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Transamerica Retirement Solutions’ Survey Shows Higher Education Institutions Turning to Plan Advisors to Better Compete and Improve Employee Retirement Readiness

Survey of more than 250 higher education plan sponsors shows that institutions with advisors have more effective retirement benefit programs

To stay competitive with other employers, higher education institutions are turning to plan advisors to help transform their retirement benefits programs into more effective employee recruitment and retention tools, according to a research report released today by Transamerica Retirement Solutions, LLC, a leading provider of customized retirement plan solutions for U.S. organizations.

Institutions of higher learning that rely on a plan advisor or consultant are ahead of peers in terms of retirement readiness of employees, approach to investment selection, plan design and adoption of innovations such as automatic enrollment, ability to allow loans and range of services outsourced to the recordkeeping service provider, according to the research report, “[Retirement Plans for Institutions of Higher Education](#),” which was created from interviews with retirement plan sponsors at more than 250 higher education institutions.

“To better help their employees prepare for retirement, more higher education institutions are looking to hire advisors than ever before,” said Brodie Wood, senior vice president of not-for-profit markets, Transamerica Retirement Solutions. “Our report shows that 38 percent are looking to hire an advisor in next 12 months.”

The Advisor’s Role

Higher education institutions primarily rely on their plan advisor or consultant to assist with investment selection, investment monitoring and plan compliance. For instance, four in five institutions with advisors tend to have an investment policy statement in place (81 percent), compared to 56 percent for plan sponsors that do not have an advisor. Smaller institutions (5,000 or fewer participants) tend to often rely on their advisor for an even broader range of services, such as acting as a plan fiduciary or assisting with plan design changes.

Higher education institutions that hired advisors had them play a stronger role in 2015 than in 2014, as more institutions had advisors engaged in investment selection (61 percent in 2015 vs. 40 percent in 2014), ongoing investment monitoring (55 percent vs. 31 percent), plan compliance (50 percent vs. 42 percent), development of the investment policy statement (36 percent vs. 22 percent) and selection of vendors (25 percent vs. 11 percent).



Benefits of Hiring an Advisor

Advisors have been instrumental in helping higher education institutions improve retirement readiness, increase employee matches and institute auto-enrollment. Institutions with plan advisors also are more likely than others to:

- Monitor retirement preparedness of staff and faculty (63 percent vs. 39 percent).
- Expand eligibility for part-time staff and faculty (28 percent vs. 19 percent).
- Invite part-time staff to participate (20 percent vs. 9 percent).
- Outsource services such as paperless enrollments (26 percent vs. 18 percent) and loan approval (35 percent vs. 24 percent).

As a result, institutions with plan advisors are more likely than others to show average participant contributions of \$5,000 or more (56 percent vs. 37 percent) and to have more than half of their employee population on track for a successful retirement (41 percent versus 36 percent). As a result, most plan sponsors who use an advisor are very satisfied (56 percent) or somewhat satisfied (35 percent).

"We've seen advisors make important recommendations about plan design that can go a long way in helping more employees join the plan and save for retirement," Wood continued. "Now more higher education institutions are recognizing how advisors are able to help employers make the retirement plan a more effective benefit."

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About the "Retirement Plans for Institutions of Higher Education" study

The "Retirement Plans for Institutions of Higher Education" study was fielded by Transamerica Retirement Solutions in May 2015. The sample consisted of more than 250 plan sponsors at public and private institutions of higher education.

About Transamerica Retirement Solutions

Transamerica Retirement Solutions, LLC (Transamerica Retirement Solutions) is a leading provider of customized retirement plan solutions for small to large organizations.

Transamerica Retirement Solutions partners with financial advisors, third party administrators, and consultants to cover the entire spectrum of defined benefit and defined contribution plans, including: 401(k) and 403(b) (Traditional and Roth); 457; profit sharing; money purchase; cash balance; Taft-Hartley; multiple employer plans; nonqualified deferred compensation; and rollover and Roth IRAs.

Transamerica Retirement Solutions helps more than three million retirement plan participants save and invest wisely to secure their retirement dreams. For more information, please visit transamerica.com.

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