



2018 ROI STUDY

APRIL 2019



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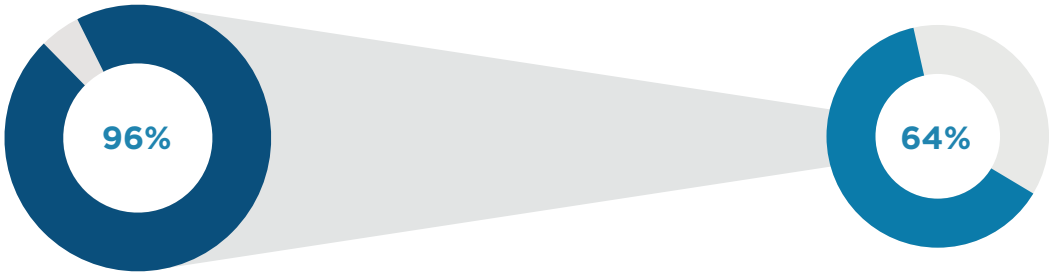
Results from the Aetna Financial Wellness Program

To determine the effectiveness of Aetna’s financial wellness program, Financial Finesse evaluated four key indicators:

One	Two	Three	Four
Actions employees took to improve their finances within 30 days of participating in the financial wellness program.	Improvements employees made to their finances over time with increased interactions with the financial wellness program.	Cost savings from the program based on observed contribution rates, garnishments, and participation in Flexible Spending and Health Savings Accounts, by users and non-users.	Interaction types (i.e., online only, live financial coaching only, online and live coaching) to determine the best interaction platform and to maximize employee incentives offered through the Wellness Works program.

Significant Behavioral Change among Program Participants

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



Have taken at least one step to improve their finances

Have taken additional steps to further improve their finances

Top Actions Taken

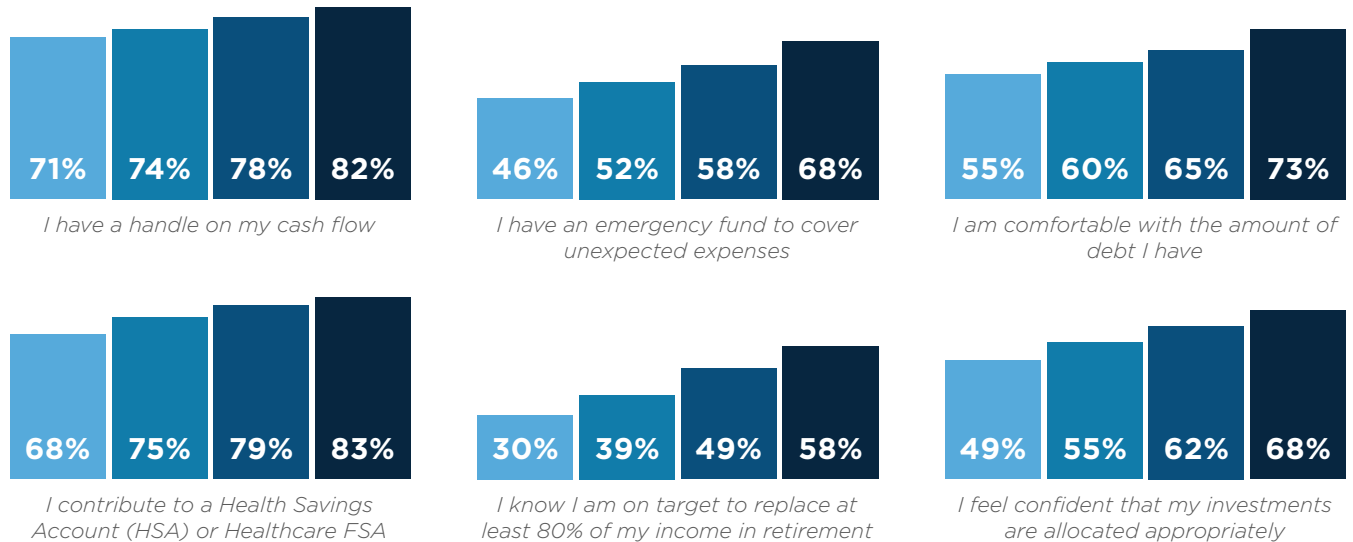
1. I’ve reduced my monthly expenses (37%)
2. I’ve reduced my credit card debt (36%)
3. I’ve increased contributions to my 401(k) (22%)
4. I’ve begun saving for my financial goals (22%)
5. I’ve reviewed the asset allocation in my retirement plan (21%)



