

The Rise of Digital Financial Wellness

Meeting employees' needs with data and personalization



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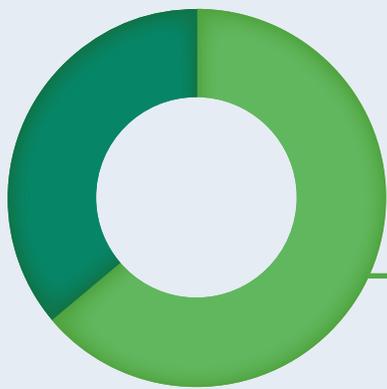
In an increasingly digital world, financial wellness benefits need to evolve without losing the personalization, employee-specific support and human interaction that makes them impactful.

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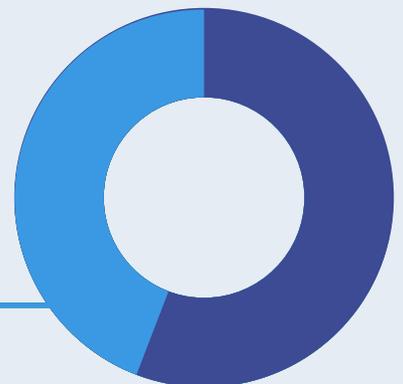
The impact of the coronavirus pandemic on Americans' financial wellness

Even before the coronavirus pandemic, for many, “personal finance” was synonymous with “stress.” The economic and social volatility of the COVID-19 pandemic exacerbated this issue—to the point where it has become impossible to ignore.



64% of American adults say money is one of their biggest stressors¹

44% of employees are distracted in their workplace because they are worried about personal finances²



In response to the pandemic:

67%

of Americans have had to push back their intended retirement dates³

50%

of Americans report having less than \$600 in savings⁴

46 million

Americans used all their emergency savings⁵

70%

of U.S. adults say they are about the same or worse off financially now than they were a year ago⁶

¹ Stress in America 2020 Survey, American Psychological Association

² 2020 Workplace Wellness Survey, December 2020

³ Retirement Insecurity 2021, Nation Institute on Retirement Security

⁴ "Survey Uncovers the Pandemic's Staggering Effects on Americans' Financial Well-Being", GOBankingRates

⁵ "Here's how the pandemic has upended the financial lives of average Americans", CNBC & Acorn survey

⁶ "A Year Into the Pandemic, Long-Term Financial Impact Weighs Heavily on Many Americans", Pew Research Center

Common personal finance struggles

While each individual's financial situation is unique, many are dealing with some of the same issues resulting from the economic upheaval of the coronavirus pandemic.

Keeping up with (and filtering) personal finance current events

The ability to parse out which events impact an individual's personal financial situation has become a major concern, especially with the multitude of legislative proposals making headlines. Employees don't want to miss out on an opportunity, but they may not fully understand the impact to their personal situation.

Through Ayco's work with 1 million+ employees across Corporate America, we've distilled the most common issues workers are facing when it comes to their finances.

