

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!

Is the [job market crashing](#)? After adding only 12,000 new jobs in October and revising the last 2 months downward, the last pre-election report could harken a new job market.

Hiring is depressed as are new job postings but the unemployment rate held steady with few layoffs.

Business services led with 47,000 fewer jobs.

Some of the causes of the anemic October Job report are one-offs like the 2 hurricanes and the Boeing strike of 35,000 workers which has since been resolved.

Will the report cause the Fed to keep interest rates steady? And how will the new Trump administration affect rates if at all?

While 2025 IRA limits remained steady at \$7,000, DC and 457 plan [limits increased slightly](#) to \$23,500 with catch-up contributions unchanged.

A [recent poll by Professor Shlomo Benartzi](#) indicated that 53% think IRA limits shd be higher than 401ks with just 12% indicating they should be lower.

Benartzi was scolded recently by none other than NAPA's Nevin Adams who took exception to his recent WSJ article questioning whether DC plans fit the 21<sup>st</sup> century workforce. Adams claimed that the column was a call for a Federally sponsored plan, which, of course Benartzi did not propose only suggesting tweaks to the system.

Touchy subject I guess for the folks at NAPA.

A recent Capitalize report [took direct aim at the current IRA rollover system](#) with \$1.1 trillion predicted to move in 2024 calling it the least digital process in all personal finance.

Capitalize claims that 42% of rollovers took more than 2 months to complete with 80% having to go through a manual process some requiring a phone call.

Only 22% of the rollovers occurred without assistance.

The likely demise of the DOL fiduciary rule will keep more advisors in the rollover game while the DOL's auto-transferability and the Portability Service Network which includes 6 of the largest DC record keepers could help keep more assts in plans.

All of which highlights flaws in the DC system pointed out in the WSJ column by Benartzi as people change jobs 12-13 times throughout their careers.

### Next story:

Who said record keeping was not a profitable business? Certainly not Empower which [reported record Q3 earnings](#) increasing year over year by 35% and 12% from last quarter. YTD earnings were \$711m, mostly from increased workplace fees which were \$46 bn YTD.

Though nascent, the Personal Capital business now called Empower Personal Wealth grew to \$85bn AUM with a 16% year over year earnings increase. Overall, Empower has \$1.8 trillion and 19 million participants which proves that scale is important and those without it need to find another angle – fast – if they hope to compete with the likes of Empower and Fidelity which has \$3.5 tr in DC assets and \$15 tr overall. That mountain is only going to get harder to climb.

In what could be a transformation event, the acquisition of NEPC by Hightower can completely disrupt the wealth, retirement and institutional DC markets. Combined the firms will have \$1.8 trillion under advisement with \$158 billion from Hightower which has 642 advisors and is a leading RIA aggregator.

Read my recent [WealthManagement.com/RPA column](https://www.WealthManagement.com/RPA) which includes exclusive interviews with the leaders at the two firms about how this combination could accelerate not just the convergence of wealth and retirement at the workplace but also the consolidation of RPA and RIA aggregators leaving institutional consultants looking for new partners to leverage participants.

My [recent LinkedIn poll](#) asked “With a new administration, what is the likelihood that the DOL's fiduciary rule is implemented in the next 12-24 months?”

Most of you think there is a 0% chance with very few thinking it has a 50% or more likelihood.

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

- [RIA M&A market reports record results in October](#)
- [Pontera survey highlights importance of 401\(k\) accounts to investors](#)
- [NAPA scolds Benartzi for even hinting at a federal takeover](#)
- [Hidden fees in retirement income may be hold industry back](#)
- [B. Riley sells unit to Stiffel](#)

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.