



Pensions & Investments

DC East 2019


MARCH 10 - 12

FT. LAUDERDALE, MARRIOTT HARBOR BEACH



Critical Steps for Launching an Effective Financial Wellness Program

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.



Sue Walton
Senior Vice President,
Senior Defined Contribution Strategist
Capital Group, home of American Funds



AUDIENCE POLLING QUESTION 1:

What does financial wellness mean to you?

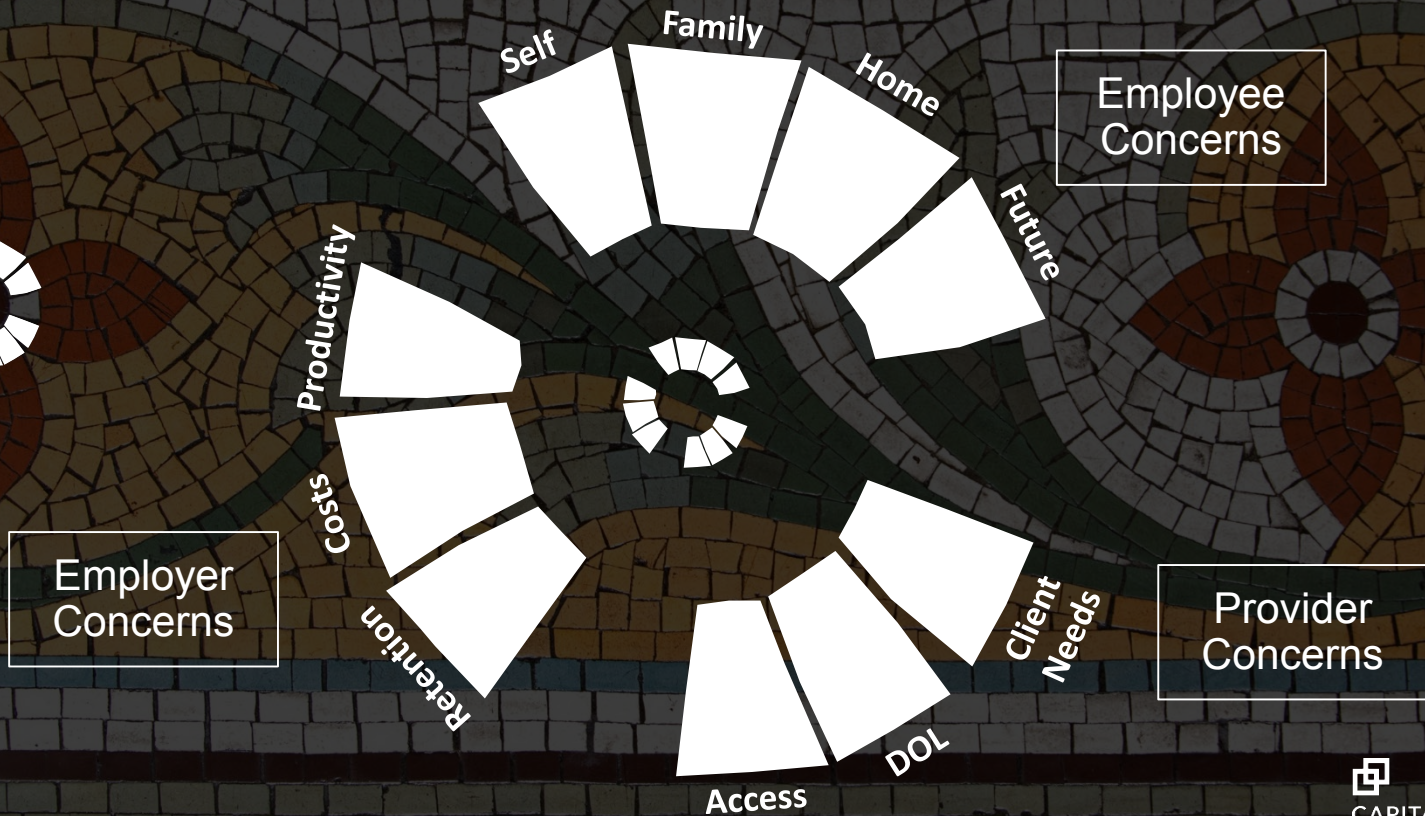
1. Being able to meet short term financial goals
2. Having the ability to save for the future
3. Managing the stress of finances
4. All of the above
5. None of the above

AUDIENCE POLLING QUESTION 2:

Does your company have a financial wellness program in place?

