



T.RowePrice

Financial Wellness

Elevating the Discussion

Overview

1

The
Importance
of Financial
Wellness

2

Elevating
the Discussion

3

Tools and
Resources
Available



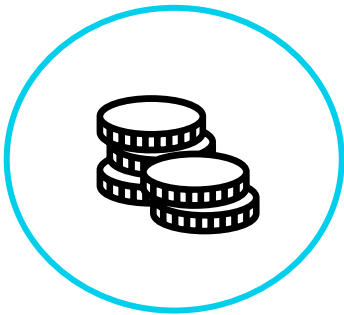
Employees

The Importance of Financial Wellness



EMPLOYEES

Key concerns



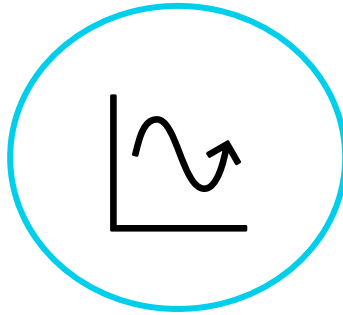
79%

Inflation



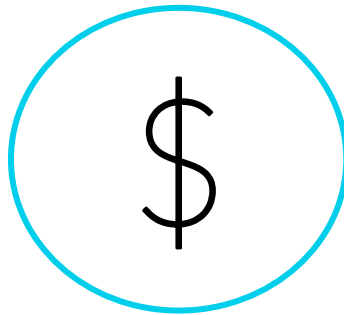
59%

Retirement
Planning



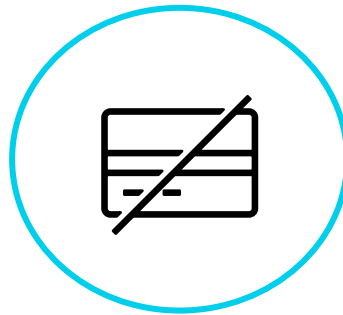
56%

Market
