

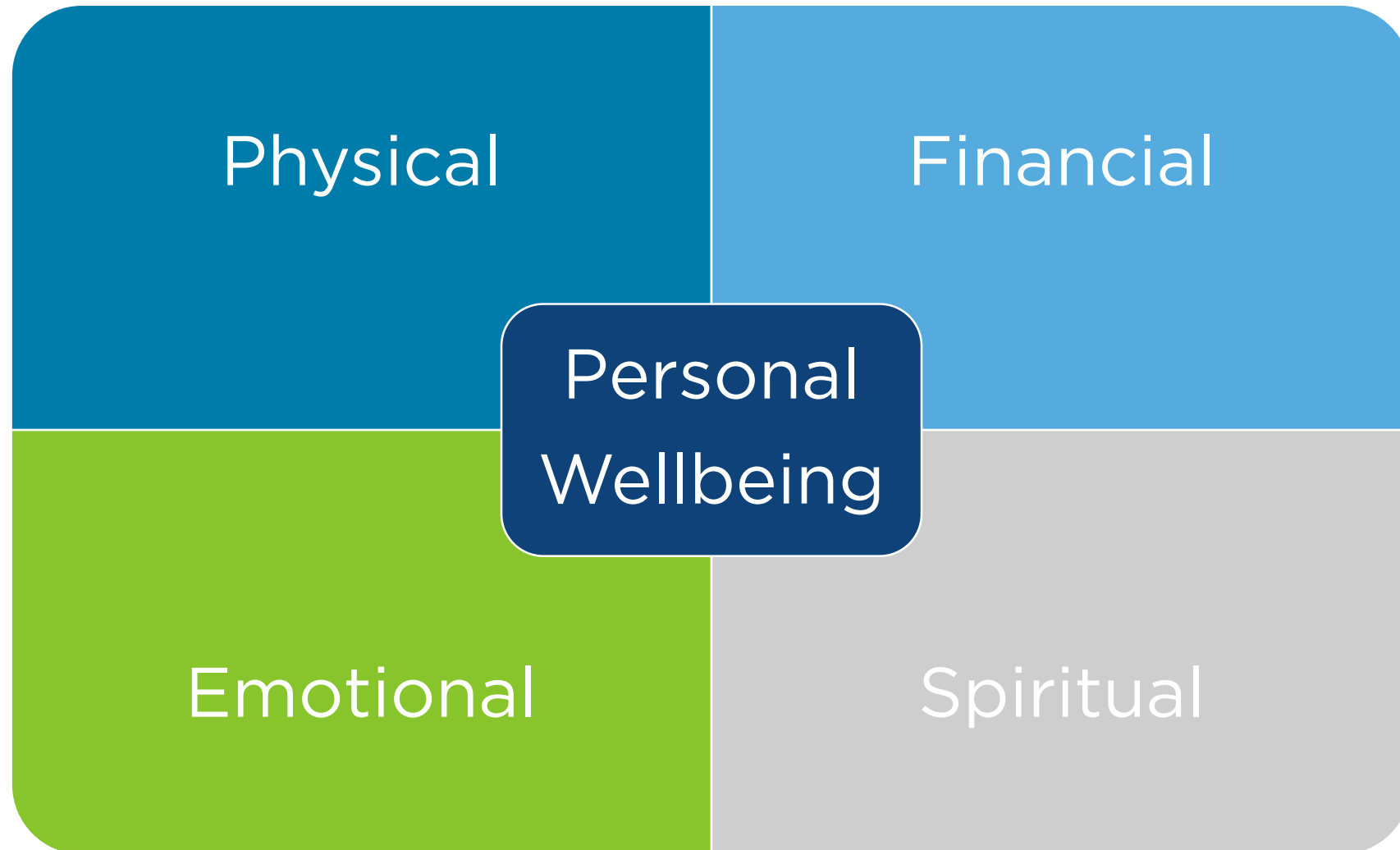


THE FINANCIAL WELLNESS LANDSCAPE

How to design a successful program

Greg Ward, CFP®

WHAT IS FINANCIAL WELLNESS?



WHAT IS FINANCIAL WELLNESS?

Financial Wellbeing (noun):

Financial wellbeing is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life.

Source: CFPB, Financial well-being in America, September 2017

WHY ARE EMPLOYERS OFFERING FINANCIAL WELLNESS BENEFITS?

