



## Designing a Financial Wellness Offering

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# PLAN SPONSOR GOALS

YOU HAVE A GREAT PLAN, BUT YOU NEED TO...

- Increase benefits adoption
- Reduce turnover
- Attract top talent
- Reduce 401(k) loans/withdrawals
- Increase employee loyalty
- Drive engagement
- Reduce absenteeism

# THE PROBLEM

Financial stress is a massive burden to employees and their employers.



75%

OF AMERICANS LIVE  
PAYCHECK TO PAYCHECK\*



28%

OF EMPLOYEES ADMIT TO  
FINANCIAL DISTRACTION AT  
WORK\*

-\$

\$7000

IS LOST ANNUALLY FOR EACH  
FINANCIALLY STRESSED  
EMPLOYEE\*

**BAD EMPLOYEE  
FINANCES**



**POOR  
PERFORMANCE**



**COST TO  
EMPLOYER**

# PAINTING THE PICTURE

Invisible costs for a 1,000 employee company:



## ABSENTEEISM

Hourly Employees

$\$188/\text{day} \times 3.5 \text{ days} \times 200 \text{ employees}$   
 $= \$131,600$



Salaried Employee

$\$336/\text{day} \times 3.5 \text{ days} \times 800 \text{ employees}$   
 $= \$940,800$

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**\$1,072,400**



## PRESENTEEISM

Hourly Employees

$\$23.50/\text{hr} \times 13 \text{ hrs/month}$   
 $\times 12 \text{ months} \times 200 \text{ employees}$   
 $= \$733,200$



Salaried Employee

$\$42/\text{hr} \times 13\text{hrs/month}$   
 $\times 12 \text{ months} \times 800 \text{ employees}$   
 $= \$5,241,600$

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**\$5,974,800**



## TURNOVER

Hourly Employees

$\$9,400$  (20% of annual \$47,000  
salary)

$\times 2\%$  of workforce

$= \$37,600$   
Salaried Employee

$\$168,000$  (200% of annual \$84,000  
salary)

$\times 1\%$  of workforce

~~$= \$1,344,000$~~

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**\$1,381,600**

For this example - 800 employees are salaried, with an average compensation of \$84,000 annually and 200 are hourly employees at an average wage of \$23.50/hour, both working 2000 hours annually. Total compensation for all employees across the company is \$76,600,000.

# EXISTING SOLUTIONS

Existing solutions don't fix the entire problem.

## 401(K) PLANS

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Focus only on the future - while we need to address the present.

## EAP PROGRAMS

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Purely reactive - only provide assistance via referral once there is a problem.

## ADVISOR HOURS

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Behavior changes may need more than a one hour meeting and require accountability.

# CHANGING LANDSCAPE

“The Consumer Financial Protection Bureau found in 2014 that companies enjoy a return of up to \$3 for every \$1 they spend on financial wellness programs.”

planadviser.

“A study found higher financial wellness scores correlate to the ability and choice to make increased retirement saving deferrals. While employees overall were not saving the recommended 10% to 15% of their income for retirement, those with higher financial wellness levels made larger contributions on average.”

PLANSPONSOR®

“Employees feel the burden of all this stress, and they want their employers to help support financial wellness.”

THE  
HUFFINGTON  
POST

“93 percent of big employers want to do more to help their employees understand their finances...”

abc NEWS

# WHAT IS OUT THERE?

		PLATFORMS					
		A	B	C	D	E	F
FEATURES	Online Platform	Green	Green	Green	Green	Green	Green
	Access to Advisors	Red	CFP	CFP	Red	Green	CEPF
	Unlimited Advisor Access	Red	Green	Green	Red	Red	Red
	HR Analytics	Red	Green	Green	Red	Red	Green
	Free	Red	Red	Red	Red	Green	Red
	Independently Owned	Green	Red	Green	Red	Green	Red
	Mobile Optimized	Green	Green	Green	Green	Green	Green
	Investment Advice	Red	Red	Green	Red	Red	Green

What features are important to you?

# THERE IS NO “QUICK FIX”

You can't just app-ify people's way to financial well being.

At its core, financial wellness is a deeply complex, personalized and ever evolving process that happens over time with consistent attention and iteration.

To be successful for *people*, financial wellness players must address the root of the problem; and not be satisfied or distracted by quick, superficial wins.



