

Considerations for a diverse workforce

The unprecedented level of disruption caused by the pandemic has required institutions to continuously evolve to meet the needs of employees from different age groups, socioeconomic backgrounds and career paths. In the midst of the current competition for talent, now is the time to adapt your retirement plan to recognize differences in employee savings practices, and ensure that all have the opportunity to participate, feel valued and are empowered to plan their financial futures.

Determine your base

- **Tap into your analytics.** Who is your population and what are their savings practices? Some recordkeepers have tools that can assist plan sponsors with identifying gaps in retirement readiness depending on the employee data you provide.
- **All employees are not the same.** Conducting focus groups and leveraging Employee Resource Groups can provide insight into reasons why employees may not be saving enough, and can help you identify ways to close those gaps.



Design your plan with the needs of your employees in mind

- **Offer automatic enrollment with regular automatic increases.** You might also consider an annual re-enrollment for employees who have opted-out or who are contributing at a lower level than the plan's default rate.
- **Decrease the waiting time for eligibility to enroll in the retirement plan.** Make part-time employees eligible to participate.
- **Review your match program.** If certain groups are not participating in the match, consider lowering the requirement or offering a noncontributory option. Reallocating a portion of money budgeted for the match may reach a wider group of employees through the noncontributory approach.
- **Provide a rapid vesting schedule.** Employees who are fully vested will obtain better financial security even if they move to another employer.

Offer the right mix of investments to appeal to different groups of people

- **Upgrade your default option.** Include a default that offers a “sleeve” of guaranteed income that can provide “pension type payments¹ in retirement.” This can increase access to lifetime income² for the many employees who are invested in the default.
- **Add environmental, social and governance (ESG) investment options that align with institution and employee values.** Interest in socially responsible investing is growing. Participants may feel that investing in a way that supports their beliefs gives them more of a stake in the game. Some institutions are even considering ESG investments as an eligible default option.³

38% 

OF PLAN SPONSORS INCLUDE AN ESG FUND IN THE INVESTMENT LINEUP⁴

Improve financial wellness

- **Provide tools for employees that help them take control by assessing and changing behaviors.** Offering instruction on budgeting strategies, student loan forgiveness or personal debt assistance can go a long way in helping employees get on track.
- **Put action plans in place that consist of targeted communications, solutions and advice to help your employees achieve the retirement they deserve.** Delivering relevant information at the right time, combined with in-person and online planning tools can help employees learn if they are saving enough, choose the right mix of investments, and assess retirement income needs.

87% 

WANT HELP WITH
THEIR FINANCES⁶



Organizations with inclusive cultures are:⁵

6x more likely to be
innovative and agile

8x more likely to achieve
better business outcomes

Losing key talent could
cost your institution
decades of experience.



Let's put these ideas into practice

Contact your TIAA relationship manager or call **888-842-7782**, weekdays, 8 a.m. to 8 p.m. (ET) to get started.

¹ Personal pension refers to the income received from a fixed annuity contract.

² Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

³ Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well.

⁴ 2021 403(b) Plan Survey: PSCA's 13th Benchmarking Survey of 403(b) Plans.

⁵ The diversity and inclusion revolution: Eight powerful truths.

⁶ PwC's Employee Financial Wellness Survey, 2021.

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