



Adding Financial Wellness to Your Program

About Retirement Playbook, Inc.

- Our mission is to provide unbiased expert support and practical tools to plan sponsors and participants.
- Search Consultants
- Financial Wellness

Why add a financial
education component?

Value Differentiator



Top Improvements Plan Sponsors Want to See

1

Consultative Approach

2

Drive Deferrals

3

Prepare for Retirement

A Change in the Conversation

vendor
FEEs
Fiduciary
Investments
TDFs
FUNDs
Alpha

A Change in the Conversation

Retirement Readiness

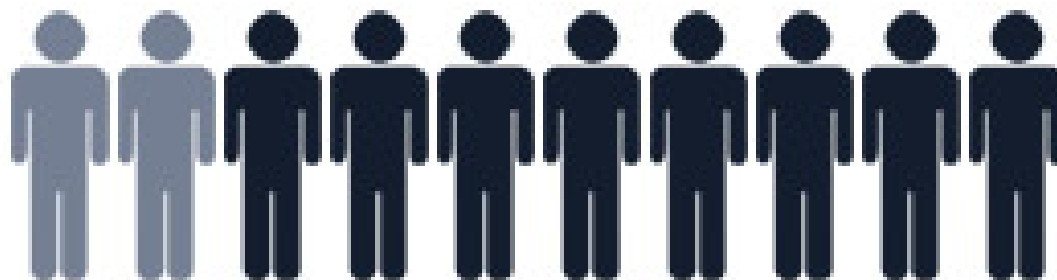
General Money
Management

Debt Management

Home Ownership

Barrier To Exit

- Another Way to service your client
- 2 in 10 plan sponsors are looking
- Impact on health care costs,
productivity, absenteeism



New Revenue

- Fee Compression
- Outsourcing
- Tracking Results





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Health And Wealth

Adding Financial Wellness to Your Wellness Program



Today's Speaker

- Liz is founder and CEO of Financial Finesse
- Profiled in many publications, including SmartMoney and WSJ
- Holds an MBA from the Anderson School at UCLA
- Prolific public speaker, including the 2012 PSCA Conference



Liz Davidson

About Financial Finesse

- Founded in 1999 with the single objective of providing unbiased financial education
- Proven expertise in design, marketing, delivery, and tracking of workplace financial education programs
- Patent-pending online platform that provides a workforce financial wellness assessment



What's Troubling Employees?

I don't know what to do

**My house is underwater My bills are out of control
Health care costs are killing me**

I feel like I won't be able to retire

Insurance premiums Day care Taxes Car payments

Food Water bill Electric bill Rent Mortgage

Credit card bills Cable bill Phone bill Clothes

Inflation

Financial Wellness Matters

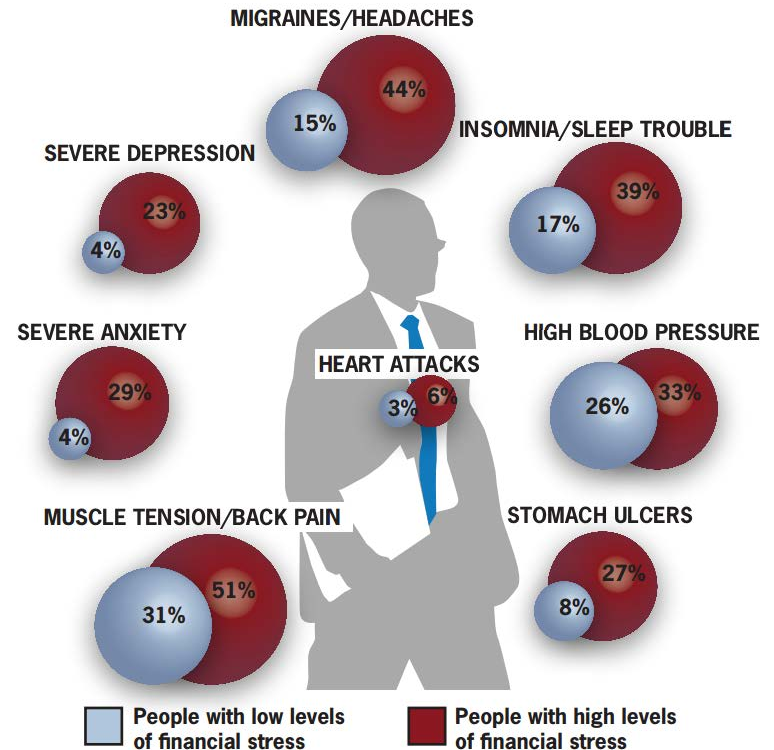
Stressed out employees are more prone to health risks.