#1 Improve worker satisfaction

#4 Increase benefit utilization

#2 Reduce financial stress

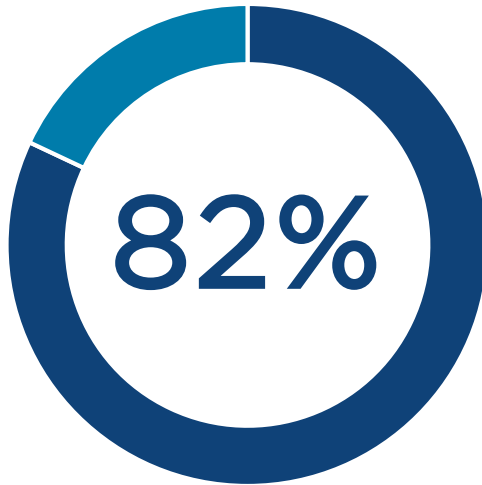
#5 Improve productivity

#3 Lower turnover

Source: EBRI, 2018 Employer Financial Wellbeing Survey

WHY ARE EMPLOYERS OFFERING FINANCIAL WELLNESS BENEFITS?

Social Mission



We believe it is the right thing to do

Source: Alight Solutions, 2019 Hot Topics in Retirement and Financial Wellness

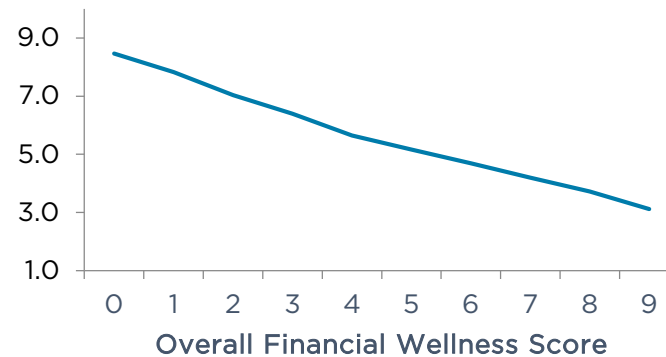
WHY ARE EMPLOYERS OFFERING FINANCIAL WELLNESS BENEFITS?

