A Financial Wellness Primer

Why Financial Wellness?

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Introduction

Financial Wellness programs have been garnering attention in the marketplace, as employers consider how to foster workplace productivity by prioritizing employee benefits and motivating positive employee behavior regarding personal financial matters. This may be due to the growing perception that both the employee and employer can benefit from investments in such programs. Accordingly, the practice of enhancing employee benefits to encourage engagement in achieving both current and future financial goals has begun to gain traction, and is evolving as a logical companion to health and retirement benefits for many employers.

> **Consider:**
>
> **Fact 1:** A 2016 employee survey revealed that 52% of respondents found managing their finances to be a source of stress, an increase of 7% from the prior year.[1]
>
> **Fact 2:** 2016 research has found that 44% of employers expect that offering guidance on handling finances will decrease the time their employees spend at work tending to these issues.[2]

However, despite the many potential reasons to consider offering a financial wellness program as a benefit to employees, these programs may also present numerous challenges:

The personalized nature of financial wellness can make both the design and measurement of improvements to employees' financial wellness challenging.

- In the early stages of such programs, there is little evidence indicating which types of programs are most effective.
- Some employers have concerns about the fiduciary responsibilities of plan sponsors when such programs are offered in the workplace.
- As far back as 2006, the US Department of the Treasury was promoting the concept of financial literacy, and laid out a strategy to increase and enhance financial knowledge. In this early work, entitled "Taking Ownership of the Future," the Department suggests that to build an effective infrastructure, it is vital to recognize the inextricable linkage among the three builders of a financial literacy strategy:
  - **the government** — as regulator of the financial market
  - **the private sector** — to utilize its expertise, resources and positioning to promote financial literacy
  - **the individual** — who ultimately must take an interest in managing his or her finances and utilize the information and programs provided by the government and the private sector

Although there have been numerous studies and papers that have focused on financial literacy, it was not until the Great Recession that the American workforce and the private sector, reeling from financial insecurity, took significant note of the efforts made to promote financial literacy and wellness. Anecdotal examples of families living paycheck to paycheck, not saving properly, or having inadequate retirement savings generated an onslaught of efforts to respond to the needs of all employees.

Today, financial wellness programs are increasingly viewed as a critical component of a competitive employer benefits offering, as many employers are increasingly taking responsibility for the immediate and long-term wellness of their employees. Additionally, the number and types of service offerings associated with these programs are evolving fairly rapidly. Nonetheless, some employers continue to struggle with the issue of the programs' cost relative to their effectiveness.

The purpose of this DCIIA publication is to suggest a working definition of financial wellness, survey the nascent body of research surrounding these programs, and highlight some demographic groups where financial wellness programs may be most likely to add significant value.

Financial Wellness: A Definition

Financial wellness is a relatively broad concept and there is a spectrum of definitions that range from one narrowly focusing on retirement, to a broader view encompassing the full range of employer benefits, such as health benefits, retirement benefits focused on adequacy, work/life balance programs, etc. Like physical wellness, financial wellness may incorporate a wide range of inputs, measures and goals. For example, physical well-being measures factors and habits such as body mass index, blood pressure and cholesterol, diet, exercise and sleep patterns to assess the sustainability of one's current health relative to long-term health. Likewise, financial wellness programs can measure age, income and wealth, and should also consider family composition, health, financial budgeting, and personal values, among other inputs.

DCIIA defines financial wellness from an employee's perspective as: *The ability to meet ongoing financial responsibilities while following a plan to create a secure financial future.* From an employer's point of view, a financial wellness program does not just involve creating a plan; ideally, it also involves showing active and retired employees how to make decisions about their financial situation and how to manage their own financial wellness plan over time. It includes perspective on balancing the opportunity to consume and enjoy life today with maintaining a comfortable lifestyle in the future, all while minimizing overall financial stress.