- Financial Stress is the #1 cause of stress-related illnesses¹
- 84% of employees report having some degree of financial stress²
- 24% higher healthcare costs in people who are stressed about finances³



1. Research Works: Partnership for Workplace Mental Health report. Feb 2009.
2. Q2 Trends in Employee Financial Issues, Financial Finesse, September 2012.
3. Higher Health Care Costs for Metabolic Syndrome Risk, Disabled World, September 2009.

FINANCIAL STRESS MANIFESTS AS



AP-AOL Health Poll: Debt Stress: The Toll Owing Money Takes on the Body.

Stressed Out Workers Cost Money

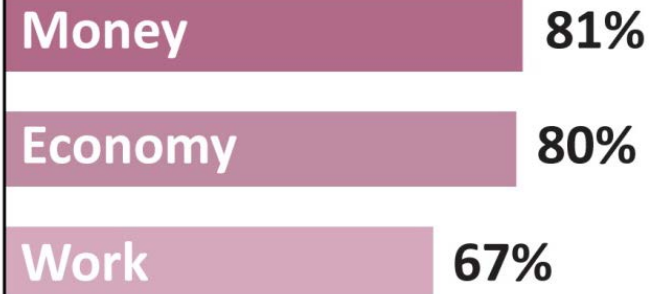
How much?

Cost of Health Care

50%¹

higher health care costs for
employees under stress

Top Sources of Stress²



1. Psychologically Healthy Workplace Program Fact Sheet.

2. Research Works: Partnership for Workplace Mental Health report. Feb 2009.

Stressed Out Workers Cost Money

How much?

Cost of Lost Man Hours

\$7,650¹
per employee

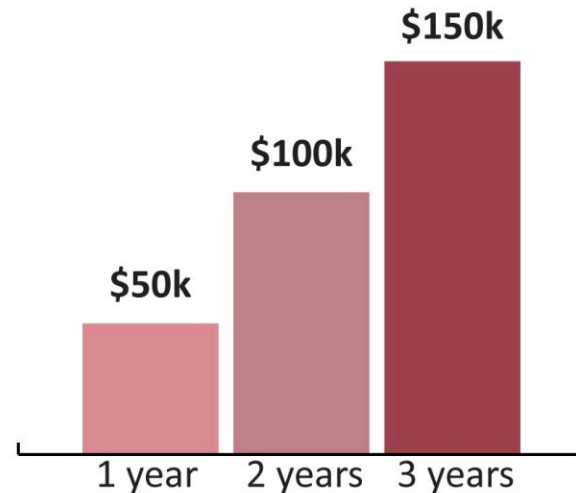
1. According to Personal Financial Employee Education Foundation research, employees spend an average of 27 hours per month handling personal financial matters. Figure based on U.S. Census Bureau median income of approximately \$45,000.

Stressed Out Workers Cost Money

How much?

Cost of Delayed Retirement

Per Employee¹



1. Estimate based on research from Financial Finesse, Finedco and other industry experts.

Adding to the Stress on Employees

Myriad of Retirement Options

Changes to Benefits

**Transfer of Financial
Responsibility to Employees**

CONFUSION

UNCERTAINTY

Breakthrough



Ongoing financial guidance to help employees navigate a tough economy as part of your wellness program.

