

# Get on the PATH to Financial Wellness

**Jaron Havens**

*Vice President,  
Institutional Retirement Solutions  
Retirement Plan Services*

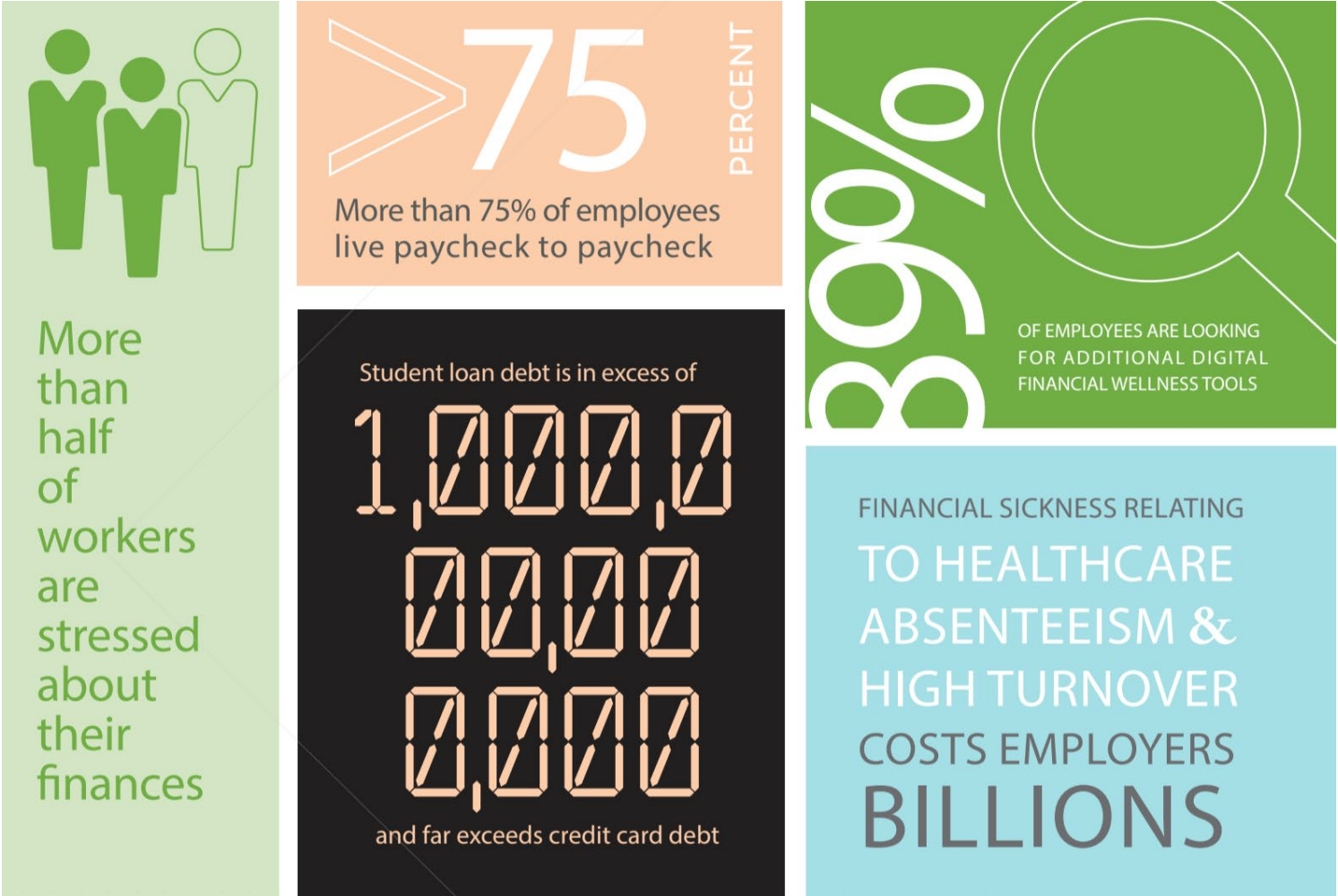


**Endorsed Business  
Partner Program**  
of the Indiana Hospital Association

# What is Financial Wellness

- Financial wellness has objective components and at the same time is a subjective experience. It acknowledges that people have different goals that are equally important and meaningful.
- Financial wellness is comprehensive. To reach financial well-being, people need the financial stability to withstand a financial shock and have control over their day-to-day finances—they're not living paycheck to paycheck, or using a credit card to cover an unexpected bill.
- People also need a way to know whether they're on track to meet their financial goals. Finally, they need financial freedom—enough money—to be able to have and make choices that allow them to enjoy their lives.