# ATTACKING THE ROOT

Increasing the employer's bottom line by reducing the financial stress of their employees one step at a time.



# WHAT YOU GET



A value-add  
combating  
fee-compression



Communication  
with millennials on  
their terms



Automation of segments  
of the business that  
don't pay\*



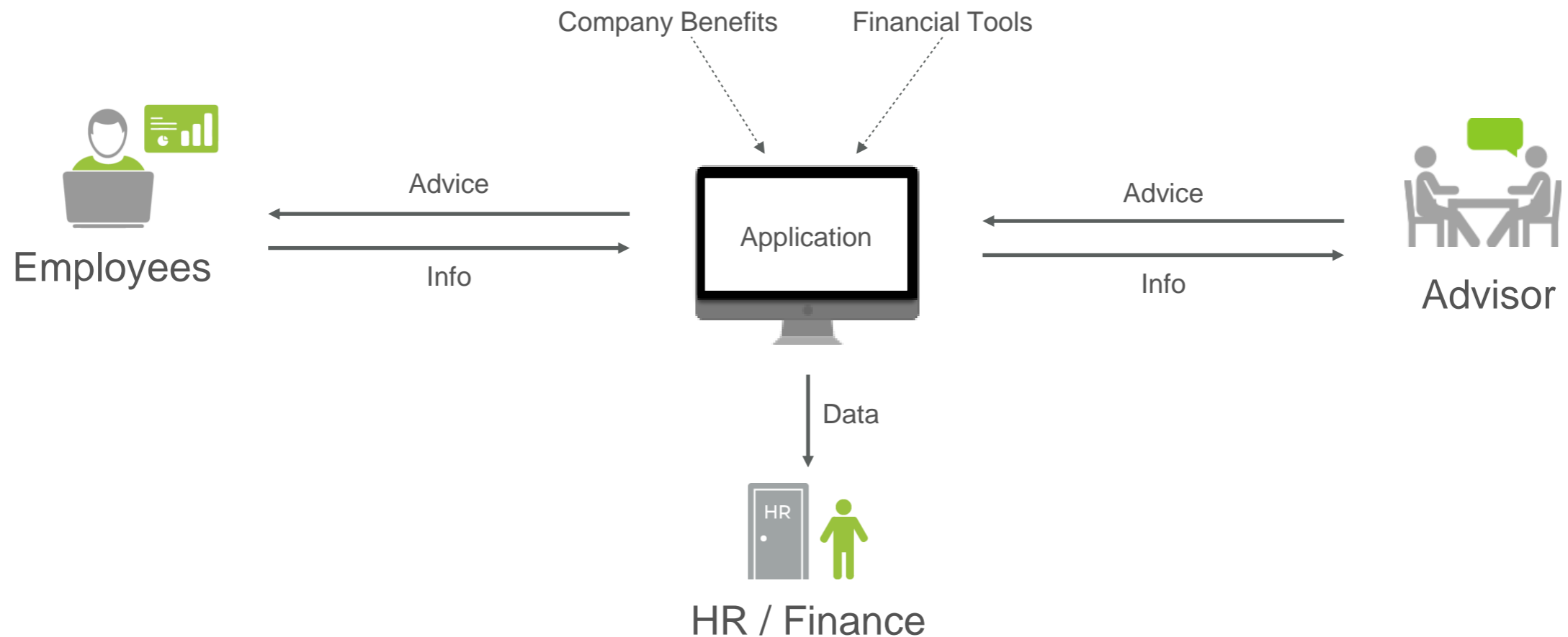
Plan sponsors  
witness real impact  
on their employees



Cultivate new savers by improving their finances

# HOW IT WORKS

Employees receive **holistic financial advice** covering everything from budgeting to retirement planning.



HR gets **unprecedented insight** into the financial health of their workforce.

# WHAT ARE THE CONCERNS?



## INTEGRATION

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Maximize benefits offerings with simple integration into existing infrastructure and processes.



## SECURITY

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Compliance and security are core and should be native to any financial wellness solution.



## ENGAGEMENT

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Consider a solution that inspires meaningful change and value for your investment.

# THE RESULTS

A better financial picture for employees and employers.

