

FINANCIAL WELLNESS

— AT —
WORK

Presented by:

Kathy Lea, Chief Pension Officer

EmCon 2018



- Workers today bear increasing responsibility for their own financial lives
- Too many lack access to resources and tools to help them
- 6 out of 10 live paycheck to paycheck



Financial Issues Cause Workers to

- Be less productive
- Miss significantly more days of work
- Generally more unhealthy
- Be distracted
- Look for work opportunities elsewhere



- 62% of millennials say their loyalty to employers is influenced by how much they care for their financial well-being
- Poor physical, emotional, mental health impacts all areas. Employers have increased
 - Health claims
 - Workers' Compensation Claims
 - Disability
 - Paid leave



Problem Extends into Retirement

- Top 5 statistics that should scare you
 - More than 50% of Americans have less than \$10,000 saved for retirement
 - 55% of retirees retire earlier than expected-health #1 reason
 - Women save 26% less than men
 - Only 33% of people could answer 3 out of four financial concepts correctly
 - 47% fear not being ready to retire



Your employees, and you, need help.

A financial wellness plan could benefit your workplace.....

and, you have many of the components available to you already!



A Simple Plan

- Each participant in the PERS or TRS Defined Contribution Plans or the Alaska Public Employees' Deferred Compensation plan has access to the Empower web site.
- On the web site is a wealth of information that can be used as a simple financial wellness plan or to supplement a larger wellness plan.





My estimated retirement income

Your Name

Estimated monthly income:

Your Income Replacement Percentage

\$ Your estimated benefit

Employer contributions

\$

My savings

\$ Your Other Savings if You Have Entered Them

View details

\$

Total account balance

State of Alaska Deferred Compensation Plan

\$370,893.54

State of Alaska Supplemental Annuity Plan

\$507,114.61

State of Alaska DB

\$6,965.83 / month

Me & My Money

We're here to help you gain a more complete view of your financial picture, with the goal of helping you replace — for life — the income you made while working.



Spending

Being a smart spender makes it



Saving

Saving more today is the key to a



Investing

Understanding basic investing



Protecting

Taking a proactive approach to



Spending

[Create a budget in three steps](#)

[Manage your debt](#)

[Four things to consider before borrowing money](#)

[Manage your credit cards](#)

[Flexible spending account](#)

Saving

[Save more with tax reform](#)

[Have an emergency fund](#)

[Participate in your retirement plan](#)

[Maximize your contributions](#)

[College savings](#)

[How much money could you need for the future?](#)

[Three ways to contribute to your retirement plan](#)

[Manage your health and wealth](#)

Investing

[Investing 101](#)

[Working with an advisor](#)

[Find your investing style in three easy steps](#)

[Four basics to understanding target date funds](#)

[Three things every investor should know](#)

Protecting

[Estate planning](#)

Life events

[Transitioning to retirement](#)

Discover ways to shrink your debt. Get help if you need it. And break the debt cycle.

Making minimum payments on \$10,000 in debt, at a 15% interest rate, would take just under **28 years** to pay off and cost almost **\$12,000** in interest.*

Borrowing **\$10,000**  Could Cost You **\$22,000**

* For illustrative purposes only. Assumes \$10,000 debt and 15% interest rate.

Includes a three step process to get control of debt.