1. Yes
2. No
3. No, but considering

Financial Wellness Is a Mosaic of Individual, Well-Placed Pieces



Financial Wellness Trends Are Gaining Momentum



High deductible health care with HSA

65%
offer



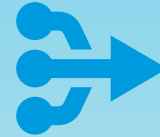
Employee discount programs

72%
provide access to partnerships and company discounts



Tuition reimbursement

69%
offer while over 10% of companies are offering student loan repayment or support



Financial planning seminars

60%
offer with an additional 20% considering



Personalized financial counseling

47%
provide some support or basic budgeting tools and calculators

Sources: EBRI's 2018 Employer Financial Wellbeing Survey.

Health and Wealth Benefits Are Converging



The benefits ecosystem



Available solutions and opportunities



Key decisions and considerations

Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.

The statements expressed herein are informed opinions, are as of the date noted, and are subject to change at any time based on market or other conditions. They reflect the view of an individual and may not reflect the views of others across the organization. This information is intended to highlight issues and should not be considered advice, an endorsement or a recommendation. Permission is given for personal use only. Any reproduction, modification, distribution, transmission or republication of the information, in part or in full, is prohibited.

Content contained herein is not intended to serve as impartial investment or fiduciary advice. The content has been developed by Capital Group, which receives fees for managing, distributing and/or servicing its investments.

Securities offered through American Funds Distributors, Inc.

© 2019 Capital Group. All rights reserved.



**CAPITAL
GROUP®** | **AMERICAN
FUNDS®**

The background features a dark blue gradient with silhouettes of palm trees in shades of teal and light blue. The trees are scattered across the lower half of the image, creating a tropical or coastal aesthetic. The text is centered in the upper half.

Debra Dennin

Senior Manager, Retirement and Wealth Benefits

Best Buy Co., Inc.



About Best Buy

Fast facts



Richfield, MN

our headquarters



More than
1,000 stores

In the U.S.,
Canada and Mexico



BestBuy.com is one of the
top retail websites

in the United States



More than
20 years

of technology services



More than
\$42 Billion

in total revenue for fiscal 2018



Approximately
125,000

total employees



More than
70% of U.S. population

lives within 15 minutes
of a Best Buy store



Building a network of
60 Teen Tech Centers

by 2020

About Best Buy's Savings Plans

January 2019	401(k) Retirement Savings Plan	Puerto Rico Retirement Savings Plan
Plan assets	\$1.90B	\$1.97M
Eligible employees	111,384	448
Participation rate	36%	29%
Match eligible participation rate	44%	44%
Average deferral rate	6.62%	5.45%

Financial Wellness at Best Buy

- Past – Financial Fitness month
 - Offered financial education and 1:1 advisor meetings
- Present – Total Well-Being includes Financial, Physical, Social, & Mental
 - Share financial well-being strategy – Finding the healthy balance between living for today while preparing financially for tomorrow
 - Promote employee assessment - Six Pillars of Financial Wellness
 - Introduce new programs to support employees with the Six Pillars of Financial Wellness, while continuing to offer financial education and resources

Financial Wellness Pillars – Gap Analysis

Protection

Having adequate insurance

- Medical/Dental/Vision Insurance/HSA (FT only)
- Short-term/Long-term disability (FT only)
- Life/AD&D/Optional Life Insurance (FT only)
- Critical Illness Insurance, Accident Insurance

Spending & Saving

Managing cash flow

- Home Budget and Savings Calculator
- Personal Financial Dashboard

Emergency Savings

Having money to cover unexpected expenses

- N/A - **AREA OF FOCUS**

Retirement

Preparing for retirement

- Retirement Savings Plans/Deferred Comp Plan
- MyOrangeMoney
- Advisory Services

