

# How to **maximize** the full potential of your K-12 retirement plan



Although many K-12 districts are facing what may be the largest teacher shortage in recent history—creating challenges with recruiting and retention—a well-executed retirement plan can help employers compete, even stand out, as a destination where educators want to work and plan for their future.

## Employees value their retirement plan



When asked to select which options they will use to pay for retirement, 70% pointed to retirement savings while 48% pointed to a pension to fund part of their retirement.<sup>1</sup>

<sup>1</sup> Corebridge Financial Survey of Public Sector Workers, November 2023 with Morning Consult.

# Here are four important ways to **enhance** participant engagement

## 1 Offer educational resources live and on demand

Employees and plan participants rely primarily on you for information about their plan, according to our survey of public sector workers.<sup>1</sup> But you can work with your plan provider to implement a financial wellness education program that includes the following—and then your plan provider can become the #1 source of plan information.

- **An expert webinar series** available live and on demand. Topics can include financial basics (like compound interest and the power of saving early), determining contribution amounts, understanding investments, managing student loan debt, retirement readiness, wealth transfer, and more.
- **In-person advice** offered onsite helps ensure every employee has equal access to important planning conversations and guidance.
- **Interactive digital resources** such as planning calculators, budget trackers, retirement income estimators and others allow employees to model different scenarios and outcomes.
- **Online articles and content** help participants understand relevant current issues, including how they can navigate uncertainties such as inflation, market volatility, and longevity risk.

### Employee go-to resources for retirement plan information<sup>1</sup>

- 45%** Employer
- 32%** Human resources
- 27%** Plan provider

With the right program, your plan provider can become the top source of information for your employees.



<sup>1</sup> Corebridge Financial Survey of Public Sector Workers, November 2023 with Morning Consult.

## 2 Use automatic features—with education

- **Automatic enrollment** for new hires can help your employees start saving for retirement as soon as possible. It gets them on the right path, reinforces the power of compounding, and can serve as an important launching pad to build on.
- Couple this with **automatic escalation** so contributions increase over time, with a goal of having employees personally build up to maximum allowable contributions when it is financially feasible for them.
- Also consider **pairing automatic features with clear education** to help achieve the best outcomes.

### Consider the power of an employer match

Corebridge Financial’s survey of public sector employees reveals that an employer match is the most influential factor in how much a participant contributes to their retirement plan.<sup>1</sup>

## 3 Have a simple enrollment process and targeted messaging

- **A clear and informative participant website** simplifies enrollment while delivering important educational and financial literacy content.
- **Connect with employees in the right way.** This can be accomplished by delivering timely content in multiple channels and using data to target key employee segments. This includes recognizing and addressing the priorities of employees in different life stages.
- **Address specific segments.** Using payroll data, customize plans and communications to meet the needs of your various employee segments.
- **Ongoing communications make a difference.** Make sure your plan provider has a robust, year-long strategy of communications that educate and drive employee action. This includes communications that link directly to key resources and promote one-on-one interaction with financial professionals.

### Top financial priorities for educators:<sup>1</sup>

- 1 Save enough to retire when I want

74%

- 2 Build an emergency fund

59%

- 3 Pay off student debt

55%

<sup>1</sup> Corebridge Financial Survey of Public Sector Workers, November 2023 with Morning Consult.

## 4 Provide access to professional advice

- **One-to-one counseling** can help guide employees' retirement planning choices and investment strategies, so they may achieve the outcome they want. It can also help them address financial stressors and priorities.
- **Advice improves confidence.** Individuals who work with a financial professional are much more likely to express confidence in their ability to manage their money on a day-to-day basis and in their ability to have income for life in retirement.<sup>1</sup>
- **Eliminate typical barriers to advice.** Some reasons for not meeting with an advisor include not knowing how to find one or feeling intimidated. Access to advice through an employer-sponsored program may help remove these barriers.



### Bonus Tip:

Vendor consolidation can help to remove barriers to participation like confusion and choice overload, while still offering desirable choice. A single recordkeeper can also enable plan modernization that includes automated features, data insights, and personalization, which have been shown to foster improved plan participation and growth.

**Your retirement plan can help create a positive work environment that leads to improved recruitment and retention. For more information on how we can help grow plan engagement, reach out to your Corebridge Financial representative.**

**Action today can lead to great things tomorrow. Action is everything.**

<sup>1</sup> Corebridge Financial Survey of Public Sector Workers, November 2023 with Morning Consult.

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