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How the Level of Engagement Affects Financial Behavior

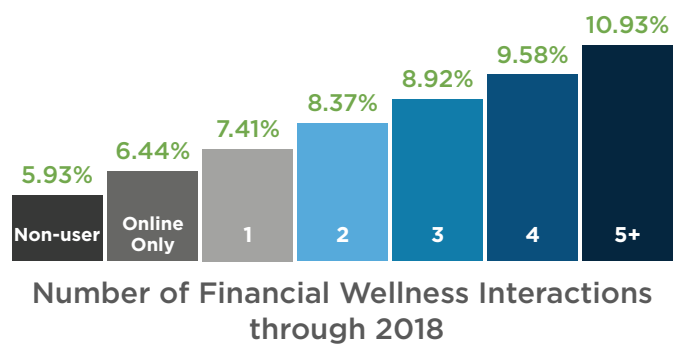
We analyzed the responses of employees that completed multiple Financial Wellness Assessments (FWA) and measured financial behavior based on answers from their latest FWA. The data was broken down by those completing only multiple FWAs (FWA only), multiple FWAs and having 1-2 live interactions (light users), 3-4 live interactions (medium users), and 5 or more live interactions (heavy users).



Employees that completed multiple assessments and the number of additional financial wellness interactions (as of 12/31/2018):

- FWA Only
- Light (1-2)
- Medium (3-4)
- Heavy (5+)

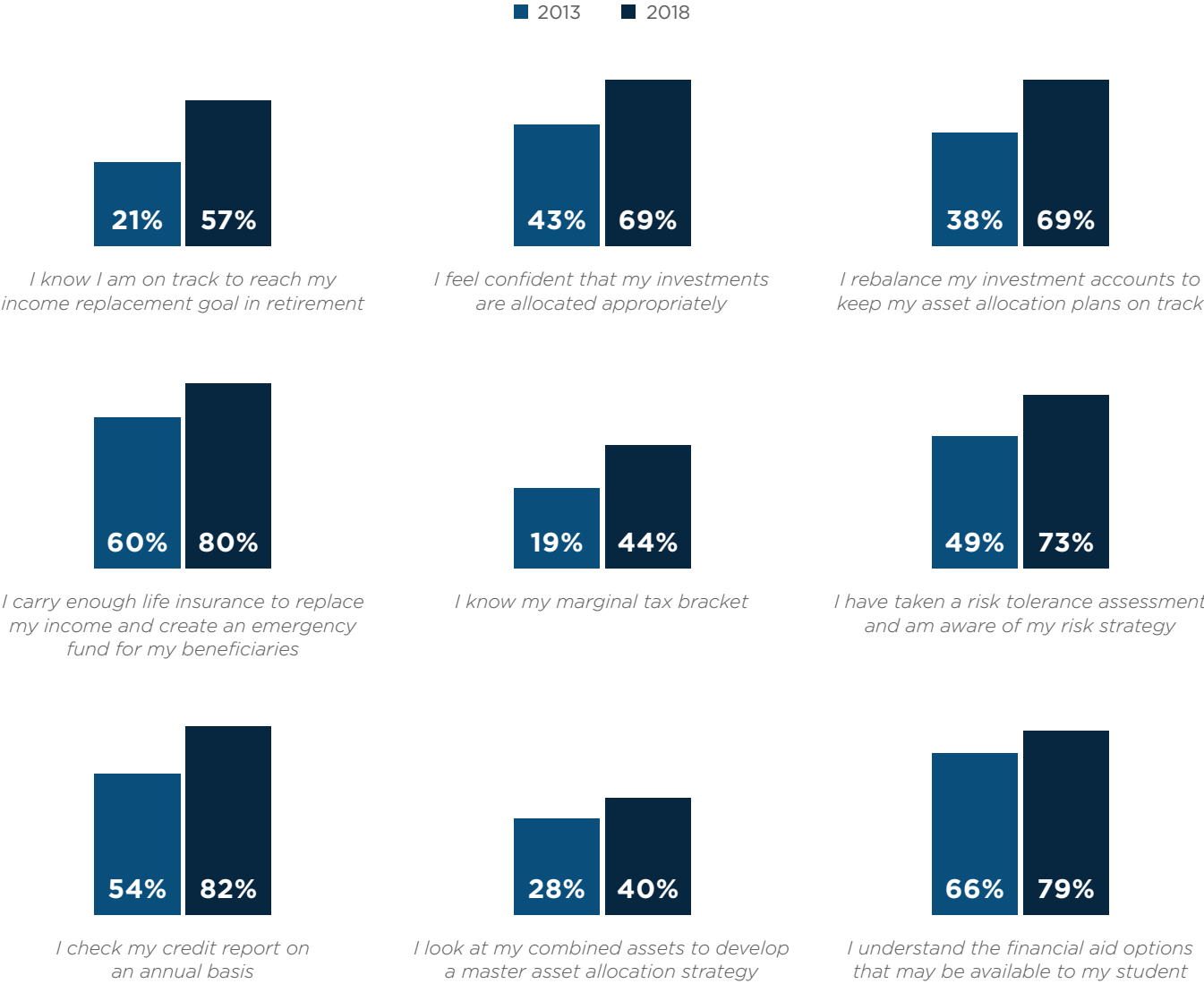
Per the data above, heavy users of the financial wellness benefit are considerably more prepared financially than those who use the program less frequently. The chart below compares the average 2018 401(k) contribution rate for non-users to the average contribution rates for employees that engaged in one or more financial wellness interactions through 2018.