Volatility



55%

Emergency
Savings



44%

Paying Off
Debt



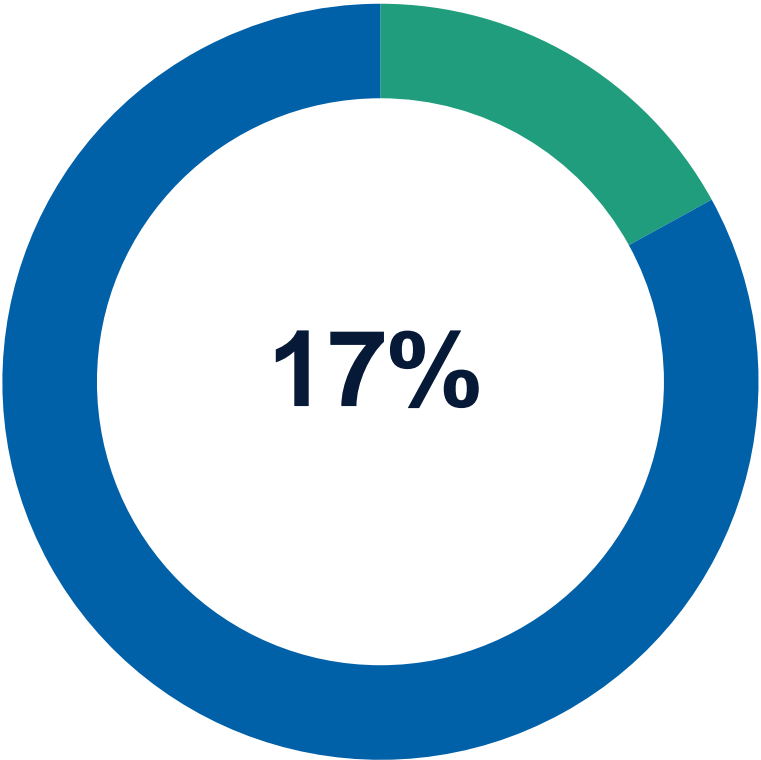
40%

High
Mortgage
Rates

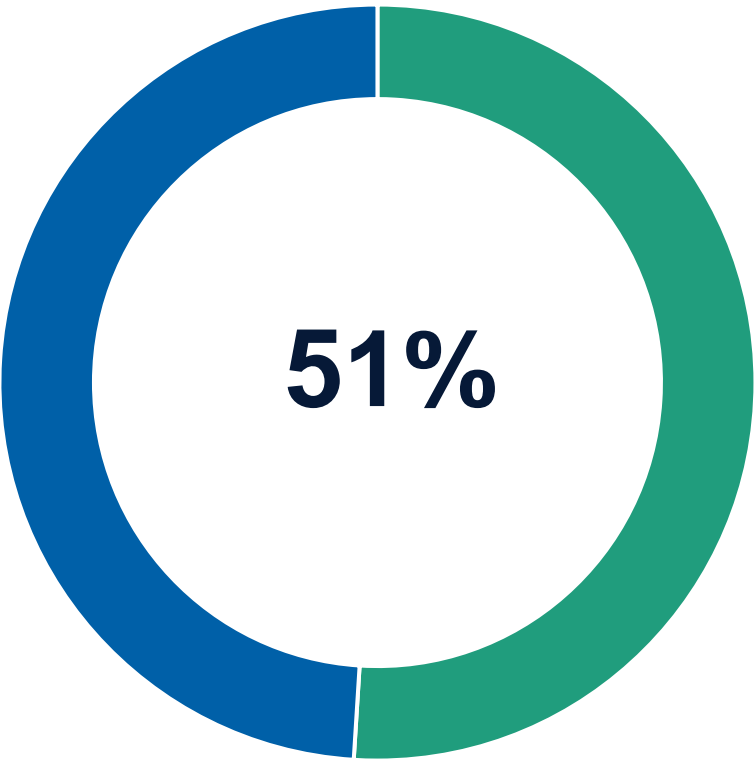
Source: BrightPlan, 2022 Wellness Barometer Survey (2022)

Financial concerns persist

Expect to run out
of money

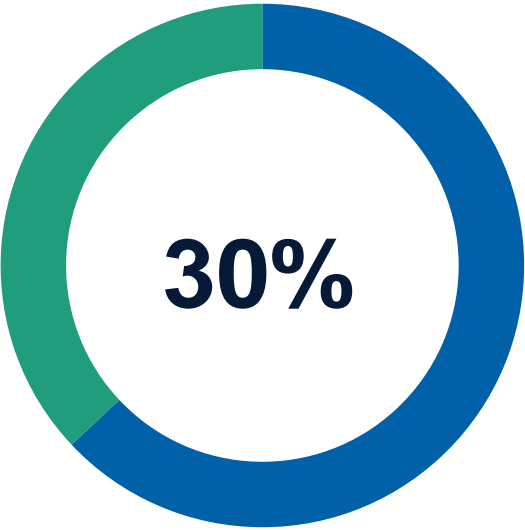


Can't afford to contribute more
to their plans

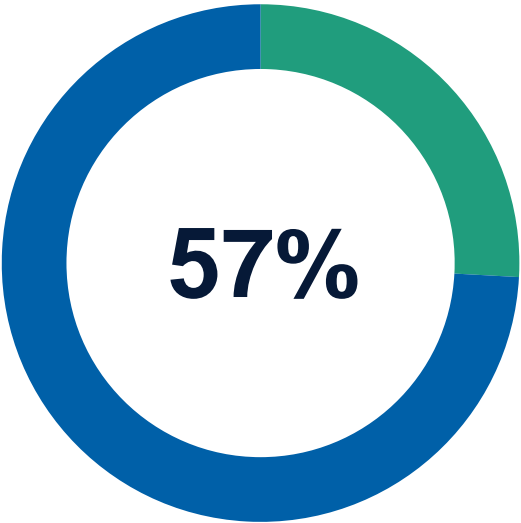


Source: T. Rowe Price Retirement Savings and Spending Study (2019).

