

Mortenson, Matzelle & Meldrum, Inc.

I N S U R A N C E

“EDUCATION THROUGH INFORMATION”

April 1, 2000

We'd like to take a moment to discuss retirement programs, a key element of employee benefit packages. There are two undeniable truths with regard to this subject:

- ◆ A superior array of employee benefits can give an employer a tremendous advantage in attracting and retaining employees. This is especially true in the current economic environment of low unemployment, increased employee turnover and unprecedented new business starts-ups.
- ◆ A superior retirement program will be your long-term employees' most valuable benefit.

So what are some benchmarks that set one employer sponsored retirement program apart from another?

- ◆ **A wide variety of investment choices.** In addition to ordinary stock and bond portfolios, funds from more aggressive sectors (high tech, finance, and health care) should be available. Global or international funds are a must and index funds as well as actively managed equity funds should be in the mix. Eight to twelve investment choices should be the norm.
- ◆ **Accessibility of information.** Participants correctly view account balances as their money, and should be able to access their activity and balances 24 hours a day.
- ◆ **Ongoing education.** Educating participants regarding the value of retirement plans and their investment options allows employees to see the value offered by their employer. It also assists them in making wise investment choices for their futures. Allocation advice should be provided and tracked from initial eligibility through retirement.

Mortenson, Matzelle & Meldrum has partnered with Kelly Financial Services, Inc. to provide retirement planning services to our clients. We have enjoyed a mutually beneficial relationship with Kelly Financial Services, Inc. for several years. If you would like to review your company's retirement program, please contact your Mortenson, Matzelle & Meldrum representative.

National 401(k) statistics from Chalk 401(k) Advisory Board, Inc.

At last tabulation there were:

Number of 401(k) Plans
225,000-235,000

Number of 401(k) Participants
28,000,000-38,000,000

Assets in 401(k) Plans
\$950 Billion-\$1.1 Trillion

Allocation of 401(k)/ Profit-Sharing Assets according to the Profit Sharing Council of America's 40th Annual Survey:

Company-stock fund	34.1%
Stable value fund	19.4%
Balanced stock/bond fund	11.9%
Actively managed equity fund	9.7%
Indexed equity fund	8.2%
Corporate/Government bond fund	2.5%
Cash-equivalent fund	2.9%
Hybrid fund	2.2%
International equity fund	1.7%
Self-directed account	0.1%
Other	7.2%