1. Consolidate credit
2. Get out of the minimum trap
3. Break you debt dependence



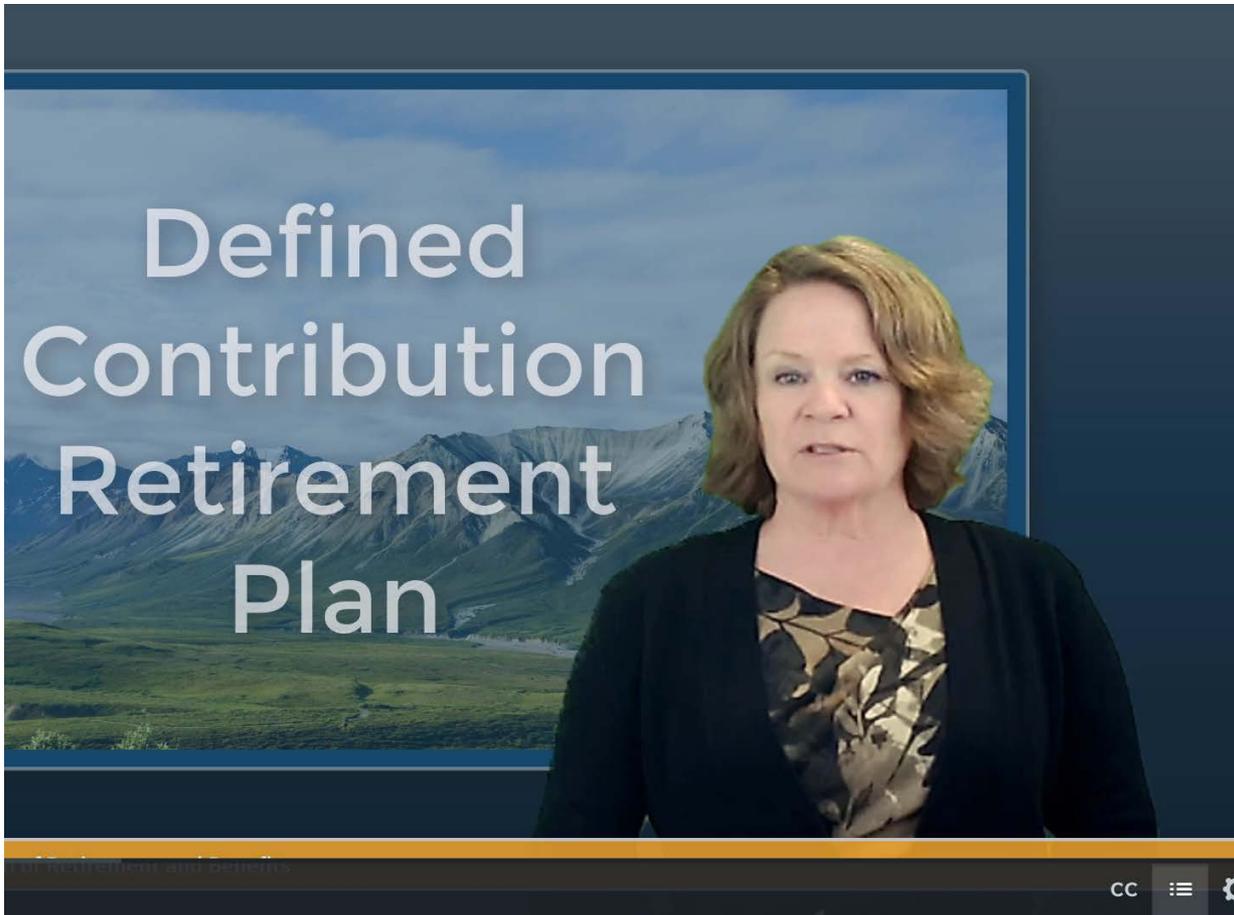
Empower has licensed financial planners available to you and your employees. They can provide:

- Financial Wellness Seminars
- Web Ex Meetings
- One on one financial readiness reviews

