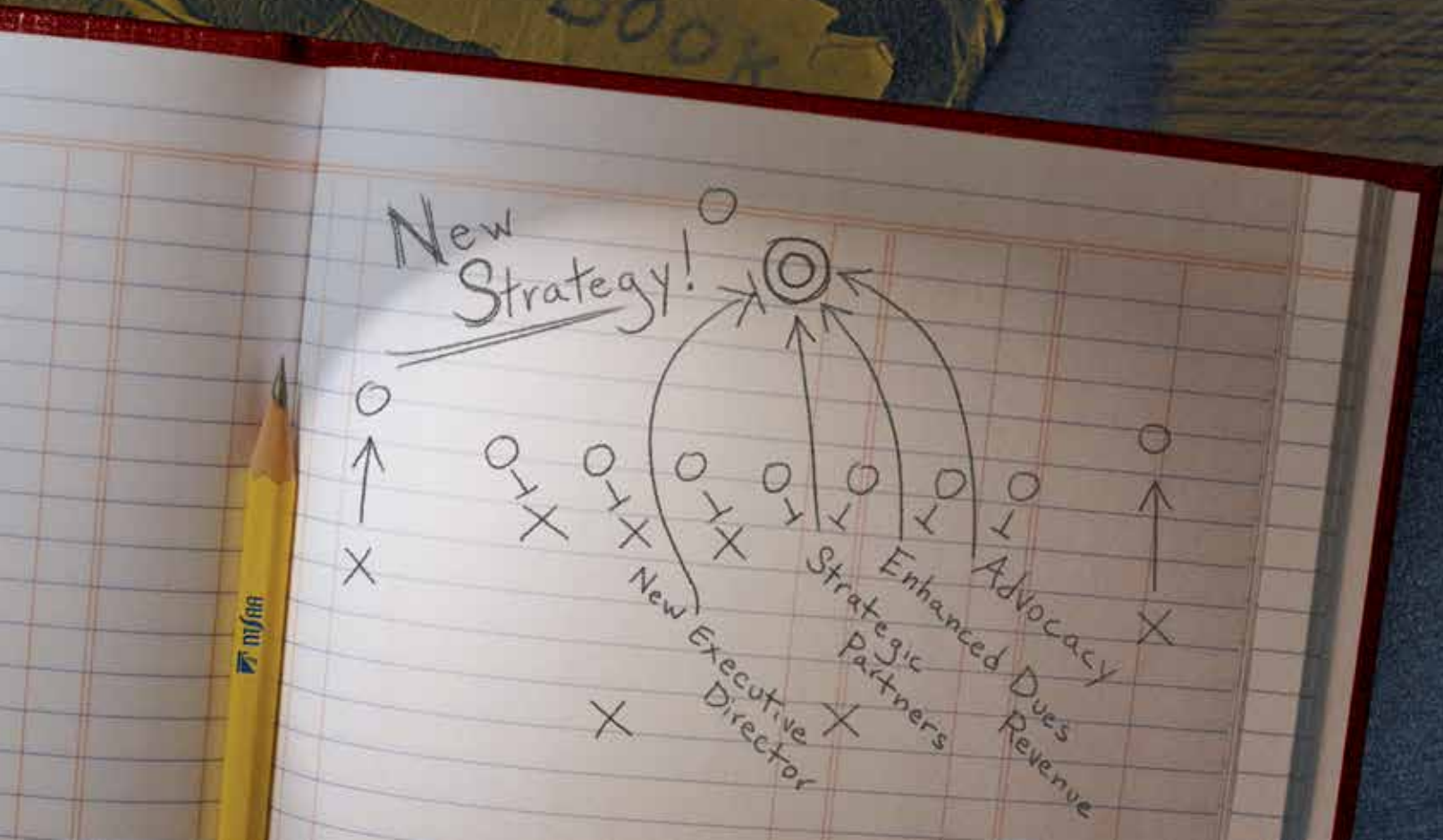


GAME CHANGE: NTSAA'S NEW PLAYBOOK

With a whole new membership structure, NTSAA's strategic partners have doubled its membership and replenished its coffers. And it isn't even half-time.

BY STEVEN SULLIVAN



Preparation for game day usually involves reviewing game films, analyzing strategies, and working them in practice. But when your opponent's strategy is to change the playing field, it may be time to come up with a whole new playbook.