Managing Debt

Reduce and eliminate debt

- EAP Financial Connect referrals

Other Goals

Prioritize and plan saving for other goals

- 1:1 sessions with a Financial advisor
- Employee Stock Purchase Plan

*All pillars have educational resources available to support the topic through various vendor partners

Introducing Savings Builder

- Partnership with local credit union to incent employees to save – Launched Feb. 25
- Credit union funds the first \$5 deposit to a no cost, high yield Savings Builder account for Best Buy employees who enroll (available to all U.S. and Puerto Rico employees)
- Employees who complete at least 6 online financial education modules (3-5 minutes each) through the credit union will receive \$100 deposited to their Savings Builder account
- Monthly chance to win more money!
 - Employees who are contributing via direct deposit to their Savings Builder account will be entered into a drawing to receive one of four \$250 deposits made to Best Buy employee savings accounts each month, for a total of \$1,000 into our employees' savings accounts each month
- Best Buy employee's children can also benefit and establish financial well-being at a young age
 - Best Buy family members age 13-22 are also eligible to receive a \$100 incentive into their credit union savings account when they complete a financial education program and score at least 70% on the post test
- Next steps
 - Measure success (i.e. participation rate, average direct deposit amount, average savings account balance/growth, leakage, impact on 401(k) hardship withdrawals, etc.)
 - Ongoing promotion (i.e. communicate success stories, hold financial education programs for employee's children)

The background features a dark blue gradient with silhouettes of palm trees on the left and right sides. At the bottom, there is a stylized, wavy horizon line in a lighter shade of blue.

Becca Jones
Retirement Specialist
Cone Health

About Us

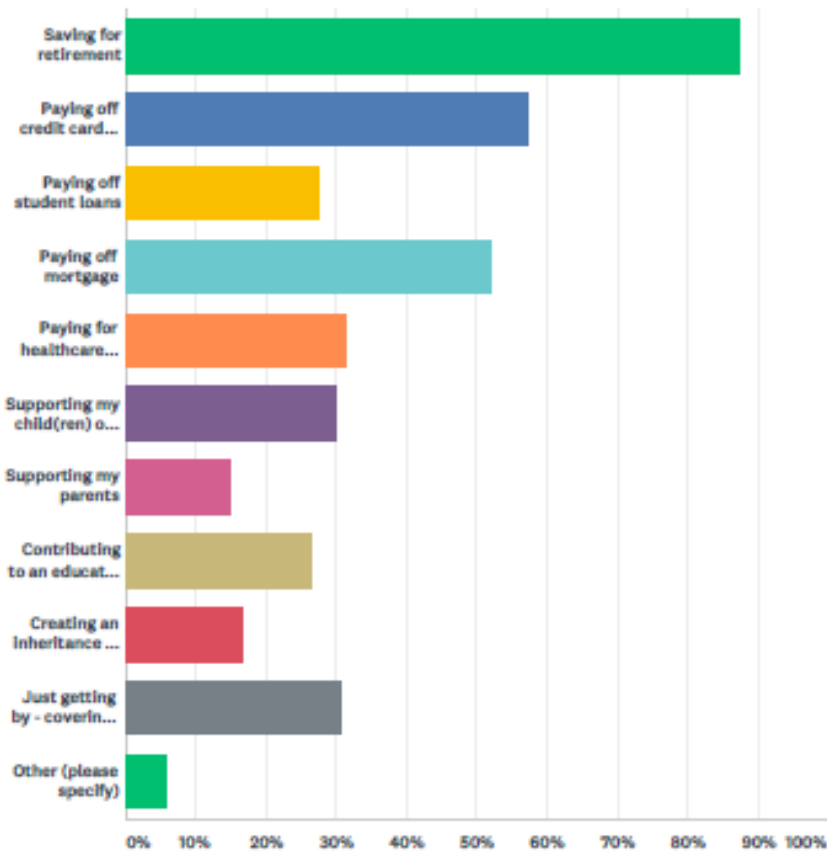
- Large health system in Greensboro, NC
- 12,000+ employees, 130 locations
- Partner with VALIC and Veratis
- Over \$1B in retirement plan assets
- DC plans – 403(b), 457(b)
 - 93.4% participation rate; 7.9% average deferral percentage; 39.14% match utilization
- DB plan - recently terminated