Lower Costs

FSA/HSA Contributions



Average Stress Level



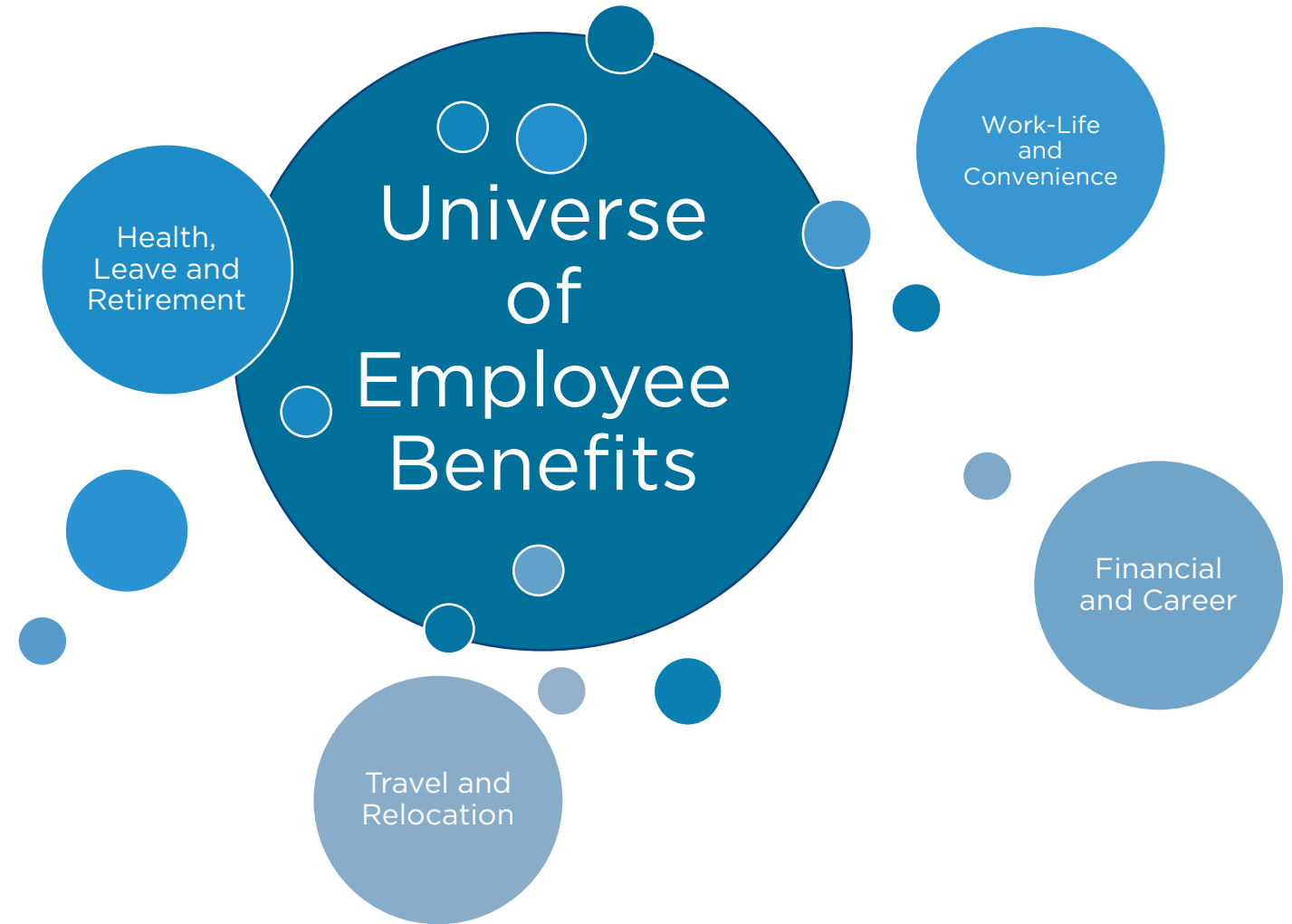
Average Deferral Rate



Source: Financial Finesse, 2016 ROI Special Report

HOW ARE FINANCIAL WELLNESS PROGRAMS BEING DESIGNED?

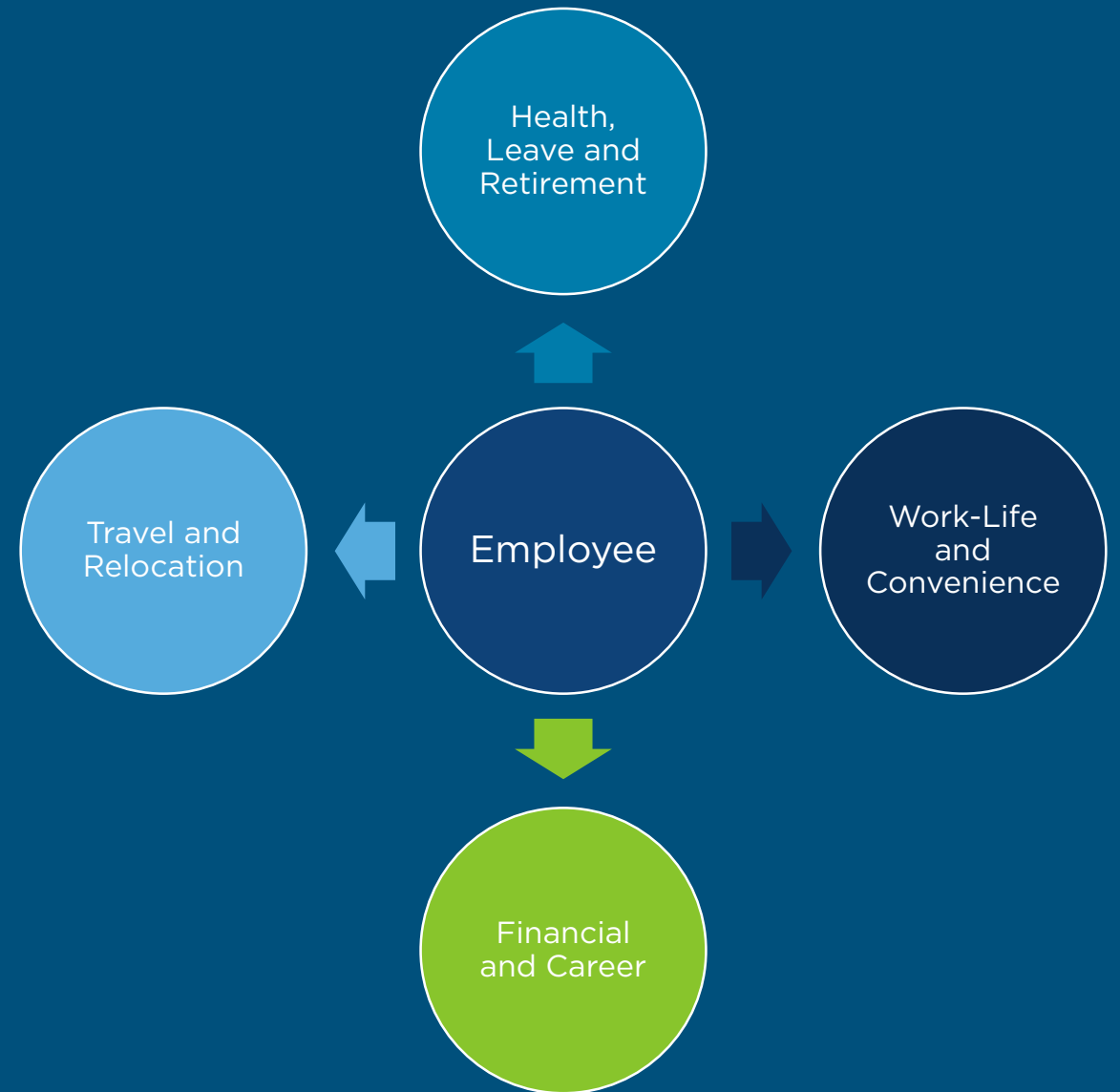
The prevalence of over 60 benefits assessed increased between 2017 and 2018



