

Retirement Adequacy Incite™

The success-centered way of making 401ks work.

The ultimate goal of a 401k plan is to help employees retire.

Is your plan achieving this goal?

82% of plan sponsors do **not** believe most employees will be financially prepared for retirement. (Deloitte/IFEBP 2008)

401ks **can** provide adequate – even generous – retirement incomes ... **if** employees, early in their working careers:

- **define** their desired income target,
- **contribute** toward their target... starting now,
- **invest** wisely, and
- **spend** the account only for income that lasts their lifetime.

But they must have the knowledge to do all these things!

Until now, retirement education programs have failed to help most employees gain the knowledge to use 401ks successfully.

Retirement Adequacy Incite™ (RAI) ensures employees discover how to define, pursue, measure and achieve success.

RAI turns employees into *retirement consumers* who want to learn how to **buy** the future financial lifestyle they want.

The RAI components can be used separately or together.

- **Retirement Adequacy Competencies™** – 36 statements of specific knowledge and behaviors that enable employees to begin the career-long *purchase* of the future financial lifestyle they want.
- **Future Financial Lifestyle Questionnaire™** – a 12-item, multiple-choice test that verifies which employees have acquired the **Retirement Adequacy Competencies™**.
- **Retirement Adequacy Learning Materials** – a 90-minute, ‘live’ interactive meeting presentation, a meeting announcement and contest and the Personal Future Financial Lifestyle Price Worksheet© – all linked to the RAI competencies and questionnaire.

Plan sponsors can use the **Retirement Adequacy Competencies™** to improve the selection and management of any retirement education provider.

Rather than *telling* employees what to do or giving them advice, the RAI approach uses Socratic questioning techniques to help employees *discover* the key elements of defining and achieving the financial lifestyle they want.

Employees set their personally meaningful retirement adequacy target. Unlike other approaches, RAI ‘incites’ the employees’ own motivation to achieve the personal goal they set, trust and understand.

The innovative and entertaining RAI materials incorporate adult-learning principles and uniquely simplified content from actuarial science and investment theories.

The RAI education system is designed to ensure employees have:

Defined their future financial lifestyle goal
...**without hearing the word ‘retirement.’**

Calculated a dollar target for the future lifestyle they want
...**without replacement ratios or mortality factors.**

Estimated how much they should be contributing now to achieve their goal
...**without actuarial and financial projections.**

Gained the personal desire to save based on information they trust
...**without being given advice or told what to do.**

Acquired financial information that will change their lives
...**without spending more than 90-minutes in a presentation.**

Learned that their future lifestyle is the largest purchase they’ll ever make – and they must start buying it now
...**without becoming frustrated trying to complete complicated worksheets or programs.**

Determined how much money they may need so their income lasts their lifetime
...**without anything beyond 4th grade math.**

Developed the motivation to continue learning and to seek financial advice they trust
...**without feeling they’re being sold investments or financial planning.**

Discovered the power of compound earnings and the concept of diversification
...**without setting through a lecture aimed at making them investment experts.**

Documented what they know about becoming a competent retirement consumer
...**without plan sponsors wondering if employees have the basic knowledge to make good initial saving and investment decisions.**

The RAI approach has the two essential elements other programs fail to provide – the *passion* employees must have to achieve the future they want and the *confidence* to act on it.

Retirement Adequacy Incite™ assures that your employees know what matters most.

At a minimum, every **RAI** program ‘graduate’ has discovered the answers to...

- How much money will I need so I can have the future financial lifestyle I want?
- How much should I be contributing today to reach my goal?
- How should I be investing to help reach my goal?
- How will I make sure my income after my full-time career ends will last as long as I live?

Does your retirement education provider make sure employees can answer these essential questions? Without knowing the answers – even with automatic plan provisions – most employees will likely have an inadequate retirement income.

RAI Core Elements

Retirement Adequacy Competencies™

- **Specific learning outcome descriptions** – 36 clear statements of required knowledge that plan sponsors can use to define the expectations – ‘set the performance bar’ – for any retirement education provider....and create a **Retirement Education Policy Statement** to improve the selection and management of retirement education providers.

Future Financial Lifestyle Consumer Questionnaire™ – 12-questions to test employees’ knowledge.

Retirement Adequacy Learning Materials

- **Meeting invitation and learning starter** – a contest promotion to motivate employees to begin thinking about their future financial lifestyle dreams before they attend the meeting.
- **The RAI presentation** – employee meeting lasting approximately 90 minutes.
- **Personal Future Financial Lifestyle Price Worksheet©** – a one-page, simple estimate to help employees discover:
 - + What’s the estimated **price** of my personal future lifestyle dream?
 - + How much may already be **paid**?
 - + How much is left for me to **buy**?

Optional Elements

- **Train-the-trainer** – five-hour session to prepare your staff to effectively conduct the presentation.
- **Single-sheet summary** – specially prepared highlights of your 401k plan.
- **“Why Work Forever? Let Your 401k Work for You”** – key information handout.

From Fred Reish, a nationally recognized expert in employee benefits law:

“...few fiduciaries...realize that ERISA requires that they evaluate the providers of investment education, understand the content and delivery of those services, and monitor the effectiveness and quality of the education – e.g., is it working?” *Plan Sponsor Magazine*, December 2005

RAI provides the education evaluation tools fiduciaries need...and helps employees define their retirement income adequacy goal, the projected account balance they will need, and the amount they need to be saving today.

RAI was invented by Dennis Ackley, a thought leader in retirement education and the creator of the ‘consumer-oriented education approach’ and personal success measures. (Internet search: “Dennis Ackley retirement.”)

Mr. Ackley, who started his consulting career writing pension administration manuals, has more than 25 years of experience as a benefit and retirement education consultant with firms including Towers Perrin and Watson Wyatt. He was VP of participant services for JPMorgan/American Century prior to starting his own firm. Before consulting, he spent six years in educational research focusing on competency-based education and instructional design.

The programs he has developed for employers of all types and sizes have reached more than three million employees.

For more than 15 years, he has written dozens of articles and spoken at scores of conferences about the failure of retirement education and how to fix it. Now he has combined his knowledge and creativity to invent **RAI**.

RAI does **not** provide any type of advice. For employees who are naive about the cost of retirement and the basics of saving and investing, advice (telling) has been found to be ineffective.

To learn more about the **RAI** education system contact:
Dennis Ackley at Dennis@DennisAckley.com or at 816 695-4808.