Benefits of an Effective Financial Wellness Program

- Reduce Financial Stress
- Lower Health Care Costs
- Prevent Absenteeism
- Less Risk of Delayed Retirement
- Improve Morale and Benefits Awareness
- Reduce 401(k) Loans and Hardship Withdrawals

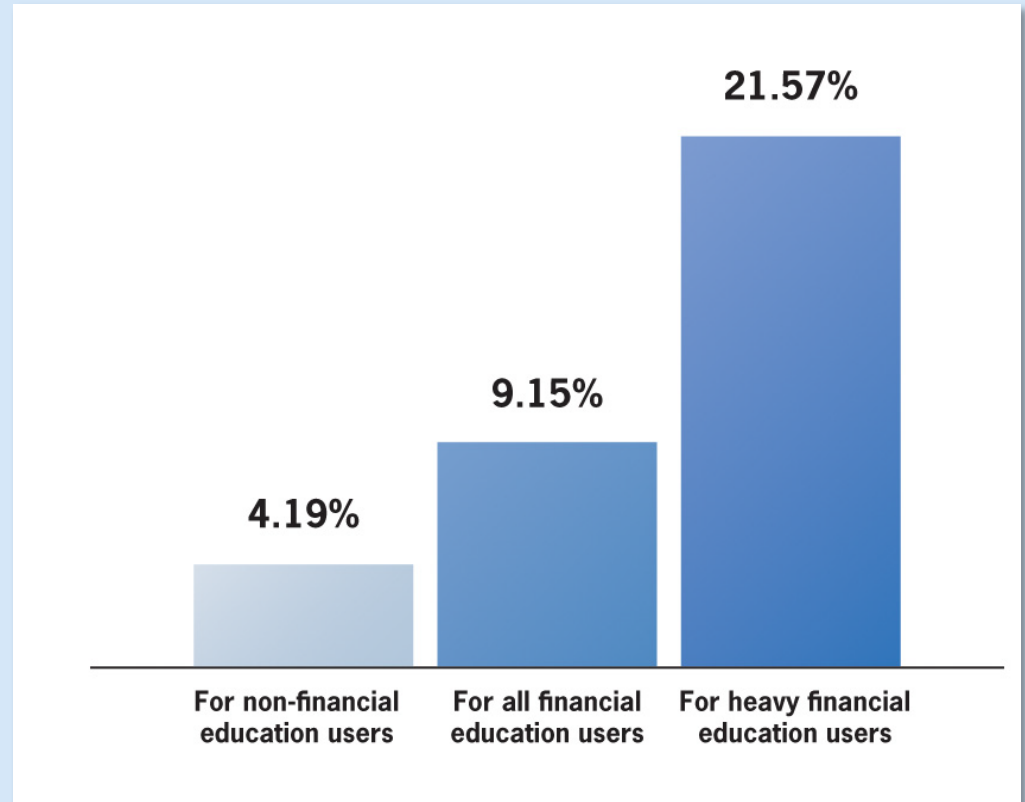


ROI Case Study

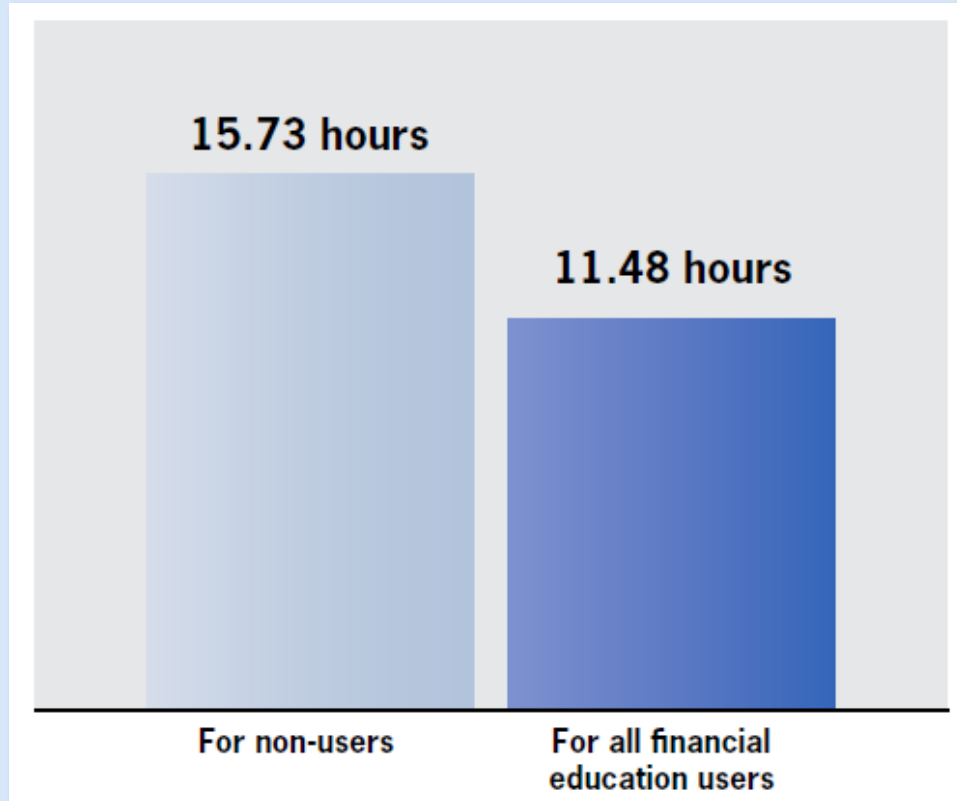
- Fortune 500 Company with over 34,000 employees
- Tracked financial wellness assessments from 2009 to 2011
- Compared financial wellness users to non-users on the following metrics:
 1. Reduction in health care claims
 2. Absenteeism
 3. Garnishments
 4. Flexible Spending Account participation