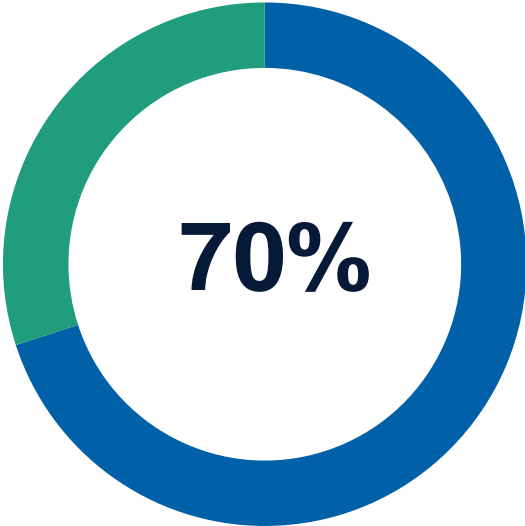
Concerns go beyond the retirement plan



of wages go to
consumer debt
payments¹



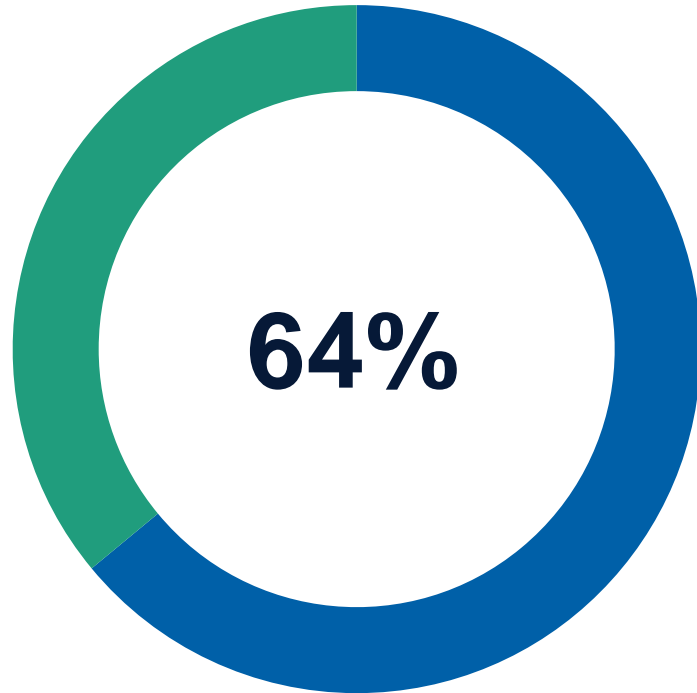
don't have enough savings
to cover a \$1,000
emergency²



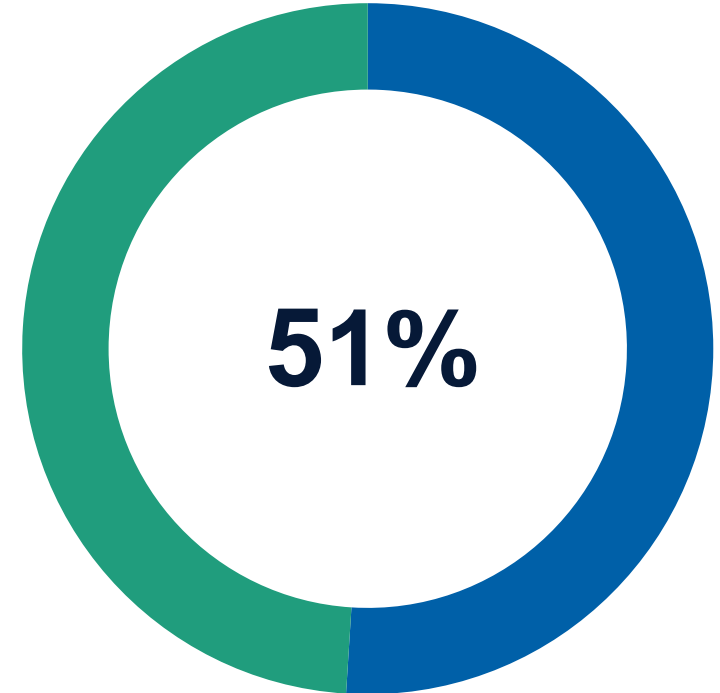
lack understanding
of basic financial concepts³

¹ Northwestern Mutual Planning & Progress Study 2023.
² Bankrate Money Pulse survey, June 2022.
³ New Evidence on the Financial Knowledge and Characteristics of Investors, FINRA Investor Foundation and Global Financial Literacy Excellence Center, October 2019. ©2019 FINRA. All rights reserved. FINRA is a registered trademark of the Financial Industry Regulatory Authority, Inc. Reprinted with permission from FINRA.

As a result...



Say finances are the largest source of stress in their life¹



Avoid dealing with their financial situation²

¹ Sophie Bethune, "Money Stress Weighs on Americans' Health", Monitor on Psychology, Volume 46, No. 4, Page 38, 2015, American Psychological Association. Reprinted with permission.

² T. Rowe Price Retirement Savings and Spending Study (2019).

Retirement confidence is falling

64%

Very or somewhat confident they will have enough to live comfortably in retirement, down from **73%** in 2022

18%

Very confident they will have enough to live comfortably in retirement, down from **28%** in 2022



Employers

The Importance of Financial Wellness



Significant implications for the bottom line

\$ 614 billion

In lost productivity in 2022

Top reasons employers offer Financial Wellness

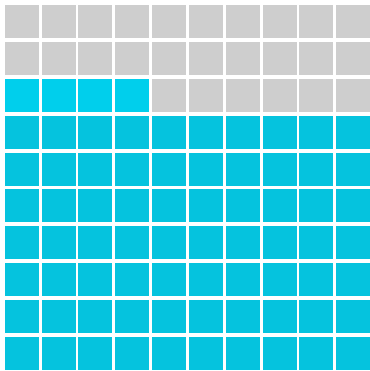
84 %

To enhance the overall
employee experience

84 %

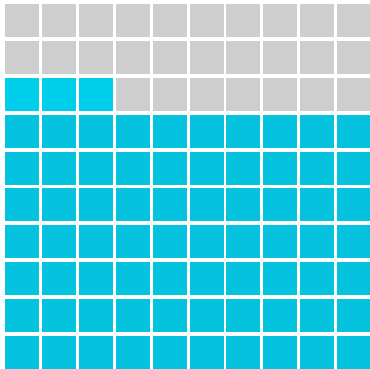
It's the right thing to do

Financial wellness benefits make a difference



74%

of HR professionals surveyed say they understand that financial wellness is a top priority for employees.



