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Hiring and Retention Benefits Inherent in a Healthy Retirement Plan

More than three-quarters of American workers state that the benefits package an employer offers prospective workers is extremely or very important in their decision to accept or reject a job ¹.

More employers are now touting their superior 401(k) as a way to attract and retain the best talent. Capstone advisors are often asked to benchmark plans against industry or regional standards – employers understand that the best talent in their industry is now looking for the best retirement plans.

If you are currently in the midst of the hiring process, are you able to tout your superior 401(k) plan? You should, because your competition is - nearly one-fifth of HR professionals altered their benefits program to aid in the acquisition and retention of employees in 2016 ².

Your 401(k) plan is something that should be discussed and considered in the interview process: addressing the retirement plan upfront in the hiring process helps set the tone for long-term employment expectations and expectations for employees to invest as much as they can. Relegating the conversation to a footnote relegates the issue, which does not encourage employee investment.

As much as a good 401(k) plan is a hiring incentive, it's also a means to keep hold of your employees. More than a third of new hires at companies sponsoring defined contribution plans say the retirement program gives them a compelling reason to stay on the job ³. If you are having conversations about retention with staff, have you discussed their retirement plans? Often the default conversation is a raise, but in fact, half of U.S. workers would sacrifice wages for more generous benefits. By discussing an improved retirement package, a staff member may be more inclined to stay.

Employers lose staff in part due to the lack of a robust, flexible retirement plan – today that's an expectation, not a benefit.

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