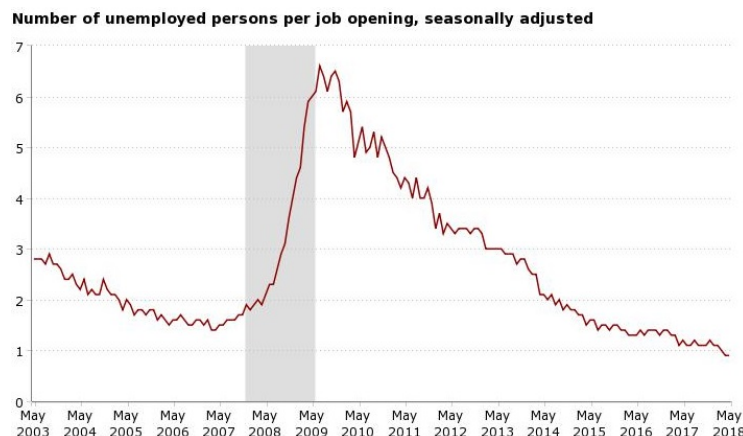
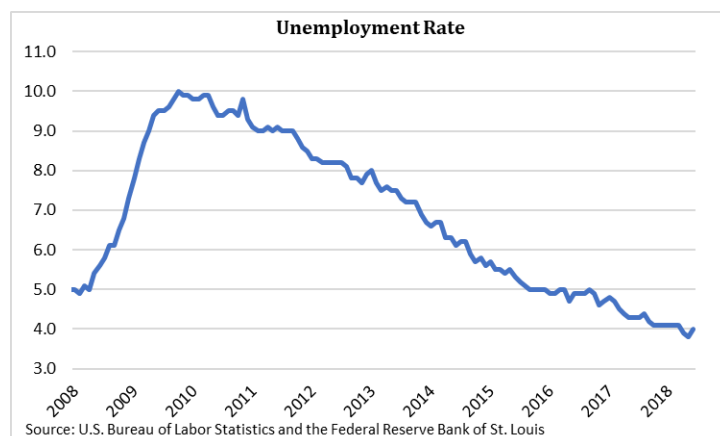


What Are Your Employees Thinking?

A little help with employee retention

With the current unemployment rate at a historical low and as the economy expands at a rapid pace, employers such as yourself are spending more time thinking about how to retain their talent. [i ii](#)



One very important—yet often overlooked—benefit is a well-designed 401(k). We emphasize ‘well-designed’ because most plans are not well-designed to meet your employees’ needs. A study by the well-respected consulting firm Watson Wyatt suggests, “Workers who consider their defined benefit plan highly important are over three times more likely to express a strong desire to stay at their current organization than other workers.” [i](#)

Table 1

Relationship between the Retirement Plan’s Importance to Employees and Retention and Shareholder Returns

All Respondents	Likelihood of Staying with Current Employer until Retirement			5-Year TRS (1999 to 2003)	
	High	Low	Ratio	Mean	Median
Importance of DC plan					
High	52.3	20.6	2.54	32.3	18.9
Low	36.3	38.3	0.95	31.1	12.5

Notes: Plan importance combines employees’ indications of the importance of their retirement plan as a means of attracting them to the firm and as a reason for staying with the organization. High and low represent the top one-third and bottom one-third of respondents. For individuals covered by both plan types, a separate indicator is created for each plan. All respondents were asked to indicate their likelihood of staying with their firm regardless of the plans offered by their employer-sponsor.

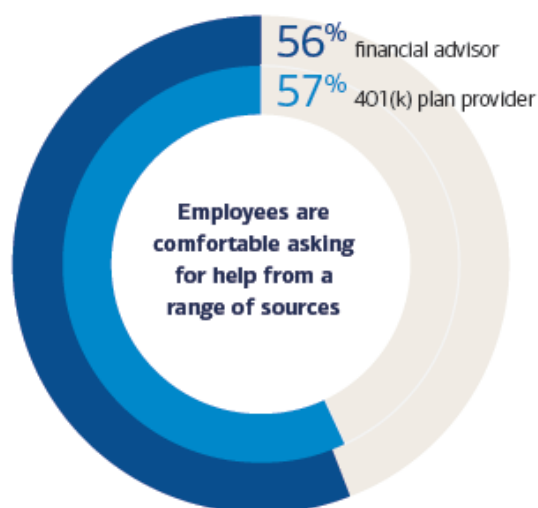
Source: Watson Wyatt Retirement Attitude Survey.

That’s right: your talent is over three times more likely to stay with the company if your employees consider your 401(k) plan important. [iii](#)

So, what do employees value in a plan? Simple. They want help!

In a recent Bank of America survey, most employees suggested they want their employers to help them with their 401(k) plan.

