

Investment classes are a benefit

IN DEPTH: INSURANCE AND EMPLOYEE BENEFITS

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Once a year, Actuant Corp. sends employees to the company training center for an evening of education on such topics as saving for retirement, 401(k) plans and investment strategies.

The Glendale manufacturer started the seminars about three years ago. Since then participation in the company's 401(k) plan has increased, and employees have a better understanding of Actuant's

financial goals, said chief executive officer Andy Lampereur.

"The more they understand their own finances, the better they can manage a department for us," he said. "We believe there's a carryover."

Actuant is an example of a growing number of employers that are taking an interest in their employees' financial future.

One reason more companies have become active in helping employees on the financial front is the growing popularity of 401(k) plans. Some employers provide not only basic financial education, but also enlist financial advisers to meet one-on-one with employees to help plan their portfolio.

That's a switch from the guaranteed pension days, when the employer, not the employee, was responsible for the investment decisions, said Lenny Sanicola, a spokesman for Scottsdale, Ariz.-based World at Work, a trade association for human resources professionals.

"The employee has a lot of responsibility and they may not be equipped to make those decisions," Sanicola said. "The employers -- for liability reasons, compliance with the law and attraction and retention -- are helping their employees with those decisions."

Sanicola estimated that about 90 percent of companies offer their employees some type of financial education. Providing investment advice along with the basics is an emerging trend.

"What employees want to know is, 'Where should I put my money?'" Sanicola said.

Classes double

Francis Investment Counsel has seen its corporate education business double in the past year, said Stephanie Truog, vice president of client services at the Hartland firm.

In 2004, the firm was holding an average of 10 group sessions a week and



Stephanie Truog says Francis Investment Counsel has seen its corporate education business double.

about 50 individual advising sessions. That figure has grown to about 20 group sessions per week and 100 individual meetings, she said.

By sponsoring these sessions, employers reduce the risk that a dissatisfied employee will sue over a plan's poor performance, Truog said.

"At the end of the day, employees who are satisfied with the performance of their retirement plan would be less likely to litigate than an employee who was uninformed," she said.

Offering employees the tools they need to take advantage of the 401(k) benefit also is becoming key to recruiting and retaining employees, said Ronda Hetchler, human resources director at Cerac Inc., a Milwaukee chemical manufacturer.

"I just think it's going to be common in the marketplace, and if your company doesn't do it, it may be wondered why," she said.

Actuant's Lampereur realized the company's employees needed investment guidance after he joined the firm's benefits committee and saw what some employees were doing with their investments.

Once Actuant began holding seminars on financial planning, participation in the 401(k) plan increased from between 65 percent and 70 percent to 82 percent.

Recently, about 75 people attended a session devoted to financial planning at Actuant's training center. Topics included saving for college, preparing to buy a first home, debt-reduction and investment strategies.

Many topics covered

In the investment strategies session, Mike Arnow of Glendale-based Arnow & Associates discussed what makes a good investment, the amount people should be saving for retirement, changes in Actuant's 401(k) plan and what not to do as an investor.

Actuant holds one such session a year, and also hires Arnow to conduct a three-week course for smaller groups. Actuant covers the expense of the seminars and additional classes, which costs the company a total of about \$15,000.

At Milwaukee-based American Appraisal, employees start learning about the business valuation firm's 401(k) plan before their first day on the job. New employees receive a booklet explaining the company's plan and why it's important to participate, said benefits manager Diane Bradley.

The firm also holds at least five sessions a year on retirement planning, including discussions on market performance, simple 401(k) rules, the fund's performance and the outlook for the following year. Employees also can have a one-on-one session with a financial adviser, who will review their portfolios.

About 80 percent of eligible employees participate in American Appraisal's 401(k) plan, Bradley said. Two years ago, the firm held sessions for those not contributing to their 401(k) and that boosted participation by one or two percentage points, she said.

The plan pays for the education sessions. The cost is based on a percentage of the plan's assets and the percentage can change from year to year, Bradley said.

"It's an employee benefit that we believe in and that has proven itself and that has added value to our company," she said.