

Please note: This is a transcription so there may be slight grammatical errors.

Hello, and welcome to Revamping Retirement, a podcast brought to you by CAPTRUST, where we explore the opportunities and challenges facing today's retirement plan sponsors and fiduciaries. Our hosts, Jennifer Doss and Scott Matheson lead the employer sponsored retirement plan practice at CAPTRUST, one of the largest registered investment advisors in the US and a thought leader in the retirement plan advisory and consulting space. We hope you enjoy Revamping Retirement.

Jennifer Doss:

Welcome back to another episode of Revamping Retirement, episode 37 to be specific. And today we're speaking with Rosalyn Brown, which is WIPN's, which is We Inspire Promote Network. It's a network of over 5,000 women across the US. It represents all segments of the financial industry from record keepers to ERISA attorneys, to advisors, and Rosalyn is WIPN's equity, diversity, and inclusion director. She is also a senior business development officer at a large commercial bank where she provides investment management services to retirement plans and not for profit institutions. She received her bachelor's of business administration from Mercer University, and she is passionate about financial wellness, dogs, and travel. Maybe not in that order, we will find out. So welcome, Rosalyn. Thanks so much for being with us today.

Rosalyn Brown:

Thank you so much. So happy to be here today.

Jennifer Doss:

Absolutely. Well, I obviously just gave a little bit of background of about your bio and what you're doing today, but maybe just start off by telling us a little bit more about your role at WIPN, what that really means, your background and why DEI is important to you.

Rosalyn Brown:

Well, like you said, you talked a little bit about the purpose of WIPN, but we came about over a decade ago, more so recognizing the lack of women in the industry and more so the lack of women in upper management type positions. So in those senior type positions, decision-making type positions, and so upon further thought and further introspection, we knew that not only is it a lack of women, it's a lack of people of color. And so when we represent the entire spectrum of the United States, as we talk about planning for retirement, it's hard to plan for populations that don't sit in the room and aren't a part of that decision-making process. And so as a black woman, I've definitely been the only in the room so many times in terms of the only woman, the only person of color.

And so it was important for me to make sure that as we're making decisions and as companies are saying, "Goodness gracious, I want to do more. We want to be able to reach more. We want to help and combat everything from the wealth gap, but definitely the retirement gap in terms of participation" And as we look at today's environment of employees and they're looking at those best places to work and to be involved and to feel one with, it's so important to understand, and for our voices to be heard. So we can make sure that we're better employers, better teammates, better allies on and so forth. So we're able to do so much more. And so I'm excited to be the chair to bring so many different perspectives of things that either people aren't noticing, haven't thought about, and it isn't always malicious, but it's definitely a hunger that hasn't existed before. And we want to definitely be there to feed it.

Scott Matheson:

There is so much, you just had so much good things packed into that quick little snippet that you said there. And last time, just for everybody else to know, that's listening in. Now, we got a little prep session where it was just to get to know you Rosalyn. And that quickly turned into me jotting down a couple pages notes of all these great action items that she had throughout. I think it's really important that you're willing to just talk about these and that all of us are willing to talk about all these items and differences, but then turn the corner and really celebrate the differences and recognize that somebody who looks like me doesn't understand because they've never experienced being the one as you called it, because it's so important for us to think that way.

And certainly over the past few years, to your point, these companies are thinking, "What do we want our culture to be? And how do we want to enhance our culture?" The concept of DEI diversity, equity, inclusion, however, the phraseology they want to use is in place, our client base is no different than every other company, ourselves included where we're really leaning into that and saying, "We need to recognize that the world is changing and we need to embrace that change because it will be richer culture. It will mean richer experiences. And that I might, because of how I just happen to walk the world experience and hear things and experience, money in particular and investment concepts and everything else that we talk about very differently."

