



# August 2020 Engagement Study



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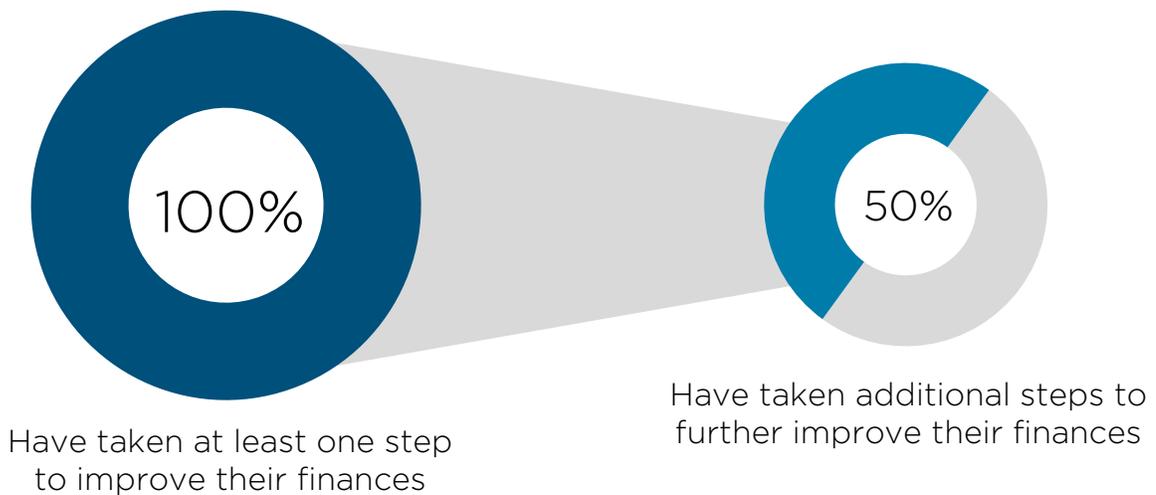
## Results from the Financial Wellness Program

To determine the effectiveness of the financial wellness program, Financial Finesse evaluated three key indicators:

One	Two	Three
Actions employees took to improve their finances within 30 days of participating in the financial wellness program.	Interaction types (i.e., online only, live financial coaching) to determine the best interaction platform for your program.	Improvements employees made to their finances over time based on repeat engagement with the financial wellness program.

## Significant Behavioral Change among Program Participants

Analysis of employee behavioral change: 30 days after participating in the Financial Wellness Program\*



