

Getting Real: Helping Participants Focus on What's Important

Are your retirement plan participants' dreams in line with the reality of their investments?

Whether retired or not, your plan participants have travel on their minds.

According to a recent PNC Financial Services Group survey, 77 percent of retired individuals are wanting to travel, whereas 70 percent of people still working have that same wanderlust. But can they afford it?

That same survey reveals that participants expect just 19 percent of their retirement spending to go toward travel. Also, the survey shows that many working and retired respondents consider themselves successful savers despite what their savings may look like – those under age 44 with investible assets of a minimum \$50,000 and those over age 44 with at least \$100,000 think that much in savings accounts (not retirement accounts) is a sign of savings success.

While participants may be dreaming, there's no reason why those dreams couldn't become reality. Retirement plan advisors can help participants turn pipe dreams into reality by:

Inserting a reality check

A six-month European vacation sounds like a perfect retirement plan, but only if the budget agrees. Go over the amount your participants can expect to have in discretionary money each month, and give them a more realistic picture of what type of travel their budget will allow.

Amending plans

Traveling is not off the table entirely, but that six-month trip might become a six-week trip, or perhaps a two-week trip to one location instead of several. Help your participants learn how to work within their budgets while still affording trips that while not as extravagant, are well within their reach.

Setting the goal now

Your participants can learn to invest in those goals – suppose your participant is 38 and dreaming of living a year in Paris at retirement. By building the goal into the savings plan, you can create a savings mindset in your participants, one that may extend well beyond the original goals.

Rethinking fund allocation

Is your participant taking enough risk or too much risk when selecting fund allocation? Are they relying too heavily on one type of investment tool? Review the plan to help your participant make smarter decisions on what risks fit with his or her particular situation.

Making it fun

Create excitement as you encourage participants to set goals that appeal to them. Establish savings benchmarks that speak directly to their goals, such as how much more they need before they've reached

that goal of a month in Paris. It could well encourage them to save even more as they see their goals within reach.

Giving them support

Nowhere has targeted messaging worked better than with participants who have set goals they're excited to achieve. Tailor messages to help participants understand their options and take control of their retirement investing.

As your participants meet certain milestones, be sure to congratulate them and offer encouragement. If your participants have reached their goals, help them set new ones – perhaps an even longer travel option – that encourages good investment habits.

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