

Plan Trustees Find Source of Optimism amid Gloom

San Antonio, November 19, 2008 – Multiemployer plan trustees attending the International Foundation of Employee Benefit Plans' recent annual conference here have plenty of worries on their minds. But an informal attendee poll of trustees conducted by Cheiron staff attending the event found a majority of trustees optimistic about one thing: The incoming Obama Administration's "ability to address my biggest worries."

Specifically, 54% of 84 plan trustees who completed a short survey expressed a "high" level of confidence, while only 17% expressed a "low" level of confidence. The remaining 29% rated their confidence level as "moderate."

Interestingly, that high optimism level among trustees contrasted with only a 33% "high" optimism response by plan service providers.

And what are the problems trustees are hopeful that the Obama Administration will help to solve?

The largest group (32%) cited "our retirement fund's recent investment performance" as their top worry. The second most often cited worry of plan trustees, noted by 24% of survey respondents, was "the economy and its impact on the financial health of my industry," followed close behind (with a 23% response) by "the cost of health care and funding health care benefits." And 21% chose "our retirement plan's funded status" as their top worry.

Asked for their level of faith in "the growth of our membership over the next three years," 30% reported their confidence was high, 47% reported "moderate" confidence and 23% reported "low" expectations of membership growth.

Meanwhile, two-thirds of trustees taking the poll took a middle-of-the-road ("moderate") stance in their expectations of the "financial health of our benefit plans over the next three years," while 24% expressed optimism and 10% expressed pessimism.

Finally, in an apparent indication of confusion among plan trustees wrought by the recent high volatility in financial markets, only 35% of survey respondents reported a high level of confidence in "my own understanding of our benefit plans' financial health."

However, a majority (54%) expressed "moderate" confidence that they have a handle on how their plans are doing, and 11% reported serious doubts about their understanding of the financial health of their plans.

###



Poll Results -- Trustee Responses

My biggest worry today is:

- a) Our retirement fund/plan's recent investment performance: **32%**
- b) Our retirement fund/plan's funded status: **21%**
- c) The economy and its impact on the financial health of my industry: **24%**
- d) The cost of health care and funding health care benefits: **23%**
- e) Other: **1%**

My second biggest worry today is:

- a) Our retirement fund/plan's recent investment performance: **21%**
- b) Our retirement fund/plan's funded status: **23%**
- c) The economy and its impact on the financial health of my industry: **34%**
- d) The cost of health care and funding health care benefits: **22%**
- e) Other: **0%**

My level of confidence in the growth of our membership over the next three years is:

- a) High: **30%**
- b) Moderate: **47%**
- c) Low: **23%**

My level of confidence in the financial health of our benefit plans over the next three years is:

- a) High: **24%**
- b) Moderate: **66%**
- c) Low: **10%**

My level of confidence in my own understanding of our benefit plans' financial health is:

- a) High: **35%**
- b) Moderate: **54%**
- c) Low: **11%**

My level of confidence in president-elect Obama's incoming administration's ability to address my biggest worries (identified above) is:

- a) High: **54%**
- b) Moderate: **29%**
- c) Low: **17%**