So one of the things in that regard you talked about last time was this idea of the emphasis on creating an inclusive retirement plan benefit. And I'd love to know with, and certainly in the tight labor market, everybody's thinking, "What do I do different?" Of course, but just in general, with these benefits coming more into focus is differentiators as an important component of alignment with broader cultural desires of organizations, how do we prioritize equity, diversity, equity, inclusion, and help make employers more competitive ourselves and make them align those values with their retirement plan?

Rosalyn Brown:

I think the first is just simply how we define retirement. And so I've been in the industry for a number of years. And so if you've spent more than a decade or so in the industry, you know and you can pick up one of those kind of older brochures and it's the exact same picture. It is typically a older white man, a older white woman. They are sitting in some rocking chairs, maybe overlooking a body of water, a lake, something like that. That is 100% what every single piece of literature that I saw, especially when I first started in the industry a couple decades ago, is what it looks like. And so that is not what retirement looks like for so many different people.

And so it might not be that they have some nice retirement house on a lake, in a rocking chair. One, that might not be what they envision retirement to be for themselves. Culturally, it may not be how they actually plan for retirement. So that almost, for some cultures, may seem more of a selfish type retirement plan. Why would I retire and just spend time with me and my spouse versus helping out the rest of the family? Why wouldn't we come together collectively where that next generation helps to take care of me, and maybe I take care of that next generation. So maybe as a grandparent, they step in and they take care of their grandchildren, their children then take care of them. And it's more of this family type unit. So that's another concept.

Well, one, if you are in a same sex marriage, it is not just simply sitting on a rocking chair because there are things that you have to think about from an estate planning perspective to make sure that assets can be shared and that assets actually move from one to another. What if you never want to be sitting in some rocking chair and you want to be active, but also things like people are looking at these career breaks and they're saying, "Goodness gracious. I don't want to wait until 65 to sit and kind of live that

retirement. Maybe I want to take a break within that time period." And so there are so many different ways that retirement actually looks.

So, one, when we talk about how do we define this? It's not just simply, you'll walk off into the sunset and sit on this rocking chair and just walk away until your end of days, but really to create an environment where we can understand, what would you like your freedom to look like? So that is the freedom to make a choice to work or not work. I started my career in wealth management and I had a myriad of clients who not only retired, but when they retired, they did something different. So it may just simply be able to fund your next episode. So whether that be starting a business, whether it be trying a hobby, something where you don't necessarily have to lean on a full time income. So just simply to redefine what retirement is, would help us have a better conversation with people as they plan for what that vision of retirement actually looks like.

Scott Matheson:

So you're saying that the standard approach to just changing skin color of the two older people sitting in a rocking chair is not the answer.

Rosalyn Brown:

It is not the answer. I mean, I'm happy to see a couple of different bodies sitting in the rocking chair, but it still doesn't address the overall theme of this doesn't look like retirement for a large population of the United States.

Scott Matheson:

Oh, yeah. So how do you do that? How do you create that listening environment, that feedback environment that is needed to get that very definition?

Rosalyn Brown:

So one of the first things that I would say is look at your upper management. So when we talk diversity, companies are doing the tick marks and they're saying, "All right, great. We're at 10% people of color, we got 25% women. All the boxes are checked. We are diverse. We are a diverse company," but at the end of the day, if, when you sit in the decision making rooms and you look around the table, if everyone looks exactly the same, you have a problem. And so when I say, everyone looks exactly the same, it's not even just skin color. It is generation. So do you have everyone who's been 20 years at this company? That's a problem. Sometimes everyone's been drinking the same Kool-Aid and you don't have those new ideas. Those, what are other people, our competitors are doing. And so looking at different skin colors, different backgrounds, religions, generations, and so forth, invite more voices into the room.

And then I challenge, not only to have the different voices in the room, to actually listen. So I remember being early in my career and you're that lone 20 something year old, and you're invited into the room, but you're not expected to speak or when you speak it's quickly dismissed. And so you want to be in a situation where you're actually taking all of these ideas and saying, "How can we incorporate, or at least experiment to see if something may work or if people may be more receptive?" So sometimes you can just be stuck in this rut of what we've always done. And then you've always been overlooking a vast majority of your teammates. And it's so much easier to do when you're in the majority versus if you're in the minority.

