

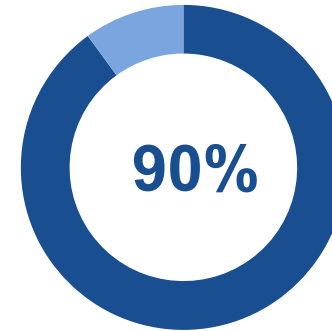
What is Financial Well-Being?

Financial well-being is having the ability to effectively manage day-to-day finances, achieving important financial goals and protecting against financial risks.

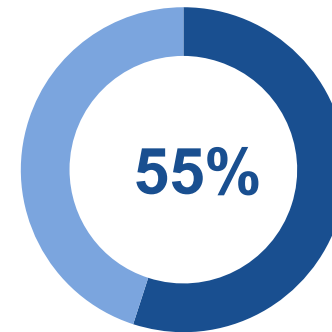
Financial health is the top concern among employees and is also **a top contributor to poor mental health.**

Top industry employers have found that financial wellness is integral to:

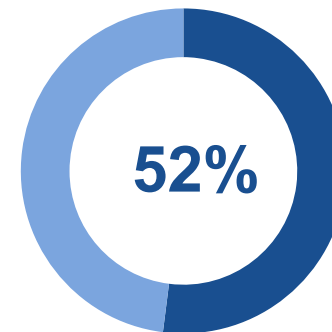
- Improving mental health
- Increasing productivity and morale
- Improving employee retention
- Controlling healthcare costs



Of employees say finances are a source of stress due to inflationary pressures and rising costs.



Of employees say they are in control of their finances, down from 61% in 2022



Of employees say they have a three-month savings cushion, down from 62% in 2022



55% of employees are living paycheck to paycheck

(MetLife Trend Study 2023)



7 of 10 students graduate with loan debt, with an average of approx. \$37,000

(Forbes 2.20.21)

Financial Well-being: Employee Assessment

83% of employers report their employees as financially healthy

55% of employees report themselves as financially healthy

(MetLife Trend Study 2023)

44% of financially stressed employees admit personal finance issues have been a distraction at work compared

to only **9%** for those not financially stressed

(PwC Wellness Survey 2023)



55% of employees report that financial stress has a negative impact on their mental health

44% report a negative impact on their physical health

40% report a negative impact on their relationships

(PwC Wellness Survey 2023)



38%

of families put off treatment due to cost

(Gallup 2022)



Over half of

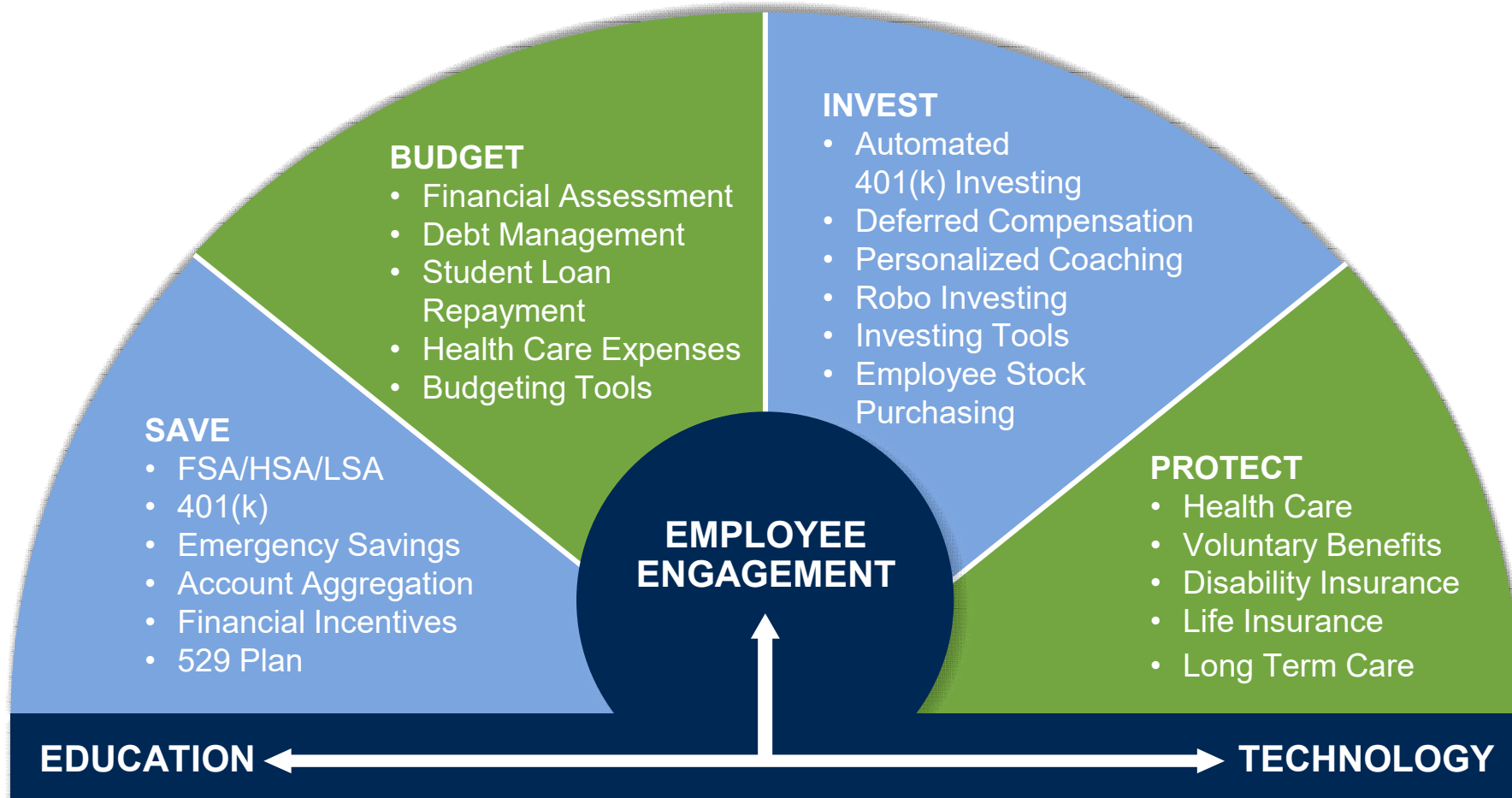
Americans think employers have a responsibility to help employees improve/maintain their financial wellness