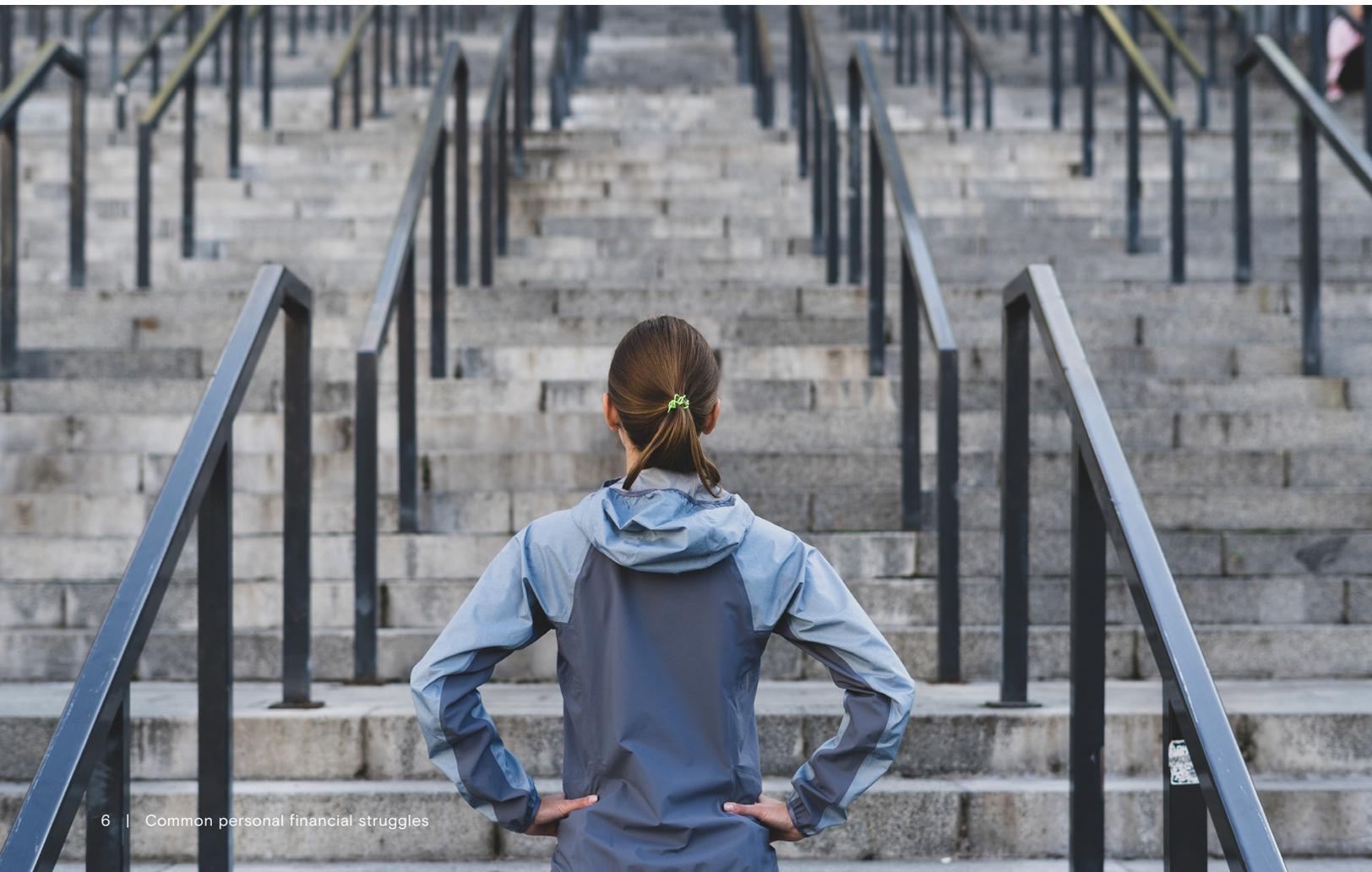


The most common issues our financial coaches help employees address include:

- CARES Act's provisions and increased access to 401(k) funds
- The low interest rate environment and refinancing
- High real estate values and whether it makes sense to sell
- Whether to continue making student loan payments while interest is at 0% or to use those funds for other financial goals
- Investing concerns in light of recent market volatility
- Weighing the considerations of ESG investing
- Spousal IRAs, especially where a spouse became unemployed as a result of the pandemic
- Meeting savings goals, including retirement

“I don't know what to do”

The root cause of many employees' concerns is a lack of direction. Most know where they want to be financially but don't know how to get there. Or, for those trying to rebuild after an incredibly tumultuous year, they aren't sure where to even start.



Key trends shaping financial wellness solutions

The current economic environment has made it clear to most employees that they need to focus on their finances. In the past, many avoided financial conversations because they were stressful, but this simply isn't an option in the current environment. Company-sponsored financial wellness benefits can help ease this tension, but only if they take into account the needs of American employees.