The need for a new playbook became apparent when certain big players in the 403(b) game began trying to legislate their way into scoring position rather than competing for it. In one state after another—Michigan, California, Ohio, Florida, Texas, and others—NTSAA found itself battling well-heeled and well-connected forces seeking to “simplify” retirement plans at the expense of participant choice—and succeeding.

“Our opponent in this fight is a giant multi-billion-dollar, Fortune 100 corporation,” wrote NTSAA executive director Chris DeGrassi in the last issue of this magazine. “NTSAA is an association of individuals. Alone and separately, 403(b) advisors don’t stand a chance. But as members of NTSAA they’ve been able to muster resources that have successfully subdued the giant in five states so far.”

MORE RESOURCES

But the cost of waging such a battle was clearly beyond the means of an association of just 700 or so individual members. In order to protect the interests of the more than 5,000 advisors working with educators and non-profits across the country, NTSAA needed more resources. The alliance with ASPPA was a major help, but ASPPA had its own battles to fight. Something else needed to be done.

“Our old model of recruiting individual members was expensive and time consuming,” DeGrassi says. “We spent a great deal of time doing direct mailers, web meetings, phone calls and traveling. Knowing where we needed to get to from an advocacy standpoint to have an effective grassroots, it just wasn’t possible to grow 700 members on a one-by-one basis.”

Using the recently inaugurated

National Association of Plan Advisors (NAPA) as a model, NTSAA proposed a new membership structure composed of corporate or strategic partners. For annual dues of \$30,000 for distributors or \$60,000 for investment providers, these partners would buy individual NTSAA memberships for 600 or 300 of their employees and advisors. NTSAA would still be an association of individual members, but their memberships would be subsidized by the investment of strategic partners.

“The idea was to facilitate the growth of our individual membership through an institutional partnership structure,” says DeGrassi, “marrying the high level executive benefits that CEOs were enjoying—advocacy and political intelligence and market insight—with the on-the-ground interaction with members from an educational, professional and representation standpoint. A number of partners began to step up and express a willingness to invest in the association, essentially buying a group of individual memberships and making them available to their advisors and employees.”

The ASPPA board of directors approved the proposal in late October last year and immediately launched the program. NTSAA began 2013 with 15 corporate partners and an increase in membership revenue of close to 600 percent, which translates to around \$650,000. Membership doubled from 700 to more than 1,500 in less than four months.

“We’re born again, so to speak,” says Scott Hayes, NTSAA’s former president. “We’ve passed the transition of the merger with ASPPA and now we’re moving forward with things we’ve never been able to do before in terms of advocacy and education.”

VOICES OF SUPPORT

“We’ve been actively involved with NTSAA since U.S. Retirement Partners was founded in 2008,” says Jim Schlucter, senior vice president and national director of practice management. “The strategic

partnership provides a complete package of comprehensive membership benefits for one flat fee. The legislative advocacy benefits are quite significant, but I also like that individual NTSAA memberships are included. It’s a much more efficient way to get all of our advisors involved.”

“The mission of NTSAA aligns with The Legend Group’s belief in preserving a wide variety of investment options to retirement plan participants,” says Mark Spinello, CEO of The Legend Group. “We’re pleased to form an alliance with an organization that works to ensure participants continue to have the ability to make their own choices.”

“As an NTSAA Strategic Partner, ADMIN Partners gains access to strong market advocacy, great education opportunities and a network of talented professionals,” adds CEO Mark W. Heisler. “This relationship is essential to ADMIN Partners’ continued success and profitability in our market niche.”

Ed Forst, CEO of Lincoln Investments, agrees. “Lincoln Investment has become an NTSAA strategic partner as an endorsement of the unrivalled education, support, and forums NTSAA provides as an invaluable resource for our national network of financial advisors. NTSAA is a highly effective voice in promoting the importance of a more open marketplace and opposing a “one size fits all” approach to retirement investment planning. Lincoln Investment is proud to participate actively in NTSAA campaigns to maintain an employee’s right to choose investment providers, which is of the utmost importance to our advisors and their clients.”

Taking the field with its new playbook may not always give NTSAA home-field advantage, but a team like this will ensure that it always has the offense it needs to get the ball over the goal line when it counts.



Steven Sullivan is editor of 403(b) Advisor. He lives in Baltimore, Md.