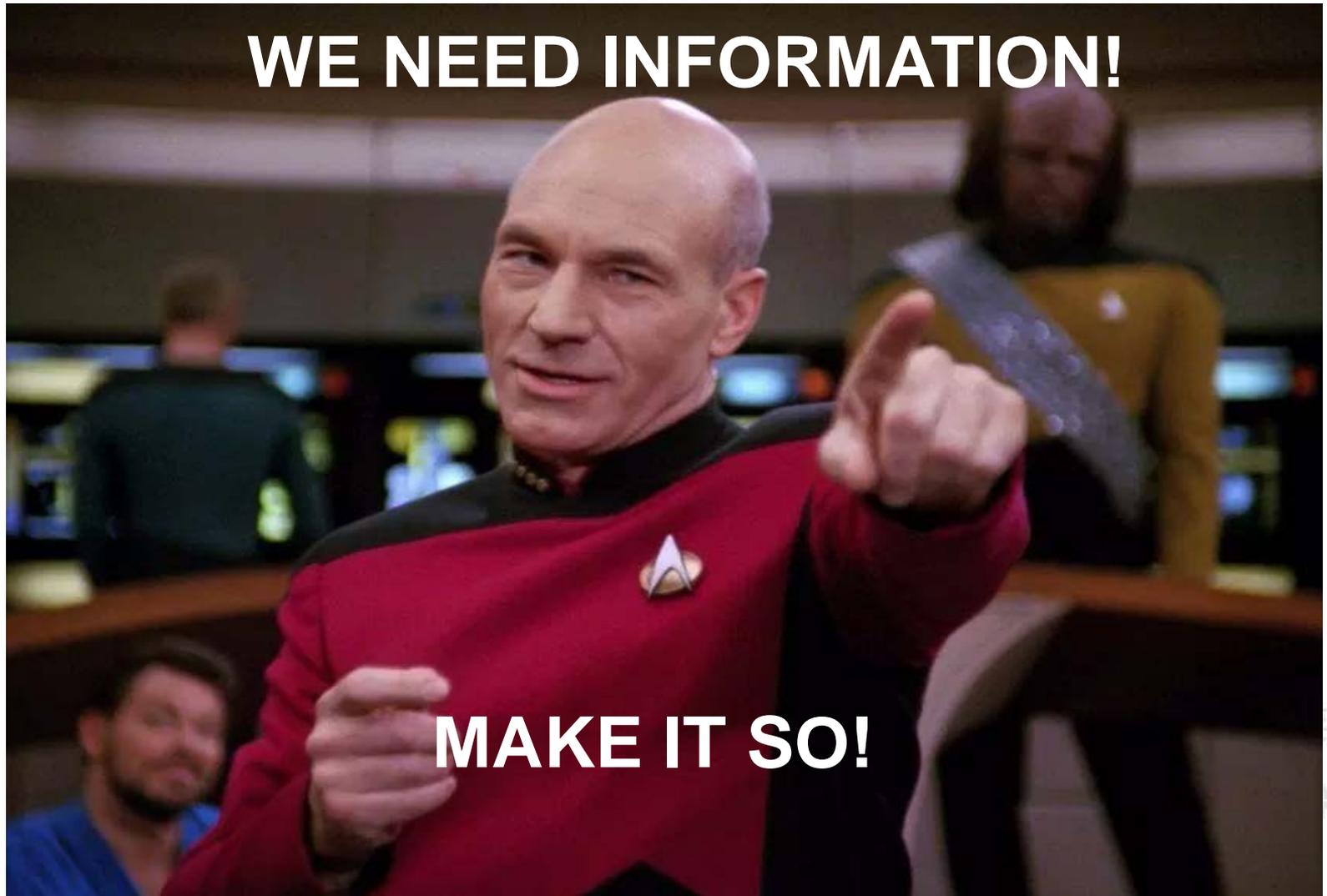


Employer Resources Site

- DRB web site videos

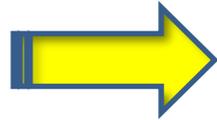


WE NEED INFORMATION!

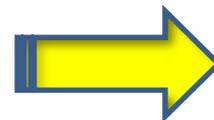


MAKE IT SO!

Need



Plan

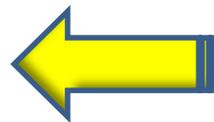


Resources

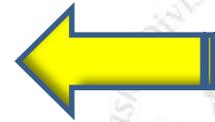
Financial Wellness Program Development



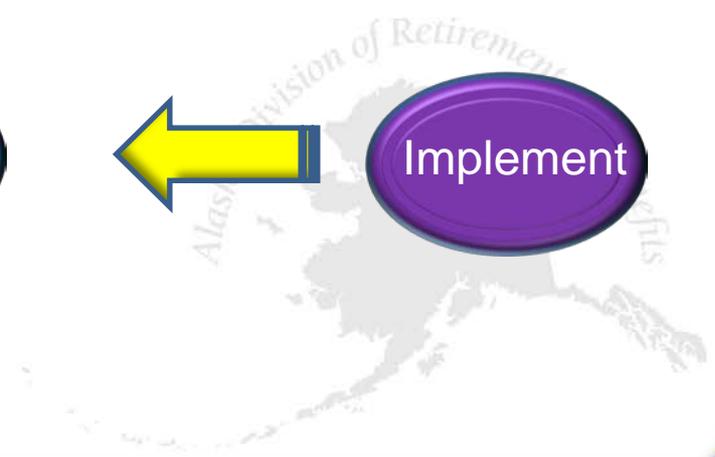
Measure



Review



Implement



Plan, Plan, Plan

- How extensive will your program be?
 - Start small, perhaps look at a quarterly schedule to begin with.
 - The more individual your program is, the more time it will take
- How will your employees use this program?
- Will your program be mandatory?
- Will your program be voluntary?
 - What incentives will you use



Define The Plan

Determine

- what aspect you want to improve.
- how much time you can dedicate
- who will be responsible for the plan
- who will be the back-up person



Define the Plan

Find out first what your employees need

Conduct an anonymous survey among your employees to determine what they are most in need of.

Compile the results to determine where to focus first.

Management must buy in to the program. If one employee takes it on, the program will fail if that employee leaves.

Define the Plan

Your employees needs will likely fall into these general categories.

