

Retirement Readiness: Specialized Care for the Healthcare Community

By: Garry Spence, Head of Participant Engagement, Retirement Plan Services, Lincoln Financial Group

One of the only ways today's healthcare workers have to save for retirement is through their employer-sponsored retirement plan, like a 403(b) or 401(k) account. Healthcare organizations can increase the overall effectiveness of these plans and drive better retirement outcomes for plan participants by understanding the unique savings behaviors of their workforce. Tailoring retirement plan offerings like retirement communication and plan design may increase the likelihood that employees will participate in their plan and save enough to take them to and through their retirement years.

The healthcare segment demonstrates a significant challenge for human resources leaders as plan education and retirement savings solutions must span a wide breadth of needs. Leaders must consider offering support for varying levels of financial literacy and reaching workers with unpredictable and often around the clock work schedules. A study conducted by Lincoln Financial Group¹ takes a closer look at healthcare workers and examines how this unique subset of retirement plan participants prefers to make savings decisions, receive financial information and participate in their retirement plan. These results provide plan sponsors and benefits administrators with the foresight that can help their healthcare employees boost their retirement readiness.

Attributes of a Unique Workforce

Retirement plan participants who work in healthcare organizations exhibit important differences from retirement plan participants in other industries – differences that have implications for plan design, communications and educational efforts.

Key findings from Lincoln's study show that almost half of healthcare workers tend to seek input from a wide variety of sources, but have a hard time making decisions such as whether to participate in a plan, how much to defer and how to direct their investments. Healthcare workers also tend to be more concerned than others about meeting basic financial needs, which limits their ability – or perceived ability – to contribute sufficiently to their plan. In fact, 6 in 10 workers are concerned about being able to pay for day-to-day expenses, compared to 49% of other participants. Healthcare workers are also more likely to seek information from financial professionals, but less likely to interact online or to collect information from reading.

Tips for Success

Communicate In-Person

Participants ascribe greater value to in-person retirement education from financial professionals, suggesting that creative approaches to meetings may be worthwhile for plan sponsors. The most effective way to engage healthcare workers in the retirement plan benefit is through in-person meetings. And when it comes to meetings with healthcare workers, timing and communication are critical. Plan sponsors should offer meetings during work hours – preferably in a few different time slots to accommodate all shifts.

Positive messages that speak to emotional needs, not just numbers, have the greatest impact on actions for healthcare workers, leading to more effective savings levels. A communications program that goes well beyond facts and figures, and shows participants what higher deferrals can help them achieve, is one that will succeed in helping healthcare workers reach their financial goals in retirement.

¹ *Lincoln Retirement Power*® Participant Engagement Study: Lincoln Financial Group, 2012

Customize When Possible

Retirement plan participants vary significantly in their decision making styles, their level of plan engagement, and their financial capability and comfort zones. And when it comes to communicating plan benefits and other important retirement plan offerings, one size does not always fit all. Although it may not be possible to communicate with participants in an entirely customized way, organizations stand to gain by understanding the unique preferences of their workforce and targeting communications accordingly.

The research shows that many healthcare workers rely on calculations and financial information to make decisions. To serve these workers, to supplement positive communications, a retirement plan's website should also have tools, worksheets and calculators that project retirement outcomes – such as future expenses, potential retirement income and any gap between the two. Interactive tools can provide personally meaningful data to help healthcare workers make informed decisions about how much to defer into the plan and how to allocate savings.

Apply Best Practices

Benefits administrators can look to apply best practices from examples in the healthcare industry as they structure a plan that will fit the needs of their workforce. Maine Medical Center located in Portland, Maine, part of MaineHealth, a family of healthcare providers and organizations in Maine and New Hampshire, developed a unique way to communicate benefits with their employees, many of whom work odd hours and are unable to attend traditional benefit information sessions. Their solution is to conduct "Night Shift Walkabouts" where a team of benefits professionals, including Lincoln Retirement Consultants and Maine Medical Center Senior Executives, walk the floors of the hospital, meeting with employees and educating them on their total benefit offering. The walkabouts help build goodwill among employees and show commitment from senior staff.

Meridian Health Systems, a group of six hospitals located throughout New Jersey, introduced a new retirement brand to its employees featuring personalized retirement plan messaging and high touch communication services. Four full-time, on-site retirement consultants conducted group meetings and met one-on-one with employees to communicate plan benefits. This personal service was supported with custom print and electronic communications to effectively introduce employees to plan investments and participant services and make it easy for them to take action. Meridian also conducted an online survey to measure the effectiveness of their new retirement campaign. This unified, holistic approach helped Meridian achieve impressive results in a number of areas that contributed to overall plan success, including an increase in plan participation and deferral rates.

These are just simple action steps that that organizations can take to increase the effectiveness of their retirement plan offering and, ultimately, drive better retirement outcomes for plan participants. Realizing the unique needs of how healthcare employees engage in retirement savings can help pave the way for plan success, as today's employers help healthcare workers become healthcare retirees.

To learn more about how healthcare organizations can increase the effectiveness of their employer-sponsored retirement plans, read the *Lincoln Retirement Power*® Participant Engagement Study white paper, ["Seeking Financial Health: How Healthcare Workers Participate in Retirement plans."](#)

Lincoln Financial Group is the marketing name of Lincoln National Corporation and its affiliates.