

## ***Your 35-Year-Old Employees Should Have \$50,000 401k Balances – Not Your 65-Year-Olds***

### **New Innovative Education Program Available**

## **Retirement Adequacy InCite™**

The Retirement Adequacy Incite© (RAI) program combines the **essential knowledge** and the **spark of motivation** younger employees must have to **begin** pursuing an adequate retirement using a 401k.

“RAI is not like what you’ve seen. That’s good because after trying for decades, most retirement education hasn’t worked. Sadly, the mid-point of 401k account balances today is under \$50,000,” says Dennis Ackley, the creator of RAI (say ‘ray’).

The price of retirement is enormous – more than most employees’ homes. For example, a **\$3,500 monthly income for 25 years** (300 months) – from age 65 to 90 – is **over \$1 million** ( $\$3,500 \times 300 = \$1,050,000$ ). Do your employees know the estimated price of the income they’ll want after their full-time career? Probably not. Even most ‘retirement ed graduates’ have no idea.

Dennis Ackley worked in instructional research and design before spending 25 years in retirement communication consulting. He’s long been a critic of conventional retirement ed. Now, after forming his own company, he’s put his knowledge and creativity into the RAI program.

### ***No Trust, No Action***

“RAI uses adult-education principles and **competency-based instruction** concepts,” says Ackley. “RAI’s unique elements include **trust, transparency, self-discovery**, and most important, **self-motivation**.”

When it comes to money, adults must trust the messages and the messengers before they’ll act. Often, financially unsophisticated adults don’t have enough trust of outside experts who run 401k meetings to do what they say. So, that education is largely a wasted effort.

In addition, many adults don’t readily understand math-related financial concepts – replacement ratios, gap-analysis, risk/reward tradeoff and others. And they aren’t yet motivated to learn about financial issues that seem decades away.

### ***Honest, Clear and Meaningful***

**Trust and clarity are abundant** in RAI. Using RAI, the employer’s own high-trust messengers lead the presentation that is titled ‘*You Don’t Really Want to Work Forever...Do You?*’ The visual format provides novice and seasoned meeting leaders with easy-to-present content for group meetings.

The presentation consists of basic but powerful factual information and **realistic, honest and hopeful messages**. There’s nothing resembling a sales pitch. There’s no ‘you should do this’ financial advice.

RAI uses simple concepts to explain the most fundamental actuarial techniques and investment theories. It creates urgency by helping employees discover why acting today lessens the pain and increases the opportunity to succeed.

Trust requires honesty. That’s why RAI addresses the unpleasant reality of building an adequate future income. The amount of money employees will need is huge – accumulating it will be very difficult. And not all the risks can be avoided. To make these points, the RAI presentation and Personal Future Financial Lifestyle Price Worksheet© lead employees through a process of discovering their own costs and risks.

Employees must **understand, believe and trust** the enormity of the price to become motivated to accumulate enough to pay for it. That's why, to help younger employees get started, RAI involves them in using their own numbers and dollar amounts and simple calculations. After RAI has helped employees get a good start with their 401k accounts, they will make better use of numbers from experts and printouts from computer programs.

Ask anyone who accomplished a difficult challenge – climbed a mountain, ran a marathon, or saved a lot of money – ‘What did it take?’ You'll hear ‘drive...commitment...pain...and passion.’ And that's what employees need if they are to make much larger contributions, postpone desired purchases, and live within tighter budgets.

Auto-enrollment and target funds are good – but not nearly good enough.

### **A Complete Package**

RAI is a multi-component program. All the parts directly link to the RAI Competencies©. These are 35 statements of specific things employees must know to get a **good start** using a 401k to achieve an adequate retirement. Too many employees start too late and never understand the need to use qualified financial advice.

#### **A sample of what RAI graduates discover...**

- \$333 a month starting at age 65 is about what to expect for lifetime payments from a \$100,000 account.
- Their personal estimate of how much money they'll need in their account to have the future lifestyle they want.
- Their personal estimate of how much they should be contributing now.
- The most important thing they can do with their 401k is...contribute.

These are some of the basic things employees must know to start using a 401k successfully. **Do your employees know these things?**

The meeting announcement begins employees' discovery of their estimated price of the future income they want. The announcement also provides an entry blank for a prize drawing held at the meeting.

“The 60- to 90-minute meeting is a dialog, not a lecture,” says Dennis. “It presents most concepts as questions. And the group gets several pop quizzes. During the meeting, employees complete a confidential, one-page worksheet to estimate the price of their financial future using today's prices of their wants and dreams. They also estimate the ‘discounts’ – the amounts they've already saved and their promised future benefits such as Social Security and any pensions. Their estimated future part-time work income is also a discount. To get a general idea of how much they should be contributing today, they can also estimate their ‘layaway payments.’”

To see how much learning took place and to reinforce it, the meeting ends with employees completing a short questionnaire (test).

In short, RAI Competencies© define what employees need to know to begin the journey toward an adequate retirement. The questionnaire determines the extent the competencies were acquired. These are essential elements in adult education.

## **Retirement Adequacy Incite™**

To learn more about the Retirement Adequacy Incite© program, visit [www.dennisackley.com](http://www.dennisackley.com).

If you'd like to see the RAI program, contact Dennis Ackley at [dennis@dennisackley.com](mailto:dennis@dennisackley.com) or 816 695 4808.