Financial Wellness Campaign

- Surveyed employees in January, 2018
- Partnered with LiveLifeWell employee wellness dept
- Incentivized participation as part of the Healthy Rewards Program
- Tools and resources on VALIC's website
- Financial Wellness videos
- Workshops and one-on-one meetings
- Peer-to-peer FutureFit circles

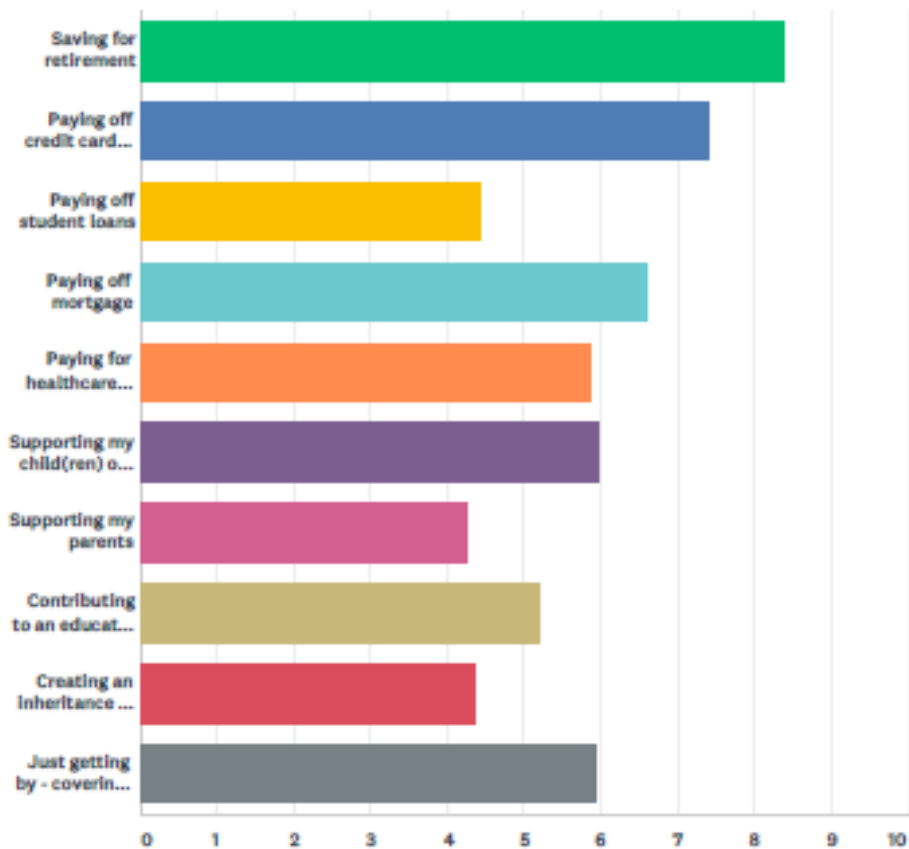
Q1 Which of the following are current financial priorities to you? Select all that apply.

Answered: 699 Skipped: 0



Q2 Please rank the following financial priorities in order of most important to least important (1 is most important and 10 is least important).

Answered: 692 Skipped: 7



Darlene Malaney, CIMA®
Chief Operating Officer of Finance
Clerk & Comptroller, Palm Beach County, Florida



About Our Retirement Plans



- Government/County Entity
 - 730 Plan Participants
 - 84% Female, 16% Male
- Primary Plan is State of Florida Retirement System
 - 80% of Participants in Pension/DB Plan
 - 20% in DC “Investment Plan”
- Supplemental Plan: 457(b) Administered by our office
 - In 2014 New Governance Structure put in place



