

Helping Employees be Smart with their Money

Benefits and insurance issues important to you - brought to you by the insurance specialists at JRG Advisors, LLC.



Retirement advice is not restricted to your grandfather's two cents or your financial planner these days. In fact, many employees now look to their employers for sound advice on their finances and retirement planning. In years past, employers may have worried about potential litigation for giving out bad advice on investments; however, nowadays during an unstable market, more and more employees are seeking financial advice.

In fact, according to the 6th *Annual Benefits Trends Survey* conducted by MetLife®, 49 percent of employees surveyed want their employers to provide retirement advice, and 44 percent want employer-provided general financial planning information.

Ways to Provide Information to Employees

To meet these needs, many employers do the following for their employees:

- Host workshops highlighting personal budgeting, credit managing, estate planning, estimating retirement savings and investment basics
- Hire experts to provide detailed information on complicated finance issues, such as an attorney talking to employees about creating a will
- Lunch and learn seminars on how to understand the stock market
- One-on-one counseling to show employees how much they can place in their 401(k)s and still afford monthly expenses

Benefits of Financial and Retirement Assistance

- Employees have an increased appreciation for their retirement benefits and, consequently, a higher satisfaction for their employer.
- Employees have the knowledge to purchase stocks at lower prices with dollar-cost averaging knowledge.
- Employees feel more empowered and in control of their future and well-being.

Cautions for Providing Financial and Retirement Advice

When giving out financial advice to your employees, assure that they know it is simply that – advice. Caution them on making wise investment decisions and encourage them to discuss those decisions with a financial professional.

Selecting a 401(k) Vendor Considerations

In addition to the assistance that you can bring to employees personally, you can also utilize the resources that your 401(k) vendor can provide. Therefore, it is extremely important for employer groups to select a retirement vendor who can help plan participants make solid investment decisions. When selecting a vendor, look for companies that have the following resources:

- Online retirement-income calculators
- Assistance in creating a customized portfolio
- Deliverables for employees on potential retirement concerns and ways to overcome them.