



**Pensions&Investments** East Coast  
**Defined Contribution  
Conference**



Pensions&Investments East Coast —

## Defined Contribution Conference

March 6-8, 2016 | Trump National Doral | Miami

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# Embracing the Path to Financial Wellness

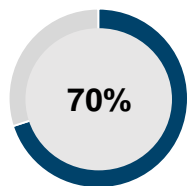
MODERATOR:

**Rachel Weker**, Vice President, T. Rowe Price Retirement Plan Services

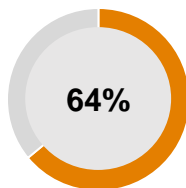
PANELISTS:

- **Tina L. Stamato**, Senior Manager Pfizer Savings Plans, Pfizer
- **Dina Pon**, Assistant Vice President of HR, GEICO
- **Rich Linton**, President of Large Market and Retail Wealth Management, Voya Financial
- **Michael Domingos**, Vice President, National Corporate Strategy & Distribution, Prudential Retirement

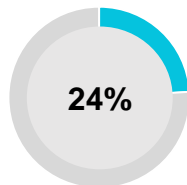
# America is Financially Unwell—and Savings Behaviors Show It



Of Americans live  
paycheck to paycheck  
CNNMoney 2013



Can't cover a \$1,000  
emergency without borrowing  
MarketWatch 2015



Of their paycheck goes to  
consumer debt payments  
U.S. Census Bureau et al. 2014

## SAVINGS

**7.3%**  
average pretax deferral

**78%**  
not using Auto-Increase

## PRIORITIES

Current expenses—  
**46%**

Outstanding debt—  
**24%**

## LEAKAGE

**24%**  
of active participants have  
\$2.8 billion in outstanding loans

**\$130**  
million

in hardships during 2014

Source: T. Rowe Price Retirement Plan Services, Inc., 6/30/2015 (defined contribution plans on OMNI recordkeeping platform).

# Financial Wellness Needs Span a Broad Spectrum



## ADVANCED

- Trust & Estate
- Income Planning



## INTERMEDIATE

- Long term savings needs
- Investing



## FOUNDATIONAL

- Debt management
- Budgeting
- Emergency preparedness

# Do you currently offer a Financial Wellness solution to your employees?

1. Yes
2. Yes, and we are further enhancing
3. No, but we are considering adding
4. No, we are not considering at this time

# For those offering or considering a financial wellness program, what's the most significant benefit?

1. Improving retirement outcomes
2. Decreasing employee time spent addressing financial issues
3. Aiding in employee attraction and retention efforts
4. Improving employee satisfaction
5. Other

# For those not adding a financial wellness program at this time, why not?

1. Not currently a top priority
2. Don't think it will make a difference to employee behavior
3. Don't see it as the employer's responsibility
4. Can't afford it
5. Other

# SmartDollar Serves as a Complement to the Participant Experience

A step-by-step approach to handling personal finances and building a smarter future.



smartdollar

**Highly engaging** materials

**Attention-grabbing** topics

**Integrated** into the participant experience

**Proven** to change behavior\*

Source: SmartDollar, 2015. The average person pays off \$5,300 in debt and saves \$2,700 in the first 90 days of the program.

