

Gardner & White CASE STUDY:

Participant Investment Advice Program at Goodland Regional Medical Center

(Feb. 2009 to current)

ISSUE

GRMC offers a generous pension contribution and employees have the opportunity to make Voluntary Tax Deferred contributions. Most employees were not aware of whether or not they were on target with their retirement savings. Also, many needed to make adjustments to their investment allocations. Gardner & White Consultant, Bill McCann, met with the hospital leadership to evaluate conditions, and identified three specific areas for improvement:

- Customized education and retirement advice was reaching only a limited number of employees.
- Employees did not seem motivated to establish or achieve retirement income goals.
- Employees were not actively managing their retirement plan investments.

SOLUTION

The Gardner & White *Participant Investment Advisory Program* was recommended. The Investment Advisor partner signed as a Fiduciary to protect GRMC from liability. The cost of the program is minimal; roughly 0.10% of total assets in this case. After hospital leadership eagerly agreed to implement the program, Gardner & White held group and individual sessions to introduce the new services. Each employee was provided with an easy-to-understand *Annual Portfolio Review Statement (see back for excerpts)*, which includes:

- A detailed analysis of the employee's account, social security benefits, projections, and the probability of reaching retirement goals based on their current status.
- Customized investment advice based on the employee's risk tolerance and funds available in the plan.
- Customized savings advice should the employee need to modify their tax deferred contributions.
- A simple way to implement changes without requiring the employee to manually enter transactions over the phone or online.

Financial Soundings offers an online planner if the employee would like to modify any number of assumptions used in the report.

RESULTS

THE PROGRAM HAS PROVEN TO MOTIVATE EMPLOYEES TO TAKE MUCH NEEDED ACTION! In the past, many employees did not take action because they were required to find their user id and password and make the changes online or over a phone system. G&W has managed to get some Recordkeepers to agree to accept paper for these changes. The paper document is pre-populated so the employee simply signs the document to implement the changes.

- **69% increase** in the total voluntary employee tax-deferred contribution dollars.
- **113% increase** in the # of employees making voluntary contributions.
- **Over 75%** of the employees have implemented the recommended investment changes.

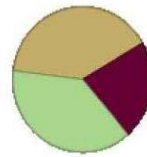
Most importantly, employees have significantly improved the probability of reaching their retirement goals. They have great confidence in the program and look forward to receiving their Annual Portfolio Review to track progress.

EXCERPTS FROM THE ANNUAL PORTFOLIO REVIEW

Where will YOUR retirement income come from?

When planning for retirement you have three major sources of income:

- 1 Social Security
- 2 Retirement Plans
- 3 Other Savings



Your sources of retirement income

- Social Security, \$20,760
- Shortfall, \$36,126
- Current Plan Projected Income, \$37,519

This illustration, and our suggestions about how much you need to save for retirement, are based on several assumptions, including that you remain employed, your wages increase as we assumed (see the first page), your employment continues to qualify for credit toward Social Security benefits, and there are no changes in any law concerning Social Security.

YOUR retirement plan

	CURRENT plan	SUGGESTED plan
Your Contribution Pre-tax	5%	10%
Employer Contribution	4%	4%
Risk Level (on a scale from 0-100)	32	81
Projected Wealth at Retirement	\$464,942	\$821,034
Likely Retirement Income	\$37,519	\$66,255
Probability of attaining retirement objective of \$94,405	5%	93%

Implementing YOUR portfolio reallocation

XYZ 401(k) Plan Allocation

Asset Class	Fund Name	Ticker	Suggested Allocation
Divers US Bonds			
	PIMCO Total Return Fund (D)	PTTDX	8%
	Schwab Total Bond Market Index Fund	SWLBX	8%
Large Cap Core			
	Schwab 1000 Fund (Inv)	SNXFX	32%
	Victory Diversified Stock Fund (A)	SRVEX	0%
Mid Cap Core			
	ABN AMRO Mid Cap Fund	CHTTX	11%
	Hennessy Cornerstone Growth Fund	HFCGX	0%
Small Cap Value			
	American Beacon Small Cap Value (PA)	AVPAX	10%
Small Cap Growth			
	Baron Small Cap Fund	BSCFX	10%
Divers Intl Eq			
	American Funds EuroPacific Growth Fund (R3)	RERCX	21%
	AllianceBernstein Intl. Value Fund (A)	ABIAX	0%
Totals			100%

To accept the suggested allocation for the Retirement Plan, check here.