# The statistics are startling



# Why Financial Wellness? Why now?



## Underserved Market

large segment of employees cannot get enough help and are looking towards their employer for assistance



## Rising Cost of Benefits

continuing cost increases to employees for benefits like health care causing employee satisfaction to decrease, resulting in employers looking at other areas to add value



## Data and Research

increasing amounts of research and data to demonstrate employer benefits by having a more financially healthy employee base

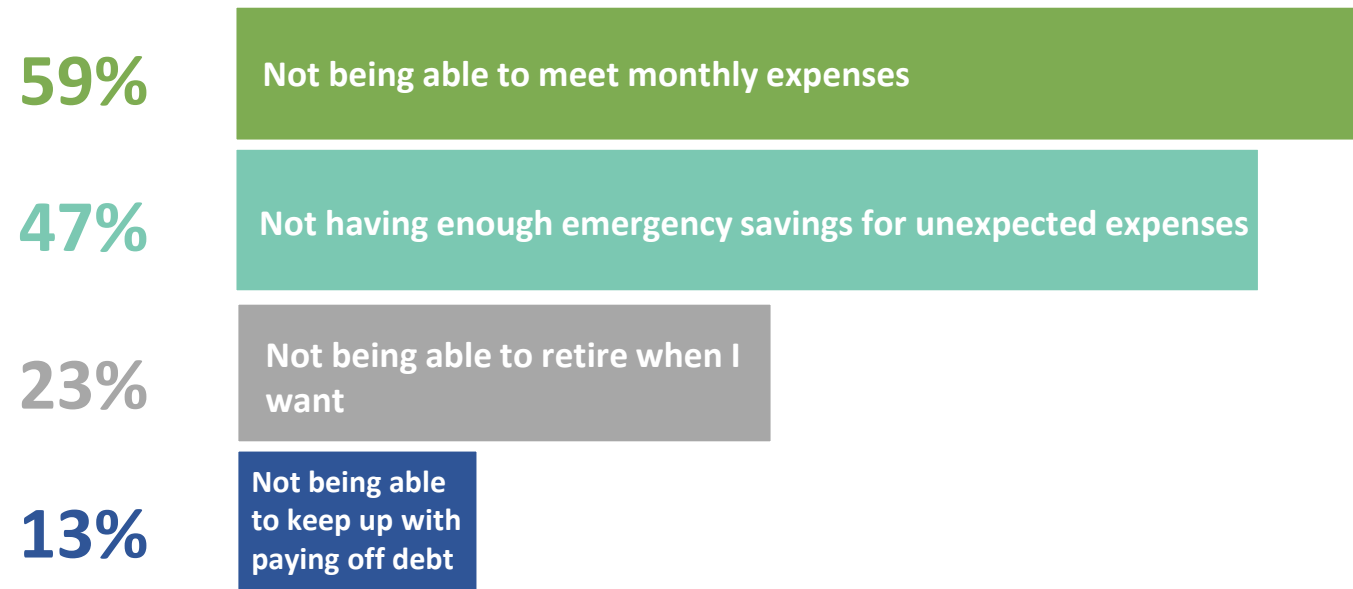


## Back to Basics

in a competitive, low unemployment environment, increasing need to attract and retain talent

# Employees are worried






## Top Financial Concerns:

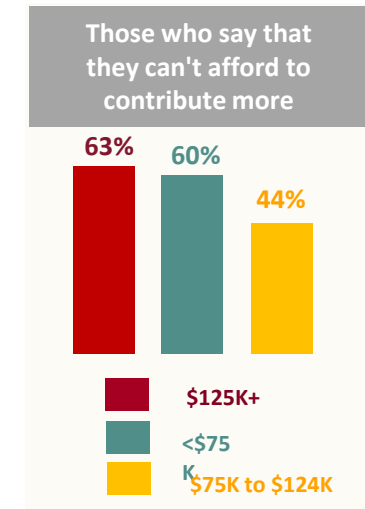


Source: PwC's 2018 Employee Financial Wellness Survey

# Competing priorities, a roadblock to savings

Reasons for not contributing more (of those contributing less than needed)

-  **59%** **CAN'T AFFORD** to save more
-  **38%** Have **MORE IMPORTANT** financial **GOALS**
-  **17%** Concerned about not having **ACCESS TO MONEY** until retirement
-  **14%** Choose to **INVEST ELSEWHERE**
-  **10%** Don't have access to a good plan or **DISLIKE INVESTMENT OPTIONS**