- Mortgages, wills, income protection
- Emergency savings
- Debt Management
- Budgeting
- Personal Finance Counseling



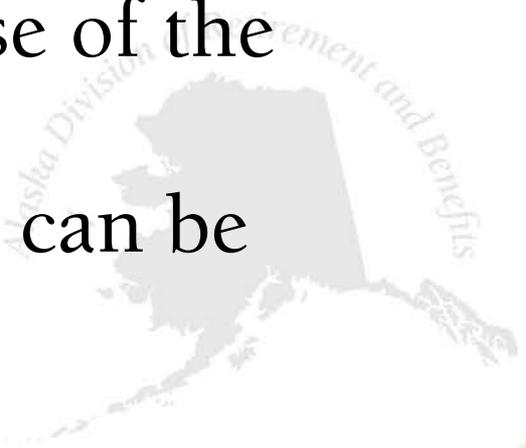
Analyze

- Develop statistics regarding your rate of absenteeism and turnover (Payroll can help here)
- Develop statistics regarding employee attitudes (Human Resources can help here)
- Develop statistics on productivity (Managers and supervisors can help here)



Measure

- Determine how you will measure success
 - Absenteeism reduced?
 - Employee retention increased?
 - Productivity increased?
 - Answers to follow-up surveys to gauge employee acceptance and use of the program.
 - “Not everything that counts can be counted”—Albert Einstein



Improve

- Improvements will come over time. It may be 6 months to a year before you see the benefits of your wellness program.
- Determine how you will celebrate improvements
 - Goals (x rate of absenteeism, etc.)
 - Incentives



Control

- Once you start a financial wellness program, you need to keep it going.
- Management must buy in to the program. If one employee takes it on, the program will fail if that employee leaves.



Implementation

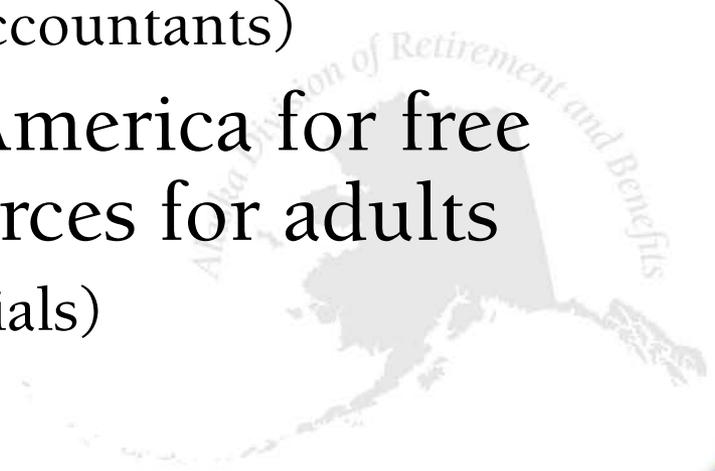
- **Lunch and Learn Sessions**
 - Invite a speaker to discuss the subject
 - Speakers from your own organization can speak to creating a budget for instance. What other internal resources may you have?
 - Local banks will have financial planners who may be willing to attend.
 - Local insurance agents will likely be willing to attend to discuss the protection of income

Implementation

- **Seminars and One-On-One Counseling**
 - Encourage attendance at pension seminars
 - DRB counselors can discuss the benefits you already provide, such as occupational death and disability and retirement for all tiers
 - Empower representatives can discuss the power of investments over time as well as provide individual financial planning.

Implementation

- Additional safe websites to share educational material
 - the Consumer Financial Protection Bureau site to get data
 - 360 Degrees of Financial Literacy for personal financial resources (American Institute of Certified Public Accountants)
 - InCharge Institute of America for free financial literacy resources for adults (downloadable kits and materials)



Resources

- DRB – Pension benefit information, value of the benefit package the employer provides.
- Empower –Financial Readiness Reviews (one-on-one)
- In-house talent
- UA Cooperative Extension Services
- Local banks and insurance companies
- Online resources, Youtube



We Can Help!

- DRB and Empower can help!
- Group discussion on financial wellness program teleconference
- Assist in securing resources
- Provide presentations on financial wellness



Questions?



Appendix

- InCharge Institute of America
 - <https://www.incharge.org/financial-literacy/>
- 360 Degrees of Financial Literacy
 - <https://www.360financialliteracy.org/Get-Started?ftp=1>
- Consumer Financial Protection Bureau
 - <https://www.consumerfinance.gov/>



Appendix

- **University of Alaska/Cooperative Extension Service**

- <http://cespubs.uaf.edu/publications/?cat=&s=FRM>
- <https://www.youtube.com/playlist?list=PLaq6r5nsLDdd5HSxhbZOqI6RHdDtrwC0j>

- **DRB Videos**

- http://doa.alaska.gov/drb/employer/polisubs/polysub_training.html

