

# HOW SECURE IS YOUR FUTURE?

*By Denny McBroom, Husband of Inner Circle SrNSD Linda McBroom*

Since the early 1980's, corporate America has been solving their financial problems through layoffs. Starting in 2004, they have started solving financial problems by reducing or eliminating employee pensions and/or benefits.

We must realize that other than the Mary Kay NSD pension plan, most other pension plans are at risk. There is irrefutable evidence that Mary Kay Cosmetics is one of the most solid and prosperous companies in America.

We should encourage all Consultants and Husbands to look toward the future to emphasize the need for establishing NSD as a long-term goal to secure their family's future.

## BACKGROUND ON CORPORATE AMERICA

2004

Delta Airlines laid off thousands of employees and cut pilot salaries by 40%.

Ford stopped matching funds last year on 401 Ks

2005

Other Delta employees had a 19% pay cut, lost some of their retirement benefits, had a major increase in medical insurance premiums

United Airlines had to turn over their employee pension program to a federal relief agency resulting in 50% reduction in retirement benefits

General Motors is in negotiation to reduce retirement medical benefits

Motorola wiped out benefit plans for new employees.

Este Lauder is offering early retirements to employees. This is the first step toward company layoffs.

60 % of US companies are either freezing or ending their pension plans according to USA Today article December 28, 2005

2006

Sears froze its benefit plans starting this year

On 1/7/06 IBM announced that in 2008 new employees will no longer receive a pension plan . They are doing this to remain competitive with other companies who do not offer pension plans. This impacts 125,000 people

On 1/24, Ford announced 30,000 job cuts and several plant closings

Alcoa announced that they will no longer offer new employee retirement plans so they can remain competitive.

Chrysler announced a 20 % cut in management staff and 6,000 workers.

Ford announced it will eliminate 30,000 jobs in the next 7 years and it will be reducing benefits.

## **BACKGROUND ON MARY KAY, INC**

2005

Gave Independent Sales Directors and National Sales Directors the largest pay raise in the history of the company

Made this 2005 raise retroactive for retiring Emeriti for the last year of their three-year average for calculating their 15 year retirement.

Arlene Lenarz retired in January on \$ 47,000 per month.

To retire comfortably, you need a \$1-2 million benefit from your retirement plan. The average Mary Kay NSD retires with \$ 4 million in her benefit plan. Arlene retired on \$ 6.7 million.

Created a SECOND retirement plan for NSD's – The Great Futures Program. This plan gives retiring NSD's 60% of the 3 highest years in International commissions and pays for 12 years on an upward sliding scale commensurate with the growth of production in those countries.

Only 1% of families earn over \$ 200,000 annually. The average annual income for a Mary Kay NSD is \$ 300,000.

Mary Kay has contributed over \$ 5 million in cash and product to Hurricane victims.

Replaced Beauty Cases, gave \$500 credit for product, and paid 4 months of commissions to all affected Consultants, Directors and NSD's.

Waived sustaining car qualifications and conference fees

Deferred "take outs" from paycheck until February to maximize Consultant cash availability.

Mary Kay, Inc. is debt free

**BOTTOM LINE:**

In Mary Kay you have a rare opportunity to secure your future with a retirement plan backed by the highest integrity and past performance possible.

**OPPORTUNITY:**

80% of retiring Baby Boomers (age 41 – 59) plan to work after retirement. Surveys show that they still want to work but don't want the hassle of finding another job.

**MAKE NSD YOUR ULTIMATE GOAL!**