## REDUCE MONEY STRESS

Increase paycheck power

Improve financial health

Learn the finances of benefits

Prepare for emergencies

Plan for today and retirement

## GET BETTER EMPLOYEES

Increase loyalty, reduce turnover

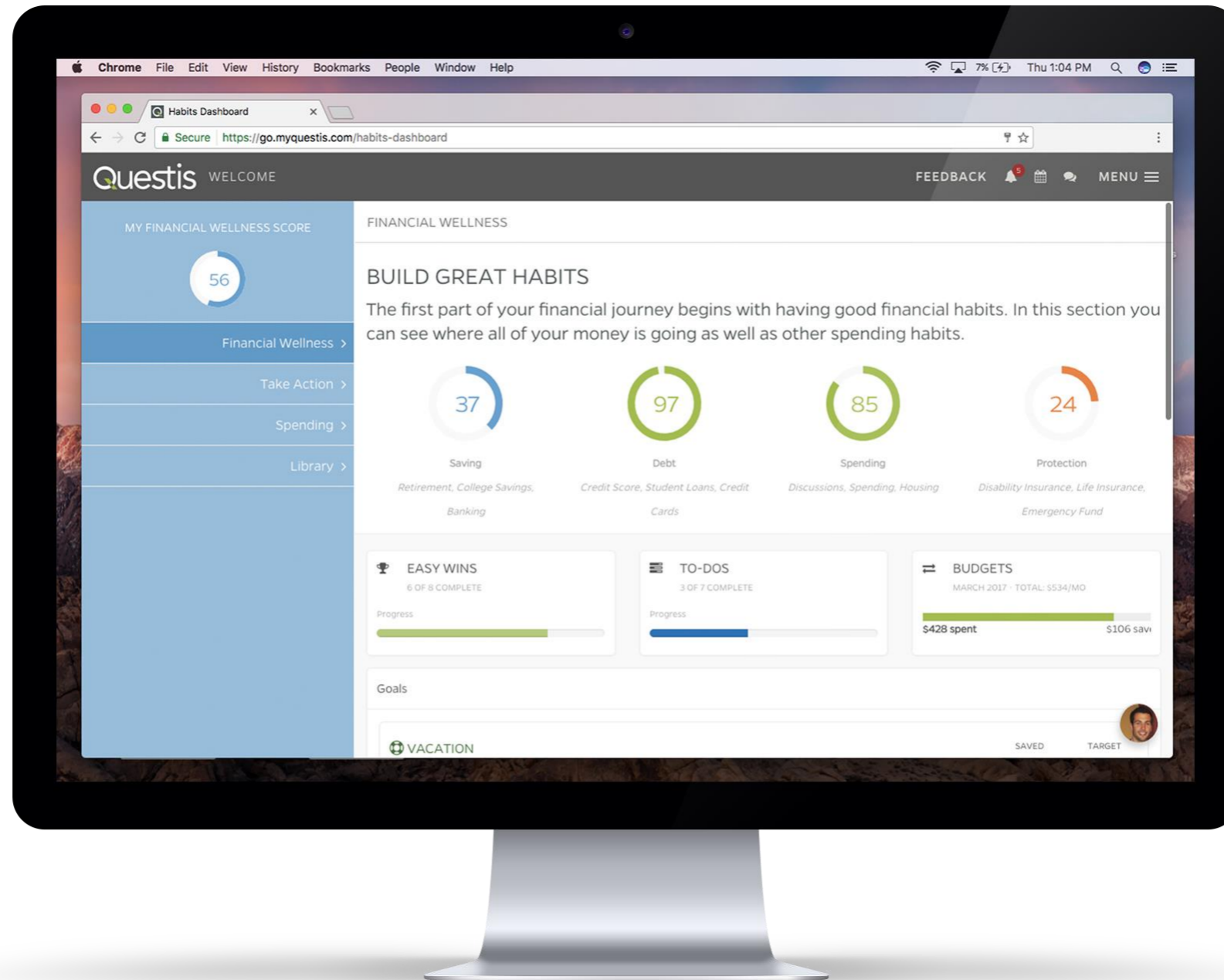
Reduce absenteeism & presenteeism

Increase benefits adoption

Reduce 401(k) loans

Increase loyalty, reduce turnover

# LET'S TAKE A LOOK



THANKS