Financial wellness, therefore, relies on, but is also likely to encompass more than just financial literacy or education. While it is certainly beneficial to understand the differences between stocks and bonds, for example, that knowledge alone does not necessarily impact the financial habits that guide people onto a lifelong path of balanced saving and spending. Instead, financial wellness springs from a more comprehensive approach, one that enables individuals to make informed financial decisions and provides them with tools and insights to help them meet both their near-term and long-term objectives. Financial wellness programs support individuals by incorporating:

- Personal characteristics, including both demographics and personality factors
- Financial literacy, in order to make the most appropriate financial decisions[3]
- Financial behaviors such as budgeting, saving and investing
- A person's current financial situation (i.e., debt, accumulated savings, home ownership, salary, etc.)
- Contingent financial stressors, like medical emergencies or temporary loss of employment

The Financial Wellness Program: A Framework

Financial wellness programs should look at how all the pieces of an individual's life fit together.[4] Financial well-being as defined by the CFPB[5] is a "state of being" where a person has:

- Control over day-to-day, month-to-month finances
- The capacity to absorb a financial shock
- An understanding of the trade-offs that are a result of financial decisions (i.e., loans, hardship withdrawals, in a retirement plan context)
- The ability to stay on track to meet financial goals
- The financial freedom to make choices that allow one to enjoy life

Some of the challenges for employers who pledge to promote financial wellness may be obvious, including the inherently unique circumstances of each employee, the matter of appropriate metrics with which to measure the program's success, and the reality that, as with physical fitness, people will strive for different goals. Furthermore, some employees may be reluctant to provide detailed information to their employer ("Can I trust my employer with this information?") or unable to recognize the value of financial wellness, perhaps due to competing priorities at their life stage. Employers may also struggle with fiduciary, data security and ethical concerns, and may have questions about how, and the extent to which, providing a financial wellness program will benefit their particular organization.

Countering those concerns, however, is the fact that financial wellness programs are intended to increase confidence in employee financial decision-making, reduce individuals' stress, which in turn can lead to happier, more productive and potentially more loyal employees.

As we will identify in the next section, there is a growing body of work focused on identifying a relationship between financial wellness programs and positive outcomes for both employees and employers.

Research on Financial Wellness

Topics covered in this section include:

1. Why employers are well-suited to play a role in promoting financial literacy and wellness
2. The cost of a workforce that is not financially healthy
3. Productivity gains and return on investment
4. The value of retirement readiness

Important Note

Although this paper intentionally reports the positive aspects of a financial wellness program, it also recognizes that not all the benefits that employers observe can be directly correlated to the implementation of a wellness program; some intangible benefits, such as stress reduction, employee engagement and employee satisfaction, are inherently difficult to measure and/or may result in part from other benefit initiatives or work circumstances. Others report this as well; as one international financial wellness firm notes, a model "can be used as a framework for calculating [Return on Investment] ROI… [But considering] the high number of intangible factors in a Financial Wellness Program…the margin of error would be hard to establish. This is one area where further research is required."[6] Nevertheless, even though financial wellness in the workplace is still evolving, the preponderance of surveys and conclusions of wellness studies do suggest a strong return for employers. As financial models and studies continue to refine the statistical connection between wellness and a return on the wellness investment, the credibility of the return and profitability claims is improving and will continue to do so. As a counterweight to cautionary remarks regarding ROI and other intangible employer benefits of offering wellness programs, the ROI in wellness programs may become more tangible over time, with the benefits manifesting themselves in quantifiable cost savings and productivity gains. Alternatively, other types of measurements may emerge that quantify the impact of such programs on the firm and its employees. The authors of this paper acknowledge the current limitations of this emerging field, while also seeking to explore the benefits of these programs and their potential impact on the workplace.

Why Employers are Well-Suited to Play a Role In Promoting Financial Literacy and Wellness

When it comes to financial wellness, employers have a unique opportunity to educate and influence their employees, and by extension their employees' families. One undeniable advantage employers possess is their direct connection with earnings and benefits at the workplace; this can make financial education opportunities at work "a powerful way to inform financial decisionmaking," notes the President's Advisory Council on Financial Capability.[7]

A research project on financial wellness conducted by the US General Accountability Office (GAO) further states:

> "Experts have identified the workplace as potentially being a particularly effective venue for providing financial education and helping individuals improve their financial decision making. Employers have the potential to reach large numbers of adults in a cost-effective manner at a place where they make important financial decisions regarding, for example, retirement, life and health insurance, and specialized savings accounts for child care and medical expenses. Further research indicates that workplace financial education programs can result in employees who are better able to manage financial stresses and are more productive.[8]