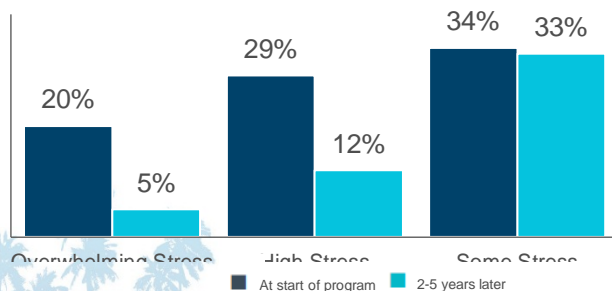


# SmartDollar Experience Demonstrates the Ability to Effect Change

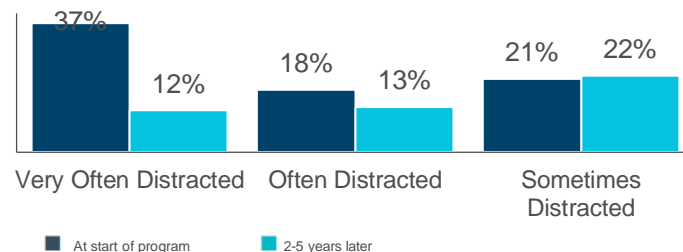
## IMPROVED EMOTIONAL OUTLOOK



## FINANCIAL STRESS



## FINANCIAL DISTRACTIONS AT WORK



## RETIREMENT PREPAREDNESS

# 39%

Program participants who are saving 15% of their salary for retirement after 2 years in the program

Source: SmartDollar, 2015.

# Embracing the Path to Financial Wellness

**Tina L. Stamato,**

Senior Manager Pfizer Savings Plans

Pfizer



# Pfizer Life Stages Program

“Meeting the Colleague Where They Are Today...”

## Overview:

- Launched Jan. 1, 2012, in partnership with Fidelity Investments
- A multi-media, targeted communication program
- Reinforces Pfizer's commitment to providing the tools, resources and support
- Designed to:
  - Help colleagues **meet their retirement savings goals**; and
  - **Maximize their benefits**

## Identifying Personal Financial Goals

- Budgets
- Debt management
- Benefits utilization
- Multiple savings goals
- Tax strategies and insurance planning



## Saving for the Future

- Maximizing savings
- Investment support
- Monitoring progress
- Exploring other options: catch-up, Roth, conversions, IRAs, etc.



## Preparing for Retirement

- Calculating retirement benefits
- Income planning
- Broader wealth planning and transition support



# Pfizer – Who We Are

- Average age: 46
- Average tenure: 11 years
- Approximately 55% of Career Pfizer Colleagues are “On-Track” for Retirement\*
- 96% participate in 401(k)
- 89% “maximize the match”
- 10.5% Average Deferral Rate
- 12% have elected Roth 401(k)
- 85% have “spillover”



*I'm saving for retirement, but what about my other financial goals?*

*\*Measured as replacing 85% of pre-retirement income at age 65;  
Career Colleague defined as >25 Years of Service at Retirement*

# Evolution of Life Stages

## 2012 (Launch)

- Rolled out a custom Life Stages program guide
- Mailed individual Savings Plan “Scorecards”
- Launched PSP Modeling Tool and Retiree Medical Modeling Tool



## 2013

- Introduced two custom workshops
- Initiated 1-1 financial planning sessions at key locations
- Updated and expanded custom Life Stages program guide



## 2014

- Expanded to four custom workshops
- Expanded 1:1 financial planning sessions
- Refreshed Retiree Medical Modeling Tool
- Expanded Life Stages to support Health & Insurance Annual Enrollment



## 2015

- Expanded to eight custom workshops across different financial wellness topics, with focused messages for key populations (Nonqualified Plan Eligible, Women Investors, Puerto Rico, etc.)  
→ *Delivered 22 Seminar Days and 30 Webinars*
- Launched Total Rewards Statement to show colleagues the full value of their Pfizer compensation and benefit programs  
→ *Over 10,000 unique users in first four months*
- Leveraged Life Stages Campaign to outline enhancements to the Pfizer Savings Plan and educate colleagues regarding required actions
- Continued emphasis on 1-1 guidance on-site and via phone  
→ *165 on-site 1-1 days, and 7,500 calls*
- Introduced additional communications and Tip Sheets to guide Pfizer colleagues as they plan

# Where We're Headed in 2016

- Roll out new Financial Planning & Guidance Site
- Leverage Life Stages to support onboarding of acquired organizations
- Prepare colleagues for upcoming Pension Plan Freeze / Retirement Savings Contributions
- Develop Estate and Tax Planning materials
- Support broader Pfizer initiatives



# Workplace Guidance Offerings 2012-2015

	2012	2013	2014	2015
Over-the-phone Consultations	4,700	5,600	7,500	7,500
On-site Seminars	0	17	33	22
Webinars	6	14	30	18
1-1 Support Days	20	80	130	165