Health Care Savings

Employers save more
with increased
financial education.

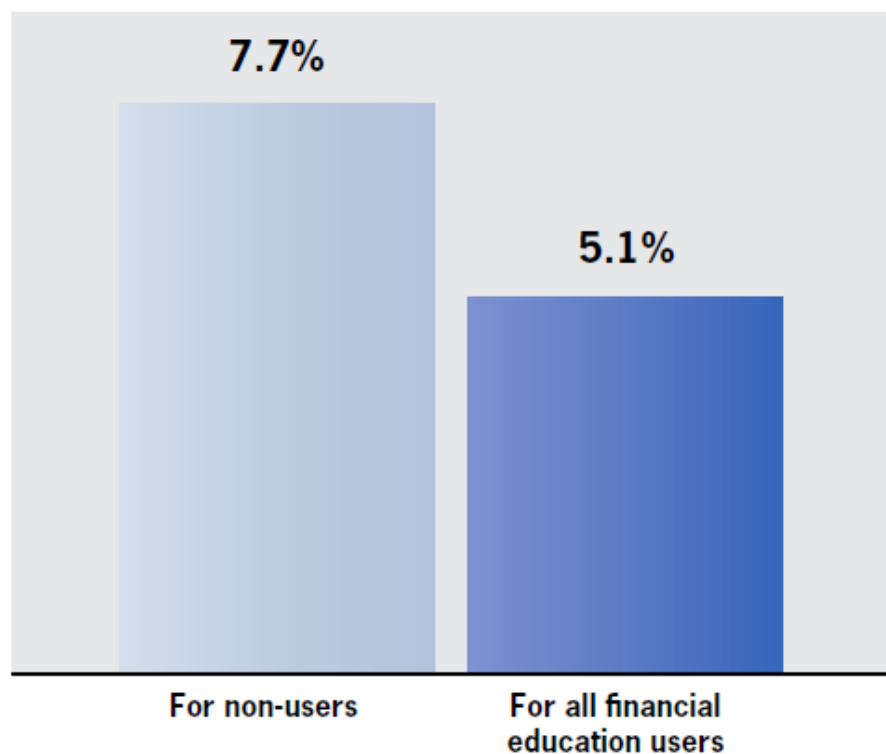


Reduced Absenteeism



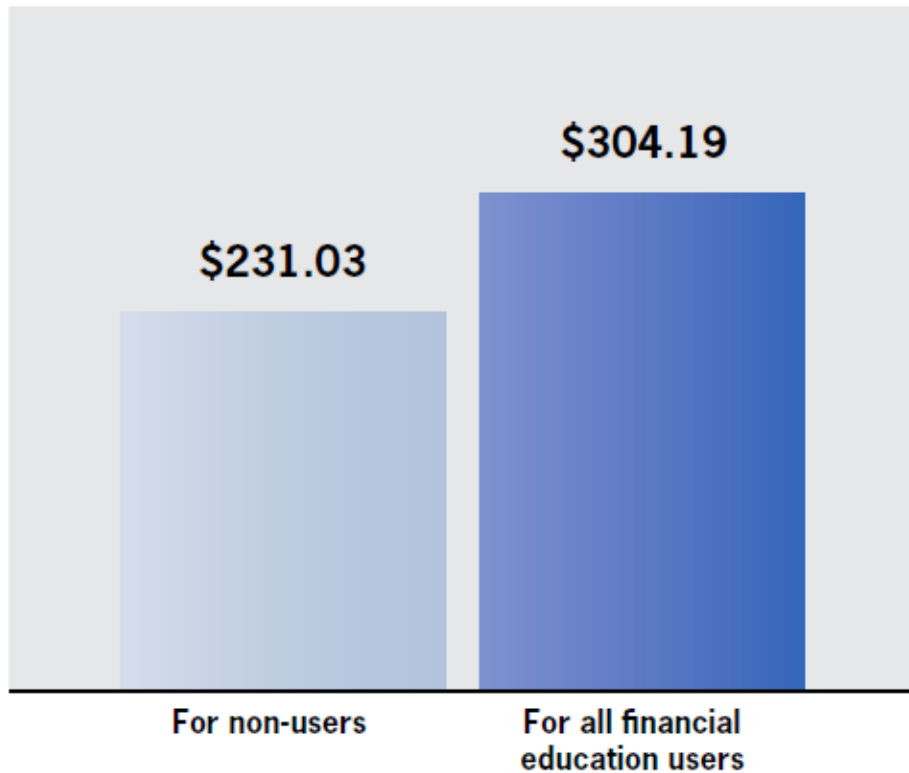
Employees are less likely to take time off to deal with financial issues.

