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Retirement  
Wellness

FINANCIAL PROFESSIONAL PRESENTATION

ELEVATING THE DISCUSSION

# Financial Wellness

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# Overview

**1 The Importance of Financial Wellness**

**2 Elevating the Financial Wellness Discussion**

**3 Tools and Resources Available**



Financial  
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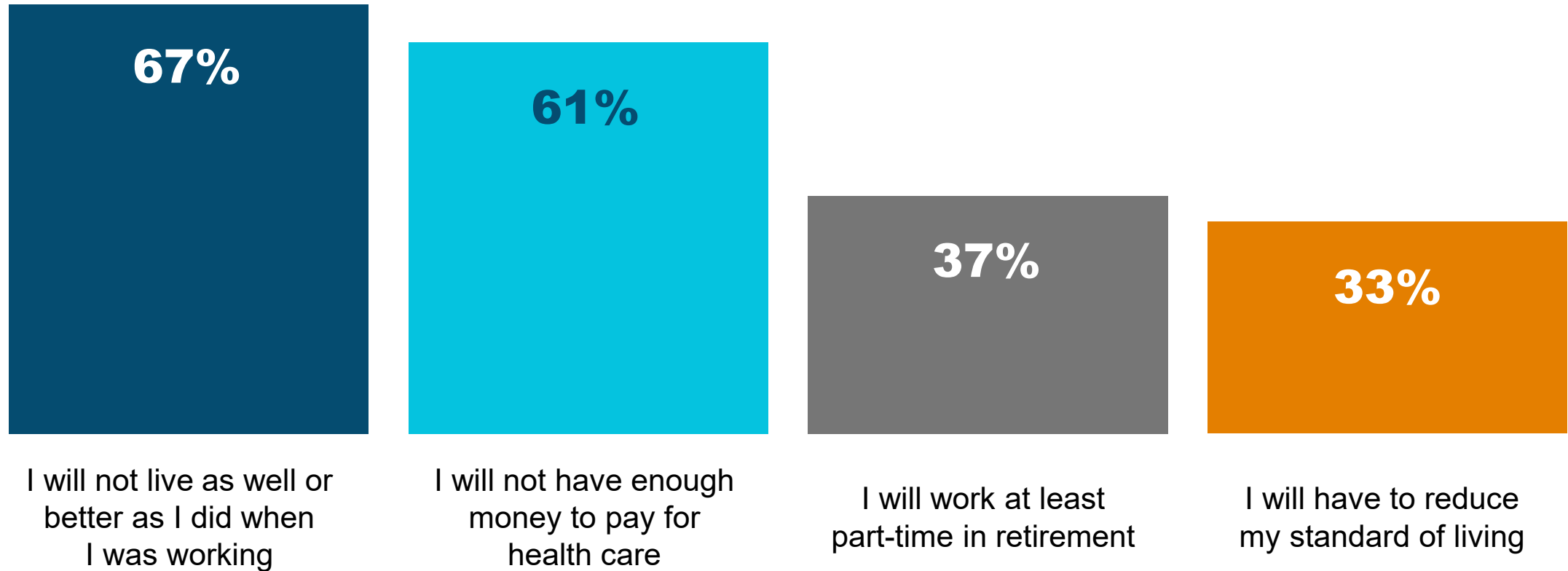
# The Importance of Financial Wellness



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# The Importance of Financial Wellness— Employees

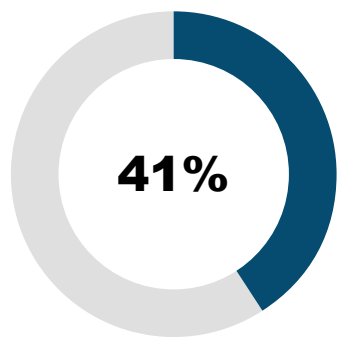
# Employees have concerns about retirement



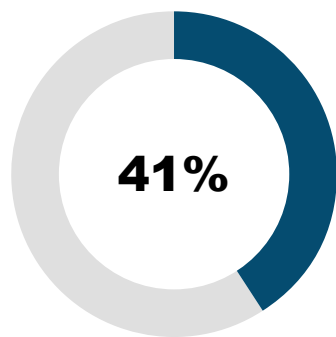
Source: T. Rowe Price Retirement Savings and Spending study (June, 2019)