# Embracing the Path to Financial Wellness

**Dina Pon**

Assistant Vice President of HR  
GEICO



# GEICO Wellness Strategy



## Vision

- Inspiring associates and their families to live healthier and wiser

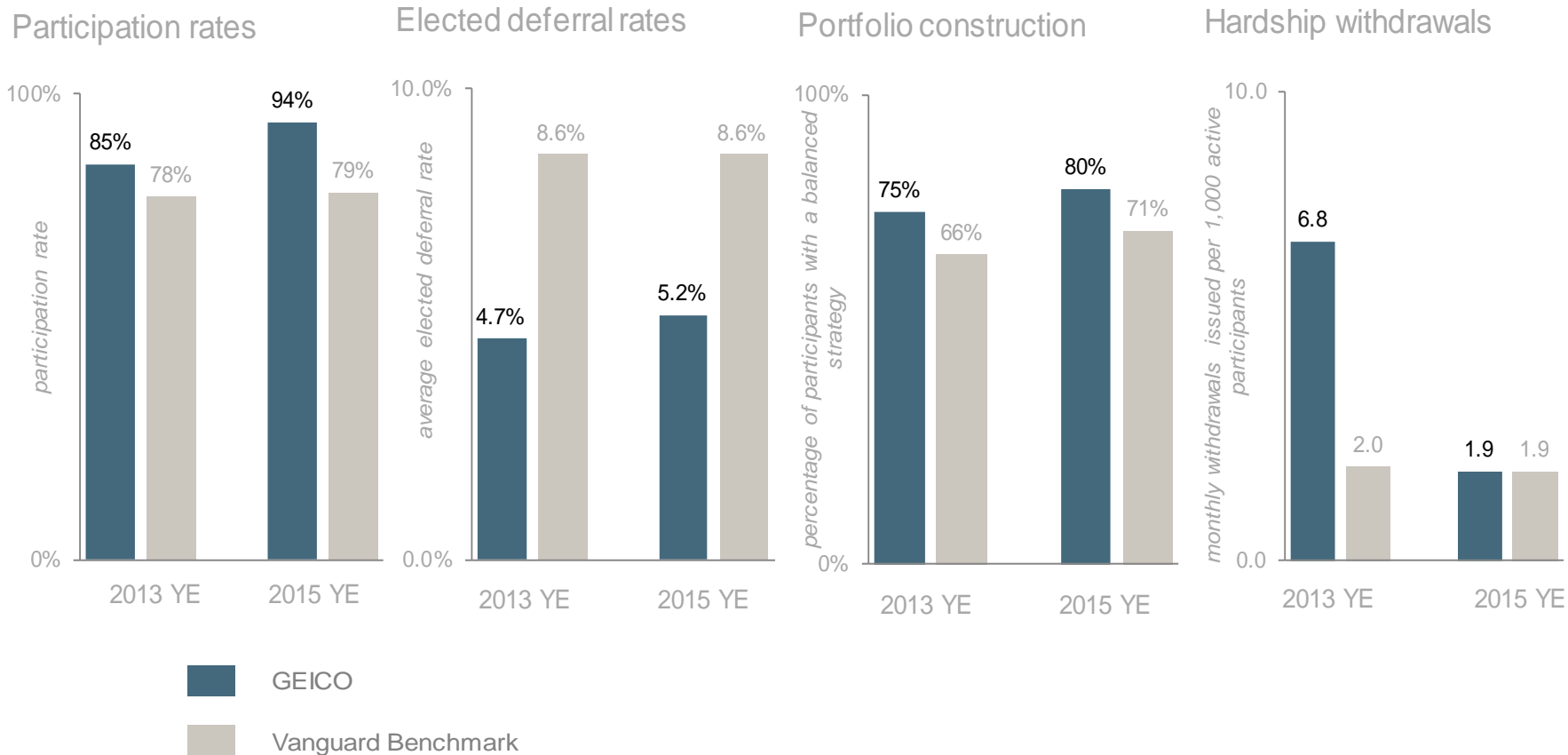
## Mission

- GEICO strives to support our associates and their families in achieving their physical, emotional, and financial goals by empowering them to optimize their well-being

