



3 Tips to Increase Your Company's Retirement Savings Rate

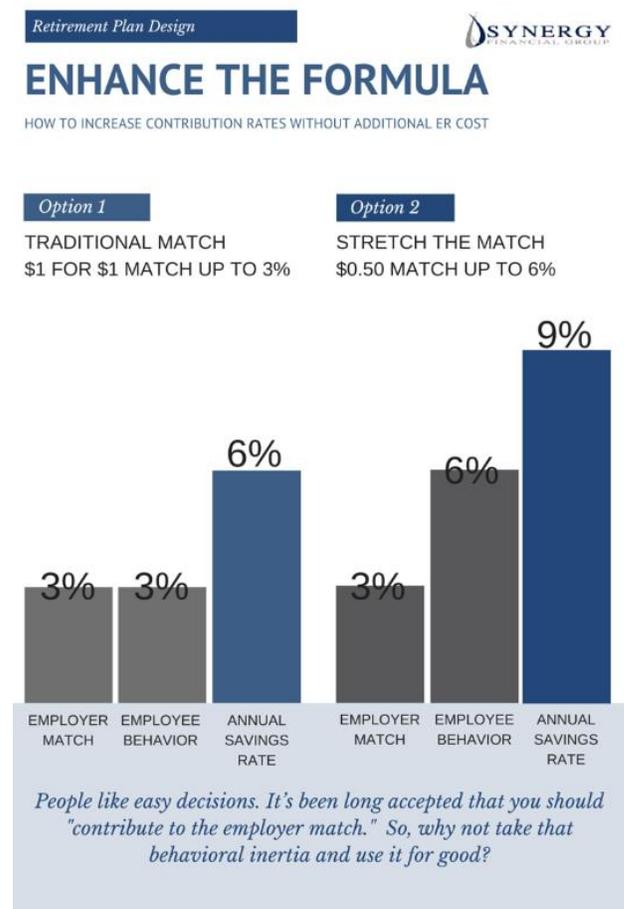
Everyone needs a little motivation. Employees are juggling work, home, family, bills, living, and saving –and that can be overwhelming. However, as their employer, you can help! Here are three (no cost) tips to increase your company's retirement savings rate.

Savings reminders –While we have the best intentions in mind, and most people really do want to save for retirement, there are times when we receive odd bills (car registration fees, income taxes, etc.) that put us behind on our savings goals. However, simple saving reminders can impact plan participants and help them to focus on saving and achieving their retirement goals.[1] In fact, participants who receive reminders saved 6% more and were 3 percentage points more likely to reach their savings goals than those who did not receive reminders.[2]

Auto-enrollment - Out of sight; out of mind. Today, more and more companies are adopting auto-enrollment features. For a typical plan, the average participation is about 75%,[3] however by adding auto-enrollment, studies have shown that number can increase to 90%.[4] Specifically, auto-enrollment dramatically increases participants in four main employee groups: women, minorities, younger workers, and moderate-income employees. In

fact, automatic enrollment can increase participation in these four groups from about 1 out of 5 to 4 out of 5 and above.[5] Click for a Public List of Companies that Support Auto-Enrollment

Stretch the Employer Match – People like easy decisions and it's been long accepted that you should 'contribute to the employer match'. So, why not take that behavioral inertia and use it for good? What if the match formula looked this this:



We all want to retire, but sometimes today's issues seem more urgent than our long-term goals. As a company decision influencer, you can impact plan participation and savings rates to help your employees take control of their retirement goals.

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[1] NBER July 2010. Getting to the Top of Mind:
How Reminders Increase Savings. Available at:
<http://www.nber.org/papers/w16205.pdf> and
<http://www.nber.org/aginghealth/2010no3/w16205.html>

[2] National Bureau of Economic Research. Do
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<http://www.nber.org/bah/2010no3/w16205.html>

[3] PLANSPONSOR DC Survey, 2013

[4] John, David C. "The Business Case for 401(k)
Automatic Enrollment." Retirement Made
Simpler™. Available at:
<http://www.retirementmadesimpler.org/ResourcesAndResearch/BusinessCaseForAuto401ks.shtml>

[5] Orszag, Peter and Rodriguez, Eric.
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and Charles Schwab. October 2007.