The Evolution of our Financial Wellness program

- In 2014 Created Retirement Plan Committee
 - Investment Subcommittee
 - RFP for Third Party Administrator
 - New/different provider selected
 - Simplified & Improved Fund Line-up from 41 to 19 funds
 - Decreased Average Investment Management Fees 67% from 83 bp to 27 bp
 - Significantly Decreased Administrative Fees



The Evolution of our Financial Wellness program

- 2014 Launched Employee Education & Awareness Campaign for Deferred Comp/457(b) Plan & TPA Transition
 - Internal Departments (Finance & HR) partnered with new TPA: ICMA
 - Increased Plan Participation by 20%
 - Increased Average Deferral Amount by 10%
- Financial Wellness Education: Live & On-line
 - Presented by: Finance Staff, Banking Partner & TPA
 - Topics outside of Retirement Planning, Investments & Retirement Readiness
 - » Savings, Managing Credit, Mortgages, Estate Planning & College Planning just to name a few



Moving from Financial Wellness toward Employee Wellbeing

- Taking an already good thing and making it better!
 - Today we in the process of Combining our Health & Financial Wellness Programs into a Holistic Employee Wellbeing Initiative
 - Packaging our current benefits, education and programs with a New Campaign
 - Adding the missing link: How Financial Wellness impacts Physical & Emotional Wellness and vice versa
 - Working with our Partners: Health Care, Banking & Retirement Plan Professionals
 - This will be a WIN/WIN for our organization, our employees & our constituents!

New Wellbeing Campaign Logo



Clerks for
Wellness
physical • emotional • financial • well-being

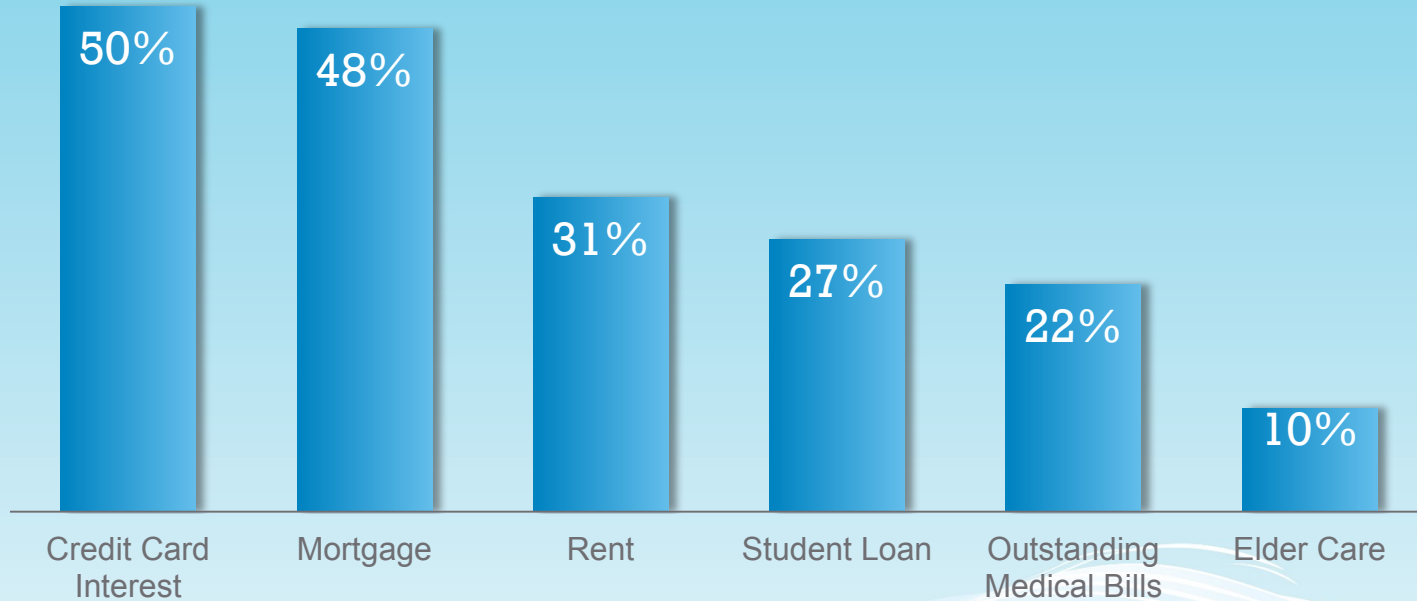
The background features a dark blue gradient with silhouettes of palm trees in shades of teal and light blue. The trees are scattered across the frame, with some appearing taller and more prominent than others. The overall aesthetic is clean and professional.

