

Going the Extra Mile for Employees

Cooperative Partnership Case Study

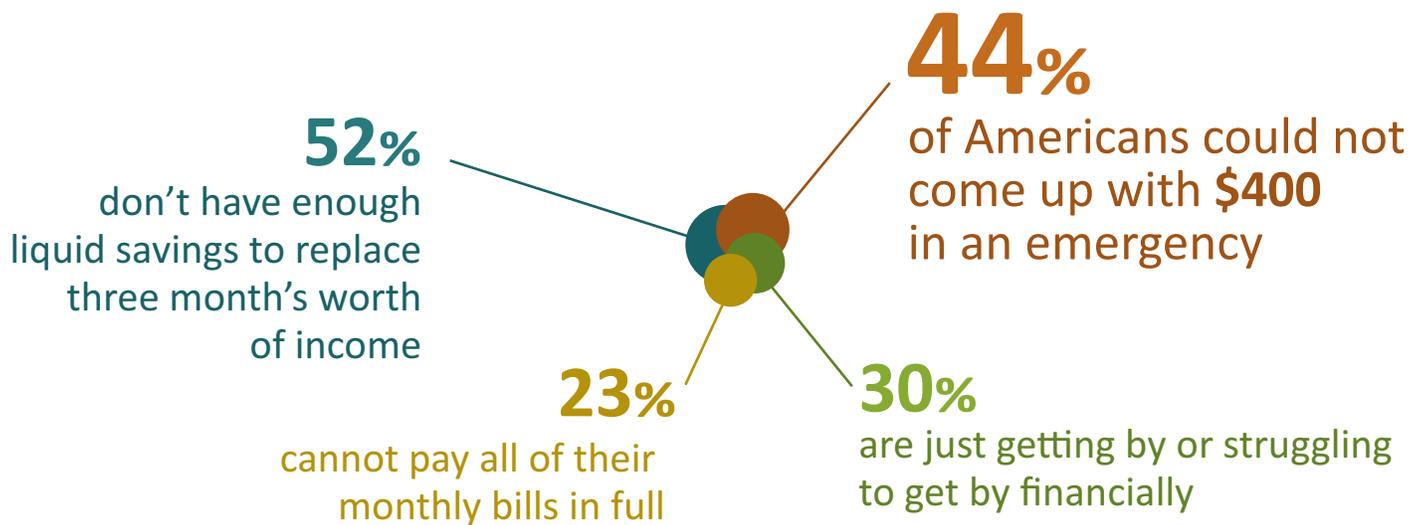


Are there manageable ways for a cooperative to do more to support the financial health of their team?

➤ The Challenge

Lake Region Electric Cooperative (LREC) is in the heart of scenic Lake Country in west central Minnesota. LREC is an important employer within its community and, like many employers, is concerned about recent research showing a dramatic rise in economic insecurity.

Not being prepared for an emergency expense is the #1 challenge faced by many Americans. The Wall Street Journal recently published an article highlighting what large companies like Home Depot and SunTrust are doing to help their employees prepare for unplanned expenses.



Source: The Federal Reserve, Report on the Economic Well-Being of U.S. Households in 2016. Published May 2017.

Read Wall Street Journal Article Now
(http://bit.ly/homestead_wsjs)

“Homestead knew just how to help us. They were very easy to work with and made our idea a reality. The employee savings program is a nice benefit for our employees, and it’s helped them to build their personal savings.” -- Tim Thompson, CEO, Lake Region Electric

➤ **The Partnership**

It turns out that LREC is not alone with this question. As was recently discussed in the Wall Street Journal, many major employers are developing special programs to encourage employee savings. But how could LREC set up a plan and make it work?

Homestead Funds offers financial expertise and an understanding of cooperative financial structures. Homestead is also active in promoting employee financial welfare, providing educational resources and on-site meetings that connect with and motivate employee action.

By tapping into that experience, LREC came up with a framework to encourage employee savings. Homestead worked closely with LREC’s CEO and HR personnel to clearly understand their goals and budget, and the needs of their employees. Together, Homestead and LREC developed a campaign that took advantage of each partner’s strengths.

➤ **The Solution**

LREC set up a program to match employee savings contributions up to a set limit on a quarterly basis. Working with Homestead, they offered employees investment choices that went beyond bank savings accounts and CDs.

- Homestead’s mutual funds offered a way for employees to invest in line with their goals, balancing objectives for safety of principal and growth.
- Assets are held in accounts owned by the employee, so they can continue to fund or access their money whenever the need arises.

➤ **The Results**

The program was an immediate hit, with more than 2/3 of employees signing up in the first three months.

*Let's partner together to engage your employees to prepare for unplanned expenses. Contact us at **800.258.3030, option 3.***

This case study is for illustrative purposes only and is not meant to guarantee that any individual’s needs or objectives will be met. This case study should not be construed as a testimonial. Other clients may not have received the same or similar results.

Investing in mutual funds involves risk, including the possible loss of principal. **Past performance does not guarantee future results.**

Investors should carefully consider fund objectives, risks, charges and expenses before investing. The prospectus contains this and other information about the funds and should be read carefully before investing. To obtain a prospectus, call 800.258.3030 or visit homesteadfunds.com.

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