# Employees have other priorities

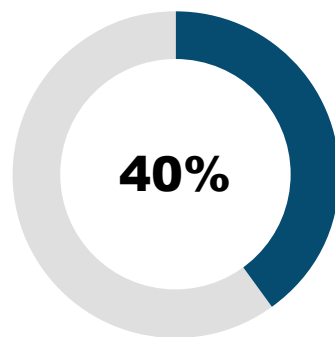
## FINANCIAL



Budgeting day-to-day expense

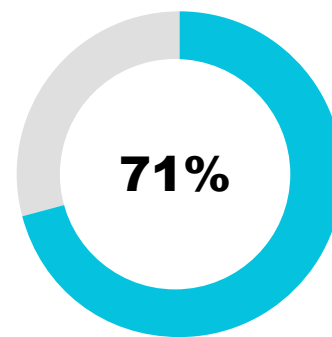


Reducing debt  
(credit card, home equity, etc.)

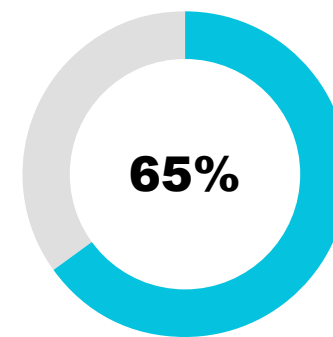


Reducing student loan debt

## NONFINANCIAL



Having financial peace of mind



Having an acceptable quality of life





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# The Importance of Financial Wellness— Employers

## Significant implications for the bottom line

# 11-14%

Payroll expenses per employee, per year, due to lost productivity

## Top reasons employers offer Financial Wellness

83%

To enhance the overall employee experience

81%

It's the right thing to do

## TOP THREE FINANCIAL WELLNESS OBJECTIVES



Employee  
Satisfaction



Retirement  
Success



Recruitment



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# The Importance of Financial Wellness— Financial Professionals

# Top reasons to discuss Financial Wellness

**#1**

Innovative and compelling way to broaden my value proposition

**#2**

Capture of rollover IRA assets, additional investment opportunities

**#3**

Differentiates my practices versus other financial professionals

**#4**

That's where the industry is headed



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# **Elevating the Discussion:** Addressing Financial and Nonfinancial Needs