Chris Luongo

Divisional Vice President, Strategy, Marketing and
Business Development, Retirement Services

ADP LLC

Workers Have Significant Debt and Expenses



SOURCE: Financial Wellness – A roadmap for Developing a Financial Wellness Program. Retirement Insights, LLC. – May, 2018.

Employees Have High Financial Stress Levels



SOURCE: Financial Wellness – A roadmap for Developing a Financial Wellness Program. Retirement Insights, LLC. – May, 2018.

Financial Stress Impacts The Workplace

Employer View

- 36% Productivity
- 29% Benefit plan participation
- 18% Retention
- 17% Engagement



Employee View

- 38% Job satisfaction
- 28% Consider employer change
- 26% Ability to focus
- 14% Attendance

SOURCE: Financial Wellness – A roadmap for Developing a Financial Wellness Program. Retirement Insights, LLC. – May, 2018.

Engagement and Participation



- Current lifestyle can't be adversely affected
- Content must be simple, friendly, and concise
- Need short-term achievable goals to drive positive habit formation
- Personalized experience essential
- Information must come from a credible source

SOURCE: ADP Financial Wellness User Research – December 2018.

Key Takeaways

- Employee financial health effects workplace productivity, job satisfaction and employee turnover
- Workers want – and need – help developing their financial skills and improving their financial health
- Designing tools and content with workers' preferences and limitations in mind can help improve engagement, increase awareness, and drive utilization and action

Disclosure

This presentation has been provided for informational purposes only. It should not be viewed as an investment recommendation.

Unless otherwise disclosed or agreed to in writing with a client, ADP, LLC and its affiliates (ADP) do not endorse or recommend specific investment companies or products, financial advisors or service providers; engage or compensate any financial advisor or firm for the provision of advice; offer financial, investment, tax or legal advice or management services; or serve in a fiduciary capacity with respect to retirement plans. Investment options are available through the applicable entity(ies) for each retirement product. Investment options in the “ADP Direct Products” are available through either ADP Broker-Dealer, Inc. (Member FINRA), an affiliate of ADP, LLC, One ADP Blvd, Roseland, NJ (ADP BD) or (in the case of certain investments) ADP, LLC. Only licensed representatives of ADP BD or, in the case of certain products, of a broker-dealer firm that has executed a marketing agreement with ADP, LLC may offer and sell ADP retirement products and services or speak to retirement plan features and/or investment options available in any ADP retirement product, and only an associated person of ADP Strategic Plan Services, LLC (SPS) may speak to any investment management or advisory services provided by SPS or any third party in connection with such ADP retirement products. SPS is a SEC Registered Investment Adviser. Registration does not imply a certain level of skill or services. Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or plan. Registered representatives of ADP Broker-Dealer, Inc. do not offer investment, tax or legal advice to individuals. Please consult with your own advisors for such advice.