According to a 2011 report from the American Psychological Association, out of the top eight sources of stress in America, five are financial.[9] Additionally, the American Psychological Association reports that 72 percent of adults feel stressed about money, with 25 percent experiencing extreme stress about money.[10] Employees not only face financial stress now, but they are also seeking solutions for it; of those workers whose financial problems have affected their productivity, 81 percent want help achieving financial security.[11]

In addition, financial wellness offerings are becoming a competitive benchmark. The International Foundation of Employee Benefit Plans (IFEBP) states that more than two-thirds of organizations provided financial education to employees in 2014.[12] In 2015, 93 percent of U.S. employers expected to create or expand financial wellness efforts.[13] The phenomenon is taking hold in employee populations at work as well: 71 percent of employees think financial wellness should be offered to them.[14]

> "Providing financial education opportunities at the workplace, where there is a direct connection with earnings and benefits, can be a powerful way to inform financial decision-making."
>
> *— President's Advisory Council on Financial Capability*

Recent human resource research has found that employers, recognizing this opportunity, are receptive to offering wellness programs to their employees. Studies, surveys, articles and research espousing the benefits of wellness programs have emerged from a variety of organizations, including:

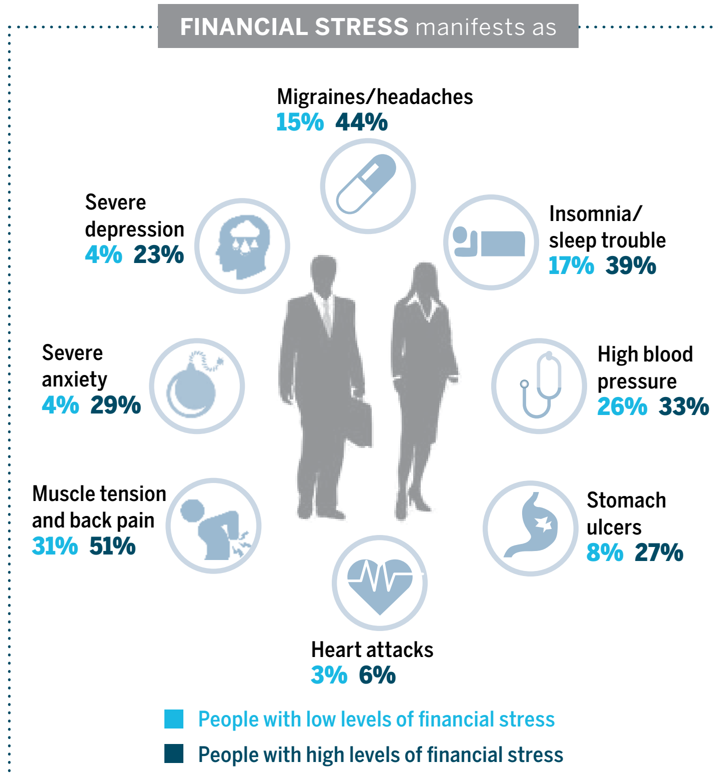
- Society for Human Resource Management
- Stanford Center on Longevity
- PricewaterhouseCoopers
- Consumer Financial Protection Bureau
- US General Accountability Office
- International Foundation of Employee Benefit Plans
- PLANSPONSOR
- President's Advisory Council on Financial Capability

In sum, a convergence of forces is encouraging human resources/ rewards departments to offer financial wellness programs: employees' need and desire for education and a higher level of financial literacy, which will allow them to take actions to reduce financial stress; the promotion of wellness programs by governmental agencies; and the realization that a workforce that is financially well is likely to be more productive.

These factors underscore the importance of an employer's investment in financial literacy and wellness. In the next two sections, this paper seeks to review the available research quantifying some of the costs for an employer of a workforce that is not financially healthy, as well as the benefits available to them when they implement an effective employee wellness program at the worksite.