## Goal

- Improve participation and engagement

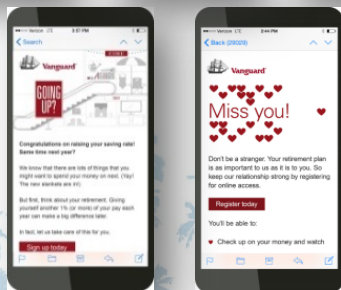
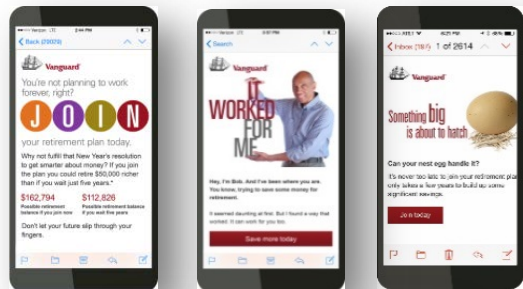
# Profit Sharing Plan Key Metrics



# Current: behavior-based campaigns, online nudges & education

## Behavior-based campaigns

Targeted, relevant emails delivered on a monthly basis leveraging a test and learn strategy.



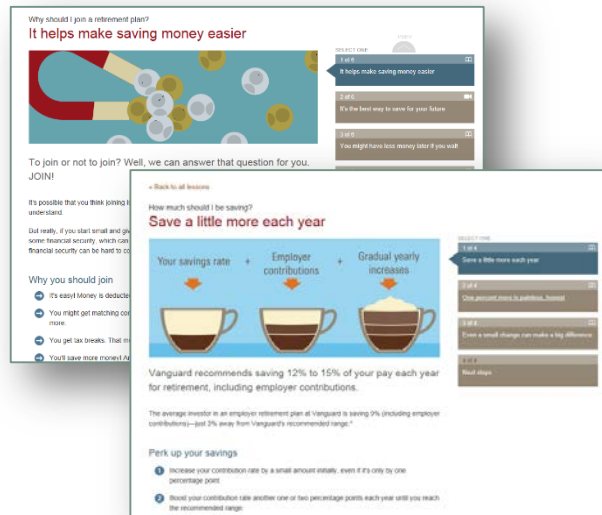
## Recommended savings rate nudge

A personalized online experience that makes it easy to take positive action.






## Online education lessons

Initial suite of 11 lessons include topics ranging from why join your plan to how much to save.

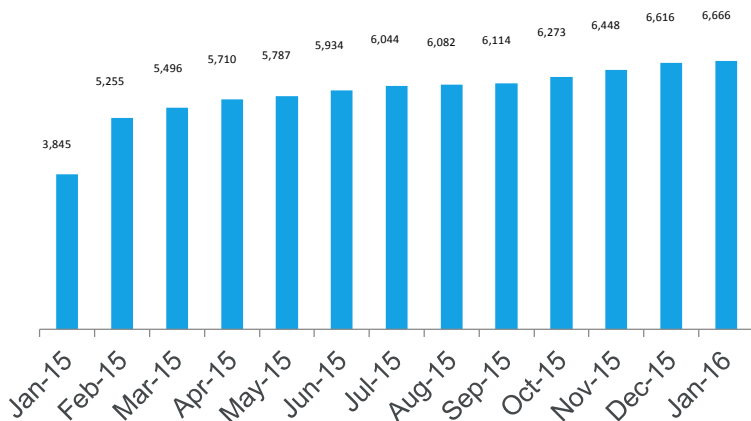


# Future: data driven, targeted solutions

<b>Education Meetings and Webinars</b>	<b>Financial Freedom</b> 	<b>Create your plan</b> 	<b>Get on track</b> 
<b>Lesson</b>	Helps employees better balance their financial picture	Explores the two keys to a comfortable retirement—saving sufficiently and investing wisely.	Answers the question, “Am I on track for retirement?”
<b>Audience</b>	Employees who need a basic financial wellness primer; low savers.	Established participants with > 20 years until retirement	Participants nearing retirement (10 – 20 years out).
<b>Call to action</b>	Set up an emergency fund; raise retirement plan contribution.	Raise retirement plan contribution; improve portfolio construction.	Model retirement income; obtain a Social Security estimate.