Less Garnishments



The estimated cost to the employer to process a garnishment is \$300.

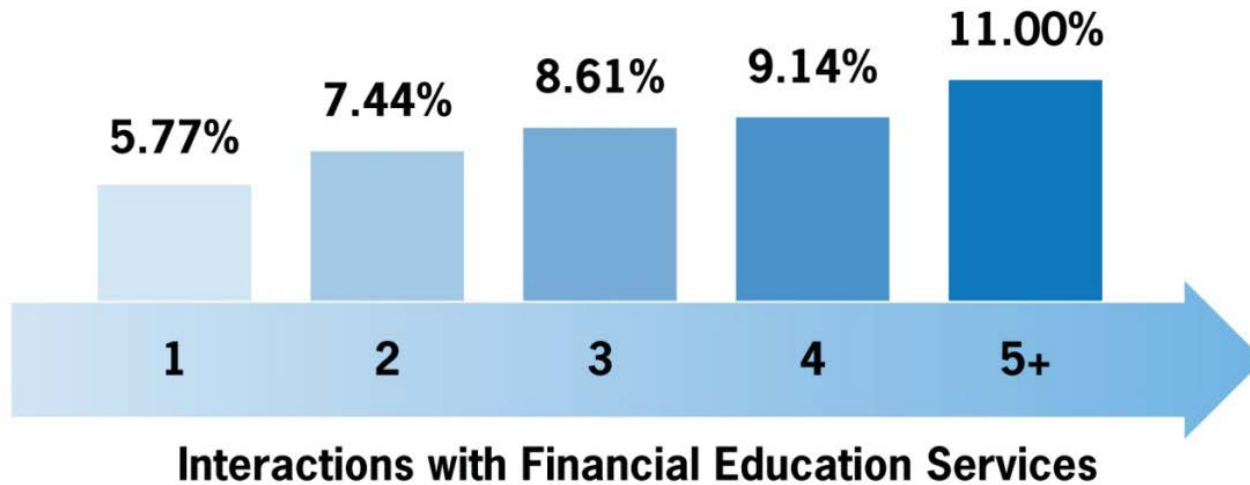
Increased FSA Participation



Flexible spending account contributions are not subject to employer FICA taxes.

