

Update at a Glance



INVESTED IN THOUGHT LEADERSHIP: Baby Boomers and Required Minimum Distributions: Preparing for the Big Wave of Asset Outflows

[Watch the video](#) highlighting BNY Mellon Treasury Services' recent thought leadership paper on "The Impending Convergence of Baby Boomers and Required Minimum Distributions: Preparing for the Big Wave of Asset Outflows."

The paper ([available for download here](#)), authored by Edward Shane, Managing Director, Head of Sales and Relationship Management Insurance & Electronic Receivable Payment Services for BNY Mellon Treasury Services, explores the upcoming convergence of an unprecedented influx of retirees and the onset of associated mandated withdrawals from retirement plans. In considering the substantial impact of these converging events and the subsequent challenges posed to the retirement industry, the paper asserts the need for this industry to acknowledge, understand and prepare for the unprecedented outflow of assets.

Through U.S. Census and IRS data and Investment Company Institute (ICI) research, the paper focuses on the following key influencers set to impact – and action steps to address the impacts to – the retirement industry:

- Beginning in 2016, the first of the baby boomers will reach 70½ years of age and must begin taking Required Minimum Distributions (RMDs). As a result, throughout the next 20 years, billions of dollars annually will be forced from retirement accounts through distributions that will, in many cases, be taken in the form of a single large annual payment.
- It is estimated that more than 65% of current traditional IRA investors (and their assets) will enter into the RMD strata in the coming 20-year period. If these projections are correct, up to \$10 trillion in assets will be subject to mandatory withdrawals over the next two decades.
- After decades of asset accumulation, this unbridled exit of funds is poised to have a material and adverse impact on the retirement companies that manage these accounts.
- Firms facing this onslaught will need to be thoughtful and creative



Edward Shane discusses his recent paper on The Impending Convergence of Baby Boomers and Required Minimum Distributions: Preparing for the Big Wave of Asset Outflows.

[Watch the video here.](#)

in managing distributions, and may need to consider alternate distribution methods when executing RMD compliance.

- Creating and adopting new strategies to retain, redeploy or otherwise slow the exit of assets that result from RMDs could prove crucial for the industry's wellbeing.

For more information on the paper, please contact us at 1 800 424 3004 (Option 2) or treasury@bnymellon.com.

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