As the world’s leading manager of retirement assets, BlackRock has an unrelenting fiduciary obligation to our clients. Every day we bring our global capabilities and intellect to bear for the investment portfolios we manage.

But in our view, the responsibilities of a fiduciary extend well beyond the letter of the law and even delivering strong performance—to be sure, an indispensable foundation. We judge ourselves by this and also by a higher standard: whether we can deliver to our client’s innovative tools and insights to help them make better decisions—and even improve their overall ability to make decisions. For we recognize that many of our clients—financial advisors and plan sponsors—are fiduciaries, too. And part of our job is to help them be better fiduciaries to their clients.

Bruce Wolfe
Executive Director,
BlackRock Retirement Institute
We see this as a combination of theory and practice. Underlying many of our unique market insights is a theoretical understanding, originated here at BlackRock, of specific financial challenges. Yet we never indulge in theory for its own sake. Sometimes new theory is necessary to break through stale intellectual boundaries. But we’re always looking to apply those breakthroughs in concrete ways that directly benefit our clients.

In particular, over the past few years, various groups within BlackRock have been developing and delivering new services to clients on the front lines facing the unprecedented challenges posed by retirement and longevity. In particular, we’ve been working with the defined contribution (DC) community (plan sponsors and consultants) and the financial advisory community (advisors and their affiliated organizations). Each of these client segments has very specific and “institutionalized” ways of doing business and making decisions, thus “one-size” solutions often don’t fit and must be tailored to meet specific needs.

Yet all the solutions we’ve developed share certain common traits. First, they are innovative. We aspire to break new ground with every new product and solution. Second, they’re simple. Much of the thinking and mechanics may be complex, but we work hard to make the user experience simple and intuitive. Third, we’re trying to redefine the conversation around retirement. It’s not enough to give better answers to existing questions; we’re asking entirely new questions.

Here are three cases in point.

BlackRock’s DC business developed new ways to help employers promote the benefits of workplace-sponsored retirement plans for workers who might be reluctant to join, or who are participating but aren’t taking full advantage of the benefit. Research conducted with our partners, coupled with an innovative and compelling way of presenting plan and participant-level data, shows that workers’ retirement readiness vastly improves when they are able to fully participate—i.e., save at higher levels, invest in a more diversified portfolio, and get the full company match—in an employer-sponsored plan. This is a particularly acute issue for employers concerned about the well-being of their older workers—and their younger workers who will one day be older.
Specifically, in terms of plan design, we work with plan sponsors to identify an objective for their DC plan and apply best practices, including insights from behavioral finance. We provide insight into how today’s plan features and investment choices could impact tomorrow’s retirement outcomes. And we help plan sponsors understand whether their participant population can be expected to have sufficient retirement income.

For financial advisors and individual investors, we believe that we’ve completely changed the retirement conversation especially for the most vulnerable—those 50 and older. The theory is relatively simple: focus on retirement income—how much spending power a nest-egg could buy—rather than on the nest-egg itself.

That theory is implemented in practice through our proprietary suite of benchmarks called the CoRITM Retirement Indexes (“CoRI Indexes”). Developed by BlackRock’s Global Retirement Strategy Group—of which BRI is a part—CoRI Indexes are designed for investors in the pre- to early retirement years and help them estimate how much it will cost today to generate a dollar (or pound; CoRI Indexes are currently available only in the U.S. and U.K. markets) of annual retirement income beginning at age 65. Most people don’t realize that the purchasing power of their accumulated savings rises and falls with financial markets, particularly interest rates and bond yields. CoRI Indexes not only make this clearer, they provide an estimate that is priced daily. Similar to the way in which the S&P 500 gives investors a quick and easy way to know what’s going on in the equities market, CoRI Indexes seek to track the cost of lifetime retirement income with simplicity and transparency.

CoRI helps advisors and their clients alike understand the challenge of retirement investing by focusing on the real goal: generating retirement income.

We’re proud of these—and other—solutions. We think they meaningfully change the conversation around retirement. We’re especially proud that they’re both conceptually game-changing and eminently practical. That’s a combination that we think BlackRock is uniquely suited to delivering.

We’re trying to redefine the conversation around retirement. It’s not enough to give better answers to existing questions; we’re asking entirely new questions.
The CoRI Retirement Indexes and the CoRI tool do not guarantee future income or protect against loss of principal. There can be no assurance that an investment strategy based on the CoRI Retirement Indexes or the CoRI tool will be successful. Indexes are unmanaged and one cannot invest directly in an index.

Investing involves risk, including possible loss of principal.

The CoRI Retirement Indexes and data are subject to change. Data shown is for informational purposes only and does not represent an actual account. The CoRI tool is based on CoRI Retirement Index levels that are updated daily, so results may vary with each use and over time. The CoRI Retirement Indexes and CoRI tool do not reflect the fees, expenses and cost that may be associated with an annuity or any other retirement income product that an individual may purchase, or any assumption that such a product will be available for purchase at the time of retirement. Actual investment outcomes may vary. Although the CoRI tool provides an estimate of the amount of money you need today for every dollar of annual income you want in retirement, this estimate is not a guarantee. A number of factors may contribute to variations in retirement income.

The CoRI Retirement Indexes are maintained by BlackRock Index Services, LLC (the "Affiliated Index Provider"); a subsidiary of BlackRock, Inc., that designs, sponsors and publishes indices for use in portfolio benchmarking and portfolio management. While the Affiliated Index Provider publishes descriptions of what the CoRI Retirement Indexes are designed to achieve, the Affiliated Index Provider does not provide any warranty or accept any liability in relation to quality, accuracy or completeness of data in respect of the CoRI Retirement Indexes, and does not guarantee that the CoRI Retirement Indexes will not deviate from their stated methodologies. The Affiliated Index Provider does not provide any warranty or guarantee for Affiliated Index Provider errors.

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