are demographically challenged. We simply are losing the battle for voters, and have to bring more women and minorities into our ranks. How is that going to happen? Certainly not with the large Latino population in the United States—unless something is done on immigration.

“On the other hand,” she continued, “there’s a legitimate question of why should we (Republicans) do something on immigration reform if all those people come in under amnesty and get citizenship and then vote Democratic?”

That sort of calculus hints at what’s been keeping Washington politics mired in gridlock for the past several years. The nation’s capital today is a far cry from what it was in decades past, Colbert King said, and the key

difference can be summed up in one word: polarization.

“Even during issues of civil rights, issues of war and peace, Washington still managed to engage in political battles without bringing the house down,” he said. “Not today. Now the aim is not only to win but also to vanquish the competition—to grind your opponent into the ground. The biggest question today in Washington is not whether the Dodd-Frank Act is working or should be changed, it’s not Ukraine or peace in the Middle East or raising the minimum wage or the Keystone pipeline. The question is whether Republicans can take control of the Senate and retain control of the House. [This issue] informs almost everything done in Washington these days, including the political behavior we see. Washington political strategists want to know only one thing: Will what we do mobilize or discourage our political base?”

Colbert King predicted that no overarching issues are likely to determine the outcome of the 2014 elections, but he did offer suggestions for the political parties. Democrats, he said, should not count too heavily on income inequality as a political rallying cry because it is hard to translate into a concrete message for voters. Democrats would be better off showing voters what they have done in the past to benefit them. And Republicans, he said, must find a way to be seen not as the party of obstructionism, but rather as one that has a positive message for the country. **SVIA**



Colbert I. King is known for his provocative, insightful commentary in one of the world’s most influential newspapers, the *Washington Post*. Colbert King is a Pulitzer Prize-winning journalist and an engaging speaker on a host of national, international and social issues. King is the former deputy editorial page editor of *The Washington Post* and also one of the newspaper’s regular columnists. In his column, he brings a unique focus to the people whom are not among the powerful politicos of the nation’s capital and often suffer from neglect and abuse. As the *Post*’s editorial page editor,

Fred Hiatt, said, “He writes about people who otherwise would get ignored, people who don’t have much of a voice. He holds officials accountable. He shines a pretty powerful spotlight.” He doesn’t come from a conventional journalism background and, as a result, Colby King brings a varied perspective and expertise on many of the critical issues of the day.