

Why Are Retirement Benefits Important to Employers?

RetireReady NJ is New Jersey's solution to a growing obstacle preventing the employees of small employers from preparing for a dignified retirement. The introduction of this program has opened the door for this portion of our employee community to begin saving for retirement with the same structures, support and controls that their neighbors with private retirement plans already appreciate. However, it should also be noted that RetireReady NJ offers a substantial benefit to the employers of New Jersey as well.

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You as an employer face many priorities that compete for your attention. You are always focused on providing business products and services, while monitoring profitability and controlling costs. One often-overlooked area of cost is staffing. As many as a quarter of all American workers leave their jobs each year. This loss of staff translates into a significant area of expense for your company. Smaller and mid-sized employers experience greater strains from attrition because of the impact that this loss of personnel has on their organizations.

These employers are not only faced with a loss of knowledge and experience within their teams, but also the need to hire and train replacement workers necessary for their operations. This includes finding someone who is reliable and is a good fit with the rest of the staff. As you dedicate time and money to replacing employees, you often lose business opportunities resulting from the lack of staff that deliver the services the company provides.

As leaders, we need to consider how the loss of staff affect our businesses, and work to retain these key team members. It is not uncommon for employers to look to their employee's basic needs when trying to retain staff. This can include building morale through increased wages and ensuring they have a safe workplace.

However popular, addressing these matters may not be the "need" that prevents these employees from leaving your organization. Your staff may be struggling with more complex matters, like preparing for retirement. Studies have shown that 62% of job seekers consider the availability of retirement benefits when accepting a job. Conversely, employees who are happy with their retirement plan are more likely to remain with their employer.



Every employee dreams of the day they can retire. Visions of a workplace party, with a cake, the presentation of a gold watch, and the sendoff of a valued coworker as they enter retirement are common images in popular culture. Retirees look forward to spending time with family, enjoying grandchildren, traveling, and participating in hobbies. But how do they get there?

While this is a dream that most New Jerseyans envision, many face barriers to attaining it. As late as October 2024, it was reported that 41 percent of full-time American workers do not have access to a retirement plan at work. A closer look at these individuals shows that this more heavily affects our lower wage earners. The analysis found that close to 75 percent of full-time workers who make less than \$26,400 a year, do not have access to retirement benefits.

Employer retirement plans are the principal way for employees to prepare for retirement. While individuals can save for retirement on their own, many people are overwhelmed by the daunting task of navigating the process. They must calculate the amount they will need in retirement, determine how much to save each week, find a financial service company that will work with them, and select investments. This is even before these individuals are required to demonstrate the discipline of making regular retirement contributions, while facing external forces encouraging them to spend their money in other ways. Employer retirement programs simplify this process. They provide guidance and fiduciary structure for their employee participants that help them save and prepare for their dreams of retirement. Plus, automatic paycheck deductions ensure that they make regular contributions.

Offering a retirement program is a great way employers can both look out for their workers and benefit their businesses at the same time. Their employees can build a more secure financial future by saving for retirement in a convenient and easy way. Additionally employers can use these programs to attract quality workers and retain valued staff, helping their businesses be more successful.

Retirement plans are one of the most generous benefits that an employer can offer their employees. However, sponsoring a private retirement plan is a serious decision that every company should give great consideration. RetireReady NJ may be a good alternative for you.

RetireReady NJ is a State administered auto-IRA program that is designed to offer an affordable, reliable and easy to use retirement solution for your employees. This program has State and Federal oversight, is no cost to you, and easily integrates into your existing payroll process. To learn more, please visit our website and consider attending one of our upcoming webinars.

To learn more, visit [RetireReady.nj.gov](https://www.retireready.nj.gov)

[Who's left out of America's retirement savings system? - Economic Innovation Group](#)

[Despite low financial literacy, many Americans manage their own retirement | Goldman Sachs](#)

[5 Ways To Reduce Your Retirement Stress](#)

[American Women Report Stress about Saving for Retirement](#)

[Unprepared: Our Flawed Retirement System | Reflections](#)

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