

On Retirement

How Communication Tools Are Changing!

For many plan sponsors, Web-based technologies have dramatically changed the way they administer retirement plans and communicate with retirement plan participants. These new technologies have created more opportunities to share information widely, quickly, and in a number of different formats.

Today's Internet-based technologies now enable plan sponsors to quickly access retirement plan information, generate reports, and provide data for forecasting purposes. With a click of a mouse, plan sponsors can enjoy access to the retirement plan information they need, when they need it.

Take, for example, ICMA-RC's own Web-based state-of-the-art EZLink system for plan sponsors. EZLink enables plan sponsors to use the Internet for faster processing of information, for greater control over data submission, to see improved staff productivity, and have more access to specific plan and participant data.

With the goal of delivering the best technologies and services to plan sponsors, the industry continues to move ahead in identifying technologies to help plan sponsors administer their plans, as well as communicate with participants.

Of course, which technologies will emerge is unknown, but three new Web-based communications tools have caught the imagination of innovators and may have application in the administration of retirement plans: blogs, wikis and podcasts.

Blogs are online diaries; wikis are editable Web pages that require no knowledge of HTML or other programming language, so groups can share information; and podcasts are audio (or video) file broadcasts. Each uses a different way of transmitting information to the intended audience.

Clearly, it is too early to determine if these communications technologies will ever be employed by the retirement services industry. But finding more effective ways to communicate financial information to plan participants is certainly needed.

Plan sponsors and plan providers have long recognized that more work still needs to be done when it comes to educating plan participants. There is ample evidence that a great many individuals are not doing an adequate job of managing their personal financial situation, including their investment and retirement planning programs.

As the population ages-especially the enormous baby boomer segment-it is increasingly clear that millions of people are not prepared for retirement. In addition, surveys show that people generally lack confidence in their ability to make informed decisions about their personal finances and investments, and that a lack of time and knowledge is a significant contributing factor. Furthermore, leading educational leaders and ICMA-RC's own research agree that each person learns differently.

Education seems to be a big part of the problem, but it may also open the path toward a longer-term solution. Alan Greenspan, chairman of the Federal Reserve, noted recently: "No matter who you are, making informed decisions about what to do with your money will help build a more stable financial future for you and your family."

Plan sponsors now more than ever have access to Web-based technologies that can be highly effective in communicating to participants, as well as online tools to make plan administration easier.

As we move forward, access to information in the way that plan sponsors and retirement plan participants want it-and when they want it-will go a long way toward building retirement security for public sector employees.

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