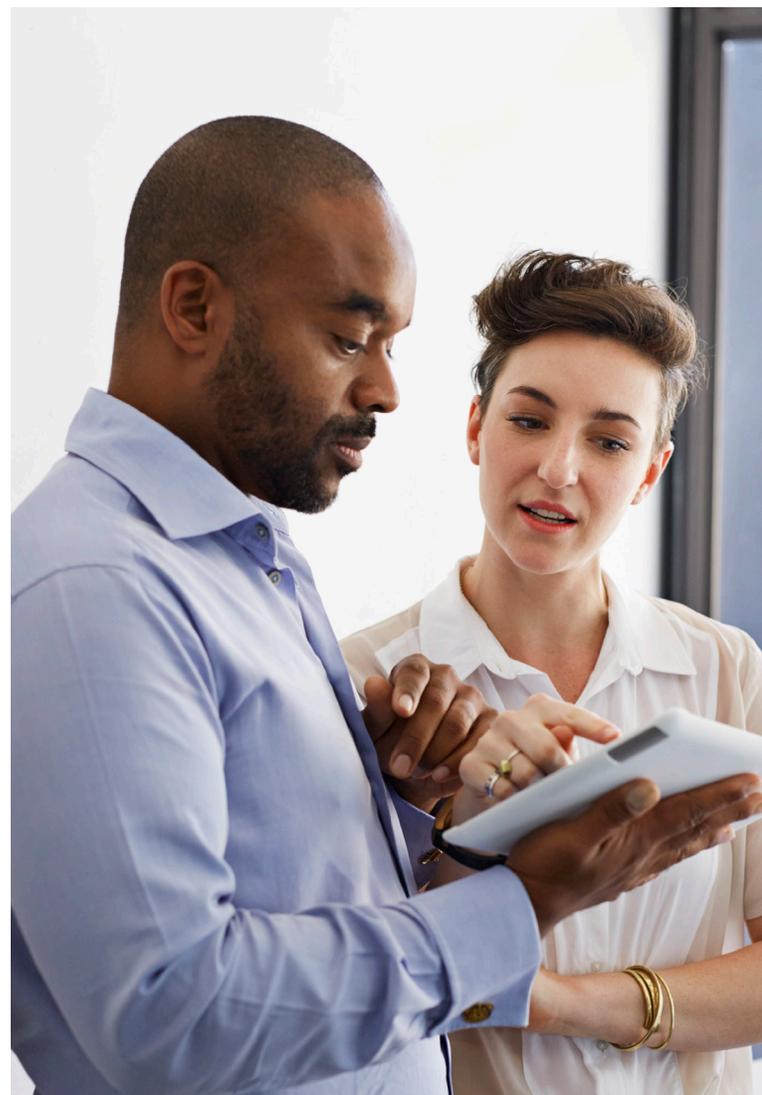
The American workforce is diverse—in race, ethnicity, gender, age, location, education and economic standing. A financial wellness benefit needs to recognize and cater to these differences. Such a benefit should be comprehensive, multichannel and personalized.

It should also:

Provide clear, actionable next steps. A financial wellness benefit should not feel like more work for employees. It should be interactive and intuitive, allowing employees to access the information they need to make progress quickly and easily.

Meet employees where they are. Employees often access financial resources at home, after work. The solutions employers offer need to be available on mobile and desktop at times convenient to employees' busy lives.

Balance digital tools with human interaction. Most solutions give employees tools to address their financial needs—but money decisions are inherently emotional and digital tools can only



do so much to reduce financial stress. The personalized conversations and empathy that human interaction provides help employees fully understand complex topics and create lasting change in financial wellness outcomes above and beyond what a digital-only solution can offer.

Create opportunities for small wins. Breaking action items down into manageable, bite-size steps helps keep employees motivated and provides a sense of self-satisfaction and accomplishment.

Take a data-driven approach. On both the digital and human side, providers need to be able to surface the common problems and concerns employees are facing—and, conversely, where employees need less help. A data-driven approach allows providers to target communications in a way that will be most impactful for specific employees and the workforce at large.

Make progress measurable. To stay engaged, employees need to be able to see how they're progressing. Many providers use a scoring model that increases as employees make progress.

Integrate solutions within the digital experience. When an employee is addressing their concerns around retirement savings, additional resources and solutions, like those from their 401(k) provider, should be seamlessly accessible from the financial wellness platform.



Spotlight: Leveraging data

Keeping employees engaged

Each individual's financial situation is unique—but there are common tactics a financial wellness benefit provider can employ to help the entire workforce achieve their diverse goals. By leveraging data to its fullest extent, providers can craft messaging that is targeted, action-oriented and specific for broader groups—without losing the feeling that the communication is personal.