Source: 2017 Lincoln Retirement Power Study

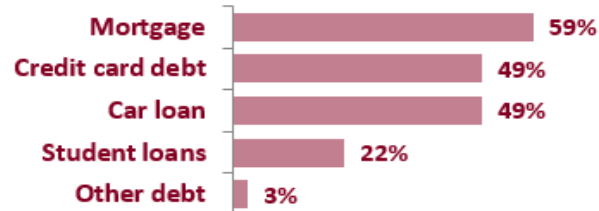
# What financial hurdles are participants facing



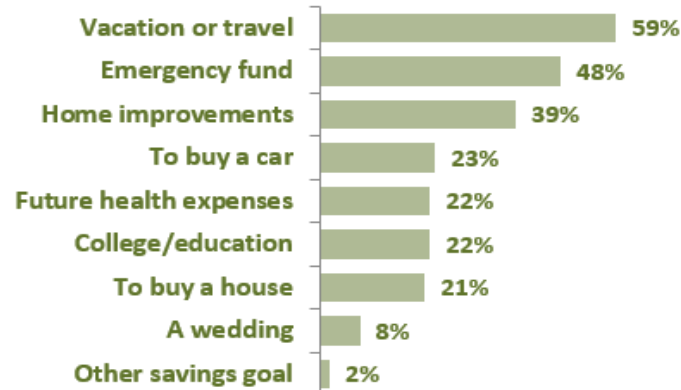
**COMPETING PRIORITIES** are vying for participant dollars, and even drive some participants to take loans.



## DEBT OBLIGATIONS



## SAVINGS PRIORITIES



81% of participants are working toward 3 or more financial priorities beyond retirement, and 45% are working toward 5 or more.



58% of participants with debt see their debt as a problem, including 13% who say it is a major problem.



59% of participants with student loan debt say they are saving less for retirement than they want to because of their student loans.

Source: 2017 Lincoln Retirement Power Study

# How can we reduce impact of competing priorities



Participants who **SET A GOAL** save more for retirement, and feel more confident about retirement.

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...for retirement savings

**+6%**  
higher  
contribution  
rates

**7.5x**  
more likely  
to be  
confident

But only 42% of participants set a specific goal for how much they will save this year for retirement



...for debt repayment

**+3%**  
higher  
contribution  
rates

**3.5x**  
more likely  
to be  
confident

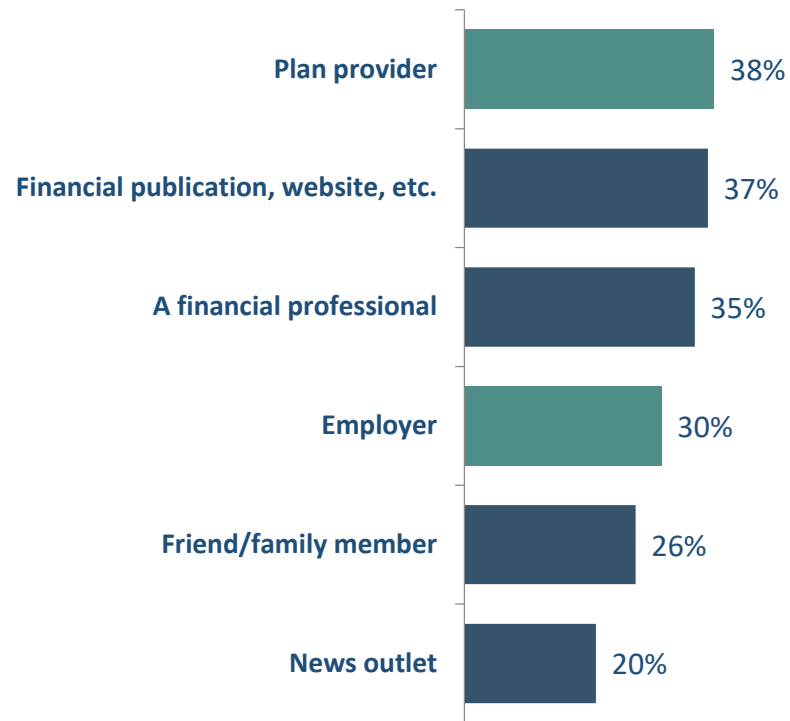
But only 38% of participants set a specific goal for how much debt they will pay off this year

Source: 2017 Lincoln Retirement Power Study



# Providers and employers are key resources

## Sources of Information



57% of participants turn to their plan provider and/or their employer for information

Among participants who work with a financial professional, 38% say that financial professional was made available to them through their plan provider or employer