# HelloWallet Targeted Strategy

## Cumulative Adoption Rates



"I have fallen in love with the HelloWallet service! I'm not sure where to begin here, I just love having all of my finances reviewable in one place. Checking, savings, loans, credit cards, mortgage, and even my 401k and in one application."

-Jason G.

## The Goals

1. Identify and target the most effective marketing channels
2. Match HelloWallet's average email and conversion rates
3. Achieve 100% fulfillment of the 4,800 HelloWallet licenses purchased
4. Utilize testimonials for future promotional strategies at the organization

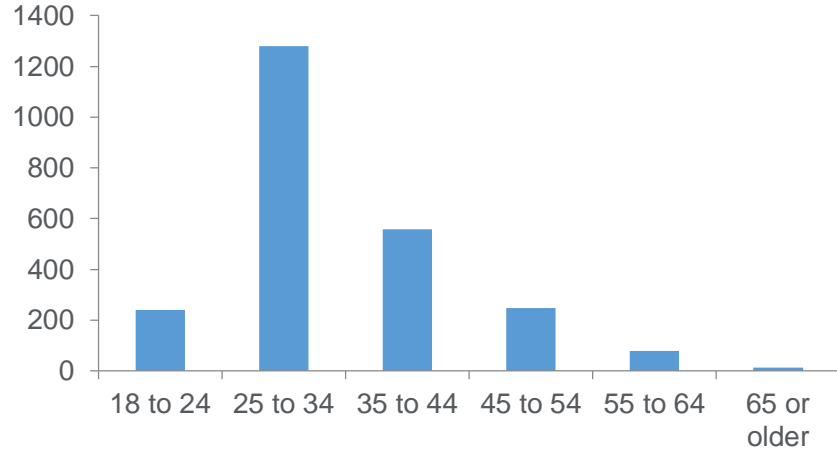
## The Rollout Strategy

Multi-channel communications approach including:

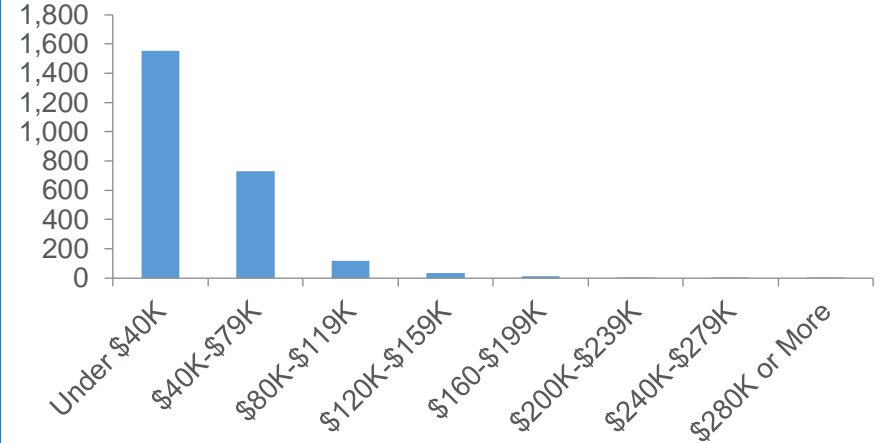
- Comprised of 3-emails series
- Emails optimized based on behavioral tactics such as day of week sent, sender and additional variables in employee responses to email communications, including demographic factors such as gender.
- Live webinars
- Onsite events
- Print and digital collaterals
- Social media
- Internal intranet articles

# Utilization Levels for HelloWallet

## Member Age Distribution



## Member Income Distribution



GEICO						Average HelloWallet B2B Members					
Active Last 30 Days	Active Last 60 Days	Active Last 90 Days	% 1+ Linked Accounts	% 1+ Budget Items	% On The Guidance Roadmap	Active Last 30 Days	Active Last 60 Days	Active Last 90 Days	% 1+ Linked Accounts	% 1+ Budget Items	% On The Guidance Roadmap
22%	29%	35%	63%	40%	7%	14%	19%	22%	40%	32%	7%

"Active" means that members have logged in or opened an email in the past 30, 60 or 90 days, so as long as their last engagement didn't occur on their registration date.