73%

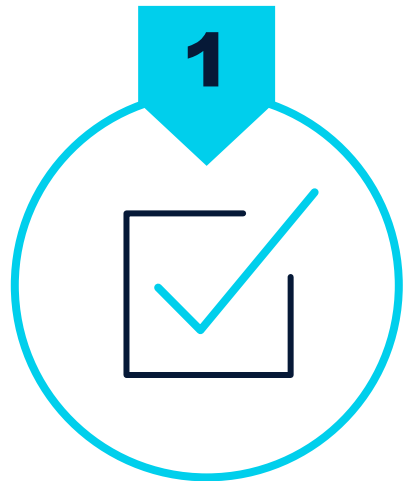
of HR professionals surveyed believe companies that offer financial wellness benefits are more successful.

Source: The Future of Financial Well-Being: 2022 Employee & Employer Perspectives, SoFi (2022)

Positive business impact

Sources: EBRI Financial Wellbeing Survey (2023)

Key Objectives of Financial Wellness Programs



Productivity



Employee
Satisfaction



Utilization of
Employee
Benefits



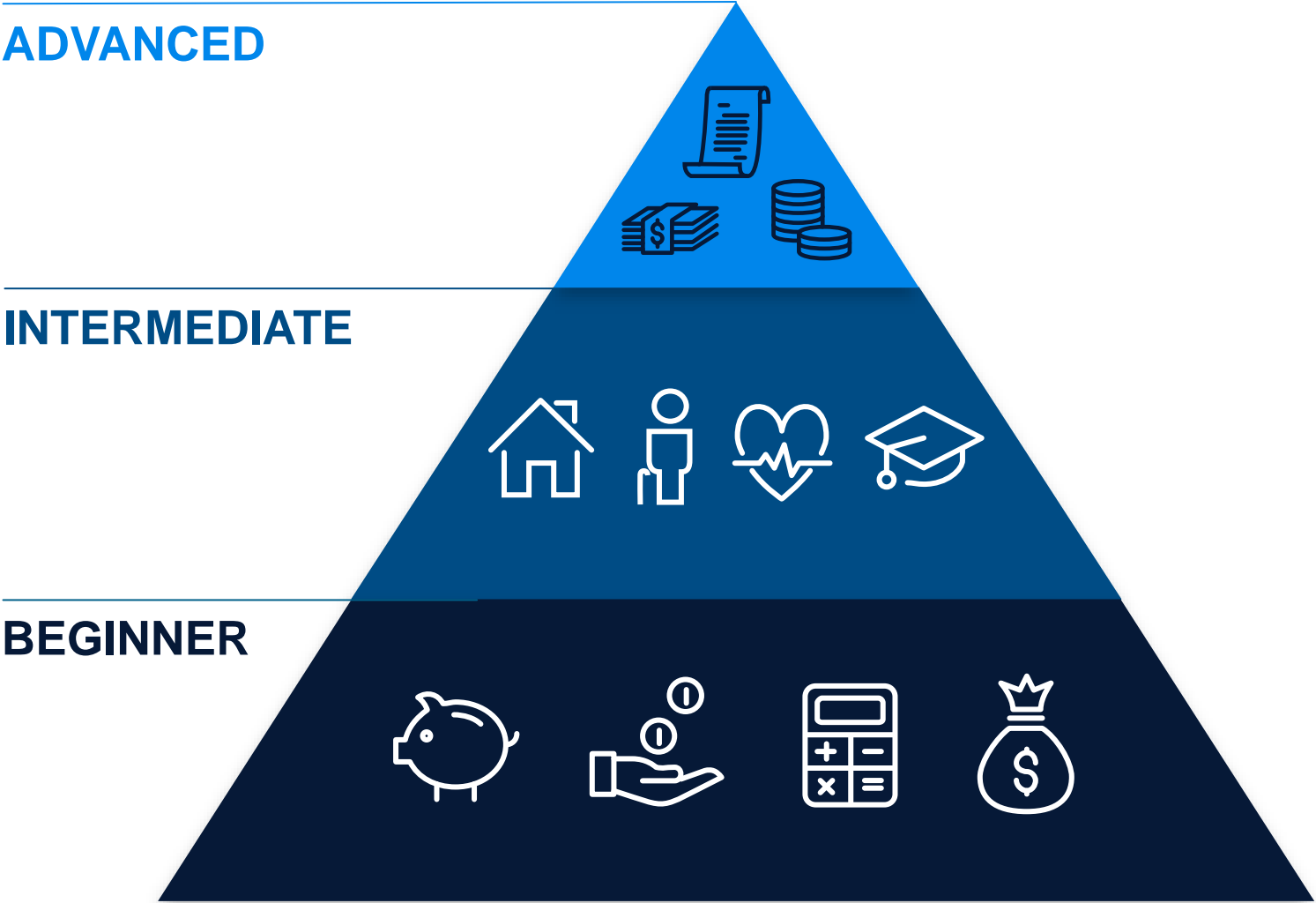
Retention
