

# Strategies for Helping Employees Weather Market Volatility



**With ongoing market volatility negatively impacting your employees' 401(k) balances, educating them on maintaining a long-term investing perspective is more important than ever.**

## **Encourage Employees to Stay the Course**

Given that market gyrations might unsettle even the most seasoned investor, consider this volatile market climate an opportunity to help employees view the recent downturn through a long-term lens.

## **Discourage Market Timing**

Plan participants who are particularly anxious about current market volatility and how it will affect their retirement goals may be tempted to sit on the sidelines until the market rebounds.

Consider this an opportune time to remind your plan participants that time in the market is a better predictor of investment success than timing the market. In your regular communications with employees, stress the importance of sticking with their well-thought-out investment strategy. Emphasize that being out of the market for even a short amount of time could cause them to miss some of the market's best days and potentially forfeit growth in their retirement investments.

## **Tailor Your Message to the Timeline**

Because your employees are at different points along their journey to retirement, think about tailoring your message to each age group's concerns and goals.

## **Younger Plan Participants**

Acknowledge that they may not have experienced a prolonged period of market volatility or inflation since they began investing in your company's 401(k). By educating them that historically, market swings have occurred and will continue to do so, you'll be providing valuable perspective. Consider sharing historical data to support your advice.

## **Mid-career Employees**

Encourage them to invest the maximum amount allowed in their 401(k), as well as make catch-up retirement plan contributions if they are age 50 or older. To help them track their progress, plan participants can also use tools such as free online calculators.

## **Near-retirees**

This group has less time to recoup market losses. It is an opportunity to assess risk tolerance and align appropriate asset allocations in a portfolio. A target-date series where the asset allocation shifts from higher-risk/higher-reward investments such as growth funds to lower-risk/lower-reward investments like highly rated bond funds may be appropriate as these employees approach retirement age. You also might consider Mariner Wealth Advisors Managed Accounts.

Our retirement plan solutions team can assist in creating a comprehensive retirement plan strategy tailored to your employees' unique savings, investment and retirement income needs.

## Consider These Strategies to Keep Employees Engaged:

- **Promote the educational tools** offered by your 401(k) provider, which could include advice call centers or other financial wellness options, such as in-person and virtual one-on-one consultations to answer employees' questions.
- **Communicate with employees using different media**, such as email and text messaging, in simple language the "average" person can understand. Avoid investment jargon.
- Expand your plan offerings if necessary to increase the diversity of your investments.
- **Connect with employees regularly**, regardless of the economic and market backdrop, with a goal of building trust and confidence with them.

## Plan Participants Stayed Invested in the First Quarter

According to a recent study covering more than 35 million defined contribution plans, in first quarter 2022, plan participants stayed the course and didn't change asset allocations. Plus, levels of hardship withdrawals remained low.<sup>1</sup>

For more information visit: [marinerwealthadvisors.com](https://marinerwealthadvisors.com)

<sup>1</sup> ["401k Participants Stay Focused During Recent Turmoil"](#)

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Given the recent significant market volatility, frequent communication with your plan participants is critical to helping them shut out the short-term noise and stay focused on their long-term retirement goals.

## We're Here to Help

The Retirement Plan Solutions team at Mariner Wealth Advisors can offer your plan participants in-person group meetings, webinars or one-on-one meetings to help them improve their retirement outcomes.