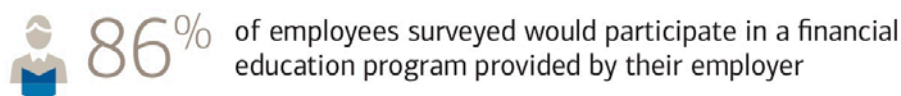
In reality, “[the employees] look to their employer to facilitate getting access to education and contact with a financial professional. Whether just getting access to educational materials, financial professionals, or a comprehensive financial wellness program, employers are seen as a trusted source for help by employees.” [iv](#)



At least 40% would like their employer to:



Phillips and Company is a leading 401(k) advisor in the Northwest with strong financial education support. We know precisely what employees want, and that’s help—exactly what the survey suggests.

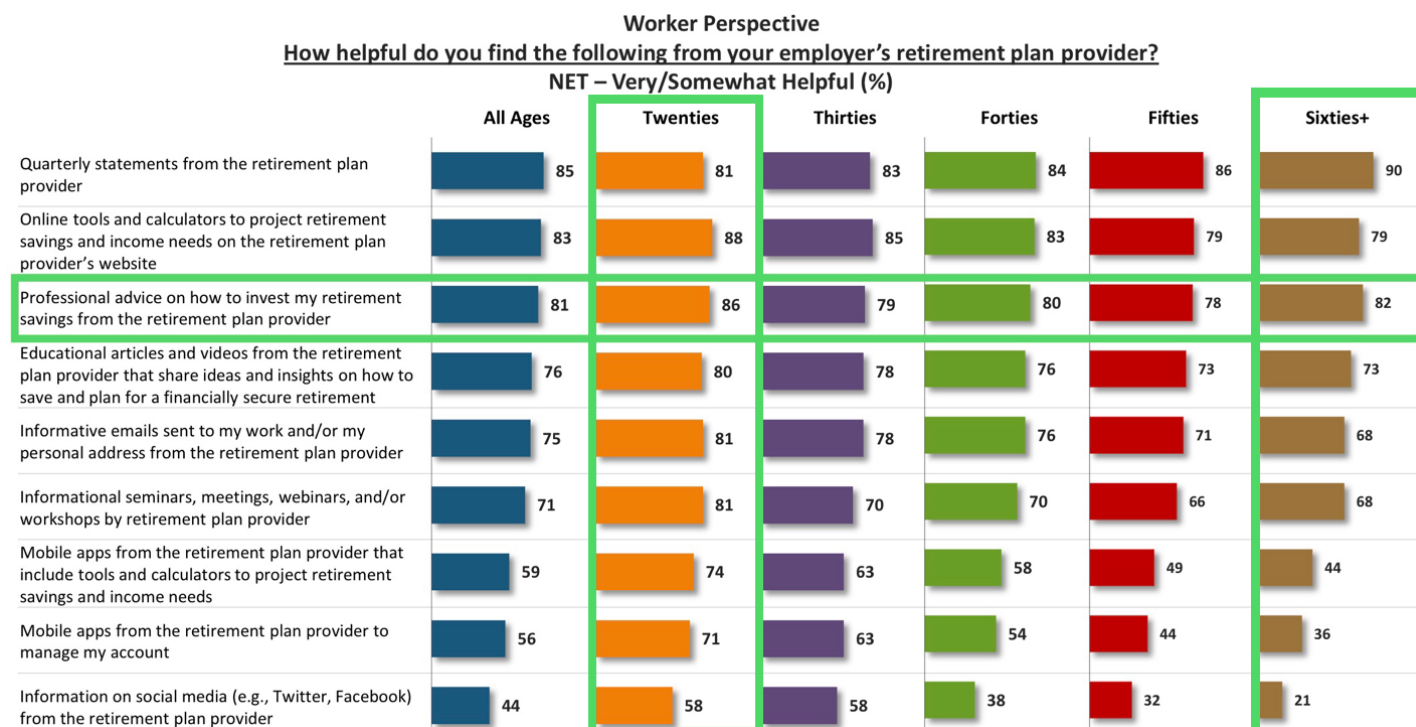


Age plays a factor, with younger employees indicating that they are more likely to participate



We often hear from employers who are satisfied with the 401(k) plans they are offering. Yet they don’t offer a strong financial advice program. Quarterly statements and online tools are simply not enough. For employees to truly value your plan, they need advice and education on investing.

As we see below, professional advice is highly valued among all employee age groups. Importantly, professional advice is especially significant to your younger employees, in whom you've invested by recruiting and training. For them, professional advice ranks as their second most important priority. Further, your most skilled employees in their sixties *also* rank professional advice as their second most important priority. [v](#)



Retaining your employees may be as simple as strengthening your 401(k) offerings.

Let us help you add a strong advice and education program while lowering your fees, and making your plan more desirable to your most valuable asset: your employees.

Contact Us For A Complimentary Plan Review:

Phillips & Company 401(k) Advisory Team

Local: (503) 416-4662 / Toll Free: (844) 339-4662

521 SW 11th Ave, Suite 200

Portland, OR 97205

Contact Us: <http://www.phillipsandco.com/contact-us>

Email Us: 401k@phillipsandco.com

Sources:

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