Experts estimate that employees who delay retirement cost their employer \$10,000 – \$50,000 per year for every year they delay retirement beyond normal retirement age. This is due to higher health care costs and salaries for these employees versus younger colleagues who would take their place. This estimate does not include intangible costs related to performance, productivity, and employee engagement.

Long-Term Impact of Providing a Financial Wellness Program

Analysis of improvements repeat users of the Financial Wellness Assessment made to their finances from 2013 to 2018.



This data shows the change in responses to financial wellness questions by repeat users that completed a Financial Wellness Assessment in 2013, and again in 2018. 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 Aetna’s long-term approach to financial wellness and will likely benefit the company by improving retirement preparedness and reducing costs associated with delayed retirement.



Significant ROI for Users of the Financial Wellness Benefit: Reducing Delayed Retirements

We looked at 401(k) deferral rates to estimate the average age at which employees would be financially prepared to retire comfortably. We focused our attention on employees age 45 and above, comparing the average projected retirement age of users and nonusers of the financial wellness benefit. Any reduction in the average retirement age equates to a measurable ROI of reduced delayed retirements.

Age Range	45 - 54	55+
# of participating employees	9,940	6,858
Median monthly pay	\$5,814	\$6,177
Target monthly retirement income ¹ (future dollars)	\$6,631	\$5,243
Estimated Social Security benefit (future dollars)	\$3,362	\$2,560
Projected monthly amount needed from nest egg	\$3,269	\$2,683
Nest egg needed to generate income	\$713,830	\$586,916
Median retirement balance ²	\$111,569	\$172,267

Nonuser		
Average deferral rate ³	12.52%	14.00%
Age when goal is reached	67 years, 8 months	71 years, 10 months

User		
Average deferral rate ³	13.91%	16.25%
Age when goal is reached	67 years, 0 months	71 years, 2 months

Calculating ROI		
Improvement	8 months	8 months
Estimated cost savings (per employee):	\$16,667	\$16,667
Estimated cost savings (total) ⁴ :	\$41,416,667	\$28,575,000
Projected Annual ROI	\$3,499,583	

¹ Assumes 80% income replacement

² Based on data provided by EBRI

³ Includes 6% employer match

⁴ Assumes 25% of participants choose to retire at an earlier age

Significant ROI for Users of the Financial Wellness Benefit: Improving Garnishments and FSA/ HSA Participation

We also examined the relationship between employee engagement in the financial wellness benefit and the incidence of occurrence of garnishments and participation in dependent care flexible spending accounts and health savings accounts. The observed differences can be translated into employer costs and reflect the potential return on investment of the financial wellness benefit for the 2018 calendar year.

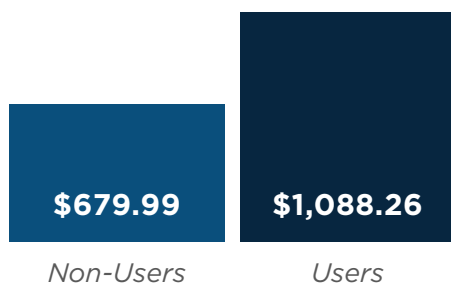
GARNISHMENTS



The Savings of Reduced Garnishments

$$\begin{aligned}
 &\text{The observed improvement (0.14\%)} \\
 &\quad \times \\
 &\text{The population of users (33,198)} \\
 &\quad \times \\
 &\text{The average cost per garnishment (\$300)} \\
 &\quad = \mathbf{\$13,800}
 \end{aligned}$$