Source: SHRM, 2018 Employee Benefits Report

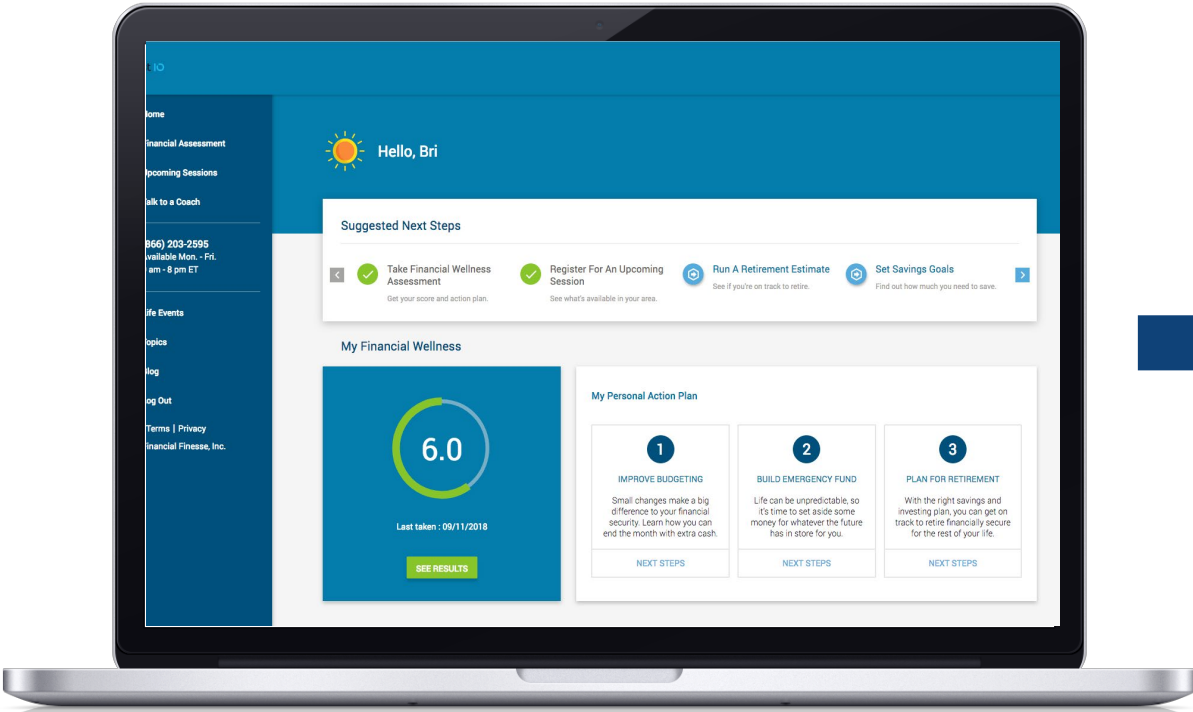


TRADITIONAL



HOLISTIC

HOW ARE FINANCIAL WELLNESS PROGRAMS BEING IMPLEMENTED?