Efforts



Defining a Successful Financial Wellness Program



Hierarchy of Financial Wellness



Wellness is both financial and nonfinancial



Help employees meet **nonfinancial** objectives



Less Stress



Increased
Confidence

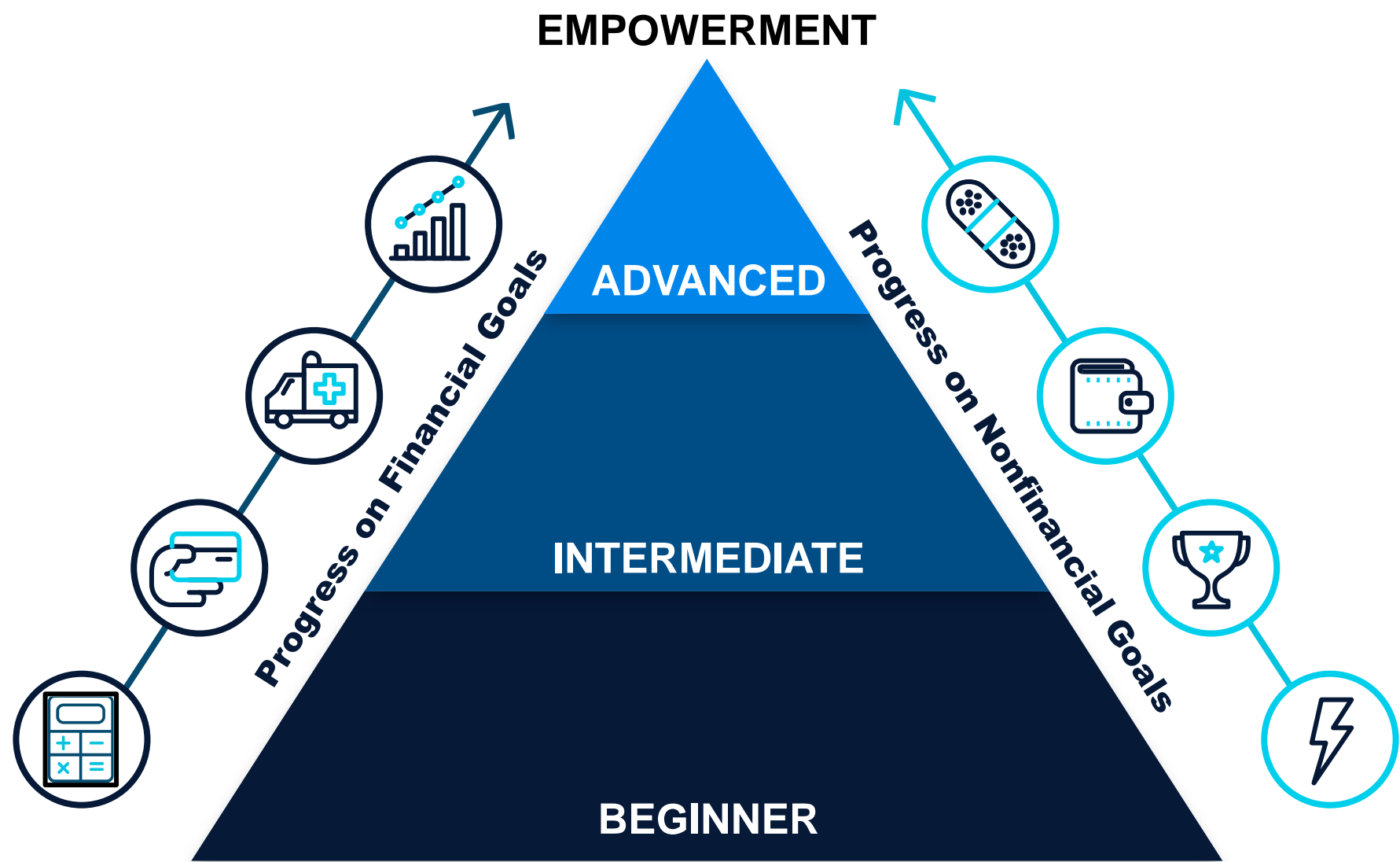


Fewer
Distractions



Fewer
Physical Ailments

Revised hierarchy of Financial Wellness



Holistic components of a Financial Wellness program

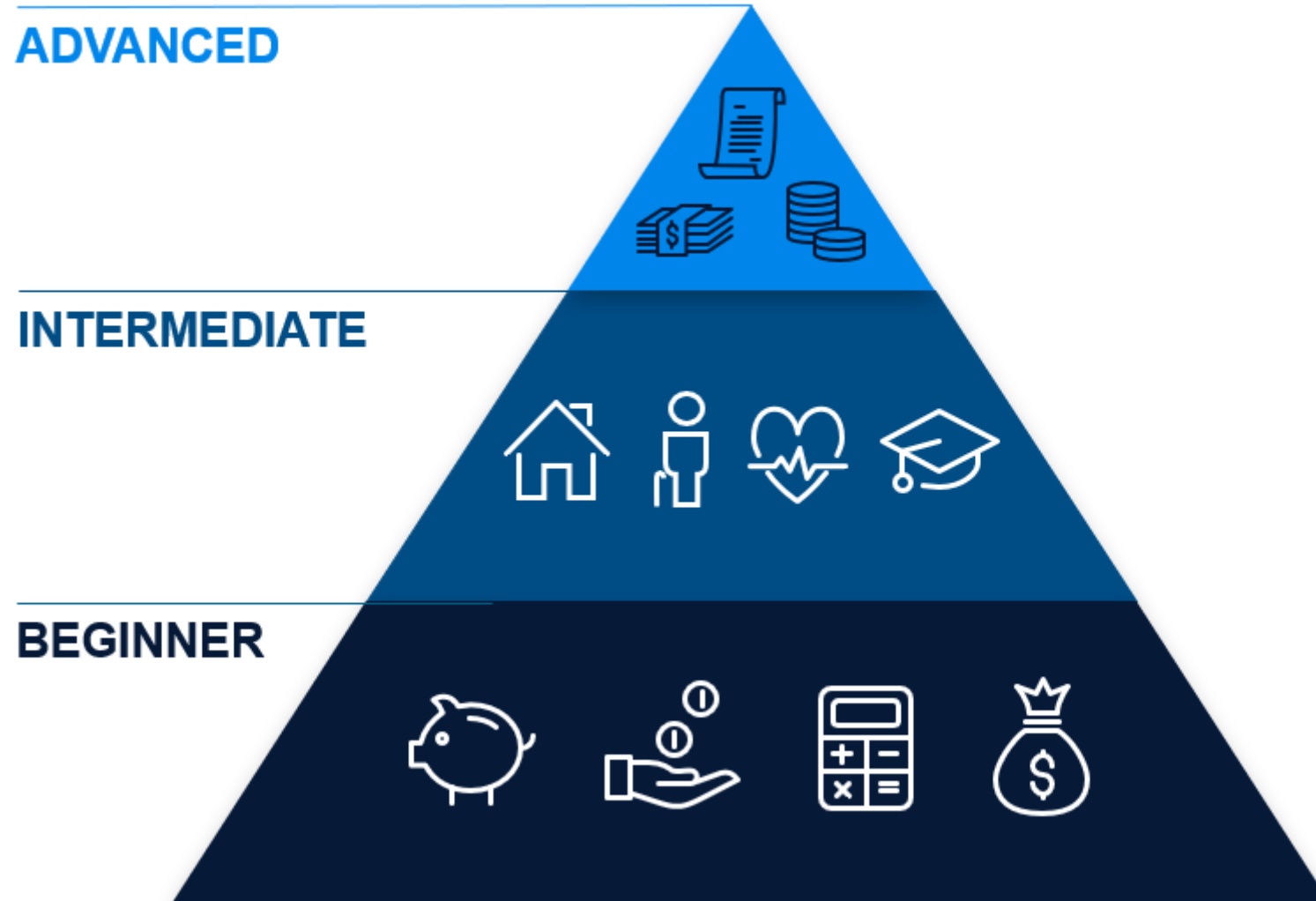


1 Define Goals and Objectives

	Financial	Quasi / Nonfinancial
EMPLOYER	<ul style="list-style-type: none">■ Improved Retirement Success■ Greater Recruitment Success■ Increased Deferral Rates	<ul style="list-style-type: none">■ Enhanced Employee Experience■ Increased Retention■ Increased Productivity
EMPLOYEE	<ul style="list-style-type: none">■ Reduced Student Loan/Credit Card Debt■ Increased Emergency Funds■ Increased Retirement Balance/Deferrals	<ul style="list-style-type: none">■ Less Stress■ Increased Confidence■ Fewer Distractions