# Hierarchy of Financial Wellness

**ADVANCED**



**INTERMEDIATE**

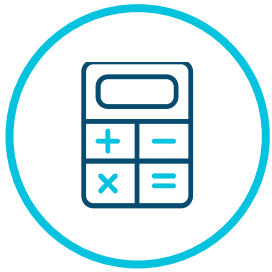


**BEGINNER**





# Employers seek to help employees meet financial objectives



Improved Financial  
Literacy



Student Loan/  
Credit Card  
Reduction



Increase in  
Emergency Funds



Increased  
Retirement  
Balance/Deferrals

# Wellness is both financial and nonfinancial



# Employers aim to impact employees' nonfinancial objectives



Less Stress



Increased  
Confidence

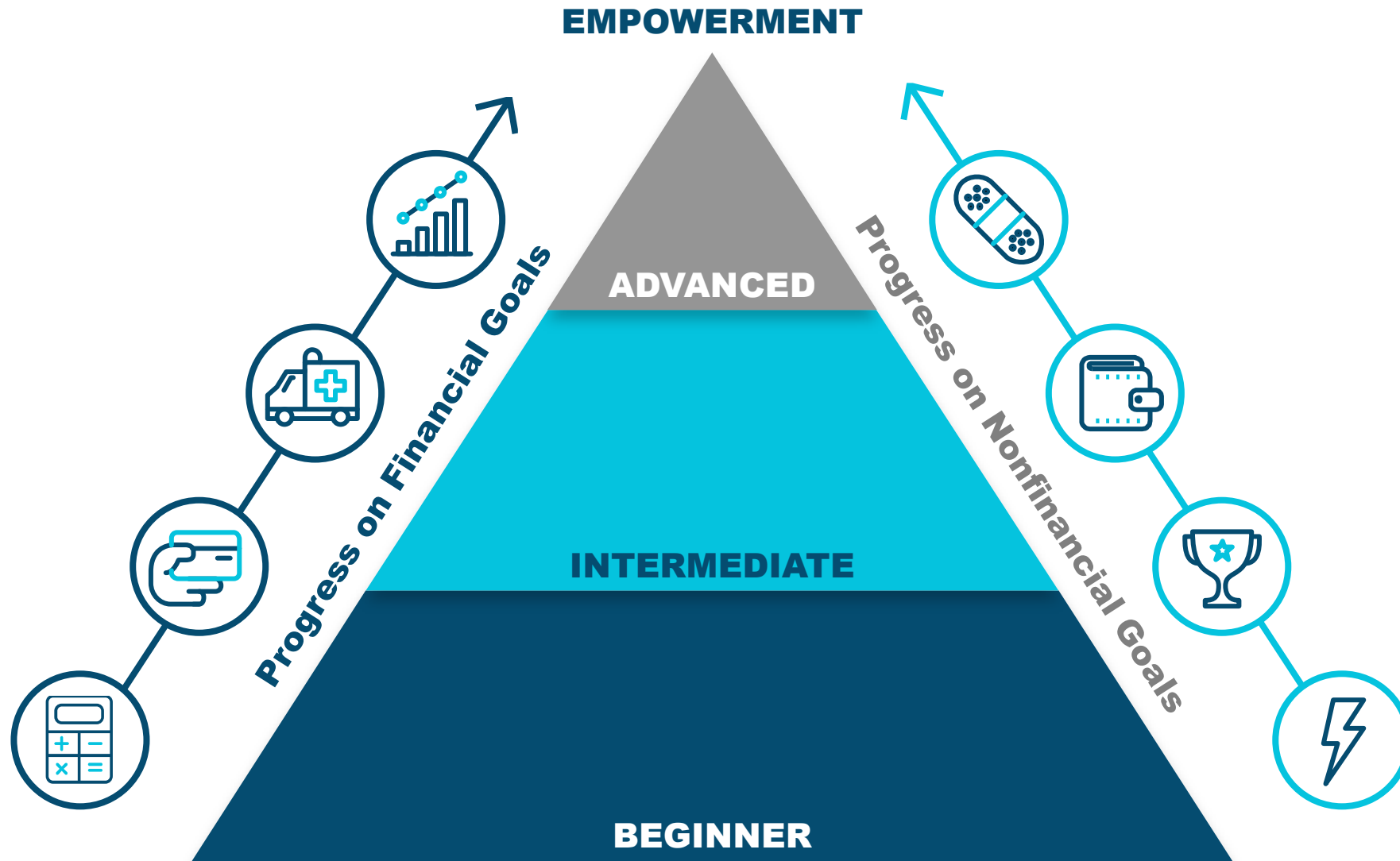


Fewer Distractions



Fewer Physical  
Ailments

# Revised hierarchy of Financial Wellness





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# **Elevating the Discussion:** Defining a Successful Financial Wellness Program

# Holistic components of a Financial Wellness program



## 1

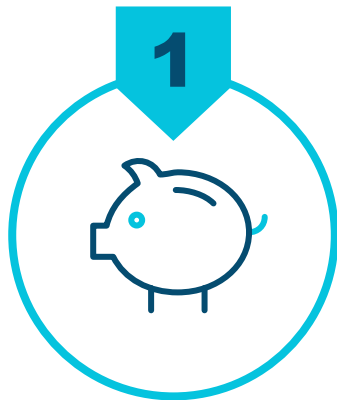
# Define Goals and Objectives

	Financial	Quasi / Nonfinancial
Employer	<ul style="list-style-type: none"><li>■ Improved Retirement Success</li><li>■ Greater Recruitment Success</li><li>■ Increased Deferral Rates</li></ul>	<ul style="list-style-type: none"><li>■ Enhanced Employee Experience</li><li>■ Increased Retention</li><li>■ Increased Productivity</li></ul>
Employee	<ul style="list-style-type: none"><li>■ Reduced Student Loan/Credit Card Debt</li><li>■ Increased Emergency Funds</li><li>■ Increased Retirement Balance/Deferrals</li></ul>	<ul style="list-style-type: none"><li>■ Less Stress</li><li>■ Increased Confidence</li><li>■ Fewer Distractions</li></ul>

# 2

## Identify Topics

### TOP FOUR FINANCIAL WELLNESS TOPICS (ACCORDING TO FINANCIAL PROFESSIONALS)



Retirement  
Savings



Budgeting



Debt  
Management



Emergency  
Savings

Sources: T. Rowe Price Financial Wellness Financial Professional Research, Duke University Common Cents Lab (2017)



## HELP EMPLOYERS EVALUATE PROVIDERS' OFFERINGS



Review the depth and breadth  
of a provider's offerings



Ensure the content and  
delivery methods match  
employee needs



Evaluate potential  
impact for employer

# 3

## Optimize Deployment

### LEVERAGE PERSONAL INTERACTION AND TECHNOLOGY



In-Person  
Meetings

Ranked the **#1 most effective method** of implementing a Financial Wellness program



Apps

Ranked the **#2 most effective method** of implementing a Financial Wellness program

### OPTIMAL DEPLOYMENT SUPPORTS INDIVIDUALS TAKING ACTION



Supporting Financial Wellness is about the ability and action to change behavior.