The Cost of a Workforce that is Not Financially Healthy

The costs of a financially unfit workforce span the spectrum from monetary to non-monetary, and from tangible to intangible. Workplace distractions, physical stress, employee dissatisfaction and weakened job performance have amounted to a "disengagement crisis," which The New York Times has deemed "staggering" and which Gallup estimates costs employers $300 billion in lost productivity annually.[15] According to this report, a primary factor is a workforce ill-equipped for financial wellness.



Source: AP/AOL Health Poll: Debt Stress: The Toll Owing Money Takes on the Body.

Employer costs begin at the employee level, as employees' lack of financial wellness manifests itself as physical stress and inhibitory distractions. Financial stress can result in a myriad of physical distresses, including muscle tension, migraines, insomnia, high blood pressure, stomach ulcers, and severe anxiety and depression.[16] For a workforce of financially stressed workers, this translates into a greater number of sick days, higher healthcare costs and increased absenteeism.[17] In a 2015 report by State Street Global Advisors and Benz Communications, 29 percent of defined contribution (DC) participants reported missing work to deal with the emotional stress caused by their finances.[18]

> "[The trend] began with a focus on improving physical health in the work force. Then mental health was added. Then employers started to realize other issues people faced were causing ailments – anxiety, sleep loss and depression are often related to money."
>
> – *"Financial Wellness Has a Real Dollar Value," PLANADVISER[19]*

At work, the extent to which financial issues continue to distract and inhibit employees is difficult to overstate. Almost one in four employees (24 percent) reports that issues with personal finances have been a work distraction,[20] and not a small one: a 2015 study by PwC found that 37 percent of employees spend three or more work hours each week thinking about or dealing with personal finance issues.[21] Assuming an eight-hour workday, that amounts to 19.5 days of lost productivity per worker over the course of a year.

A lack of financial wellness also forces certain employees to "retire on the job." This occurs when employees have become disengaged from work but lack the financial resources to retire.[22] Keeping such employees on the books because they haven't achieved financial independence further drains employer resources and contributes to the pricey, unproductive "disengagement crisis."

The costs behind the demonstrated absenteeism, increased healthcare costs and lost productivity resulting from financial un-wellness are indeed "staggering." In monetary terms:

- Unscheduled absenteeism costs roughly $3,600 per year for each hourly worker and $2,650 each year for salaried employees, according to "Absenteeism: The Bottom-Line Killer," a publication by workforce solution company Circadian;[23]
- $84 billion of the $300 billion that Gallup estimates is lost in productivity annually is due to absenteeism from a chronic health condition,[24] including those that may be stress-induced, such as depression and high blood pressure;
- These factors add up to an overall cost of $5,665,600 annually due to workforce stress for a company of 1,000 employees, according to a 2014 cost summary by Pension Consultants entitled, "The Impact of Financial Stress on Workforce Productivity." (These costs were calculated for a hypothetical company.)[25]

The mounting costs associated with financial stress, distractions and dissatisfaction can be more than offset by gains in productivity and a healthy return on investment for those employers who are willing — and in many cases need — to implement an effective workplace financial literacy and wellness program.

Productivity Gains And Return On Investment

As an employer, it is important to realize two primary types of gains: those that maintain a highly functioning and motivated workforce, and those that enhance the bottom line. The implementation of an effective financial wellness program at work may substantially benefit employers in both respects.

One of the most influential gains associated with implementing a wellness program is a more engaged and satisfied workforce. The Consumer Financial Protection Bureau (CFPB) states: "[F]inancially capable employees are more likely to be engaged employees,"[26] and The New York Times writes that "workers perform better when they are happily engaged in what they do."[27] The numbers back it up: a 2015 survey conducted by Four Seasons Financial Education shows that employee satisfaction jumps 34 percent when employers offer a wellness program that includes financial wellness (on a 10-point scale, satisfaction increases from 6.03 to 8.11 out of 10).[28] This may be due in part to the fact that organizations offering financial education are more likely to have less stressed and more financially savvy participant populations.[29]