HOW DO EMPLOYERS MEASURE SUCCESS?

Engagement

Levels of engagement vary depending on...

#1 Design

#4 Champions

#2 Culture

#5 Incentives

#3 Communications

HOW DO EMPLOYERS MEASURE SUCCESS?

Specific Metrics

#1 Improvement in
worker satisfaction

#4 Increases in benefit
utilization

#2 Reduction in
financial stress

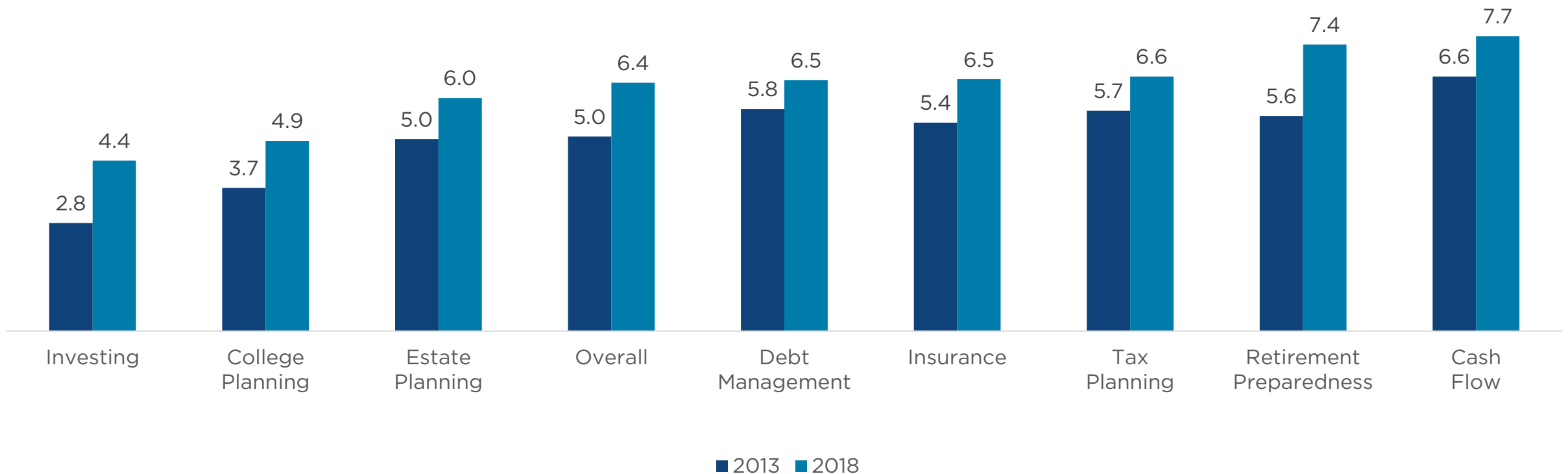
#5 Improvement in
productivity

#3 Reduction in turnover

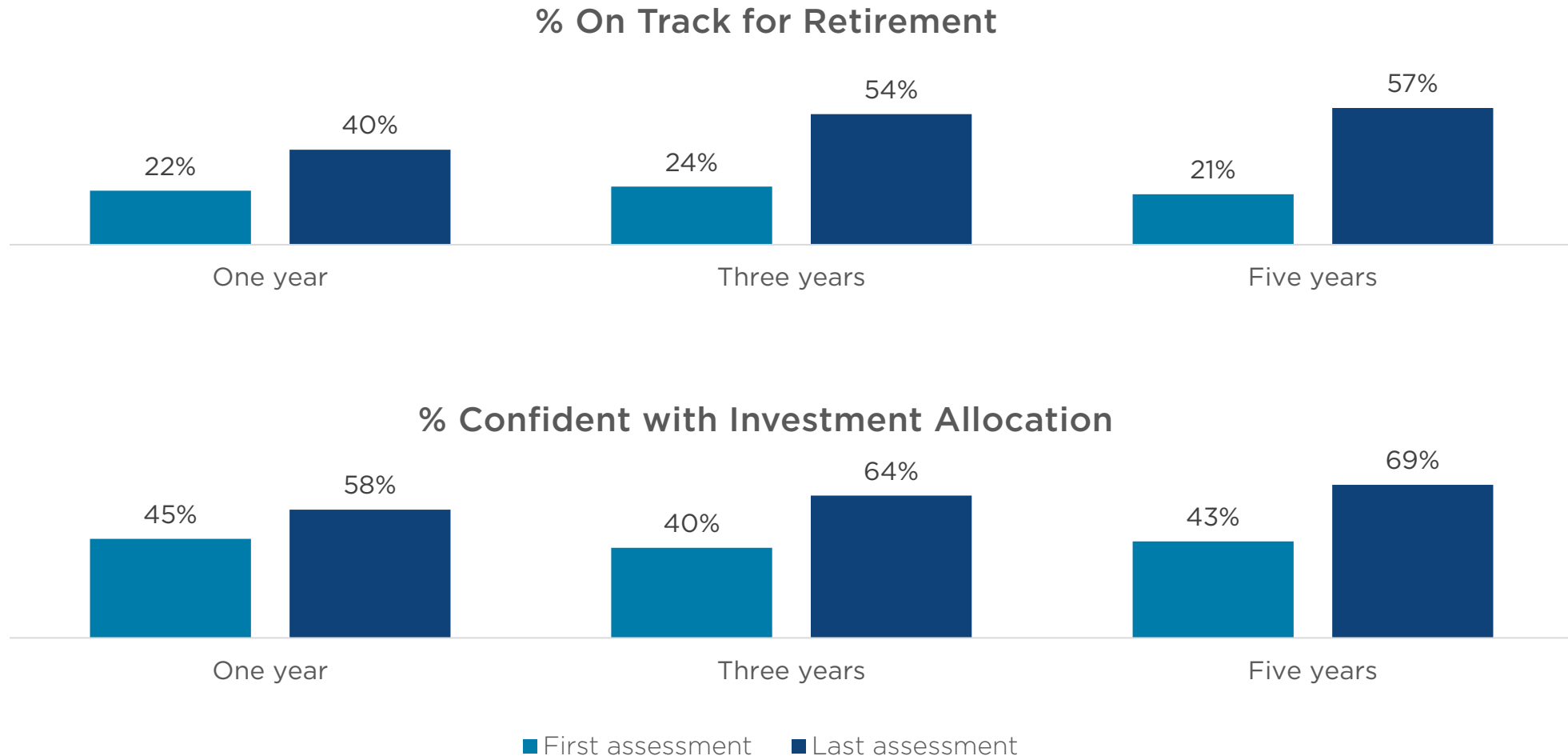
HOW DO EMPLOYERS MEASURE SUCCESS?

Changes in Behavior

Average Financial Wellness Score
(by focus area)



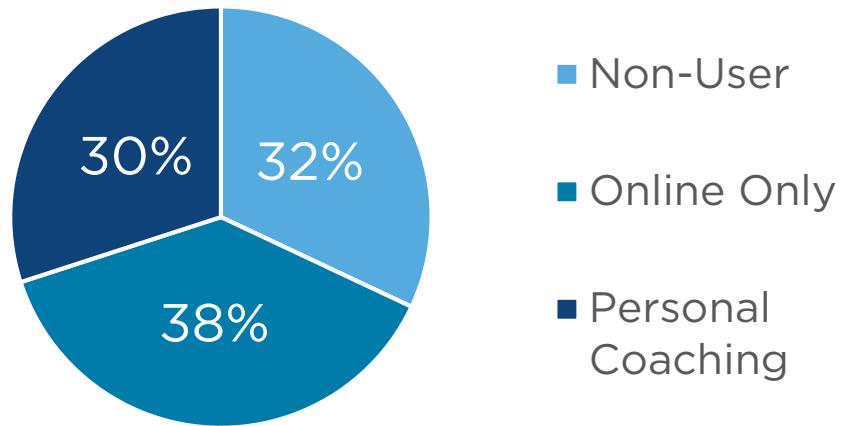
HOW DOES LENGTH OF ENGAGEMENT AFFECT BEHAVIOR?



