

Making Better Choices

Retirement advisor, here is your opportunity to build relationships and become that trusted source for plan participants. Here are some of the ways you can help plan participants improve their retirement investment results:

Our plan participants sit dutifully through your sessions, ask questions, and then head off to plan their retirements. For you, a veteran retirement advisor, the retirement benefit landscape is familiar territory. For your participants, it might as well be the surface of Mars.

So it's no surprise to see results from a J.P. Morgan survey that reveals most employees (76% of those asked) say they need professional help in the retirement planning process, particularly when it comes to savings and asset allocation. It's also not shocking to learn that 53% thought they'd need less than 75% of their pre-retirement salary, and that just 13% believe they're on the right track.

Retirement advisor, here is your opportunity to build relationships and become that trusted source for plan participants. Some of the ways you can help plan participants improve their retirement investment results include:

For participants who think less than 75% of their salary in retirement is enough, show them the numbers.

Finding the target. Four in ten employees surveyed say they don't have a specific target for retirement savings. Give your plan participants sensible formulae for coming to that number. Are they saving now? What other investments are there? Do they have a mortgage, college expenses, or obligations to parents or children? A questionnaire can help them uncover a more precise picture of what they'll need in retirement.

Showing, not telling. For participants who think less than 75% of their salary in retirement is enough, show them the numbers. For an employee going from making \$4,000 a month to making \$2,000 a month, that may be too much of a decline, particularly if the employee has visions of traveling or buying a second home.

Allocating assets. Helping plan participants understand how dif-

ferent types of asset allocations will impact their total savings over time is one of the best ways to empower your participants to grow their investment portfolio the way that aligns with their goals. Use simple examples of different allocation approaches showing both conservative growth and decline scenarios.

Expecting the unexpected. One element that many plan participants fail to factor into their retirement investment decisions is the unforeseen event. The death of a spouse, the chronic illness of a parent, partner, or child, the loss of the ability of one partner to earn, or the loss of a job or savings can have devastating effects on a retired individual.

Building confidence. The same survey shows that less than 30% of respondents are sure their savings will last throughout retirement. By giving your plan participants the tools to take control of their investments, you're delivering confidence.

A participant who understands how each piece of their retirement portfolio operates and how outside forces can impact their investment will be more confident in the decisions they make.

Retirement plan advisors who take the time to assist their plan participants in the retirement planning process not only improve plan results, but also build loyalty and satisfaction among the plan's participants and sponsors.