(TIAA Wellness Survey 2022)

Current economic and inflationary environment exacerbate stress levels further

The Spectrum of Financial Well-Being

Building a financial well-being program combines education and technology to help employees take their next step toward financial ownership



Financial Well-Being Delivered in the Workplace

VALUE FOR EMPLOYER

- Higher employee engagement
- Increased workplace productivity
- Improved morale
- Lower stress-related behavioral health, medical and disability claims
- Higher participation in retirement and medical savings plans
- Reduced turnover
- Improved presenteeism

VALUE FOR EMPLOYEE

- Valuable financial education with no solicitation or pressure
- Access to a wide range of digital education content, tools and videos
- Learn concepts, assess needs, change behavior, take action, and measure results
- Reduces stress, improves financial well-being and overall health

Opportunity gap: While 7 in 10 Americans have a budget, just a quarter follow a detailed budget. 38% have a written financial plan and only 16% have plans created by a professional.

Source: TIAA 2022 Financial Wellness Survey

Building Plans That Meet Employee Needs

SHORT-TERM EXPENSES

- Introduce tools and resources to help employees manage day-to-day budgets using webinars, seminars, online tools and/or individual coaching
- Offer programs to help employees manage and pay down their debt, including refinancing and repayment programs for student loans
- Make it easy for employees to save for retirement and allocate a portion of pay to savings

UNEXPECTED EXPENSES

- Integrate voluntary benefits for financial protection such as supplemental health and disability insurance for unexpected medical bills, home/auto insurance, and other payroll deduction purchasing programs
- Promote participation and pre-tax contributions to medical savings accounts

LONG-TERM GOALS including milestone expenses and retirement

- Use auto-enrollment and auto-escalation in retirement plans
- Offer online tools and personalized planning to view potential retirement outcomes based on contribution and investment performance scenarios
- Offer tools to help save for milestone expenses like purchasing a home, raising a family, and saving for college
- Provide resources to understand and plan for the cost of healthcare in all stages of life

Communication is Essential

MAKE IT PERSONAL

Frame communication based on goals or life stages:

GOALS:

- Save
- Budget
- Pay down debt
- Invest
- Protect

LIFE STAGES:

- Starting a career
- Planning for a family
- Saving for college
- Thinking about retirement

MAKE IT A PRIORITY

- Communicate the link between financial well-being and overall wellness
- Promote programs during Open Enrollment and all year long
- Provide a range of access to meet employees where they are: online (web and apps), videos, one-on-one coaching
- Call to action to take advantage of available resources and participate

Addressing Life-Stage Needs of a Diverse Workforce