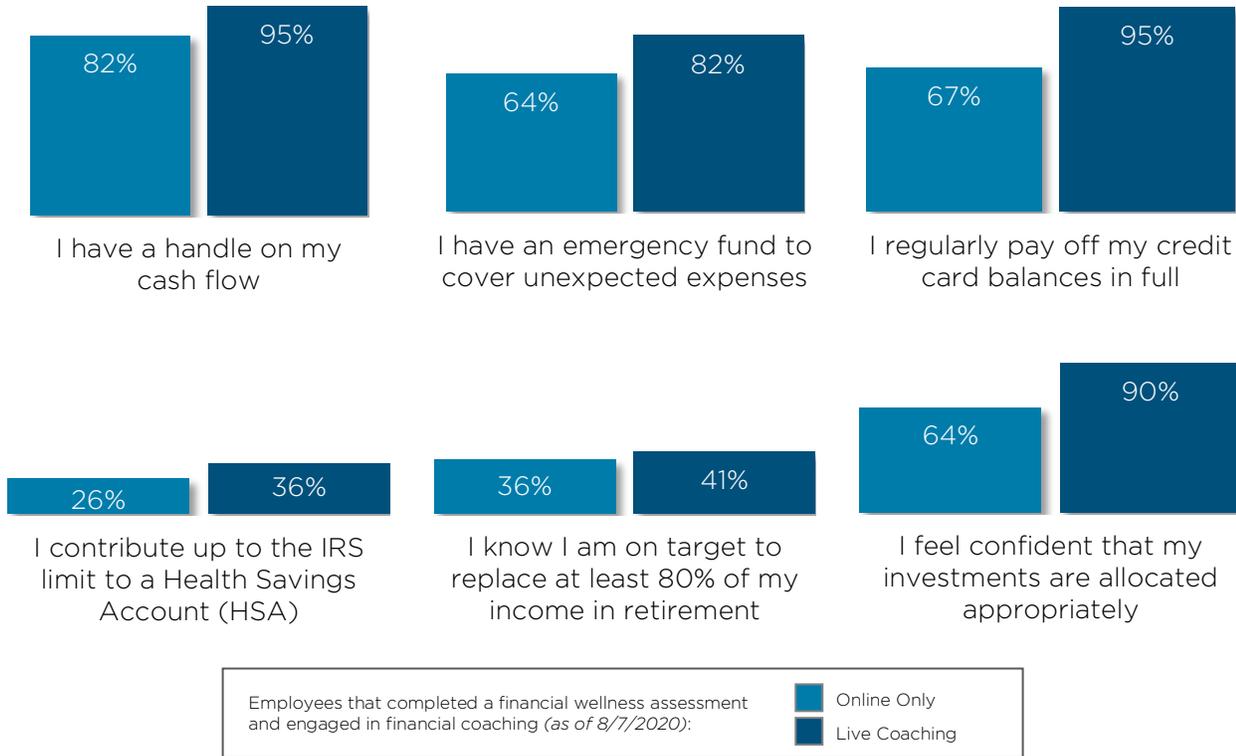
### Top Actions Taken

1. I've met with or agreed to work with a financial planner (36%)
2. I've reviewed the asset allocation in my retirement plan (29%)
3. I've used the calculators and/or worksheets sent to me by Financial Finesse (29%)
4. I've reduced my credit card debt (21%)
5. I've reviewed my insurance coverage (21%)

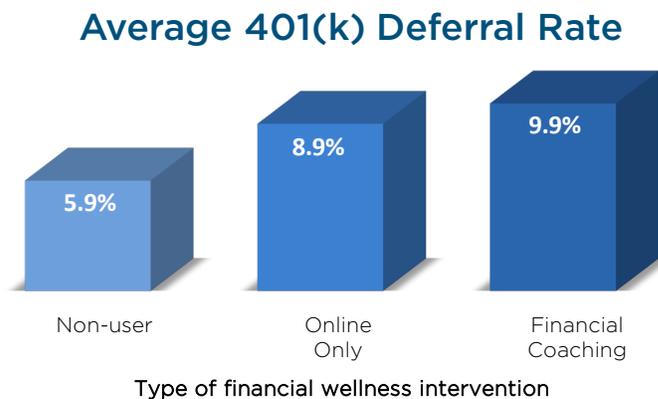
## How the Type of Engagement Affects Financial Behavior

Employees may access the financial wellness program through the online Financial Finesse Hub, and through live financial coaching via the Financial Coaching Line. We examined how these different methods of engagement affected employee behavior.

Using data gathered through the Financial Wellness Assessment (FWA) we compared the responses of participants that engaged a financial coach to those that only engaged online.



Participants that engage in financial coaching are more financially prepared than those who engage exclusively online. The chart below compares the average 401(k) contribution rate for non-users to the average contribution rates for employees that engaged in some type of financial wellness intervention.



## How the Type of Engagement Affects Financial Behavior: Loans and Withdrawals

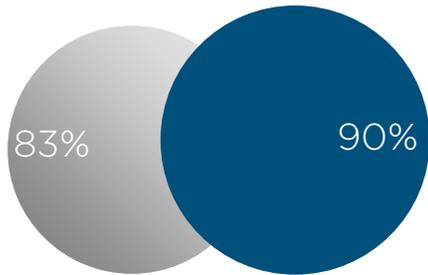
For 2020, we looked at 401(k) loan and coronavirus related distribution activity by level of engagement. Employees who engaged a financial coach were less likely to request a retirement plan loan and borrowed or distributed substantially less on average than those who did not engage a financial coach.