Scott Matheson:

So true. I guess if I think about what ... My way of saying what you just said was that you can't tick a box with diversity. You have to have inclusion if you want to actually perpetuate and make meaningful, I would argue, overdue, long overdue change and move in the right direction here. And that's not just with workplace, but that's even its way into how you think about all aspects of benefits provided as we talked about obviously the 401k plan, the DC plan, the other pension benefits, whatever. Can I just to ask you, you mentioned the part of your work you were doing at WIPN was this culture of money campaign. Tell me what that is a little bit more there?

Rosalyn Brown:

Super excited about that. So February the 24th at 3:00 PM, Eastern Standard time, we're having a virtual event and it's going to talk about the culture of money. And it goes back to what I was talking about in terms of as different cultures look at money and their financial experiences, they then approach the rest of their decision-making based on that basis. And so regardless if you started off and you were in a country where you can't trust your government, you can't necessarily trust your employers. And every piece of saving is on you, you're going to approach your retirement savings and every other money situation in that manner. If you come from a place where maybe your parents are being told, or your parents are telling you, "Goodness, you need to work in this particular way in order to be successful, or you need to work long hours in order to be successful," you will then approach every single money decision from that impact.

So if you come from a situation of poverty, or if you come from wealth. I always say one of the things I want clients that talk to me to feel like is if I'm their rich aunt, because at the end of the day, when clients have a situation or they have a question, they'll say I went and talked to my uncle, or I went and talked to my mom or my dad. It's usually that generation before. And they're going to lean on that person that they feel less successful, that person that they feel is wealthy. But if you come from a family where that rich aunt does not exist, who do you speak with? And so you're making decisions from that first generation standpoint, and you don't necessarily have a resource.

And so, especially as employers, we always say, "Goodness," employers are like, "is that even my job?" Well, they don't know where else to go. And so if they're in this place of being stuck, they may be leaning on you simply because they don't have a rich aunt. And so that's important as well. And so really just to make sure that we're providing those resources where people can feel comfortable, because there's nothing worse than slapping a whole, everyone's been part of that onboarding process and where you get that notebook of documents. You're like, "I don't understand any of this," or in today's technology you're clicking through, and you're just like, "Next. Okay. I still don't understand any of this as well."

And so all of those are just simply key when we talk about from a culture perspective, are we meeting people where they are? And so do we understand the impact or the why when people make financial decisions, is so connected to their culture, their heritage, maybe it can be their religion and all of those things are going to feed in, so if we're going to them to help them to make actual great decisions for that next generation, for their current generation, we have to understand a bit more about the culture in which they come from. So we can speak to them at a point that they actually understand and they can be receptive to.

Jennifer Doss:

Yeah. I mean, it's so interesting just to think, I mean, again, just how hard it is to stop this machine though, right? Like you said, I mean, you go back, 10 or 20 years, it's like that brochure was the same for a very long time. And I know the exact brochure you're talking about. It's lovely. And it's just, if you keep

doing what you've always done, you keep getting what you've always gotten, right. So I think just one of the things we like to be, to bring with, with our podcast, obviously it's just some actionable steps for plan sponsors, which is our primary audience for this. So, you talked about just from an organizational perspective, one step is just looking to see who you have in that decision making room, which is fantastic. Maybe just, again, from a plan sponsor perspective, more of the benefits retirement side, what's maybe the number one suggestion you have for employers that are kind of looking to optimize their DEI efforts?

Rosalyn Brown:

I think the biggest thing is going to be what resources do you have on hand from an education perspective? Not just simply everyone needs to retire. It's a do they understand the safety and security of a retirement plan? Because depending on where they came from, giving my money to my employer so they can do what they want to, regardless if it's true or not, it's something that people are going to say, "Absolutely not. 100% do not trust you enough to take from my paycheck." So where does the money go? Do they understand that? What is the safety and security of that? So that can be key for a number of different people, but also communicating the how and the why and the not just "Can I take it at 65? How can I utilize this today?" Which is going to be a big deal as well.

