

# Why should we have a 401(k)?

## The Real World Bottom Line Impact

### *\$4,100 & 42 Days.*

According to research from SHRM (Society for Human Resource MGT), the average cost to replace an employee is over \$4,100 and the average time to replace/train that employee is 42 days. What does this mean? In short, the cost of losing just 1 employee because you do not have a 401(k) could be 2-3x more than the annual cost of administering a 401(k) plan for your business...

### *40% of Small Businesses Employees would leave for company with a 401(k)*

According to a survey by Quickbooks, 40% of small business employees would leave their current position/company for another job opportunity that provides a 401(k). How many employees do you have? What would happen if 40% of your workforce was actively looking for other job opportunities? Retain them with a 401(k).

### *74% of Employees plan to work beyond their Retirement Age*

The Employee Benefits Research Institute says that almost 3/4 of the current workforce plans to work beyond their "Retirement Age"... These highly-paid employees (health benefit costs & wages) are no longer looking in the secondary retirement market - they are planning to continue working in their current positions as long as possible..

### *Top 5 Benefit that Employees value more than Pay Raises*

According to a Glassdoor Compensation Survey, "Having a 401(k)" is in the Top 5 benefits that Employees value more than pay raises. Imagine this for a minute.. Your Employees could value access to a 401(k) more than receiving a pay increase. This says nothing about the employer actually contributing or matching - simply having access for employees. How does the cost of a 3% raise across the board compare to the fraction of the cost of setting up a retirement plan?

*PPC can help you help your clients...  
From Start-ups to Plan Takeovers*

*We are the Resource to design the right solution for your clients...*

401(k) Plans

Roth 401(k) Plans

Profit Sharing Plans

457 Plans

Cash Balance Plans

403(b) Plans

DB Plans

Non - Qualified Plans

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# 401(k) Stats & Info

*We want to grow with You...*

## **38%** of Plan Sponsors are looking to hire a new Financial Advisor...

According to a survey by Fidelity Investments. Important reasons for considering a new advisor include the desire to have someone knowledgeable around who can provide more comprehensive employee education. Fiduciary duties were the number one concern cited when looking for an investment advisor for the company's 401(k). That's the highest percentage since the survey began in 2008.

## **51%** of Businesses under 50 Employees currently have NO Retirement Plan...

According to the Bureau of Labor Statistics in 2017, only 49% of businesses with Less than 50 employees have any type of retirement plan... This means over half of the business owners you meet have *NO* Retirement plan for their business and *NO* competition for you to start the conversation about it.

## **79%** Average Participation Rate & **6.2%** Average Deferral Rate

According to a study by Vanguard, plans offering automatic enrollment had a 90% participation rate for eligible employees. The figure plunges to 63% in plans without auto enrollment. The study also found that the deferral rate was down from 6.5% in 2015 due to auto-enrollment & lack of employee education.

## **80+ %** Average Closing Rate

Want to improve the odds? Bringing an expert like PPC into a client meeting to answer questions directly and offer solutions to the Plan Sponsor can increase the closing rate to over 80%. Few things can be more helpful for the client than to ask questions directly to the experts who designed their customized Retirement plan.

### 401(k) Stats

#### How large are 401(k)s?

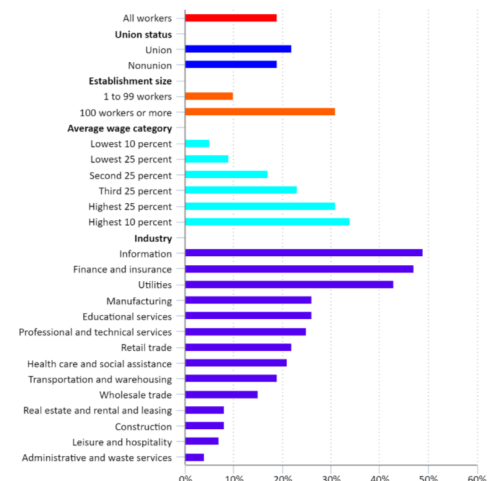
As of December 31, 2018, 401(k) plans held an estimated \$5.2T in assets and represented 19 percent of the \$27.1 trillion in US retirement assets. In comparison, 401(k) assets were \$3.1T and represented 17 percent of the US retirement market in 2010. **68% Increase in 8 years...**

#### How many Americans have 401(k)s?

In 2016, about 55 million American workers were active 401(k) participants, and there were nearly 555,000 401(k) plans.

*Imagine how much Opportunity  
is just sitting on the Sidelines  
Waiting for Someone to Call...*

Percent of workers in private industry with access to financial planning benefits from their employer, March 2017



Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.