

# Business Times



## SPECIAL REPORT

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# Your Money 101

*Richfield Companies teaches financial planning to its clients' employees*

**T**he Richfield Companies, an Elm Grove-based employee benefits company founded two years ago, helps companies educate their employees about basic financial planning.

Instead of focusing on the latest changes to the company's 401(k) or retirement plan or why employees should look into supplemental disability insurance, The Richfield Companies focuses on teaching its clients' employees financial basics like saving, budgeting, debt management, college planning, estate planning and preventing identity theft.

Many employees aren't participating in retirement plans because of poor financial conditions, said Tony Verheyen, principal and founder of The Richfield Companies. Many of those workers struggle with credit card debt, an inability to balance a checking account, not paying bills on time, and poor credit condition.

"The common person doesn't get to work with a financial advisor," Verheyen said. "They're not stupid, but things have been made too complicated for them and most financial advisors can't be trusted. It's about taking financial benefits and building a holistic financial education plan for employees."

Typically, many employers teach their workers about their financial benefits one at a time, Verheyen said. When the company's 401(k) plan has open enrollment, the compa-

ny teaches about that plan. If its life insurance or disability plan is up for renewal, the company will talk to workers about the changes.

Employers typically ignore topics such as saving for college, debt management, how to create a will and general savings, Verheyen said.

"There are a lot of areas that have not been touched," he said. "And we start with building a foundation (of financial literacy). We try to give everyone a financial education to make them retirement ready."

Retirement plans such as 401(k) plans have had close to 60 percent of American workers enrolled in them in recent years, a level that has stayed relatively consistent, Verheyen said. Companies will not increase their participation rates without changing some piece of employee behavior, Verheyen and several of his customers said.

"One of the big roadblocks (to 401(k) participation) is that employees see it stealing (from their paychecks)," said Annette

Grabow, manager of retirement benefits at M.A. Mortenson Company, a Minneapolis-based construction company with an office in Brookfield, that hired The Richfield Companies to teach its employees financial basics.

"Employees think they can't afford to defer more. It's especially true with young kids coming out of school. They don't have a way to budget or know how to enable themselves to put money into their 401(k). We had to show them how they could afford to."

The Richfield Companies and M.A. Mortenson Company were recently awarded the "best in show" award by the Profit Sharing/401(k) Council of America.

The award recognized M.A. Mortenson for its efforts to teach its employees about financial planning to make them better prepared to save for retirement. The Richfield Companies helped design M.A. Mortenson Company's education program and led several employee education seminars.

The Richfield Companies will present its basic financial information seminar to the



Verheyen



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company's workers this year, Verheyen said.

It has also formed a relationship with Combined Locks, Wis.-based U.S. Oil Co. Inc. The Richfield Companies was hired to do a financial planning pilot program for U.S. Oil this fall, Verheyen said. Next year, the company has asked Verheyen to present to employees at all of its 14 locations around the Midwest, said Steve Alstad, compensation and benefits manager for the company. U.S. Oil Co. Inc. has seen the need for Verheyen's services when promoting its 401(k) program.

"When we're looking at different materials our administration was willing to send

out, reasons to increase deferrals, what percentage you should defer, where you should put four funds," Alstad said.

However, many of U.S. Oil's employees are in their early 20s, have never saved money, and many have significant credit card debt. A basic financial seminar like Verheyen's should help those workers, Alstad said.

"He's looking at very basic stuff – budgeting, how to minimize taxes, how much you need to plan for things in the future like college," he said.

The Richfield Companies has three full time employees now, Verheyen said, and he's

hoping to add a fourth employee next year.

The two-year-old company, which has been working with clients for about a year, has seven clients now. Most clients are medium to large size employers, Verheyen said.

Part of what Verheyen tries to teach employees is how to ask their employers and the employer's vendors such as life insurance provider, retirement plan administrator or other, for information.

"With vendors, you generally get what you demand," Verheyen said. "And you may have excellent resources that you can tap into."