Topics in Investments – B40.3176

Policy Choices for Financing Retirement

John H. Biggs
Former Chairman of TIAA-CREF
Stern Executive in Residence
Tuesday 6-9 pm, Spring 2007, 1st Half

Course Overview

The purpose of the course is to describe rigorously the role of finance and investments in planning to cope with these major problems. We explore each of the three pillars that supports income needs and costs in the future:

Pillar I. The Government in providing Social Security, Medicare, and Medicaid, welfare as well as backing up employer defined benefit plans through the Public Benefit Guaranty Corporation.

Pillar II. Employers, in providing pension benefits through defined benefit and defined contribution plans (401k), managing the asset portfolios underlying those plans, and providing post retirement medical care and nursing home provision.

Pillar III. The family through personal savings (IRA’s, mutual funds, annuities, Keogh plans and other means) to cover income needs, and medical care post retirement and long term care.

We will examine the variety of instruments and institutional arrangements that can meet individual and corporate obligations. We will also explore demographic and economic developments that can be predicted over the next 20 to 50 years.

The course is designed for those who will be CFO’s responsible for corporate retirement plans, research analysts interested in the impact of corporate retirement plans on future earnings, human resources officers, and for those interested in a future professional career in financial planning (actuaries, personal financial planners, compensation experts, etc.) and for anyone planning to have a well financed one-quarter of his or her life lived in retirement.

Grading:

One half on two papers
One half on the final exam