Increased Deferral Rates

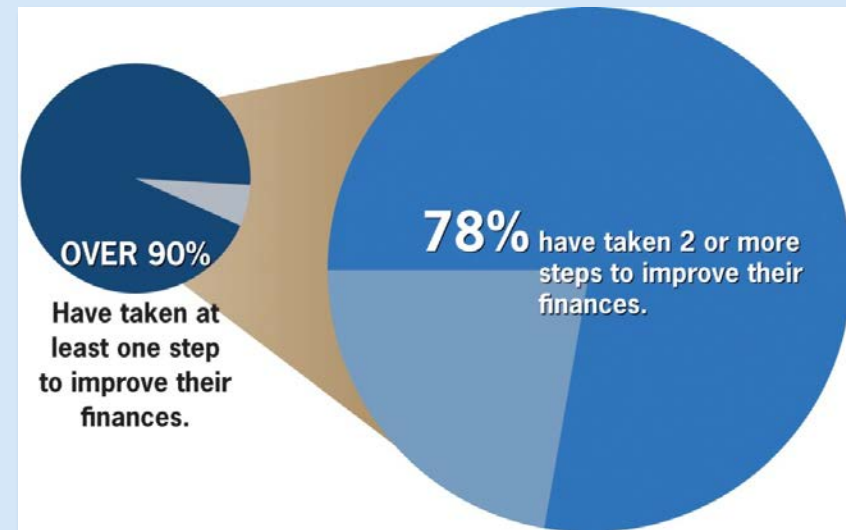
Employees save more when they receive more financial education



Short-term Improvements

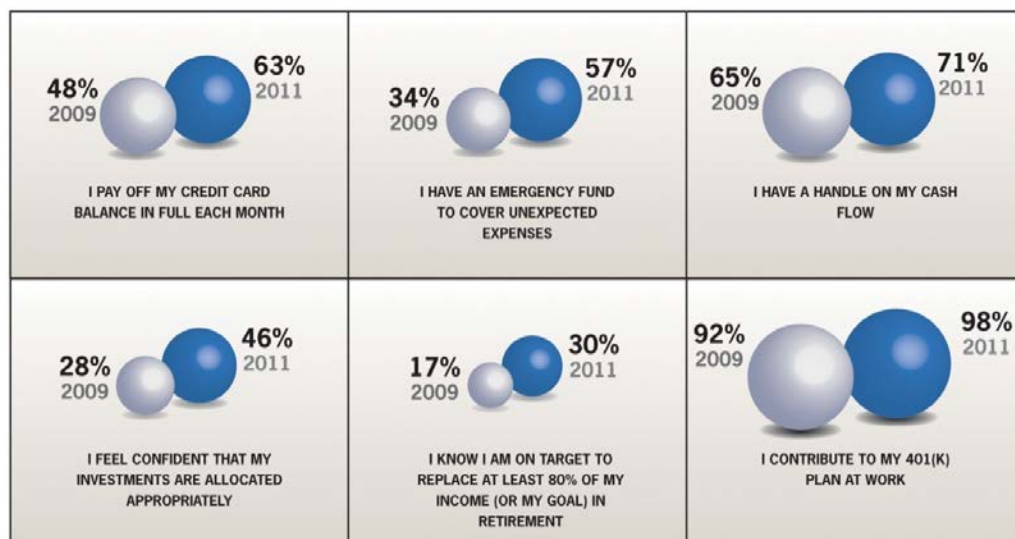
Top Actions Taken

- I've reviewed the asset allocation in my retirement plan.
- I've reduced my monthly expenses.
- I've used the calculators and/or worksheets.
- I've reduced my credit card debt.
- I've increased contributions to my 401(k).



Long-term Change

Improvements in Financial Planning and Retirement



Financial education continues to reward employees and employers.

Tips and Best Practices

- Provide unbiased financial education
- Use multiple channels to reach all employees
- Offer incentives to participants
- Employees should have ongoing access and support
- Assess your workforce yearly to benchmark improvement year over year



Five Step Behavioral Change Framework

- Assess needs
- Create recommended education plan
- Deliver multi-channel, personal financial wellness benefit
- Benchmark results
- Refine program



Sample Workforce
Financial Wellness Assessment

Two Models For Integrating Into Your Practice

Consultant Model	Delivery Model
<ul style="list-style-type: none">■ Assess needs of workforce■ Develop recommended education plan■ Select vendors■ Manage vendors■ Measure results	<ul style="list-style-type: none">■ Fully institutionalize into business as a competitive advantage■ Assess needs■ Deliver suite of services - either with own team, white labeled with partner or a combination of both■ Measure results to demonstrate you are moving needle