Data can also pinpoint the major issues employee populations are facing and help direct targeted, multichannel campaigns. Creating cohesive messaging that carries through email, the digital platform, coaches and group education, allows employees to engage with the format they are most comfortable with, while reinforcing key information.

How employers benefit

Better understand where employees are. The data from financial wellness solutions give employers key insight into sentiment and overall financial wellness, which can be leveraged when evolving benefits and evaluating other initiatives.

Create more impactful messaging and increase employee engagement. Targeted messaging ensures employees receive the information they need when they need it. Surfacing relevant resources when an employee is looking to make progress in a certain area makes it more likely they will take action.

Help inform and drive utilization of company benefits. Employers can leverage data insights to zero in on employee pain points, identify benefit gaps and inform their employee wellness strategy. For example, if 70% of employees at a company say they don't have enough life insurance and the company offers a life insurance benefit that is being underutilized, a targeted campaign can be developed to highlight the offering available to employees. If employees routinely comment on the lack of a certain type of benefit, the company can consider adopting a new offering to fill the gap.

Improve employee sentiment toward the company. When employees feel like their lives have been improved by a company-sponsored benefit, those employees are more likely to think positively about their employer, potentially increasing retention.

The benefit of combining digital solutions and human interaction

Even the best digital solution can't replace the comfort and anxiety-reduction that comes from speaking to an experienced financial professional. Personal finances are innately human and intimate. A truly comprehensive financial wellness benefit pairs digital and human support in a seamless solution to provide employees with the knowledge, resources and confidence they need to take control of their finances.

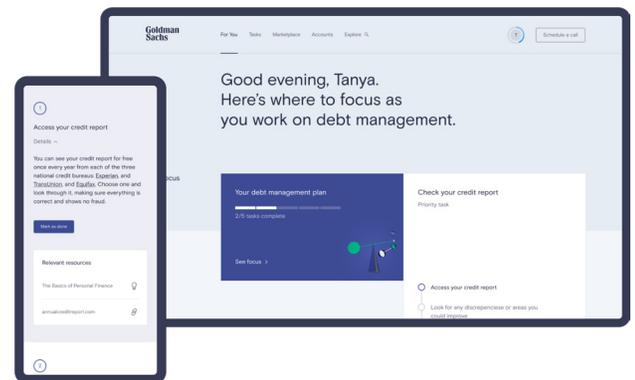
- **Ease and scale of accessibility.** A digital solution offers expanded reach and makes it possible to interact regularly with a large population of employees. As employees make progress on their financial journeys, they can connect live with a coach as needed to build confidence and answer their questions.
- **More effective conversations.** Often, the work an employee does on their own via the digital platform helps ground the conversation, both for the employee and the financial coach. The coach can prepare for a scheduled call by reviewing the actions an employee has already taken and their goals. The employee can get a better sense of what they want to achieve during the call and feel more comfortable going into it.
- **Visual aid during call.** During a meeting, the coach and employee can review the employee's progress and action items together, leading to a more impactful and personal conversation.
- **Individual accountability.** When employees know their coach can see their progress, it increases accountability and helps them stay motivated to take the actions discussed on the last call before the next one.

Evolving Ayco's Financial Wellness benefit

Based on the trends we've seen in the industry, our 50 years of experience in personal finance and feedback directly from our corporate clients and their employees, the newest iteration of Ayco's digital platform includes a number of enhancements and new features. Each improvement was implemented with the goal of providing a simplified and more impactful experience for employees on their journeys to financial wellness.