Employees' increased engagement positively impacts a company's bottom line. Understanding that lower job satisfaction foreshadows poorer bottom-line performance,[30] it makes sense that financial wellness, which is positively correlated with satisfaction and pride in one's employer, is also reflected in higher productivity. In fact, Corporate Wellness Magazine finds that financial health is even more important for workforce productivity than regular exercise and a nutritious diet.[31]

Additionally, employers with financial wellness programs reap the benefits of an employee population better prepared for retirement. In "A Closer Look: What's Working in Workplace Financial Education," the IFEBP reveals that organizations offering financial education are more likely to have populations better prepared for retirement than those that don't offer it. At organizations providing financial education, it found, only 28.1 percent were "a little or not at all" prepared for retirement, versus 45.7 percent who were "a little or not at all" prepared at organizations that provided no financial education.[32]

Why is this? Primarily, financial education improves financial literacy, which is strongly linked to retirement planning. Earners with low financial literacy struggle with understanding the trade-offs among the many items competing for their paycheck through the years,[33] thus typically leading to higher levels of indebtedness, lower wealth accumulation and less robust retirement savings.[34] The research paper "Optimal Financial Knowledge and Wealth Inequality," published by the National Bureau of

Economic Research (NBER) raises an alarm with the sobering statistic that from 30 percent to 40 percent of wealth inequality can be accounted for by the presence or absence of financial knowledge.[35] Employer investments in financial education are paramount to bettering employees' abilities to save and invest, as is offering access to a broad range of benefits including insurance and health savings accounts (HSAs). Such gains in employee engagement, productivity, financial literacy and retirement preparation complement an organization's other goals, including better employee retention, reduced sick leave and disability, and lower worker compensation costs.

As expected, there is a cost savings associated with these gains. According to early evidence compiled by the CFPB, financial wellness programs deliver monetary benefits to employers that can match the benefits of health wellness programs.[36] Specifically, its research found:

- Companies may see an ROI that ranges from 100% to 300%;[37]
- Company "A" saved a projected $1,808,821 through reduced absenteeism among those who utilized its financial wellness program and its financial planning center, one-on-one meetings, and webcasts/workshops, compared to non-users of their financial wellness program;[38]
- Furthermore, Company "A" also saved a projected $2,466,036 in healthcare costs after implementing a financial wellness program. Company "A" is a real-world company of 9,083 employees with a median hourly salary of $25.24, as described in a case study conducted by Financial Finesse.[39]

The employer costs of a financially unfit employee population can be staggering; however, the gains that come with a financially fit population can be great as well: a more productive workforce, higher-functioning employees, more time dedicated to work-related tasks, and a significant increase in morale. Not only is promoting workers' well-being considered ethical by many corporations – it also makes economic sense.[40]

> "The return on investment to employers...rang[es] from $1 to $3 or more per dollar invested."
>
> — *Consumer Financial Protection Bureau*

Retirement Readiness

As previously defined, financial wellness encompasses a holistic understanding of one's financial picture and financial health, an understanding that, among other things, enables employees to successfully make use of the programs and benefits offered by their employer. Maximizing usage of the programs can be especially beneficial when they have been selected with consideration for the company's demographics, and may even benefit from institutional pricing.

Financial wellness may be seen as an umbrella term that encompasses a variety of financial concepts, one that helps employees become financially fit and able to act intelligently with respect to their own financial matters. Some components that employees become more versed in include home budgeting, mortgage lending, debt and loans, spending plans, long-term healthcare, life insurance, saving for college, estate planning and — last, but not least – retirement readiness. Retirement readiness is an important aspect of financial wellness to consider; in fact, it may be the most important aspect affecting today's workforce. Retirement readiness, like employees' financial wellness in general, is critical in order for an employer to properly manage its human resources and utilize its retirement plan not only to attract and retain talented employees, but also to manage the cost of its workforce. However, it is also important to note that the basic definition of retirement is changing; once thought of as the 'end of one's economic usefulness', retirement is now morphing into a less rigid divide between work and non-work. Financial wellness programs can assist by helping employees "phase" into retirement, work in completely different industries, conduct philanthropic activities, as well as teach, train, and mentor junior employees in a consultative relationship with former employers.

