

# NPEA OPTIONS

Newsletter of the National Preretirement Education Association

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ISSUE 1

## FROM THE

## PRESIDENT'S DESK



David Daly

On behalf of the Board of Directors, welcome to our third decade of promoting the development of preretirement planning programs for our members.

Over the last 20 years certainly one of the highlights of participating in NPEA has been our annual conferences. They provide us with the opportunity to network, share ideas and showcase our programs, publications,

## D.C. Will be hard to top

and services. We have discussed new methods and trends and have been educated and inspired by leaders in the field of preretirement planning. As a result, we have returned home energized to do what we do better.

Although they all have been valuable experiences, some conferences stand out, like Charleston, Boston, Baltimore and Naples. This year's event in Washington, D.C., during election week, will also be remembered as one of the best. In fact, how good was it? Let me recount the ways.

**First.** If Emeril was making the perfect meeting, the recipe might look like this year's conference:

- ☛ Take 140 pension professionals and put them in a historical setting.
- ☛ Start with a gala honoring NPEA's past presidents.
- ☛ Add in a "Retiring With Confidence" presentation by Ohio STRS.
- ☛ Mix in 12 breakout sessions and two presentations on timely retirement-related topics.
- ☛ Add a dynamic workshop on how to become a better communicator.
- ☛ Kick it up a notch with an election night celebration.
- ☛ Mix for four days, while continuously networking.

**Second.** We celebrated our first twenty years by telling the NPEA story, with more than a few embellishments. We were joined by many of our past presidents and board members, as we recognized their leadership and vision in laying the groundwork for the success we enjoy today. It was the perfect opportunity to stress the importance of maintaining the relationships and to emphasize how these contacts have enriched our lives personally. I believe this is the true value of this organization.

**Third.** In a positive way, the "endless election" helped serve as a reminder of the experiences we shared and kept alive our renewed sense of purpose and enthusiasm as we arrived back home.

Although we say it every year, this conference is really going to be difficult to top. It will be our challenge for St. Louis in 2001.

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*"You got to be very careful if you don't know where you're going, because you might not get there."*

— Yogi Berra —

## President's Desk \_\_\_\_\_ (Continued from pg 1)

### Board News

In recognizing NPEA's past leaders, I want to pay a special tribute to Mary Most Vanek, as she leaves the board as Past President. Mary's participation in NPEA, including her tenure on the Board, spanned almost the entire life of the organization. Her dedication and leadership contributed to its growth and status as a leader in the industry today. Her legacy will continue to guide us in the future. At the same time, we welcome Ken Wright to the board (see page 6). Ken has a wide range of

experiences to share with us and we look forward to working with him in the years ahead.

### New Ideas

We are always looking for ideas to expand our NPEA programs and topics for future conferences. Please contact any of the board members if you have suggestions, or would like to serve on a committee or volunteer in any way.

*Dave Daly*

## ASEC \_\_\_\_\_ (Continued from pg. 3)

additional summits are scheduled in 2001 and 2005), and complementary local and national activities under the SAVER Act (Savings Are Vital to Everyone's Retirement Act), plus the 1998 Summit report, are posted on ASEC's web site under "Programs and Events," as well as on the SAVER Summit web site:

**www.saversummit.org** In November 1998, ASEC co-sponsored the National Women's Forum on Retirement Education in Washington, DC. Underwritten by American General Financial Group/VALIC, this event highlighted the need for women to take control of their long-term financial security. (The Women's Retirement Confidence Survey analysis has been conducted annually since 1998, with the next report due in November 2000.)

EBRI and ASEC's Emmy-award winning *Choose to Save*® public education program was cited by delegates to the 1998 National Summit on Retirement Savings as the type of campaign that should be conducted throughout the nation. Based on the findings of the RCS, this program provides first-time savings information and also customizes the financial planning message to different "savings personalities." Underwritten by Fidelity Investments in the Washington, DC test market, *Choose to Save*® includes educational brochures, radio and TV public service announcements in primetime, newspaper ads and outdoor displays, and ongoing news coverage through our DC media partner, WJLA-TV (an ABC affiliate). Although the program stresses the seriousness of the savings message, it uses humor and positive examples to help people overcome their reluctance to address financial issues. For more information, and to see and hear the TV and radio education spots, visit the *Choose to Save*® web site at: **www.choosetosave.org**.

Thank you again for your interest in ASEC's national savings education initiatives. We hope you will share the importance of saving and retirement planning with your family, friends and colleagues.

Sincerely,



**Don M. Blandin**  
President

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www.saversummit.org www.ebri.org

# Savings Information Available from ASEC

I recently attended an educational conference on personal savings sponsored by the American Savings Education Council (ASEC). Those who attended the 1998 NPEA annual conference in Tempe, Arizona will recall that Dallas Salisbury, Chairman and CEO of ASEC, was the keynote speaker.

