



Karel - Gordon & Associates

PENSION CONSULTANTS, PLAN ADMINISTRATORS AND ACTUARIES

Advisor Connect | Financial Wellness

MAKING IT ACTIONABLE

Sure, life has become more complicated and for many people, it's become harder to figure out how to pay for it all.

Some people lead a lifestyle they can't afford. Some lack the knowledge to create a plan. Others make a money mistake that may be difficult to overcome. Personal debt and budgeting challenges keep many people from effectively participating in their company retirement plan. As an advisor, you are uniquely positioned to help guide participants to financial wellness resources that can solidify their financial picture today so they can effectively save for a good retirement outcome later.

Here are four ways you can make a difference without overwhelming your practice:

- 1 | Direct clients to online budgeting tools.**
If you don't know where your money is going, you can't pay off your debt and begin saving. Once an individual amasses credit card debt, it can quickly become crippling. Helping individuals get a handle on their cash flow is the first, and often most important step toward financial wellness.
- 2 | Offer tips for building an emergency fund.**
A recent study showed that 6-in-10 people can't cover a \$500 emergency expense without pulling out a credit card. If they have trouble finding the funds to fix their car, you can't expect them to contribute to their 401(k). Encourage them to add a line item to their budget to gradually save enough for one of those \$500 emergencies with a longer term goal of having a fund capable of covering a few of them.

- 3 | Stress the importance of contributing more than the minimum.**

Company match and automatic enrollment are in place to help individuals get started saving for retirement. But often those contribution numbers hover around 3%. That's not enough to achieve a secure retirement. For those positioned to do more, explain the importance of increasing their regular contribution, building an investment portfolio that matches risk tolerance, and the power of time in the market. At the same time, don't let individuals lose sight of their financial commitments today while having a plan for meeting known future expenditures.
- 4 | Make wellness a core component of your client conversations.**

Comprehensive financial wellness programs are becoming more prevalent, but if you don't have access to one, you can still support your clients. We have resources to share, and you likely have your own favorites. In the internet age, finding debt, savings, and retirement calculators are only a few clicks away so you can build your own library of financial wellness tools.

Achieving financial wellness is difficult for many plan participants. That creates a challenge and an opportunity that, together, we can help meet. Give us a call to talk about how we can collaborate on financial wellness resources that make a difference.