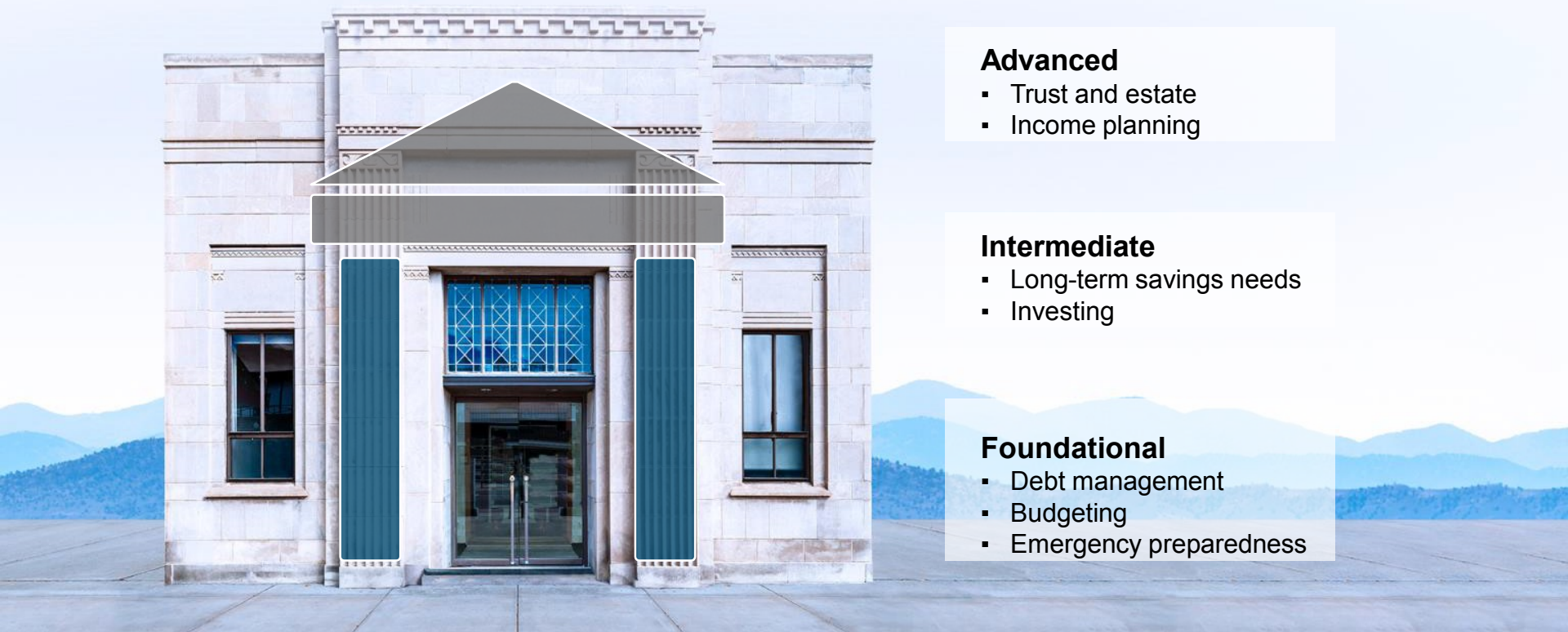
The background features a dark blue gradient with silhouettes of palm trees in shades of teal and light blue. The trees are scattered across the frame, with some appearing taller and more prominent than others. The overall aesthetic is clean and professional.

Rachel Weker

Products and Platforms Vice President

T. Rowe Price Retirement Plan Services, Inc.

The Financial Wellness Spectrum



Advanced

- Trust and estate
- Income planning

Intermediate

- Long-term savings needs
- Investing

Foundational

- Debt management
- Budgeting
- Emergency preparedness

Affecting Behavioral Change Through Financial Wellness: A Three-Part Framework



Assess Current Financial Health

Determining where each individual is
on their financial wellness journey



Set Meaningful Financial Goals

Creating a path to financial wellness



Drive Ongoing Action





Taking purposeful steps throughout
the participant experience

ENGAGEMENT EXPERIENCE

Web Messaging | Employee Meetings | Email | Print | Phone

Integrating Financial Wellness Into the Retirement Journey

Incorporate messaging into the heart of the participant experience

-  Engaging, proactive campaigns
-  Channels of choice interactions
-  Experience embedded in transaction flow
-  Education, tools, and calculators

Critical action steps include financial wellness

Join the Plan

Save More

Invest Wisely

Prepare for Retirement

In Retirement



Pensions & Investments

DC East 2019

MARCH 10 - 12

FT. LAUDERDALE, MARRIOTT HARBOR BEACH



Pensions & Investments

DC East 2019

MARCH 10 - 12

FT. LAUDERDALE, MARRIOTT HARBOR BEACH