

In Focus: K-12 Market Segment

**Andy Jerdal, Senior Vice President
Practice Lead for K-12**

Andy Jerdal joined Corebridge Financial (then VALIC) in 2000 as a financial advisor. He built his career on his passion for helping educators reach their retirement goals. As the Practice Lead for the K-12 market, he partners with school districts to create a best-in-class experience for educators. In his spare time, he plays golf. Andy attributes his natural rapport with K-12 teachers to being the son of a high school chemistry teacher who led by example when it came to saving and investing in retirement.



What current trends do you think will have the most impact on K-12 consultants, plan sponsors and participants/employees?

The supplemental retirement plan is one of the most undervalued benefits K-12 teachers have today; yet, only 30% of teachers are engaged in their plan.

- Unfunded liabilities at the state level and the national teacher shortage are both impactful trends.
- With the tiers that have been built into plans, it takes longer to vest, and participants have to contribute more to get the same benefit.
- This generation of teachers is more mobile; they may not be in the same state long enough to vest in ways earlier generations would have.

If we're going to build a sense of security and attract and retain good people, the strategy has got to incorporate not only the state pension plan, but also a very clear path to saving individually and building individual wealth.

How about future changes? Is there anything on the horizon that might impact K-12 consultants, plan sponsors and their participants/employees?

Plan design is key. School systems need to modernize their plans and are looking for recordkeepers/partners—companies like Corebridge—that are willing to help. Enrolling in the healthcare benefit is very easy, but when it comes to retirement benefit, it's complicated. Features like auto enrollment help get employees into the retirement plan, but you need to continue to overcome inertia when it comes to contributions. Auto increases, employer matching, mobile apps, and education can improve participation and plan growth, but with a multi-vendor plan, school systems can't easily deploy these. Historically, there's been a premium placed by plan sponsors on having choice in vendors, but the recent trend is towards vendor consolidation because it enables transparency and accountability with the recordkeeper—you can see what education has been delivered and what the outcomes were—and that creates a better participant experience that supports plan growth.



What role does Corebridge Financial play in moving financial futures forward (or empowering employees to take action) for K-12 employees?

Whether school systems want to reduce vendors and make some changes to their plan design, or they still place a high value on choice of vendor, we're meeting plan sponsors wherever they are on that spectrum. And we're meeting with participants onsite; there is still a demand in K-12 for the onsite service we are known for. At Corebridge, our focus is on delivering value in our end-to-end participant experience. We want the new educator to be educated at onboarding and make decisions early, so that time is on their side. We want to help them throughout their career to keep their contribution on track. When they are close to retirement, we want to help them have a clear understanding of what they've accumulated. And because we really want people to use that accumulation well in retirement, we stay with them all through their spending years so that they reap the benefits for years to come.

corebridgefinancial.com/rs/emp-retire-leaders

We're here to help you take action.

Securities and investment advisory services offered through VALIC Financial Advisors, Inc., member FINRA, SIPC and an SEC-registered investment adviser.

VALIC Retirement Services Company provides retirement plan recordkeeping and related services and is the transfer agent for certain affiliated variable investment options.

All companies above are wholly owned subsidiaries of Corebridge Financial, Inc.

Corebridge Retirement Services, Corebridge Financial and Corebridge are marketing names used by these companies. Learn more about our affiliated companies: corebridgefinancial.com/names.

Investing involves risk, including the possible loss of principal. Investment values of variable products fluctuate so that investment units, when redeemed, may be worth more or less than their original cost.

If you had just 30 seconds with a consultant/ plan sponsor, what's the best advice you could pass along?

- Engage with the marketplace by participating in and supporting two key associations that really steer the direction of the K-12 market: ASBO and AASA. Ultimately, even if they're not involved in the day-to-day, business officials are going to take their direction and follow their lead.
- Think of Corebridge Financial as a partner. We know that meaningful change in K-12 retirement education and real retirement plan change will happen more quickly and be more effective when approached as a collaborative effort.

We want to partner with plan sponsors and consultants for the benefit of the teachers.

If you were talking to a group of teachers about retirement savings, what would be your message?

Time is so important. The compounding effect of time on money is the biggest factor in whether a person has enough money in retirement. I'd explain the Rule of 72. My dad, a high school chemistry teacher, never made more than \$40,000 a year, but he was able to retire comfortably because he started saving and planning early and was consistent. He had the compounding effect of time, unlike others who don't start saving until much later. I don't think you can talk too often about the importance of timing and the impact of compound interest.