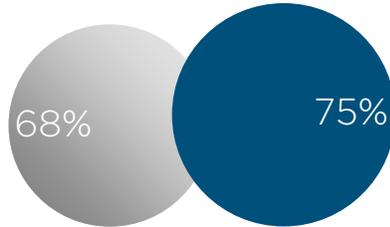
## Long-Term Impact of Providing a Financial Wellness Program

Analysis of improvements repeat users of the Financial Wellness Assessment made to their finances.

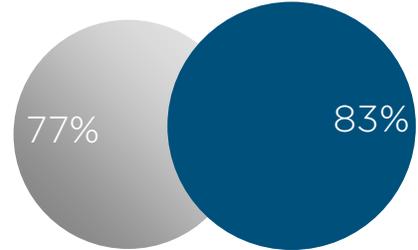
● Initial ● Most Recent



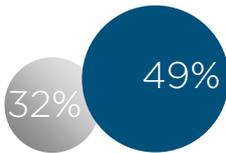
I have a handle on my cash flow and spend less than I make



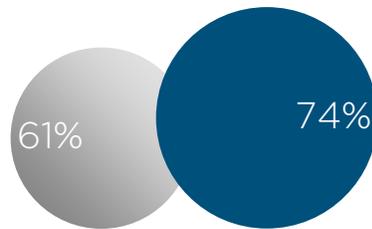
I have an emergency fund to cover unplanned expenses



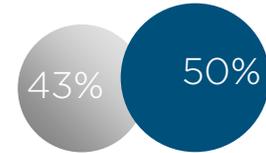
I am comfortable with the amount of debt I have



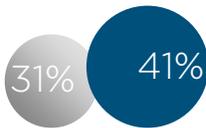
I know I am on track to reach my income replacement goal in retirement



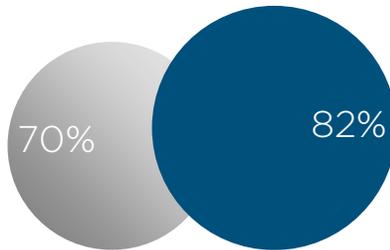
I feel confident that my investments are allocated appropriately



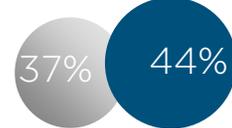
I have good general investment knowledge



I am on track to reach my college savings goal



I carry enough life insurance to replace my income



I have a basic estate plan that includes legal documents

This data shows the change in responses to financial wellness questions by participants that completed multiple Financial Wellness Assessments. Some of the most substantial improvement occurred in the areas of retirement and investment planning. This is significant because retirement and investment education have been traditionally offered through retirement plan providers, yet education alone has historically done little to change behavior. The results confirm the effectiveness of the company's long-term approach to financial wellness and will likely benefit the company by improving retirement preparedness and reducing costs associated with delayed retirement.

## About this Engagement Study

This engagement study was conducted by Financial Finesse on behalf of a large, midwestern building supply manufacturer and includes data through August 7<sup>th</sup>, 2020. The study looked at the level of engagement by the company's employees since inception of the financial wellness program and compares the financial and workforce behavior of employees that have had any level of engagement with the program to employees that have had no engagement with the program. The purpose of this study is to determine the effectiveness of the program by evaluating the degree of behavioral change based on the type of interaction. The results will help the company enhance their existing program through ongoing development of curriculum, and with integrating different service-delivery methods into a cohesive financial wellness benefit. All data contained in this study is the property of the company and Financial Finesse.

## About Financial Finesse

Financial Finesse was founded in 1999 with a single mission: To provide people with the information and guidance they need to become financially secure and independent. Today, Financial Finesse is the leading provider of unbiased financial education programs to corporations, municipalities, and credit unions. Financial Finesse delivers content on all financial topics, from serious debt issues to advanced estate planning, through a wide variety of formats (in person, online, over the phone, through workshops and webcasts, and through print materials). All education is developed and delivered by on-staff CERTIFIED FINANCIAL PLANNER™ professionals. Financial Finesse accepts less than two percent of applicants who apply to be a Resident Financial Planner with Financial Finesse. For more information on the company, please go to [www.financialfinesse.com](http://www.financialfinesse.com)