

Pensions & Investments

More participants seeking financial counseling help

BY MARGARIDA CORREIA · AUGUST 10, 2020



Advisors seeing greater demand for advice amid virus-related volatility

Since the outbreak of COVID-19, financial counselors to retirement plan participants have been working in overdrive.

Just look at [CAPTRUST Financial Advisors LLC](#). In June, the firm held a record 190 "client days" helping participants enrolled in specific institutional clients' retirement plans, up from the average 120 client days it typically holds a month. The record client days in June translated into 1,900 to 2,000 virtual one-on-one and phone counseling sessions with participants, according

to Phyllis Klein, CAPTRUST's Raleigh, N.C.-based senior director of retirement services.

"We are seeing a larger demand from plan sponsor clients," Ms. Klein said, referring to plan sponsors' increased need for participant advice services. "There's more desire for meetings that can be held via the phone and virtually via videoconference call."

[Francis Investment Counsel LLC](#) also saw a similar spike in activity with phone and web-based advice sessions more than doubling through the first half of the year from the first half in 2019, said Kelli Send, senior vice president of participant services in Brookfield, Wis.

"We have seen a large uptick in education and financial coaching demand from current financial wellness clients," Ms. Send said.

With high levels of uncertainty in the market, plan sponsors are leaning on their financial wellness providers to help participants navigate the financial decisions they need to make during an especially murky and turbulent time.

"The COVID experience has underscored that much of the American population is not prepared for the kind of unexpected financial shock that occurred this year," said Amy Reynolds, a Richmond, Va.-based partner in [Mercer LLC](#)'s wealth management business. "Recognizing that, we've seen a number of organizations start to think about how they can help their employees to deal with that."

As demand for participant advice services has escalated, so too have the issues of delivering them in a socially distanced environment. Many plan sponsors were forced to shift to web-based

communications almost overnight as most employees started working from home en masse, a challenge that not all plan sponsors were able to meet. Companies that struggled to pivot to web-based delivery were those that have not engaged their employees using technology, according to Ms. Send. Manufacturers and other companies that tend to communicate with employees via traditional channels — posters, flyers and other paper communications coupled with on-site events — sometimes do not have email addresses for their employees, she said.

Such employers tend to balk at web-based financial education, with many opting to "wait and see" how the year plays out in terms of possible looser rules and guidelines regarding social interaction, she said.

Ms. Send estimates that some 15% of the firm's plan sponsor clients have pushed their financial education into the fall. Some employers prefer on-site education and advice, while others are concerned about remote communications, fearing issues with technology and connectivity, Ms. Send said.

Still, some companies unaccustomed to reaching employees via email and the internet decided to go with remote workarounds. Some employers with a high percentage of factory, warehouse and other on-site workers implemented on-site virtual one-on-one counseling whereby workers meet individually with a remote financial counselor in a conference room.

Workers "file into the conference room at their scheduled time" and meet with the adviser through a computer screen that allows for screen sharing and even the viewing of accounts online, Ms. Send said. At the end of the meeting, employees "wipe down everything and the next person comes in," she said.

Creative communication

Even companies that reported a smooth transition to a web-based environment had to be creative in communicating with hard-to-reach employees. Sonepar USA, a distributor of electrical products, for example, set up special events at its larger locations for its warehouse and other employees to watch webcasts on financial topics, said Annette Grabow, retirement programs manager for Sonepar USA in Charleston, S.C.

"A lot of the operating companies will offer a space at different times during the day for people to come and watch them together," Ms. Grabow said.

Ms. Grabow said that because the company communicates with employees online and in "a ton of different ways internally, including email, intranets, video, internal TV monitors and digital newsletters," it had no difficulty in continuing the financial education services it offers the 11,500 participants in its \$722 million 401(k) plan. Through Charles Schwab Corp., the company offers one-on-one financial coaching sessions as well as monthly webcasts and panel discussions and "coffee talks" on financial topics throughout the year, she said.

Indeed, plan sponsors that engage with employees using multiple tech-based media channels — email, web, even private Facebook groups and other social media — reported little trouble in shifting to a complete web-based communications environment. Milwaukee-based Mortgage Guaranty Insurance Corp., for example, had no problem. The company had long provided its remote workforce with one-on-one counseling sessions via phone and WebEx, so it "was an easy transition" to provide all financial education — whether one-on-one or in group sessions —

via WebEx to the entire workforce, which has been working remotely since mid-March, said Brenda Grabowski, the Milwaukee-based total rewards manager in MGIC's human resources department.

The mortgage insurance company worked with [Francis Investment Counsel](#) to set up special phone and WebEx counseling sessions on the ramifications of the new COVID-19 withdrawals it allowed participants to take from their 401(k) accounts as part of the CARES Act. Fifty of the 1,191 participants in the \$322 million plan enrolled in the sessions with 29 ultimately pulling money out of their retirement accounts, Ms. Grabowski said.

Overall, the company has seen a strong uptick in the number of participants signing up for one-on-one financial counseling sessions as well as group meetings on financial topics. Through the end of July, 200 employees had enrolled in individual and group educational meetings, surpassing the last year's 148 enrollments.

Innovation and ingenuity

The pandemic has triggered a burst of innovation and ingenuity. In addition to holding one-on-one meetings over a computer screen, service providers developed tools that allow plan sponsors to reach more workers, rather than just those with computers. [Francis Investment Counsel](#), for example, developed a smartphone app for participants whose employers signed up for financial counseling services. The app was used to "send out notifications every single week" on time-sensitive issues such as unemployment fraud, Ms. Send said.

The firm, also, produced a "[Don't Panic](#)" video that it pushed out to all participants via the phone app when the market plummeted in March and April. The video gave a "history lesson about why it's a bad idea" to "sell your equity shares when they're down," Ms. Send said, explaining that it helped "talk people out of the natural tendency to have fear during these times."

Other providers made phone and one-on-one virtual meetings easy to schedule. CAPTRUST, for example, developed an online scheduling tool that allowed participants to schedule their meetings to occur either online or by phone.

Original Story Link: <https://www.pionline.com/retirement-plans/more-participants-seeking-financial-counseling-help>

Copyright © 2020 Crain Communications Inc. All Rights Reserved.