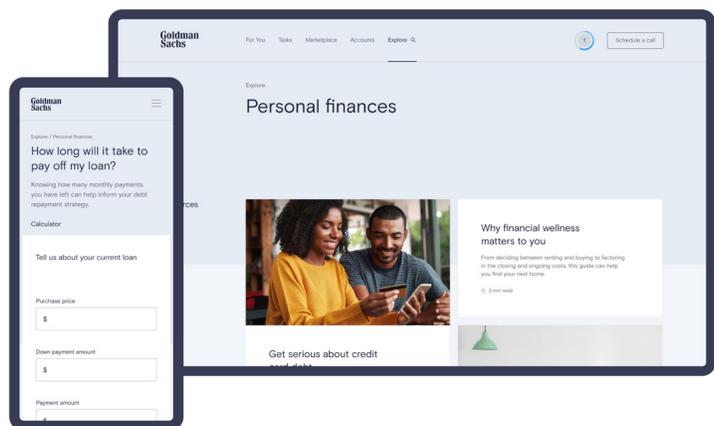
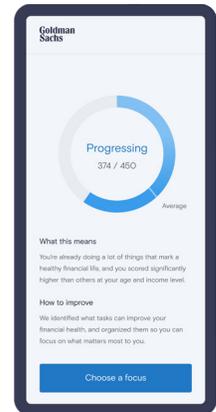
Making financial wellness more inviting for employees

- **Engaging design and language.** Ayco's platform was specifically design to encourage employees to start their financial wellness journey and keep coming back again and again to progress forward.
- **Updated interface.** The modernized and simplified look and feel help quell feelings of anxiety that are often associated with personal finance.
- **Streamlined registration flow.** We've simplified and shortened the registration process, getting employees into the platform right away.
- **Warm onboarding and greetings.** Employees' personal accounts inform targeted messages that highlight their individual financial priorities and goals.
- **Self-directed experience.** We've developed focus areas on the digital platform, allowing employees to earmark action paths that align with their most pressing goals.
- **Enhanced resources.** We evolved the rich content employees utilize the most and integrated it directly into the platform—making it more conversational and accessible to all employees, no matter their level of experience or comfort with financial topics.



Keeping employees engaged over time

- **Financial Wellness Score.** As employees complete actions, their score increases, providing a series of small wins that correlates to their improved financial wellness.
- **Easy user-experience.** Employees are able to click through the assessment and their tasks on a desktop or on mobile easily. Actions can be taken in as little as five minutes and can be paused and continued at the employee's convenience.
- **Financial focus areas.** Focus areas allow employees to embark on a completely personalized journey. Employees can pick the action items they want to tackle. This increased flexibility helps them feel a sense of control and keeps them motivated by focusing on the priorities they have at any given time.
- **Short- and long-term improvement.** We don't just help employees put out fires when financial issues arise. When an employee calls a coach, we first triage the most pressing issues. Once those are dealt with, we help the employee move toward a more comprehensive approach, taking their whole financial picture into account and building lasting financial wellness.
- **Timely, specific communications.** We enhanced our engagement strategies, including direct, targeted communication to employees covering the topics they're focused on to drive action.
- **Interplay between human and digital experience.** The ability to schedule an appointment is integrated directly within the platform. When speaking with a coach, the digital interface encourages deeper conversations by allowing employees and coaches to better prepare in advance and review progress during the call.
- **Targeted digital audience.** As employees work through their action items, the platform provides them with suggested resources to help. These resources are related to the steps the employee needs to take to achieve their financial goals. These resources can help employees if they feel stuck or aren't sure what to do next.



At Ayco, we believe companies best serve their stakeholders when their employees' financial lives are clear, understood and in their control.

How we work with you

For corporations: Ayco serves as an extension of our clients' human resource and benefits teams to drive utilization of organizational programs and achieve company goals through our industry-leading financial wellness benefits. Our service includes analysis of metrics and feedback to provide a deeper understanding of employee populations.

For employees: Ayco offers comprehensive financial planning services tailored to each stage of a career cycle—from entry-level to C-suite. Our unique approach combines benefits and compensation planning with streamlined digital solutions to provide a path to financial well-being for everyone at an organization.