Attending this recent conference gave me the opportunity to meet ASEC staff and to review the latest publications and services. Many of

these are excellent tools for encouraging our younger members to plan and save for retirement. At the New York State Teachers' Retirement System, we have purchased two savings pamphlets to be included in a financial planning kit for members when they become vested in the System. We're including ASEC's introduction letter here to familiarize you with its goals and the information it has to offer.

*Dave Daly*

Research indicates that progress is being made but challenges remain in the quest for retirement income security in the 21st century. The 2000 RCS finds an increase in the percentage of people who are saving for retirement (76 percent in 2000 vs. 61 percent in 1994). The survey also shows that many American workers have become more proactive in their retirement planning. More than half (53 percent) say that they have tried to calculate how much money they will need to save for a comfortable retirement, compared with 35 percent in 1993. Seventy percent say they have a savings or investing strategy for their retirement, and 4 in 10 (41 percent) have thought about insurance coverage for long-term care or nursing home needs.

While it is good news that most Americans are saving for retirement, the problem is that many people are saving blindly, without a specific dollar amount in mind. Or if they do have a savings goal, they underestimate how much money they will need and for how long. Most people are living longer today. Half of men reaching age 65 can expect to be alive at 82, and half the women reaching age 65 can expect to be alive at 86. An increasing number will be around to celebrate their 100th birthday. Yet, about 20 percent of workers in the survey expect their retirement to last 10 years or less, and another 15 percent believe their retirement will last 11 to 19 years.

To raise awareness of the importance of saving and retirement planning, ASEC also supports local, state, and national events that promote the savings message. ASEC and EBRI worked with the U.S. Department of Labor, The White House, the United States Congress and others in planning the 1998 *White House/Congressional National Summit on Retirement Savings* held on June 4-5. Information on the 1998 national summit (the first of three summits —

*(Continued on page 2)*

Winter 2001

Dear Friend of ASEC,

Thank you for your interest in the American Savings Education Council (ASEC). As you may know, ASEC is a coalition of private- and public-sector institutions that undertakes initiatives to raise public awareness about what is needed to ensure long-term personal financial independence. We work to build individual and employer awareness of the basic principles of saving and retirement planning. Our goal is to make saving and retirement planning a vital concern of Americans. ASEC is part of the EBRI Education and Research Fund, a 501(c)(3) non-profit, educational association.

ASEC distributes a variety of educational materials. Our **Ballpark Estimate worksheet** helps individuals quickly identify how much savings they will need to live comfortably in retirement. Rated as one of the most popular and useful savings tools distributed by the U.S. Securities and Exchange Commission (an ASEC Partner), the worksheet and other materials in the SEC "**Financial Facts Tool Kit**" are available on-line at: [www.sec.gov/consumer/toolkit.htm](http://www.sec.gov/consumer/toolkit.htm)

ASEC has helped to distribute over seven million copies of the **TOP 10 WAYS to Beat the Clock and Prepare for Retirement brochure**, directly and through ASEC's institutional partners. The ASEC brochure entitled **The Power to Choose** has been received very favorably by the public (NOTE: The Power to Choose brochure and the Ballpark Estimate worksheet are available, along with free publications regarding pensions from the U.S. Department of Labor, including the 20-page **Savings Fitness: A Guide to Your Money and Your Financial Future**, by calling toll-free at 1-800-998-7542). An ASEC guide, **How Do I Get There from Here?**, describes where to go for additional help—this piece explains the role brokers, financial planners and others play in helping with retirement planning and investing. ASEC saving and planning tools, such as brochures, interactive worksheets, information on upcoming events, glossaries, electronic links to our Partners' home pages, etc., are available on our web site: [www.asec.org](http://www.asec.org).

**ASEC savings education brochures and worksheets may be obtained by sending a self-addressed, stamped (97¢ postage) #10 business-sized envelope to: ASEC Brochures, Suite 600, American Savings Education Council, 2121 K Street NW, Washington, DC 20037-1896**

ASEC also co-sponsors savings-related research. To review summary reports of the annual Retirement Confidence Survey (RCS) and Women's Retirement Confidence Survey analysis, look under "Programs & Events" at: [www.asec.org](http://www.asec.org).

ASEC, in partnership with the TIAA-CREF Institute, also released the Youth & Money Survey report in 1999 and continues to promote youth financial education through a number of joint initiatives with ASEC partner institutions and others.

# . . . And the winner is . . . . .

Tuesday evening, November 7, 2000—a night to remember—and for more than one reason.

First, there was the little matter of an election. “It’s Bush . . . No, it’s Gore . . . No, Bush! . . . Looks like Gore!” That night the map of Florida changed colors (parties) more often than a mood ring. Little were we to know the story would remain the same for the next two months.

Past President Steve Chase (Tallahassee) took it all in good humor that night, although he may claim he’s really from Alaska at this year’s conference. He still breaks into a cold sweat any time he bumps into anyone named “Chad”—pregnant or otherwise.

