

Educating Your Pre-Retirees

As Baby Boomers prepare for retirement, companies are scrambling to provide resources to ensure their comfortable retirement.

According to *USA Today*, a 50 to 59 year old has, on average, just \$53,440 saved in their retirement account at work; yet financial planners say most will need \$1 million to retire comfortably. This gap is an important issue, especially considering many employees may not receive a pension and we don't know how the Social Security program will be changed to impact payments.

These best practices can be used to build an effective financial education benefit for your pre-retirees:

- Focus curriculum on how to fund the “retirement gap”—strategies to be employed today to increase savings, get a higher return on investments, and protect a nest egg from loss with insurance and estate planning.
- Provide ongoing, personalized financial planning support through on-site financial planning and/or phone-based counseling so pre-retirees can work with a financial planner to develop their personalized retirement plan.
- Start with the end in mind. The retirement planning curriculum can be

too technical. Make sure whoever delivers your workshops and personalized planning session begins by helping retirees set goals for when they want to retire and what they want to do within retirement. The first step is always to determine how much income retirees will need based on their goals.

- Ensure that your retirement planning efforts focus on all sources of retirement income. While it is critical to communicate the benefits of your retirement plans, for many employees this won't be enough. Many pre-retirees will need to tap into other assets such as their home, cash value from life insurance, or an inheritance. These assets should be discussed in addition to retirement plans.
- Involve employees in planning and evaluating the curriculum. Before hiring a vendor, ask employees where they are with their retirement planning, what obstacles they are encountering, and what support they need from a financial professional.
- Ask how they like to receive information—in person, online, over the phone, through print materials and workbooks, etc.—so you can plan accordingly. Once you put the program together, invite employees to attend a pilot session for feedback on how it can be improved and adapt the program based on their feedback.
- Continue to solicit employee feedback by surveying all employees who



participate in the educational program.

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