Why financial wellness now?
Why financial wellness?

- 24% of employees feel distracted at work.
- 29% of defined contribution participants report missing work to deal with the emotional stress caused by their finances.
- 47% of defined contribution participants feel they are living paycheck to paycheck.
- 61% of U.S. workers lack a savings cushion for emergencies.

Source: SSGA Biannual DC Investor Survey. Methodology can be found in the disclosures.
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
Step 1: Understanding the financial landscape
Step 2: Define financial wellness for your organization
Step 2: Define financial wellness for your organization

Meet people where they are:

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

Use plan data to get a better understanding of your employees’ participation, savings and asset allocation as indicators of financial disconnects. For example, are younger employees investing in conservative investments? Use that data to create interventions and communications to correct behaviors.

Inertia alone can hamper financial outcomes. Use automatic enrollment and automatic savings increases to nudge employees into better savings habits. Hard-earned savings are at higher risk when employees can easily tap or cash out their retirement savings. Consider communicating the drawbacks of cashing out and make it more difficult for employees to make bad decisions.
Step 3: Lean on best practices

Choose Benefits That Engage and Matter

Segment Programs and Communications

Communicate Year-round
Step 4:
Explore established & emerging solutions
### Step 4: Explore established & emerging solutions

<table>
<thead>
<tr>
<th>Employer Tools</th>
<th>Tools Outside of Employer Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Financial Wellness &amp; Diagnosis</td>
<td>- Financial Action Plan</td>
</tr>
<tr>
<td>- Financial Counseling</td>
<td>- Saving Games</td>
</tr>
<tr>
<td>- Concierge Services</td>
<td>- Full Financial Picture</td>
</tr>
<tr>
<td>- Emergency Savings &amp; Loans</td>
<td>- Bill Pay, Budgeting and Debt Management</td>
</tr>
<tr>
<td>- Cash Flow Management</td>
<td></td>
</tr>
<tr>
<td>- Sophisticated Education &amp; Budget Management</td>
<td></td>
</tr>
<tr>
<td>- Simpler Investing</td>
<td></td>
</tr>
<tr>
<td>- Investment Education</td>
<td></td>
</tr>
<tr>
<td>- Leverage Financial Services in Existing Benefits</td>
<td></td>
</tr>
<tr>
<td>- Credit Counseling &amp; Debt Consolidation</td>
<td></td>
</tr>
</tbody>
</table>
Step 5: Overcome challenges
**Step 5: Overcome challenges**

**How do you work with limited resources?**

<table>
<thead>
<tr>
<th>Considerations:</th>
<th>Solutions:</th>
</tr>
</thead>
</table>
| 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?**

<table>
<thead>
<tr>
<th>Considerations: Make it easier to change behaviors</th>
<th>Solutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Consolidate your resources.</td>
<td>- Create a dedicated website.</td>
</tr>
<tr>
<td>- Build awareness of where to go for information.</td>
<td>- Develop “just in time” communications.</td>
</tr>
<tr>
<td>- Host a “vendor summit” to integrate programs and communications.</td>
<td></td>
</tr>
</tbody>
</table>
### Step 5: Overcome challenges

#### How do you meet the needs of various stakeholders?

<table>
<thead>
<tr>
<th>Considerations:</th>
<th>Solutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to manage competing priorities and many decision makers</td>
<td>- Utilize a strong framework to keep parties grounded in the shared vision.</td>
</tr>
<tr>
<td></td>
<td>- Focus on creating a strategy that ties to concrete goals.</td>
</tr>
<tr>
<td></td>
<td>- Work with your vendors to encourage collaboration.</td>
</tr>
</tbody>
</table>
## How do you get employees to pay attention to communications?

<table>
<thead>
<tr>
<th>Considerations:</th>
<th>Solutions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited time, attention, and multiple consumption preferences and learning styles</td>
<td>- Communicate year-round in smaller campaigns.</td>
</tr>
<tr>
<td></td>
<td>- Do something differently to grab attention.</td>
</tr>
<tr>
<td></td>
<td>- Make benefits education part of mandatory training.</td>
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<tr>
<td></td>
<td>- Communicate during life events.</td>
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<tr>
<td></td>
<td>- Use simple tools like webinars to get the word out frequently.</td>
</tr>
<tr>
<td></td>
<td>- Tie financial education to “action required” events.</td>
</tr>
</tbody>
</table>
Step 6: Build a business case
Step 6: Build a business case

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?
Q & A
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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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