2 Hierarchy of Financial Wellness

POPULAR FINANCIAL WELLNESS TOPICS



3 Optimize Deployment

EVALUATE PROVIDERS' OFFERINGS



Review the depth
and breadth of a
provider's offerings



Ensure the content
and delivery methods
match employee needs



Evaluate potential
impact for your
organization

3 Optimize Deployment

LEVERAGE PERSONAL INTERACTION AND TECHNOLOGY



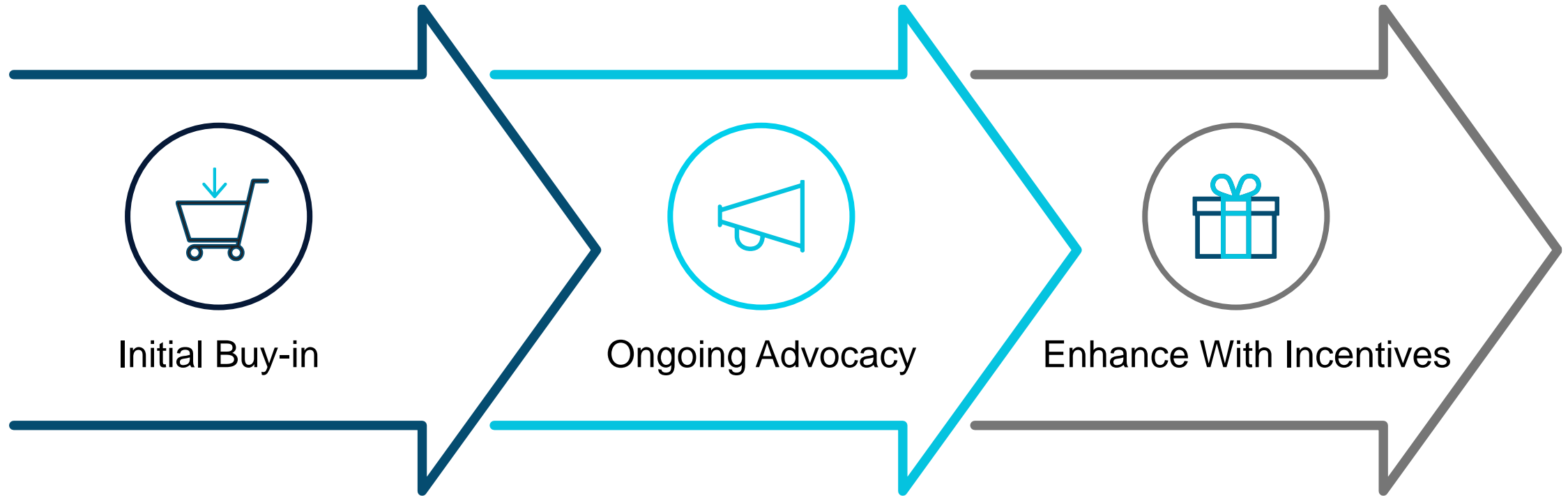
In-Person
Workshops



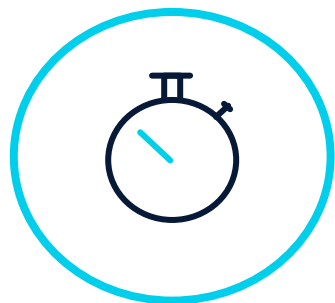
Technology

3 Optimize Deployment

ADVOCACY IS CRITICAL TO SUCCESS



4 Measure Progress and Success



FINANCIAL

- % of participants with loans
- Plan participation rate
- Average deferral rate
- Self-reported levels of debt, emergency savings



NON-FINANCIAL

- Engagement with promotional activities
- Engagement with content or meeting attendance
- Financial stress/confidence levels
- Employee satisfaction

4 The Ultimate Outcome

OPTIMAL DEPLOYMENT SUPPORTS INDIVIDUALS TAKING ACTION



Supporting Financial Wellness is about the ability and action to change behavior.



