Understanding Generation X in a Generation Y World

Moderator:
- Jason (k) Chepenik, Managing Partner, Chepenik Financial

Speakers:
- SueEllen Bonilla, Manager, Family Dollar Stores, Inc.
- Alisa Hunt, Benefits Director, Kimberly-Clark Corporation
- Peter Kapinos, Manager of DC Services, Putnam Investments
- Matt Iverson, Founder, Retiremap (Boulevard R)
Who are we talking about?

Baby Boomers: Born 1946 – 1964 (Ages 50 to 68)

Generation X: Born 1965 – 1979 (Ages 35 to 49)

Generation Y: Born 1980 – 1996 (Ages 18 to 34)
Management experts suggest distinct motivational techniques

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Source: Motivating Gen X, Gen Y Workers: A Primer on how to get the most out of younger employees, by Dr. David G. Javitch
Understanding Gen X in a Gen Y World

Gen X: 59%
Gen Y: 41%

Gen X: 39%
Gen Y: 41%

Gen X: 31%
Gen Y: 32%

Gen X: 25%
Gen Y: 59%

Gen X: 25%
Gen Y: 42%

Gen X: 29%
Gen Y: 40%

Gen X Average Debt: $62,690
Gen Y Average Debt: $40,135
Is your 401(k) competing for wallet share?

Savings priorities by generation

Results are based on a survey of 4,148 working Americans between the ages of 18 and 65, with segments weighted in accordance with U.S. Census parameters for all working adults. The survey was conducted for Putnam Investments by Brightwork Partners LLC in January 2014.
Retirement Responsibility:
What will be the source of future retirement income?

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New ideas to engage employees with content that matters most

**Education on Healthcare:** help your employees personalize health care costs in retirement

**Financial Wellness Tools:** education, budget management tools, access to budgeting experts

**Comparison tools:** savings rates and progress toward replacing income among top peers
• Discount chain of retail stores with approximately 60,000 employees, 7,600 stores in 45 states

• Headquartered in Charlotte, North Carolina

• Family Dollar is a Fortune 300, publicly held company with common stock traded on the New York Stock Exchange under the symbol FDO
Plan Design

- Pretax contributions
  - 1% to 75% of pay
- Employer Match
  - 100% immediate vesting
- Catch-up contributions
- Rollover contributions
- 180 day eligibility, no automatic enrollment
- 12 Investment options, 5 Risk Base Models (Semi-annual auto-rebalance)
- Loan and hardship features
Who We Are

• Headquarters: Dallas, Texas
• Founded: 1872 in Neenah, Wisconsin
• Employees: 58,000 worldwide
• Operations: 37 countries
• Global Brands:
  ![Huggies](image1)
  ![Kleenex](image2)
  ![Scott](image3)
  ![Poise](image4)
  ![Depend](image5)
  ![Pull-Ups](image6)
  ![Cottonelle](image7)
  ![Kimberly-Clark Professional](image8)

What We Offer

• Safe Harbor 401(k) plan:
  – 15,000 eligible active salary/production employees;
  – 93% participation rate; 8.6% savings rate

• Plan features:
  – Auto-enrollment for new hires
  – Automatic escalation and rebalancing
  – Roth 401(k)
  – Advisory services
How we define success

• **Success is a combination of:**
  – Participation rate
  – Savings rate
  – Income replacement ratio
  – Resources/tools traffic

• **One of our most successful initiatives:**
  – Phasing out DB plan
How we meet our participants’ needs

• **Focus/Scope:**
  – Consider our workforce by life stages
  – Use all communication mediums
  – Consistent branding and terminology

• **Example: 401(k) Month (2013)**
  – Interactive landing page
  – Weekly themes
  – Strong results and increased “buzz”
What’s next for us

• **Financial wellness initiative:**
  – Tie retirement into larger focus on financial health
  – Launch new financial services
  – Website with navigational focus on life stages
  – On-site education and webinars
  – Communication campaign to drive awareness and engagement
Designing a Successful Program

- Holistic
- Pro-actively Delivered
- Data-driven + Relevant
- Measurable
- Advisor-centric
- Return on Investment
“What are your important financial goals?”
Engage Employees, Increase Deferrals