# Improved Financial Wellness

Our HelloWallet Members are...



**\$500 Increase in  
Median Savings**



**\$2,390 Decrease  
in Median Debt**



Better prepared for emergencies after just 6 of use.

Decreasing debt balances after just 6 months of use.



**5.5% increase in  
HelloWallet's  
Wellness Score**



**8.4% increase in  
HelloWallet's  
Wellness Score**



Improving overall financial wellness after 6 months of use.

Improving overall financial wellness after 12 months of use.

# Embracing the Path to Financial Wellness

**Rich Linton**

President of Large Market and Retail Wealth Management  
Voya Financial



# On Retirement

- Every American worker should have the tools and information to build a secure retirement
  - Regardless of income, age, or life stage
- We can achieve sponsor business goals and educate and inspire employees to create a real impact on income in retirement
- This work is our mission and privilege



# What drives our mission

Today's accumulation



**Tomorrow's outcome**

Teaching and preaching



**Learning through behavior**

Retirement: Only focus



**Holistic financial planning**

Transactions



**Actions**

Lifeless plan data



**Plan health, insights and actions**

Deceptive "big number"

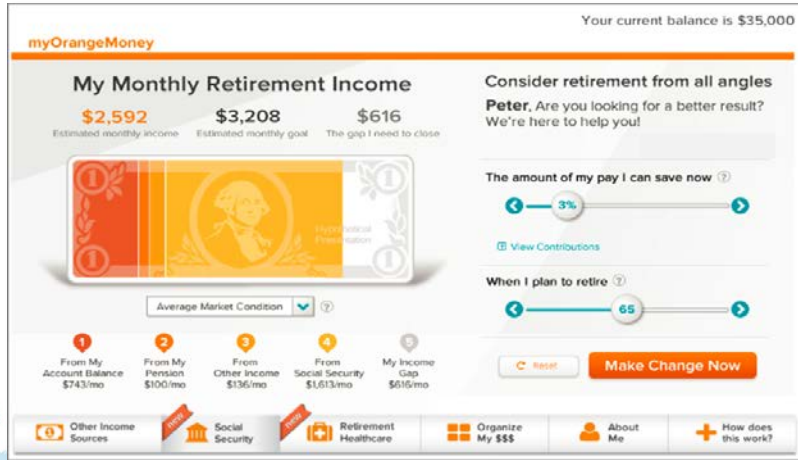


**Actual monthly income**

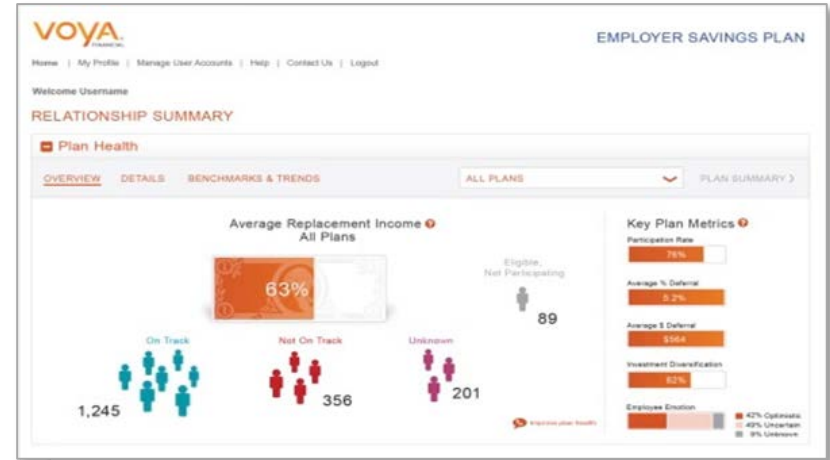
# Reframing the conversation

## Retirement income is at the core

### Participant experience

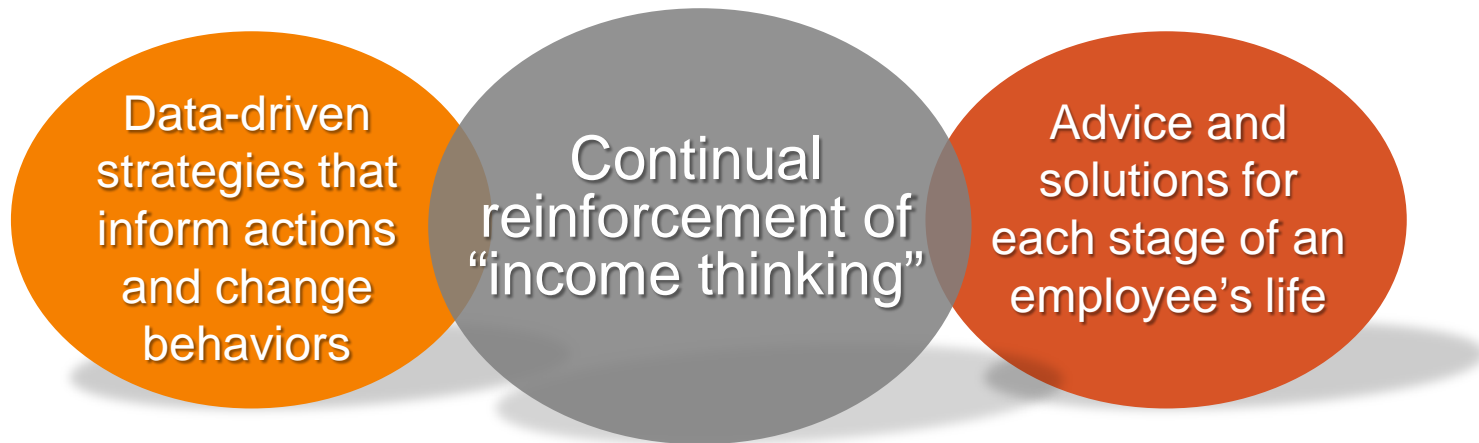


### Sponsor experience



# The employee journey

Distinct experience for employees



**Drive actions that produce positive results**

# Matt's journey



## Disengaged with knowledge gap



## Engaged and informed

### Employee Profile: Matt

Age: 28

