

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!

In another move by a large to mid market benefits, P&C and retirement group to move down market, Gallagher announced [the purchase of Assured Partners](#) from PE firm GTCR for a whopping \$13.5 billion, a price similar to what AON paid for NFP for similar reasons. GTCR is an investor in Captrust.

Gallagher has made 200 acquisitions since 2020 and Assured has made 500 acquisitions since its inception in 2011, mostly benefits and P&C shops. Assured has almost 11,000 employees, a reported \$2.9 billion in revenue with almost \$1 bn in Ebitda. The group will report up to Jeff Leonard managing director of financial and retirement services which includes John Jurik and recently promoted Luke Kaplan.

So while Assured boosts Gallagher's revenue and presence in smaller markets, it does little for their retirement division as Assured has a reported less than \$1 bn in AUM and even a smaller amount in wealth which is considered essential for RPAs going forward.

New Vanguard CEO Salim Ramji, the 1<sup>st</sup> outsider to lead the firm, announced the creation of a [newly minted advice and wealth management division](#) with \$900 bn carved out of their personal investing group. It will be led by Fidelity executive Joanna Rottenberg who will join Vanguard in January.

Other changes include another outsider Lauren Valente from Principal, to head up their institutional investment group and the promotion of an insider John James to lead their workplace and advisor group.

Vanguard is one of the largest robo advisors along with Schwab and seems well positioned to bring advice at scale to the masses. They are also becoming more advisor friendly though likely will compete for participants with advisors who bring them plans.

Will the move highlighted by Amazon's stunning announcement requiring workers to come to the office every day [boost productivity](#) or is it a ruse to prune the ranks? According to Stanford Professor Nicholas Bloom, there is no evidence that 5 days/week in the office increases productivity.

With 30% of workers hybrid, mostly professional services and workers with college degrees, and 10% fully remote, mostly back office workers and call centers, the shift could result in the loss of highly qualified professionals. The Trump administration's is likely to require federal workers back to the office which may be a thinly veiled tactic to eliminate jobs.

Remote working arrangements have brought 1 million people with disabilities into the workforce since the pandemic and enables people close to retirement and those with children to continue to work in a time when unemployment is at historic lows. People are willing to take an 8% pay cut to be able to work remotely, even if only part time.

Though there are benefits to coming into the office especially for younger workers such as mentoring and face time, experts say that the 3 days/week is sufficient.

As plan sponsors wake up better understanding the role of their RPA and how they can best leverage them, there will be more formal RFPs. In fact, 81% thought that plans should conduct an RPA RFP using an independent consultant every five-seven years in a recent LinkedIn poll. So another skill set that successful RPAs have developed is participating and winning RFPs.

Read my [recent WealthManagement.com column](#) about how RPAs need to understand the process and develop that skill set to win more RFPs.

In my recent LinkedIn Poll, I asked [whether the RPA M&A market has peaked](#). The vast majority of you think it will continue to grow while a much smaller group think it has peaked or will decline.

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

- [New head of Prime Capital's retirement and wellness group Jania Stout outlines the future](#)

- [UnitedHealth settles lawsuit over poor performing Wells Fargo funds for \\$69 million](#)
- [How to best design a loan program](#)
- [Are annuities the antithesis of fiduciary prudence?](#)
- [Advisors are still hesitant about retirement income solutions](#)

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.