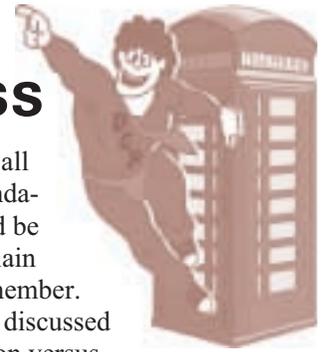
Then there was the entertainment by the *Capitol Steps*, one of D.C.’s premiere comedy troupes. Their caustic musical satire was the perfect opener for what was to transpire that evening. One can only speculate how they will interpret the 2000 election fiasco in the future. Who ever thought politics could be so much fun?

And finally, there was the main event, a chance for NPEAers to gather, swap stories, and enjoy each other’s company and the show—both on stage and the big screen.

This page includes just a few photos of that memorable night.



# Changing the Way We Do Business



**By Rebecca Frasher  
State Teachers Retirement  
System of Ohio**

At STRS Ohio we have been busy getting ready to roll out our new Defined Contribution (DC) Plan option.

With the help of a private plan administrator, we are learning that a Defined Contribution Plan can **and is** changing the way we do business. From payroll reporting to educating members, almost everything we have in the way of communication with members needs to be changed to present this new retirement plan selection. The interesting part in all of this is that this change, as enormous as it seems, will only affect 10% of our Ohio teachers. So why all the bother?

Choice. Choice is the mantra of the era. More choice is good, less choice is not so good. STRS Ohio has long championed choice in health care providers. Our members have up to 14 health care providers from which to choose. So, why not retirement plans? Ohio's newest educators will soon have their choice of three of retirement different retirement programs. Someone has to explain all this to the 18,000 eligible educators.

*Enter, stage left, the Member Education Department. In a phone booth,*

*close to the office, the counselor/supervisor/presenter of retirement education emerges dressed in a super-hero cape. Ready to leap buildings and educate 18,000 people in 40 days.*

Impossible? Not really.

Marketing materials aimed at delivering an understandable review of all retirement plan choices is the first step. The second step would be to make sure the current Web site is updated to reflect the new choices. The third step is the most critical, and that is the education of the educator.

Our members who are eligible for this plan are primarily young and don't necessarily know anything about how investments work. Some do, but they are in the minority. It is not enough to tell them about the plans and how they work. Someone needs to explain what risk management means and how it relates to their plan selection. The person selecting a DC plan needs to understand asset allocation and how selecting an allocation model can impact the retirement funds they have down the road. Many need the term "tax-deferred" explained. These are all fundamentals of investing. The retirement counselor and retirement educator of the future is going to need to

understand all of these fundamentals and be able to explain them to a member.

We have discussed the education versus investment advice issue at length at the last couple of NPEA conferences. Most of you know where I stand on the issue. The most important thing I do in my job is give people the tools they need to make good decisions. If I tell someone what our payout options are and fail to show them how to make the best selection, it's like I have given them a bicycle, all the parts, a picture on the box and no directions! Just because we "see" or "hear" information doesn't mean we know how to "act" on the information.

The biggest change a Defined Contribution Plan will have on the way you do business is the realization that someone is responsible. Responsible for the information and education needed for the member to make an educated choice. The board or trustees of a system will usually decide the scope of the educators' role. If not, it may be up to you to educate them. *Are you ready?*



## Who Wants to be an NPEA President?

That was the question posed by John Buch (a.k.a. Regis) during ceremonies honoring past NPEA presidents and key board members Sunday, November 5. The event kicked off the organization's 20th anniversary conference in Washington.

Among those honored were Phyllis Gardner (left); Bruce Hoskins (below, left), Allen Eldridge (center), and Hiram Korpeck (right). President Dave Daly and Past President Steve Chase made the presentations.



# My Friend Arch

## . . . or What I did at the D.C. Conference

by **Ken Wright**  
**Michigan Office of  
Retirement Services**

Those of you who were witness to my educational exchange with Arch Lustberg at our DC conference may be surprised to learn, what good friends we have become. Arch has called several times asking if I would be interested in helping him out with future presentations. He will soon be speaking at the Marquis de Sade Academy, the Annual Conference for Prostrate Surgeons, and the American Dental Association's Continuing Education Seminar for Root Canal Specialists.

Unfortunately, I had to decline his gracious offer as it conflicted with my self-esteem recovery sessions, which started shortly after my return from the DC conference.

To be honest, I learned a great deal from Mr. Lustberg. It was not nearly as

painful as it may have appeared and I really enjoyed being involved in the presentation.

Enough about him, lets talk about me. I work for the State of Michigan in the Office of Retirement Services (ORS). We serve over 550,00 active and retired public employees. My area of responsibility is Customer Relations, which includes pre-retirement education and all other types of communication to our customers. I have been with the state for 23 years, the last 11 with retirement. I am married with three children and love to play golf. My turn-ons are....Ok, lets not talk about me any more.

I want to express my appreciation and gratitude for being given the opportunity to serve on the NPEA Board. I look forward to doing whatever I can to help continue the good work of this fine organization. I also look forward to continuing my education through my



**Ken Wright**

association with all of you. You can reach me by e-mail at **Wrightk1@state.mi.us**.

*Thank you*



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