So if someone says, "Well, goodness, why should I put this money away? I'm 30 years old. I may need this 30 years from now, but I need it today." And so is there a way that they have access to the money today? And that's important. And so just understanding that is key understanding things like, "Well, goodness, how do I take this money with me if I decide to leave?" And so people are like, "Well, goodness, I don't think I want to work here forever." I saw a survey just the other day. And it talked about people who are just now leaving college are thinking they're going to stay at their company from about one to four years. Why should I give my money to my company, as inaccurate as it sounds, if I'm leaving in four years? And so understanding that they own this and it's theirs, and it's not a handcuff that they would say, "I'm better off saving under the mattress in the piggy bank," whatever it may be, and then we can move somewhere else.

And then making sure that they understand the due diligence that a plan sponsor goes through in order to make certain funds available. So it's so easy with social media, with Google and so forth, you're watching some video on TikTok, a quick reel on IG, and you're like, "Goodness gracious. I know the best investment for me." And they're saying, "But my company only offers these 20 funds. And I don't understand why I can't get the most popular X that exists." And so do they know the work that you're doing and the why of the effort that you're putting into to make these choices available to them.

And so at the end of the day, it's so much about that communication of comfort. So they feel as if they're making decisions. And then if they, because I had a great conversation with someone not too long ago, and they said, "Well, my company doesn't make this option available." So it was just something in terms of a Roth contribution. And I said, "Well, did you ask?" Do they feel comfortable if they hear something of coming to you and saying, "Why don't we offer X?" And then do you immediately say no, or do you call your record keeper and say, "How easy is this to incorporate?" Maybe you don't do it every year. Maybe you say, "We make these changes once a year, once every other year," whatever that is, but are you taking those suggest and are you a place that is receptive to those to say, "By employee demand, we've then incorporated X, Y, or Z."

So it goes back to a lot of communication, but also education. And so the communication is inviting that input, but the education is really saying, what steps are you doing in the background? Because you know all the effort, all the hundreds of meetings that you're doing, do your employees know all that work and due diligence that you're doing as well?

Jennifer Doss:

Yeah. It's really interesting. It's almost like you think of the basics of retirement plan and education, and it's almost like you got to take it a level down from where you think the basics are, right. You just, you're not thinking about these things through that type of lens, and it's just, it's really interesting and important that people take a step back when they're either thinking about making changes to their retirement plan. What impact is this going to have on my population? How are people going to see it, understand it? Are they going to ... Just all these different things. Okay. Well, thank you so much for all that. So I have the hardest question for you now. So I'm going to get the sense that the answer is not sitting in a rocking chair, but I want to know what does retirement look like to you, Rosalyn Brown?

Rosalyn Brown:

I am an avid traveler. I absolutely love to go any place that I've never been. So it's pretty simple. And so I have had a goal to visit all 50 states. I accomplished that. I've been to about 30 different countries. I would love to just roam around. And I love to interview people who live in places that they were not born, really that motivation of why. So I connect with a lot of strangers, have a lot of random dinners with people on my travels and just to really hear their story and how they came to love some place that was not their home country. So I would love to do that full time and just roam around, chat with people, eat a lot of local food and enjoy.

Scott Matheson:

Okay, where's your favorite place you've been? I got to know.

Rosalyn Brown:

I've been to a lot of amazing places. It's hard to necessarily pick a single one, but Guatemala was definitely a love of mine and absolutely loved Morocco as well. And then I most recently went to Belize and really, I mean, it was super easy to just be there, be warm, especially since it's cold now, and just kind of take that in as well. So, I mean, my next place will be any place that I've never been. So any recommendations, I'm always open to that as well, but that is my, 100%, if I could do it full time, that's what I would be doing.

