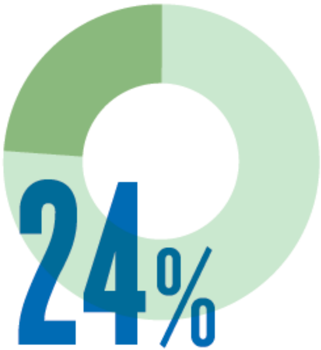
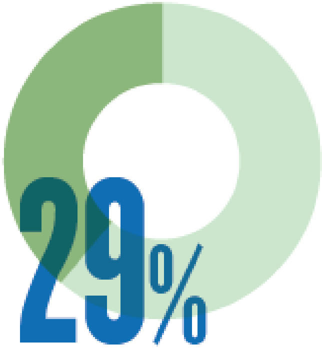
Why financial wellness now?

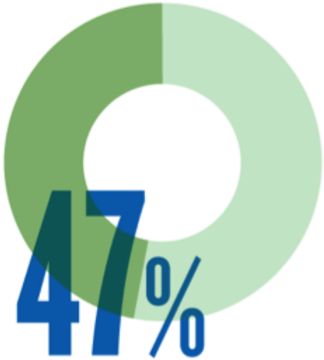
Why financial wellness?



of employees feel distracted at work



of defined contribution participants report missing work to deal with the emotional stress caused by their finances



of defined contribution participants feel they are living paycheck to paycheck

of U.S. workers lack a savings cushion for emergencies

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Source: SSGA Biannual DC Investor Survey. Methodology can be found in the disclosures.

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Putting the pieces together

Step 1: Understand the financial landscape

Step 2: Define financial wellness for your organization

Step 3: Lean on best practices

Step 4: Explore established and emerging solutions

Step 5: Overcome challenges

Step 6: Build a business case

Step 1: Understanding the financial landscape

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Step 1: Understanding the financial landscape

Financial Wellness Ecosystem

Step 2:
Define financial wellness for your organization

Step 2: Define financial wellness for your organization

Meet people where they are:

INCOME STRUGGLES	SPENDING CHALLENGES	BUILDING SAVINGS	EXTRA INCOME	FINANCIALLY SECURE
- Lives paycheck to paycheck - Multiple jobs - Poor credit - May use predatory products	- Lives paycheck to paycheck - Does not manage budget well - May have poor credit - Lacks savings cushions	- Has savings cushion - Needs help fine-tuning budgeting - Takes advantage of workplace benefits - May still need financial education support	- Top 20% earners in workforce - Financially literate - Thinks of future - Saving for child’s college - Wise about saving on taxes - Owns home or in position to buy one	- Well-compensated - Maximizes tax benefits - Has a will, beneficiaries - Saves at max IRS limits - Interested in financial planning, wealth building and retirement planning strategies

Step 3: Lean on best practices

Step 3: Lean on best practices

1 EVALUATE

- Review plan data
- Use data for interventions and to correct behaviors

2 AUTOMATE & ESCALATE

- Inertia can hamper outcomes
- Auto features encourage better habits

3 KEEP IT IN THE PLAN

- Hard-earned savings at risk if easily accessible
- Make bad decisions more difficult

Step 3: Lean on best practices

Choose Benefits That Engage and Matter

Segment Programs and Communications

Communicate Year-round

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Step 4:
Explore established & emerging solutions

Step 4: Explore established & emerging solutions

Employer Tools	Tools Outside of Employer Plan
- Financial Wellness & Diagnosis - Financial Counseling - Concierge Services - Emergency Savings & Loans - Cash Flow Management - Sophisticated Education & Budget Management - Simpler Investing - Investment Education - Leverage Financial Services in Existing Benefits - Credit Counseling & Debt Consolidation	- Financial Action Plan - Saving Games - Full Financial Picture - Bill Pay, Budgeting and Debt Management

Step 5:
Overcome challenges

Step 5: Overcome challenges

How do you work with limited resources?

Considerations:	Solutions:
Headcount and dollars are needed to execute strategy	- Start small, promote what you have. - Track the impact of your efforts. - Leverage your vendors to help you do more. - Make the business case to justify the need for more resources. - Utilize HR for program delivery. - Evaluate and reprioritize current solutions. - Tweak off-the-shelf products.

Step 5: Overcome challenges

How do you navigate complex, disconnected programs?

Considerations:	Solutions:
Make it easier to change behaviors	- Consolidate your resources. - Create a dedicated website. - Build awareness of where to go for information. - Develop "just in time" communications. - Host a "vendor summit" to integrate programs and communications.

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Step 5: Overcome challenges

How do you meet the needs of various stakeholders?

Considerations:	Solutions:
How to manage competing priorities and many decision makers	- Utilize a strong framework to keep parties grounded in the shared vision. - Focus on creating a strategy that ties to concrete goals. - Work with your vendors to encourage collaboration.

Step 5: Overcome challenges

How do you get employees to pay attention to communications?

Considerations:	Solutions:
Limited time, attention, and multiple consumption preferences and learning styles	- Communicate year-round in smaller campaigns. - Do something differently to grab attention. - Make benefits education part of mandatory training. - Communicate during life events. - Use simple tools like webinars to get the word out frequently. - Tie financial education to “action required” events.

Step 6: Build a business case

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Data points to measure:

Presenteeism	Employee Job Performance	Cost and ROI of Current Offerings	Retirement Readiness
Absenteeism	Medical Claims	Debt Levels	General Financial Wellness
Turnover	Employee Satisfaction with their Work and Life Environments		Credit Scores

The six must-ask questions before building a business strategy and vision

1. What is our vision for financial wellness?
2. What is our philosophy?
3. What are our objectives?
4. How will we measure success?
5. How will we tie those measurements to business goals and results—both short-term and long-term?
6. What resources are needed to create the program, manage it over time and communicate it frequently?

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Q&A

Disclosures

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DC Investor Survey, March 2015. The survey was fielded in partnership with TRC Market Research, an independent marketing research firm. The data were collected in January 2015 through a 20-minute internet survey using a panel of 1,009 verified 401(k), 403(b), 457(b), and profit-sharing plan participants, aged 20 to 69, who were working at least part-time.

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