How your company benefits

A comprehensive financial planning program can positively impact corporate ROI through:

- Increased employee focus and engagement
- Better understanding and usage of benefit programs
- Reduction of reputational and regulatory risk

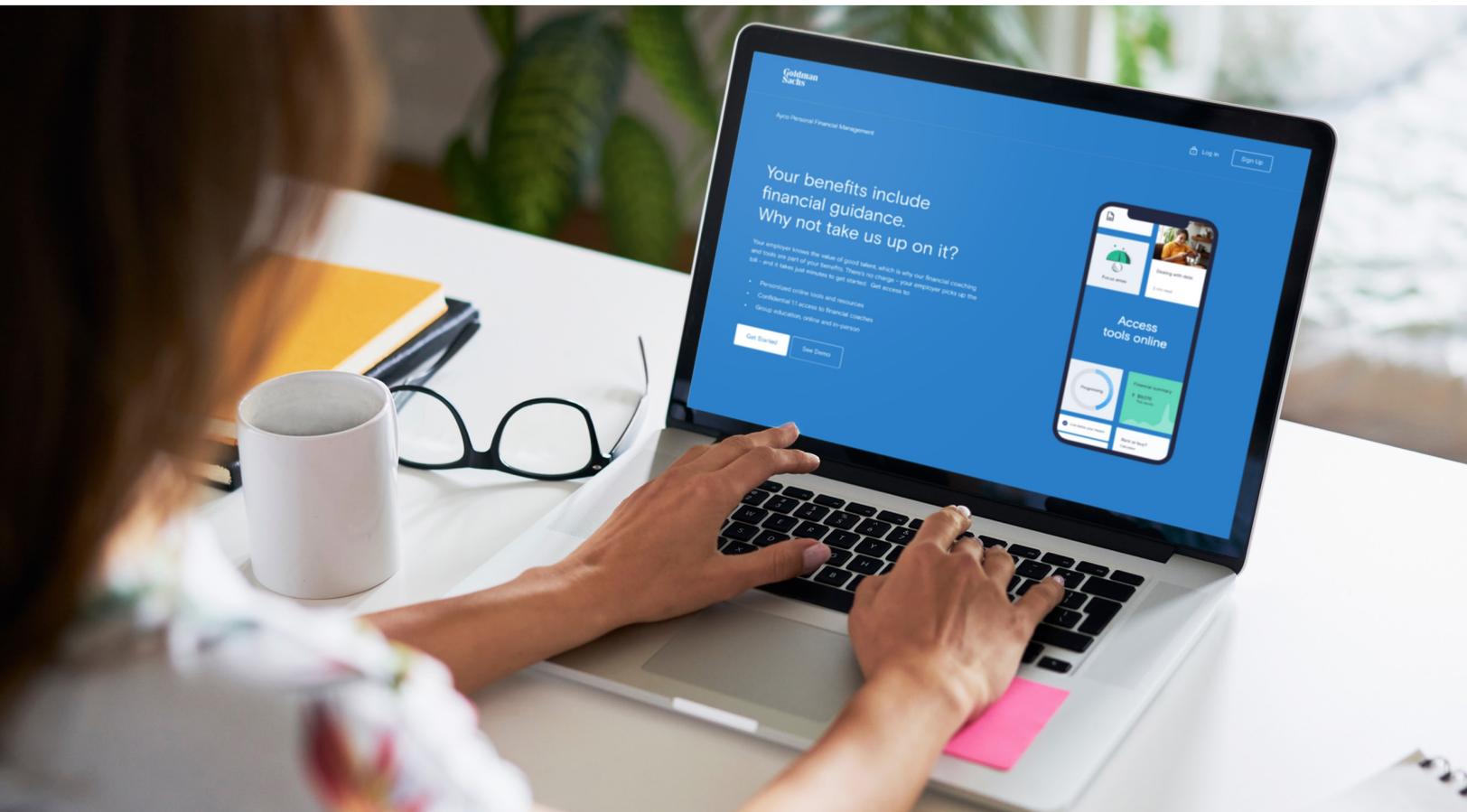
We help create a more productive, financially well and engaged workforce at all levels.

Key highlights

- Over 470 corporate programs*
- Work with over 50 of the Fortune 100†
- Advise over 13k executives‡
- 90k+ phone coaching sessions§

For more on this topic, watch our on-demand webinar [The Rise of Digital Financial Wellness](#).

To request a demo of the new digital platform, [contact us](#).



* As of May 2021.

† As of May 2021. Includes corporate accounts who have Financial Wellness/Executive Financial Management programs.

‡ As of February 2019

§ Data from 2018

Disclosures

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Date of Revision: June 2021 | 3733