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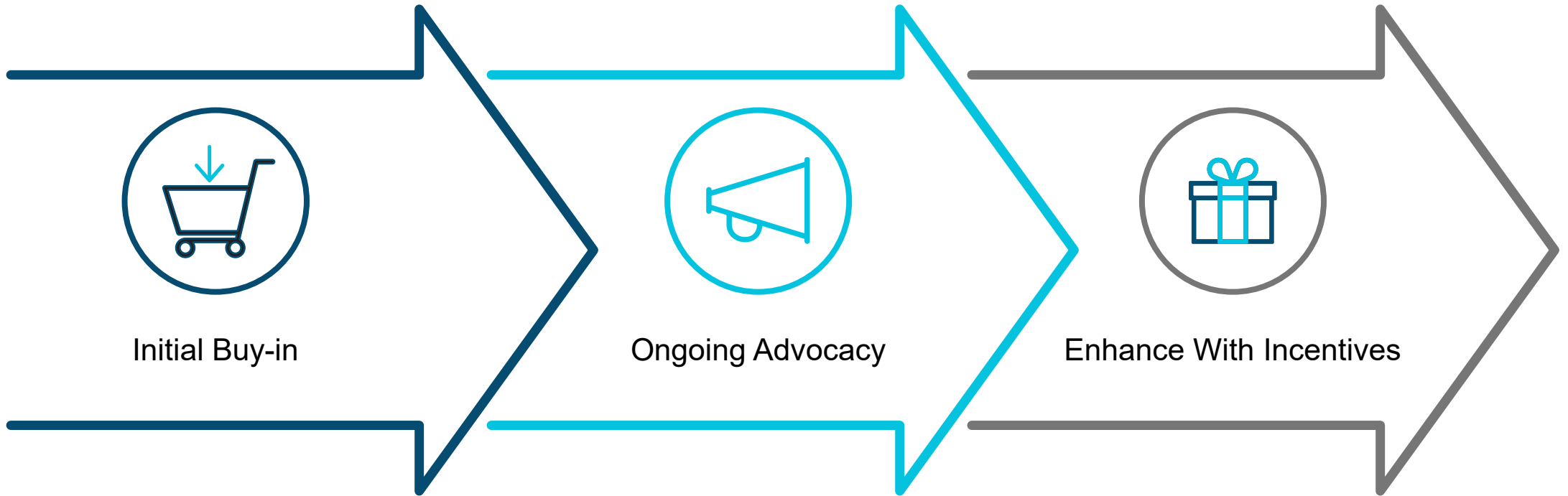


Small incremental steps can have a measurable impact.

# 3

## Optimize Deployment

**ADVOCACY IS CRITICAL TO SUCCESS**



## 4

## Measure Progress and Success



### FINANCIAL

- % of participants taking hardship withdrawals
- Plan participation rate
- Average deferral rate
- Self-reported levels of debt, emergency savings



### NONFINANCIAL

- Engagement with promotional activities
- Engagement with content or meeting attendance
- Financial stress/confidence levels
- Employee satisfaction



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# Elevating the Discussion: What's Next



## A growing opportunity

**13** %  
**GROWTH  
EXPECTED**

The U.S. Financial Wellness benefits market is expected to reach over \$825 million by 2024, growing at a CAGR of more than 13% from 2018–2024



## A growing opportunity

For the third year in a row, **Financial Wellness** ranked as the **#1 area of communication focus** for employers





## A growing opportunity

61%

Of employers say financial wellness has **gained more importance** at their organization over the last two years.