Jennifer Doss:

Yeah. I actually snuck in, the last trip I snuck in before COVID was a trip to Guatemala. My mother and my brother and my stepdad actually live down there and it was so good to get to visit them. I mean, I cut it very, very close, but it was great. And yeah, it's a great place. So it's fantastic.

Rosalyn Brown:

Hiked a volcano and everything.

Jennifer Doss:

I did, I did. I did hike a volcano. On a horse though. I couldn't quite make it on foot. I had to get the horse, but that's okay.

Rosalyn Brown:

Okay. It's worth the experience. So however you got to do it, just definitely do it. So if anybody's thinking about going to Guatemala, definitely hike of volcano.

Jennifer Doss:

There you go.

Scott Matheson:

Yes. And to be clear, hiking is not riding on a horse, Jennifer.

Rosalyn Brown:

However you got to do it. It's okay.

Jennifer Doss:

Tomato, tomato. It's fine.

Scott Matheson:

Okay. Well, Rosalyn, we will let you get back to it. I just want to thank you sincerely for spending time with us today. More than anything though, I want to thank you for the work you're doing. It is critically important, full stop. I'm pretty sure by the way, it's at least two jobs, maybe more, between this and your day job, but I got to be honest too. I love, love, love, love that you take all of these really key themes and issues, but what you do is you make it actionable. You give people, us, everybody, who's listening, me on our past conversations and this one, I have four pages now of notes of definitive action items that we can take and we can share with our plan sponsors who are all grappling with these key items. So thank you. Your passion and energy is quite truly contagious. And let me steal your own phrase back at you, because I want you to be my rich aunt and I won't listen to anything that you say. So come back and spend time with us, will you?

Rosalyn Brown:

Well, thank you so much. And I hope everyone registers for our webinar on February the 24th, 3:00 PM, Eastern Standard time on wipn.org under the events tab.

Scott Matheson:

Awesome. We'll put that in the show notes as another link there quickly too. So thanks for all you do. And with that, we'll transition over to our Minute with Mike, where he is going to talk about the fabulous theme of vesting and retirement plans.

Mike Webb:

Thanks Jennifer and Scott. Mike Webb here or with another Minute with Mike. Our topic for this month's minute is vesting. Vesting is the degree to which an employee owns the retirement plan contributions made by their employer. While contributions made by the employee are always 100% vested, retirement plan sponsors have the ability to control vesting of employer contributions, commonly referred to as a vesting schedule. Employers are often motivated to set vesting schedules to save money or reduce turnover. For example, an employer may impose a vesting schedule of 20% per year or require a minimum of three years of service before any contributions are considered vested. The legal maximum of investing schedules is six years of service. Vesting is found in some 401k and 403b plans, but is rare in 457b plans.

Vesting schedules can be challenging for record keepers to administer and some smaller record keepers don't administer them at all. With record keeper challenges, come opportunity for errors, which can be

expensive in the event of an IRS or DDO audit. And the difficulty administration can increase record keeping costs. Vesting schedules can also be difficult to communicate to plan participants, but vesting schedules are not the only option for plan sponsors looking to control costs and encourage longevity, plan sponsors can also consider implementing a waiting period before employees are eligible for employer contributions. Since the vast majority of employee turnover occurs in year one, this may be simpler to communicate and easier to administer. However, according to CAPTRUST plan design survey, waiting periods are not widespread. About 7% of our clients have an eligibility period of six months and only 14% require one year of service before employees are eligible for employer contributions.

In this competitive labor market plan sponsors should consider their organization's turnover stats along with information on how their peers are structuring employer contributions to determine the besting schedule or eligibility period that generates the desired outcome while maintaining a competitive retirement plan benefit. For Revamping Retirement, I'm Mike Webb, and this has been your Minute with Mike. Now back to Jennifer and Scott.

Jennifer Doss:

Thanks Mike. And thanks everyone for joining us today on another episode of Revamping Retirement, and don't forget to subscribe to our podcast, leave us feedback if you want, and we will see you all next time.

VO Artist:

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