FSA/HSA PARTICIPATION



The Savings of Increased FSA/HSA Participation

$$\begin{aligned}
 &\text{The observed improvement (\$408.27)} \\
 &\quad \times \\
 &\text{The population of users (33,198)} \\
 &\quad \times \\
 &\text{The tax savings on employer contributions to} \\
 &\quad \text{FICA (7.65\%)} \\
 &\quad = \mathbf{\$1,036,900}
 \end{aligned}$$

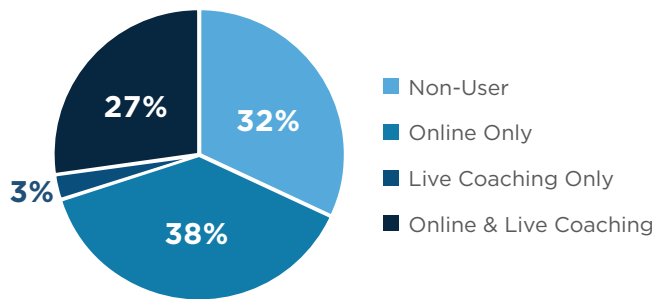
Total Estimated ROI for Reductions in Hard Costs in 2018
\$1,050,700

How the Type of Engagement Affects Financial Behavior

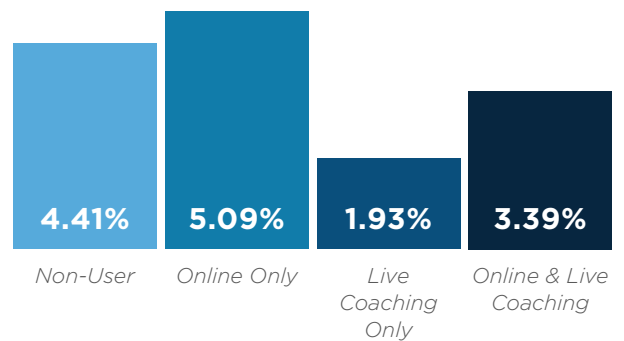
Employees may access the financial wellness program through the online Financial Planning Center, and through live financial coaching via one-on-one consultations, workshops and webcasts. We examined how these different methods of engagement affected employee behavior over the course of the program from 2008 - 2018.

Employees that engaged in live coaching continue to exhibit greater distinction from online-only and non-engaged users. We have observed this “live-coaching” effect every year we have studied the program.

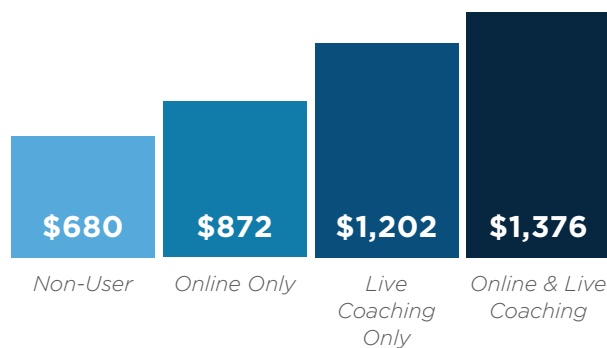
Utilization by segment



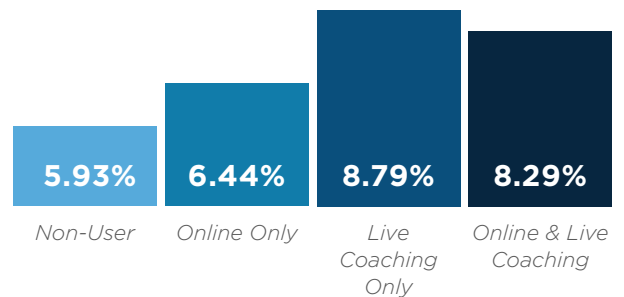
Garnishments



FSA/HSA Participation



Average 401(k) Deferral Elections



About this Case Study

This ROI study was conducted by Financial Finesse on behalf of Aetna and includes data through the end of 2018. The study looked at the level of engagement by Aetna employees since inception of the financial wellness program in 2008 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 whatsoever. The purpose of this study is to determine the effectiveness of the program by evaluating the degree of behavioral change based on the frequency and type of interaction, along with the estimated cost savings of these behavioral changes. The results will help Aetna 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 Aetna 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.