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How to help employees plan for their financial future -- Educate!

It's been a rough economic climate and it may continue to be, but it's time to bite the bullet and open your 401(k) statement.

The nationwide economic slowdown, the ongoing housing and mortgage crisis, government bailouts and related turmoil and confusion make the need for financial education greater than ever. Employer sponsored financial education can be just the umbrella employees need to weather this storm. **Employees need the know-how about improving their overall financial fitness and planning for their retirement. If they aren't armed with that necessary knowledge, 401(k) balances may continue to look dismal. But as an employer, you can help.**

Financial education is a continual process, with ever changing goals driven by age and financial need. A parent saving for a child's education has longer term goals than an employee close to retirement who may be concentrating on short-term investment options. Employers can make a difference by first acknowledging the need for ongoing financial education for their employees and then by providing them with that support.

Consider these findings:

- *"A large percentage of American workers see that the U.S. retirement system is going through major changes, but many are not taking steps that are likely to leave them well-positioned for a comfortable retirement." - 2007 17th annual Retirement Confidence Survey (RCS)*
- *"Almost half of workers saving for retirement report total savings and investments (not including the value of their primary residence or any defined benefit plans) of less than \$25,000." - 2007 17th annual Retirement Confidence Survey (RCS)*

As you can see from these studies, employees are obviously not prepared for making financial decisions regarding their future or for planning their eventual retirement.



If you are an employer that provides a company sponsored retirement plan, you are among the best employers to work for. You need to capitalize on this edge by enhancing your benefit with the information and tools to help employees understand their choices... and build a better financial future.

Many employees find retirement planning a mystery. In fact, a 2007 survey by the Employee Benefit Research Institute (EBRI) suggests that **only 47 percent of Americans have tried to calculate how much they need to save for retirement** yet many employees are worrying about retirement rather than planning for it.

Planning can ease that worry – and that’s where education comes in. Employers who promote and execute an appropriate education campaign will increase the likelihood that employees will change the way they save, simply because they’re more knowledgeable. In fact the same EBRI survey conducted in 2008 found that 44 percent of people who actively tried to understand and plan for their financial future did end up making changes to their retirement savings plans.

Providing financial education can boost employee satisfaction, loyalty and enhance your benefits package thereby making your organization more attractive to job seekers. You can help employees learn more about financial issues and find information and resources. Would you like your employees to learn how to stretch their money in these tough economic times? Would you like to help them learn how to maintain good financial fitness? If so, one way is a series of newsletters or newsletter articles describing ways to maximize investments and savings, prudent levels of insurance coverage needed for protection (and how company benefits supplement those needs!), and in general, preparing employees for any financial eventuality, whether it be an emergency or retirement.

Do you need a strategy to help convey all this information to your employees? If so, BeneCom Associates has helped dozens of employers promote their 401(k) plans and educate their employees about making important financial decisions. We can help you, too.

Contact us at **860.674.2626** or [online](#) for more information.

This newsletter is brought to you by the employee communication specialists at BeneCom Associates, The Write Source and Red Jasper.