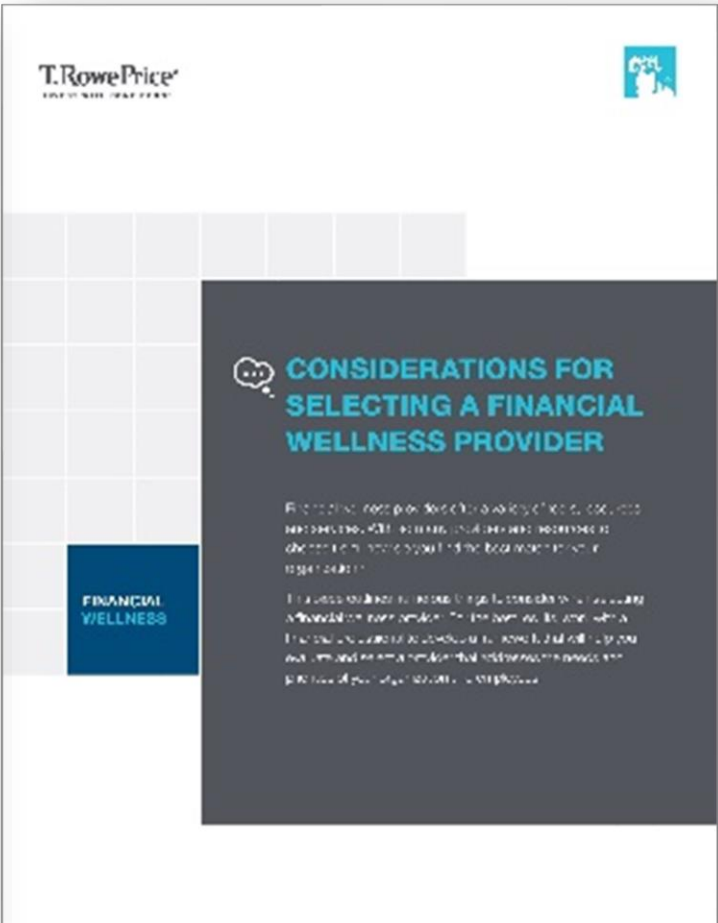
Small incremental steps can have a measurable impact.



Tools and Resources



Assessment tools for employers



Workbooks

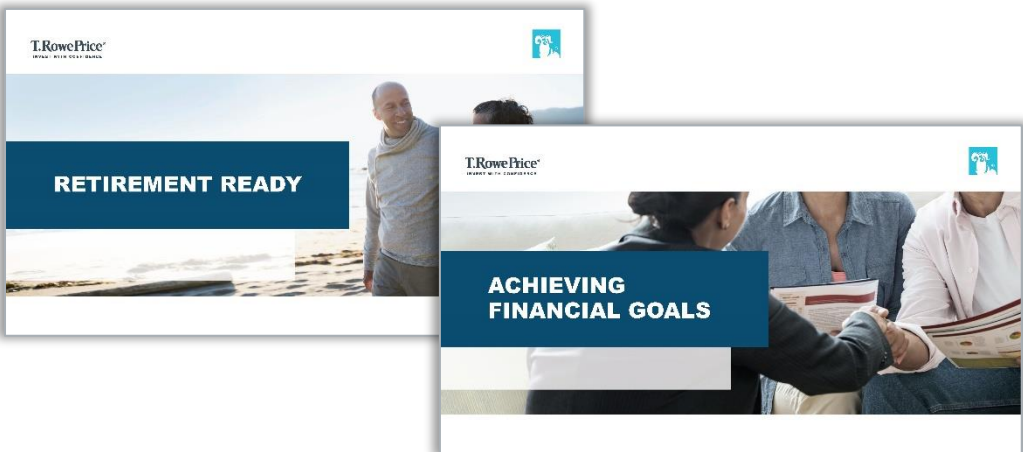
Utilize these tools to assess financial wellness needs, work through the program evaluation and selection process, and establish goals and metrics to measure program effectiveness. The tools work best when completed with a financial professional.

Tools for use with employees



Conversation Starters

Use these tools to engage with employees regarding their financial needs and initiate the Financial Wellness discussion.



Presentation Library

Leverage turnkey presentations—complete with speaker notes—to introduce Financial Wellness concepts and key steps employees can take to achieve short and long-term financial goals and retire with confidence.

Summary

Financial
Wellness
remains
important

Continue to
elevate the
Financial
Wellness
discussion

Leverage
available tools
and resources



T.RowePrice

Thank You

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Appendices

A growing opportunity

+20 %
**Expected
Growth**

**In the financial wellness benefits market
from 2022 to 2028**

Source: Research and Markets U.S. Financial Wellness Benefits Market—Industry Outlook and Forecast 2022-2028 (2023)

A growing opportunity



For the third year in a row, Financial Wellness ranked in **top 3 areas of communication** focus for employers

A growing opportunity

27%

Of employers offered a financial wellness program beyond the 401(k) program in 2021.

5%

Of employers added a financial wellness program in 2021.

4%

Of employers were planning to implement a program in 2022.

Source: Plan Sponsor Council of America Annual Survey (2021)

Innovations in communication and delivery



Targeted communications



Incentives



A more integrated,
multi-channel approach



Interactivity



Personalized learning paths
to increase engagement



Rewards to support
changes in behavior