Customer support specialist

Single

Household income: \$35,000



**20%**  
Spend some time  
thinking about  
retirement



**26%**  
Spend NO time  
thinking about  
retirement

**45%**



Average consumer debt **\$5,448**

**52%**



Average student debt **\$37,100**

# Alexandra's journey



*Saver but anxious about getting it right*



*Investor with an organized strategy*

## Employee Profile: Alexandra

Age: 42  
Business analyst  
3 children  
Household income: \$165,000



27%

Have a formal retirement investment plan



41%

Have calculated how much they'll need to retire

**Married workers**

saved 48% more than  
singles for retirement.



# George's journey



## Single lens view with key concerns



## Holistic plan and confidence

### Employee Profile: George

Age: 65

Eligible to retire

Married

Household income: \$58,000



**75%** I welcome any help managing my life that my employer offers

**34%** spend five or more hours, each week, at work, preoccupied with personal finances.

# Help employees engage and take action

***Be Ready*** for their financial future:

- **Messaged** + 61%
- **Participated** +144%
- **Used advice/planning services** +147%
- **Took positive actions** + 48%
- **Increased contribution rate/amount** +42%
- **Increased catch-up rate/amount** +92%
- **Changed asset allocation** +62%

40%  
Participate

38%  
Accept

Avg. 1  
action taken  
for every 3  
messed

Source: Voya® myOrangeMoney® DataMart, Large Corporate Market, July 1, 2014 – June 30, 2015.



# Embracing the Path to Financial Wellness

**Michael Domingos**

Vice President, National Corporate Strategy & Distribution  
Prudential Retirement



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