

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 this 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!

The [US job market continued its steady decline](#) under the Trump administration with the lowest private payroll increase in 2 years and a continued decline in consumer sentiment with April the lowest since 1990.

Overall, 139,000 jobs were created in May while the March and April estimates were lowered by 95,000. Federal workers lost 22,000 positions and 59,000 since January.

Business leaders hate volatile and unstable markets caused in part by the trade wars reluctant to expand especially with the Fed refusing to cut interest rates despite pressure by Trump on Powell who he threatened to fire.

With immigration policies limiting workers in the construction and leisure industries which will have to be replaced by higher wage earners or cutbacks, it's hard to imagine that the private sector will aggressively expand hiring new employees, especially those facing hiring costs due to tariffs, all of which could affect benefits and spending.

After a year long search, Captrust, with over \$1 trillion, has [hired former Echelon MD Mike Wunderli](#) to head up their M&A group replacing Russ Benton who left a year ago coinciding with the departure of David Wahlen who departed for Merit Financial.

Citing wealth management as the real opportunity, Captrust with \$245 bn of wealth assets, is one of the very few RPA aggregators leveraging the convergence of wealth and retirement, each feeding each other.

GTCR took a minority interest in Captrust in 2020 followed by the Carlyle Group in 2023 valuing the firm at \$3.7 bn. That compares to Creative Planning's \$16 bn valuation with \$354 bn of assets, and \$12.75 bn valuation of Fisher with \$295 bn under management.

Wunderli cited Captrust's integration strength as a reason he joined which, along with convergence, will define the winners and losers among aggregators for both RPAs and RIAs.

EBSA director nominee [Dan Aronowitz at his congressional confirmation hearing](#) promised big changes and a turnaround if confirmed vowing to end years long investigations while citing expansion of cryptocurrency and private markets at the expense of ESG and opportunities in escalating PEPS, coverage of gig workers and ESOPs.

He railed against regulation by litigation previously calling for an ERISA Court even as more lawsuits are being filed fueled in part by several US Supreme Court decisions and the stunning \$39m Pentegra jury verdict as well as numerous forfeiture cases.

With cuts at almost all agencies and a brain drain at EBSA losing 22% of workers as well as Trump's limitations on new rulemaking, it may be a challenge for the new EBSA director to protect plans and participants through investigations, rather than litigation.

In a boost to private market investing in DC plans, a [federal appeals court in California affirmed the dismissal of a lawsuit](#) against Intel for including hedge funds and private equity.

Citing proper due diligence and the 2020 DOL information letter, the court noted that attempts to compare returns to other funds is not valid.

At the same time Franklin Templeton's Jenny Johnson, a big proponent of private markets, railed against lawsuits that are scaring off DC plan sponsors.

The discussion at the [7th annual RPA Record Keeper Roundtable](#) last week in DC in conjunction with DCIIA & SPARK's Public Policy Forum focused on the need for evolution in what is an existential moment for many.

Citing continued fee decline fueling convergence of wealth, retirement and benefits at work, the explosion of new plan formation and the potential to leverage AI to lower costs, record keepers were both optimistic and cautious about the future even as consolidation marches on.

Read my recent WealthManagement.com column about the future of record keeping and how it will certainly affect advisors, plan sponsors and participants alike as well as TPA, asset manager and tech partners.

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

- [Wide variances in valuation of RIA advisory firms](#)
- [Franklin Templeton CEO cites legal action holding back private investments in DC plans](#)
- [ERISA advisory council releases QDIA recommendations](#)
- [Younger Americans rewriting retirement saving rules](#)
- [Goldman exec takes over reins at Hightower](#)

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.