**40%**

work with a financial professional



**15%**

consult F.P. for all/most retirement savings and investing decisions

Source: 2017 Lincoln Retirement Power Study

# PLAN SPONSOR PERSPECTIVES

# Plan Sponsor research

**83%**

**2017 employers who offer Financial Wellness Solutions for their employees. Up from 20% in 2015**

*2017 Prudential Financial Employer Survey*

**#3**

**Financial Wellness ranking out of 10, sponsor area of focus in next 12 months**

*Callan 2019 Defined Contribution Trends Survey*

**#1**

**Financial Wellness ranking, sponsor communication focus in next 12 months**

**30%**

**Employees that said they were distracted by their finances at work**

*Price Waterhouse Coopers 2017 Survey of more than 1,500 employees*

**\$3.3M**

**Estimated per year loss for company with 10,000 employees**

# Employers are taking action

Reasons for Creating or Expanding Wellness Programs:



Source: 2017 Lincoln Retirement Power Study

# Plan Sponsor research

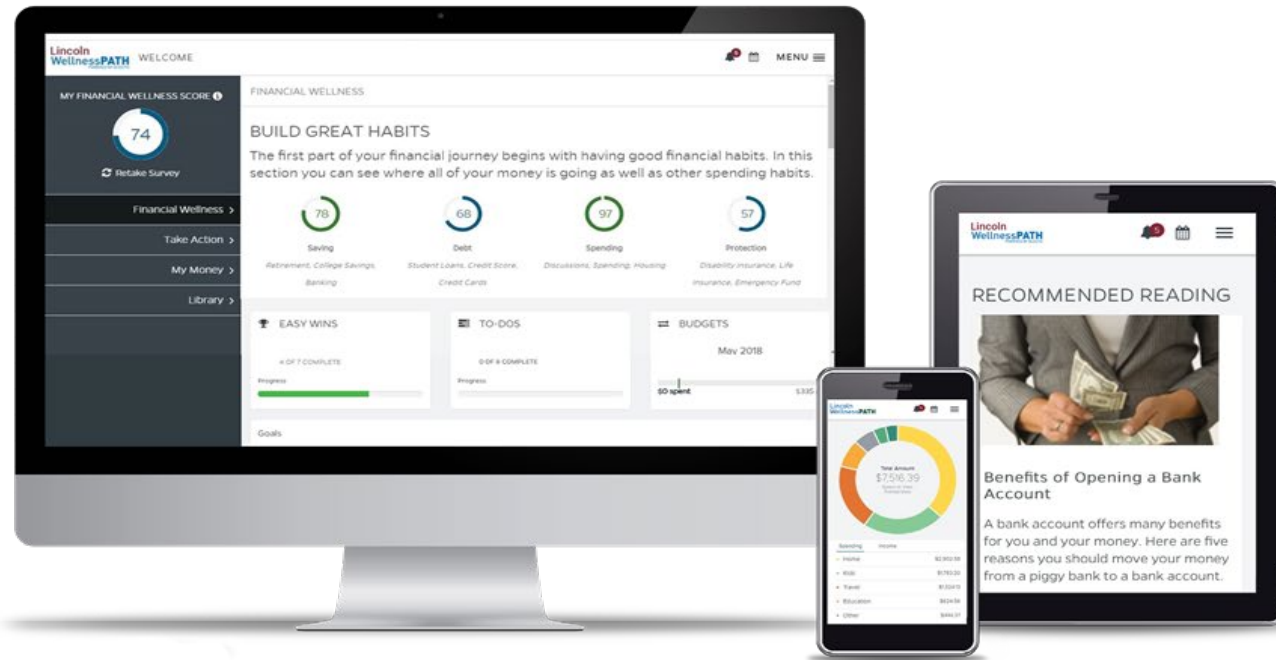
	% of employees with	Absence (days)	Presenteeism (days)
<i>No financial worries and no health issues</i>	<b>19%</b>	<b>1.8</b>	<b>8.5</b>
<i>No financial worries and health issues</i>	<b>22%</b>	<b>3.6</b>	<b>10.6</b>
<i>Financial worries and no health issues</i>	<b>18%</b>	<b>2.8</b>	<b>12</b>
<i>Financial worries and health issues</i>	<b>42%</b>	<b>4.4</b>	<b>12.5</b>

# LINCOLN USE CASE

# 8 Areas of focus for wellness tools

- **Assessment & Score** - Overall wellness, savings, debt, spending, protection
- **Actionable Guidance, Accountability, & Tracking** – actionable financial tasks & goals
- **Account Aggregation** - Real time view of all household financial accounts
- **Budgeting** - Generate, view, track, and measure progress/trends
- **Education** - Targeted & recommended content
- **Live Support** - Ability to discuss wellness with live reps or advisor
- **Campaigns** - Targeted communications to drive awareness and engagement
- **Reporting** - Plan level quarterly reporting and trending over time

# Lincoln *WellnessPATH*<sup>SM</sup> Powered by Questis





# Thank You