44%

Of employers say their organization **has a financial wellness strategy.**

45%

Of employers say their organization is **in the process of creating a financial wellness strategy.**

Source: Hot Topics in Retirement and Financial Wellbeing, Alight Solutions (2020)

# Innovations in communication and delivery



Targeted communications



Incentives



A more integrated,  
multi-channel approach



Interactivity



Personalized learning paths  
to increase engagement



Rewards to support  
changes in behavior



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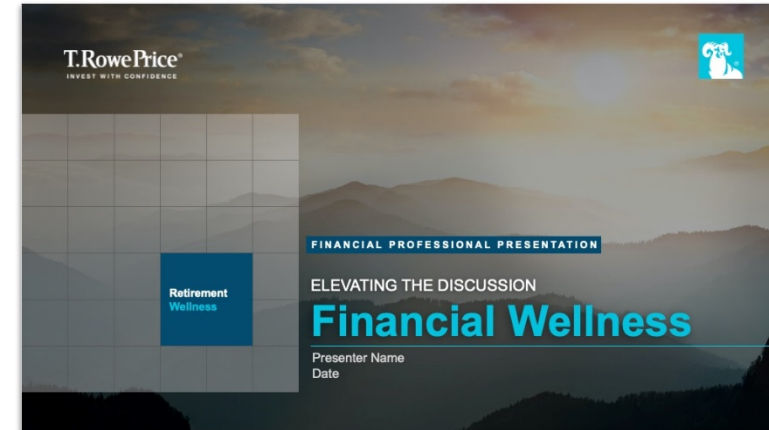
# Tools and Resources

# Tools for financial professionals



## Insights

Apply this broad spectrum of intelligence and research to expand your understanding of the Financial Wellness value proposition and frame the discussion with employers and employees.



## Presentations

Learn the importance of both financial and nonfinancial aspects of Financial Wellness as well as a process for establishing a successful program and leveraging innovations to help support and track progress.

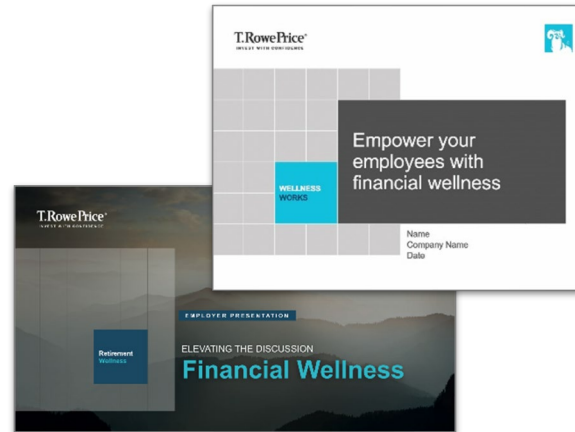


# Tools for use with employers



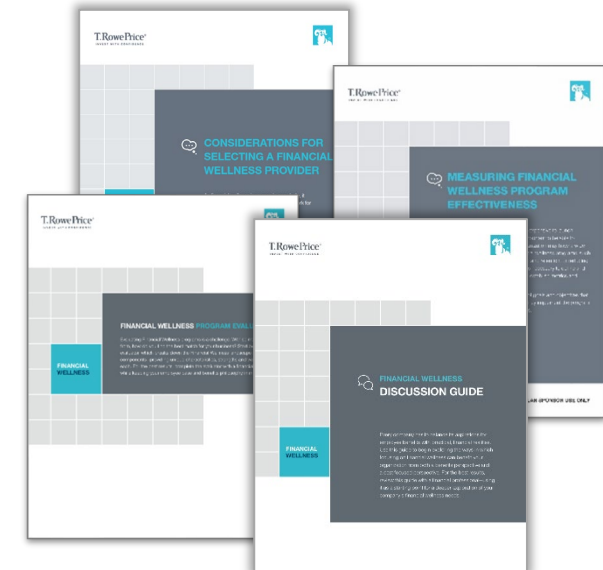
## Insights

Access this intelligence to help employers understand the financial and nonfinancial benefits that Financial Wellness programs offer to both employers and employees.



## Presentations

Leverage turnkey presentations—complete with speaker notes—to initiate or deepen the financial wellness discussion and demonstrate the value of a new or enhanced financial wellness program.



## Workbooks

Utilize these tools to assess Financial wellness needs; guide the program selection discussions; establish goals and align them to success metrics; assess and select a program; and measure program effectiveness.

# Tools for use with employees



## Conversation Starters

Use these tools to engage with employees regarding their financial needs and initiate the Financial Wellness discussion.



## Presentations

Leverage turnkey presentations—complete with speaker notes—to introduce Financial Wellness concepts and key steps employees can take to achieve short and long-term financial goals and retire with confidence.



# Summary

- Communicate the importance of Financial Wellness
- Elevate the Financial Wellness discussion with your clients
- Leverage TRP tools and resources



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**We want to hear from you.**

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[troweprice.com/wellnessworks](https://troweprice.com/wellnessworks)





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