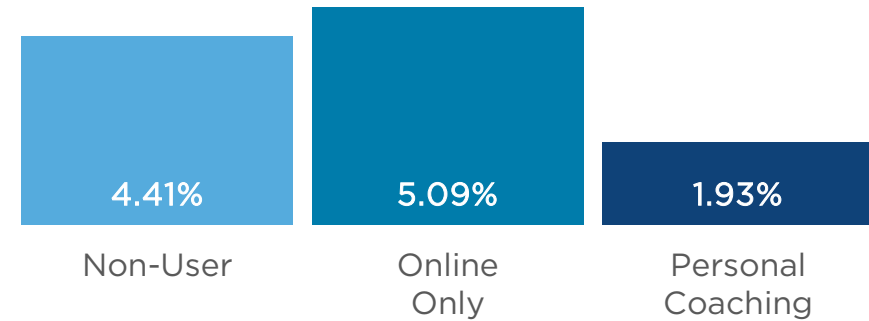
HOW DOES LENGTH OF ENGAGEMENT AFFECT BEHAVIOR?

	2013	2018
Average Overall Financial Wellness Score	5.0	6.4
I have a handle on my cash flow	67%	80%
I have an emergency fund to cover unexpected expenses	51%	60%
I pay my bills on time each month	86%	93%
I'm comfortable with the amount of debt I have	58%	67%
I regularly pay off my credit card balances in full	52%	61%
I feel confident my investments are allocated appropriately	43%	69%
I am on track to reach my income goal in retirement	21%	57%
Average Retirement Plan Contribution Rate	6.3%	9.4%
Average HSA Contribution Amount	\$934	\$1,319

HOW DOES TYPE OF ENGAGEMENT AFFECT BEHAVIOR?