Initially, many retirement industry stakeholders defined retirement readiness using a general "rule-of-thumb" approach. These broad rules varied by provider, and have been described in a variety of ways, including:

- Savings earmarked specifically for retirement, equal to at least 10% to 15% of a person's ongoing income
- A retirement nest egg consisting of 10 to 12 times a person's final income[41]

Enabling employees to retire "on time" is not only a boon for the employees, but also has a direct positive effect on a company's desire and ability to retain and reward its high-potential employees.[42] With this in mind, employers often establish programs to help their workforce retire as planned. Managing and assisting their human resources is a key reason employers set up 401(k) plans and other DC plans for employees.

Many employees do not retire on time, however, due to a lack of retirement readiness. As discussed in the previous section, this is commonly viewed as a symptom of poor overall financial wellness. A lack of financial wellness and financial literacy leads to poorer decision-making and fewer savings and investments, which in turn leads to poorly funded reserves for retirement. Too often, the result is employees who may need to work longer-than they originally desired.[43]

These facts spur employers and employees alike to ask: What are the signs? How will we know when someone is "ready" to retire?

The answer lies, at least in part and perhaps substantially, in understanding an individual's complete financial picture and applying that wellness to the "rules of thumb" for retirement readiness outlined above.

Given that financial wellness is the ability of an *individual* to understand and control his or her financial matters, when financial wellness is achieved the "rules of thumb" regarding retirement readiness are just that: simplistic and directional goals for a person to help them approximate what is needed to get to a state of retirement readiness.

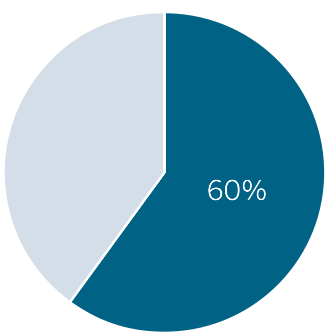
True retirement readiness will vary for every individual, based on his or her unique goals and needs in retirement, wealth outside of the retirement plan, ability and desire to generate income in retirement years, and many other factors that will affect his or her unique personal situation, such as longevity. The focus is not solely on "retirement," but also on how the different components of the individual's financial picture feed into and enable one another. If the foundation of financial health is not there, retirement readiness is not as attainable.

When the varying aspects of an employee's financial health work together well, both employers and employees benefit. Employee readiness to leave the workforce at retirement is critical for employers that see their retirement benefit plans as human resource management tools. The DC plan should enable an employer to move more expensive resources off its books and create a dynamic culture that will keep its younger high-potential workers engaged and challenged, so that the organization can meet its future growth goals and current profitability goals.

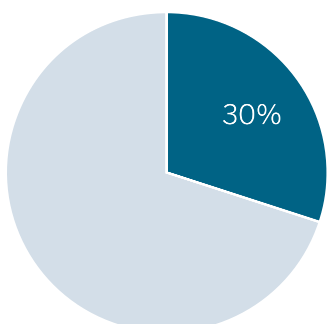
The most gratifying aspect of meeting retirement readiness for an organization, however, is that it is a clear and consistent goal for employees as well. As noted in earlier sections of this paper, employees want financial wellness and the ability to retire, and they look to their employer for help. Whether motivated by altruism and paternalism, ROI, lower costs or a dynamic workforce environment, the employer's goals and employee's desires are well aligned when it comes to retirement readiness and financial wellness in the workplace.

Delayed retirement can lead to reduced workforce engagement.

60% of executives are concerned with lack of growth opportunities for younger staff[a]



More than 30% of younger workers are concerned with growth potential[b]



The percentage of older workers continues to increase, while the percentage of workers at younger ages has decreased.[c]

40%	• plan to retire later than planned
53%	• say the top reason is they haven't saved enough
44%	• say their biggest concern is running out of money

a. CFO Research Services, "Managing Retirement Benefits Amid Capital Market Disruption," August 2009

b. Willis Towers Watson, "Which Workers are Delaying Retirement and Why?" September, 2014

c. PwC, "Employee Financial Wellness Survey," April 2014

Financial Wellness: A Spotlight on Women

According to Cindy Hounsell, President of The Women's Institute for a Secure Retirement (WISER), women are likely to face a greater challenge than men with respect to achieving financial wellness, and the impact of these challenges worsens as women age: "Women continue to work in jobs and in the industries where women predominate and the pay is low. In fact, according to a 2014 Census Bureau report, women earn only 80 cents for every dollar that men earn—moving up from 59 cents in 1970." What's more, notes Hounsell:

- Despite the overall decline in poverty rates among older Americans during the last several decades, many older women remain poor; in 2015, nearly 15 % of women aged 75 and older were poor, compared to 7.6 % of the men in this age group (Census Bureau report, 2015). and the likelihood of a woman being poor in retirement increases with age.
- The Social Security Administration projects that in 2030, the percent of women aged 65 or older who have never married or who are divorced (and not remarried) will double. It is important for policymakers to understand and address the needs of this at-risk population when considering changes to existing programs, including Social Security, pensions and savings.

"Millions of women will live a third of their lifetimes after they reach age 60. This longer time period requires income and savings to last several decades, putting women at high risk for poverty in old age," says Hounsell. A recent report found that women aged 65 and older have 25 percent less retirement income and twice the poverty rate of men in the same age group. For single Latinas and African-American women, the poverty rate is twice that of single white women.

Clearly, women face unique challenges due to the economic realities that have existed throughout their working lives, which places them at high risk for an impoverished retirement. Women themselves are generally painfully aware of these challenges, including issues of pay inequity, glass ceilings and caregiving responsibilities. However, it is critical for our society to recognize that, due to women's longer life expectancies, they are likely to have greater retirement income needs, not less. A woman aged 65 today can expect to live to age 87.8, compared to a man of 65 who can expect to live to age 85.8. As a result of living longer, women are more likely to experience chronic illness and frailty, and require expensive long-term care services. Yet the median income of older women is $18,250, compared to older men's income of $31,372. Living longer also raises the likelihood of living alone, further increasing an older woman's chance of living in poverty. Almost half of all elderly unmarried women rely on Social Security benefits for 90 percent or more of their income.

Fifty-five percent of women over age 65 are single (widowed, divorced or never married). Divorce or separation reduces these women's income further (by 41 percent in 2012, almost twice the rate for men).

Certain risk factors for women are a result of a lifetime of earning less; as mentioned, women who work full-time earn 80 cents for every dollar men earn. Also, family caregiving responsibilities cause women to work part-time or spend years out of the job market: women average 12 years out of the workforce to provide care to their families, amounting to 12 fewer years to save for retirement and accrue Social Security benefits. Many women who expect and need to work longer also experience what researchers term "negative shocks," forcing them to leave the workforce unexpectedly to provide care for a family member, further derailing their financial and retirement plans.

WISER offers the following as suggestions to consider to help educate women about financial wellness, though they may apply more broadly as well:

- Provide information to help individuals understand the impact of decisions about taking and leaving jobs.
- Offer innovative ways to save for retirement for part-time workers and workers without an employer provided savings plan.
- Provide better public education in financial planning, including planning for contingencies such as caregiving, death (widowhood) and divorce.
- Create opportunities for access to an emergency savings fund.
- Consider the impact of various forms of insurance on retirement planning.
- Recognize that housing is the largest expense across the lifespan. Factor in ways to manage home expenses such as a renovation fund.

Conclusion

One of DCIIA's core beliefs is that the primary role of DC retirement plans is to create retirement adequacy. Access to financial wellness income products, education, planning tools and advice has the potential to significantly improve participant retirement outcomes. For this reason, employers and providers should consider how financial wellness programs can complement their goals.

Although financial wellness as we see it today is a relatively new field, there is a growing body of research that supports such programs. While this paper delineated the many benefits of implementing such a program for both the employee and the employer, there are distinct challenges as well. We recognize that for many plan sponsors, the process of evaluating and adopting a financial wellness program may appear to be a daunting task. Yet, the growing availability of resources — including the findings of peers and other experts — can ease the effort required. Ultimately, adopting a robust financial wellness program has the potential to help millions of DC plan participants improve their financial security in retirement, a goal that is well worth the time and effort. DCIIA is considering further work on this subject focused on the more detailed challenges of implementation, communications and program success measurement.

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