

An Interview with ASPPA CEO Brian Graff

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Brian H. Graff is the Executive Director/Chief Executive Officer of the American Society of Pension Professionals & Actuaries (ASPPA). In this capacity, Graff oversees ASPPA's operations, is a member of ASPPA's Executive Committee, and working with ASPPA's Board of Directors helps to set the strategic direction for the organization. During his tenure, ASPPA has grown from a budget of \$1.6 million to over \$11 million. Today, ASPPA is a national organization of more than 6,500 retirement plan professionals who provide consulting and administrative services for qualified retirement plans covering millions of American workers.

BrightScope: ASPPA has grown significantly under your leadership, to what do you attribute this success?

Brian Graff: ASPPA's goal is to be the premier organization for all retirement plan professionals. As you are well aware, the retirement industry is both dynamic and diverse. We recognized that to achieve our goals we needed to provide appropriately targeted services and value to the various constituencies in the industry, and I believe we have been doing this successfully. Most of all we have been very fortunate to have dedicated and committed member volunteers and leaders that have greatly contributed and supported our efforts to achieve the organization's strategic objectives.

BrightScope: In recent years ASPPA has expanded its focus through the development of CIKR and relationships with organizations like CEFEX. How has ASPPA's role changed over the years? Do you have any other plans for growth or partnerships in the future?

Brian Graff: It again has reflected the diversity of the retirement industry. We have strived to develop programs and services that meet the needs of the various segments of professionals in the industry. The latest example of these efforts is an endeavor we just announced on September 21. We are proposing a partnership with the National Tax-Sheltered Accounts Association (NTSAA), which will be operating as a division within ASPPA. The members of NTSAA have well-recognized expertise in the 403(b) and 457 marketplace. Combining our resources will allow us to better serve the professionals in that arena. It will also give us the expertise to enhance our advocacy efforts focusing on 403(b) and 457 issues. The partnership still requires the approval of NTSAA members, and we are hopeful that will be accomplished by the end of the year.

BrightScope: Like many others who have been interviewed on this blog, you play a very active advocacy role in Washington. How do you make policy decisions?

Brian Graff: ASPPA has an incredibly strong and active government affairs committee with close to 400 members participating. These individuals primarily determine ASPPA policy positions with able assistance of Craig Hoffman, Esq., ASPPA's General Counsel/Director of Regulatory Affairs, and Judy Miller, MSPA, EA, our Chief of Actuarial Issues/Director of Retirement Policy. In addition to direct input from NTSAA's members on 403(b) and 457 issues once the partnership is approved. We also get policy input from our sister organizations, the Council of Independent 401(k) Recordkeepers (CIKR) and the National Association Independent Retirement Plan Advisors (NAIRPA) based on their particular spheres of interest and expertise. We will also continue to make sure the policy interests of retirement plan administrators are always emphasized as well.

BrightScope: What do you think are the most important changes occurring in America's private retirement system and how have you positioned ASPPA to support or improve the system?

Brian Graff: Obviously the move away DB plans to DC plans over the last two decades is the most significant change and we have adapted along with this change in almost every aspect of our programs and services. For example, we started the 401(k) Summit, the first conference of its kind focused on issues affecting 401(k) plans including issues of particular interest to advisors. We also created the popular Qualified 401(k) Administrators (QKA) designation program to meet the needs of the increasing number of professionals focused solely on 401(k) plans.

BrightScope: I know that you have come out in support of the move towards fee transparency. Have your members embraced this push? How do you think transparency will benefit your members?

Brian Graff: Our membership has been very supportive of our efforts to promote fee transparency and I do think the entire industry will benefit once it is clear what fees are being charged and both plan sponsors and participants will be able to make reasonable apples-to-apples comparisons. Once fee transparency is implemented, I truly believe the critics of 401(k) plans will be very surprised to discover how competitive and reasonable 401(k) service fees generally are across the industry, particularly given the high quality of service provided.

BrightScope: Some people have reached the conclusion that the defined contribution system is failing participants. Do you agree with this assessment? Why do you think others have arrived at this conclusion?

Brian Graff: Anyone who believes that is simply ignoring the facts. Workplace retirement savings plans, like 401(k)s, have been the only effective way we have ever gotten working Americans to save. Based on recent EBRI data, workers making between \$30-\$50,000 are almost 20 times more likely to save when covered by a workplace retirement plan (>75%) as compared to when the only option is an IRA (<5%). That is because of the power of the match, the convenience of payroll deduction, and the culture of savings that retirement plan service providers help to foster.

We are certainly not saying the 401(k) is perfect—improvements can be made such as greater fee transparency. But you should not blame the drought on the well and its certainly not fair to blame 401(k)s for the recent decline in the market or the recession.

BrightScope: We are excited to attend ASPPA's annual conference in Washington DC in November. What do you have in store in the conference that we should look out for?

Brian Graff: It's a tremendous program with great speakers, including some of the key players in DC such as Phyllis Borzi and Mark Iwry. Due to the change in Administration, there is a great deal of potential change in the air that could dramatically affect our industry. By coming to the conference you will be able gain great insight into what to expect in terms of upcoming retirement policy—both legislative and regulatory.

Further, we are at a brand new hotel, the Gaylord National at Potomac Harbor, which is beautiful and I know attendees will really enjoy.

BrightScope: What advice would you give to a young advisor/consultant just entering the ERISA marketplace about how they should position their practice to grow over the next 5-10 years?

Brian Graff: That is a great question. In the case of advisors, there is already a strong trend toward emphasizing independence (i.e., fee-based advice), I expect this trend will continue and probably accelerate. That is why we recently formed the National Association of Independent Retirement Plan Advisors, to address the organizational needs of those advisors moving in that direction.

Most of all make sure that whatever you do be prepared to be nimble. This industry is very dynamic and you better be ready to adapt in order to succeed.

Interview disclaimer: Brian Graff's opinions are his own and do not necessarily reflect the opinions of BrightScope Inc.

Full Disclosure: BrightScope's executives are members of ASPPA.