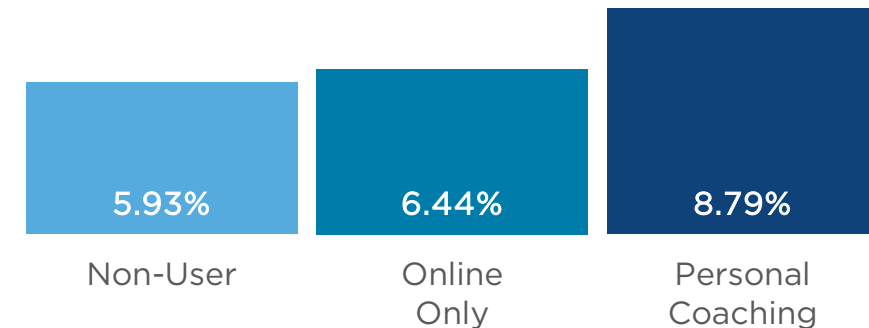
Garnishments



FSA/HSA Participation

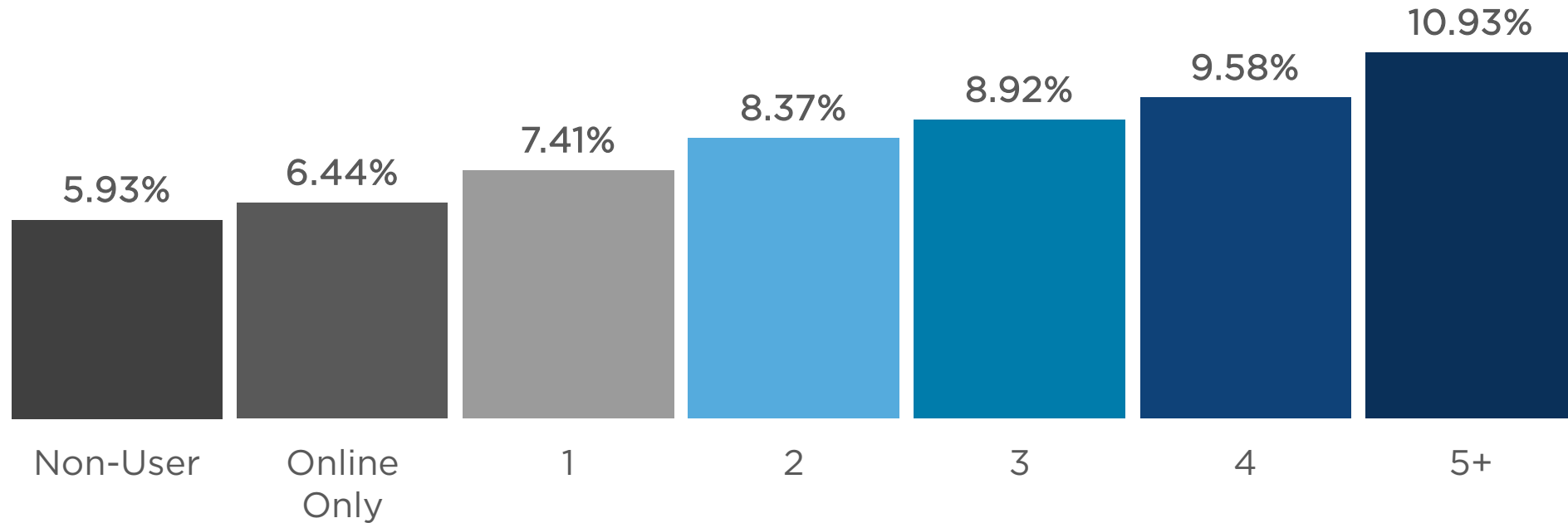


Average 401(k) Deferral Rate



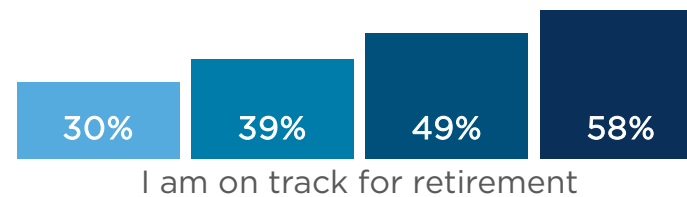
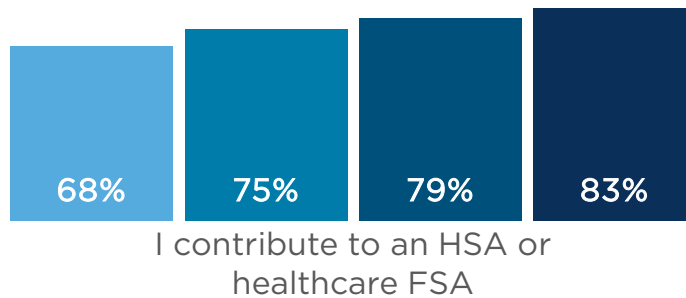
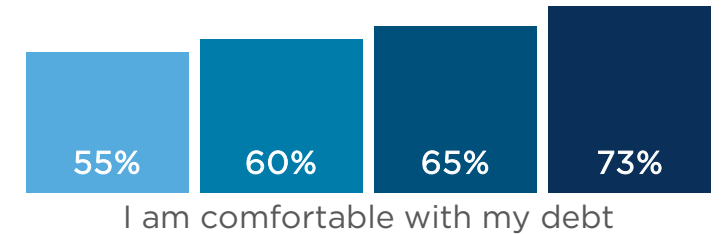
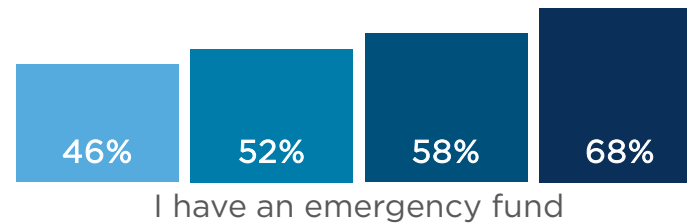
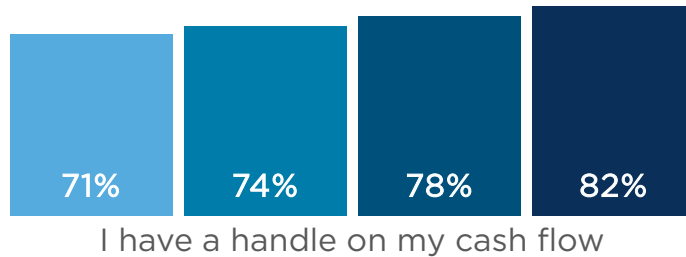
HOW DOES FREQUENCY OF ENGAGEMENT AFFECT BEHAVIOR?

Average 401(k) Deferral Rate



Number of Financial Wellness interactions with a personal financial coach through 2018

HOW DOES FREQUENCY OF ENGAGEMENT AFFECT BEHAVIOR?



Employees that completed multiple assessments and the number of additional financial wellness interactions with a personal financial coach (as of 12/31/2018):

