



## MEASURING FINANCIAL WELLNESS PROGRAM EFFECTIVENESS

Employee benefits programs can be expensive to launch and manage. Therefore, it is important to be able to demonstrate effectiveness. Your organization may have a wide range of goals for establishing financial wellness programs, such as improving employee engagement and retention, or reducing absenteeism. Whatever the goals, it is necessary to define and prioritize them at the outset and then establish metrics and methodologies to evaluate progress.

This piece outlines numerous types of goals and metrics to consider. For the best results, review with a financial professional to help you identify the goals and success metrics that are most appropriate for your organization and employees.

**FINANCIAL  
WELLNESS**

# Expectation Management

It's critical to set reasonable expectations as to what success looks like and to identify incremental success measures along the way. Often, "success" (however you've defined it) is achieved with patience. Changing behavior takes time, and it may take even longer to see the downstream impact of those behavior changes. The following pages provide examples of financial and nonfinancial metrics that may be used to gauge a program's effectiveness—both over the short-term and long-term.

After all, employees didn't dig their respective financial holes in a day, and they won't fill them overnight.

For example, if an employee base has an average of \$6,000 in credit card debt, that doesn't get paid down (much less off) in a few months. It may take a year or two to see the positive effects from improved financial wellness in the form of self-reported levels of debt, increased retirement plan savings rates, and a decrease in loans or hardships.

## Establish Benchmarks

Prior to program implementation, have a clear understanding of the data points you want to measure. This will give you a baseline against which you can measure progress going forward.

Potential points to capture:

<b>Retirement plan leakage</b>	<ul style="list-style-type: none"><li>■ Number of retirement plan loans outstanding</li><li>■ Percent of participants with retirement plan loans outstanding</li><li>■ Average retirement plan loan balance</li><li>■ Rate at which loans are paid off</li><li>■ Average time between loans</li><li>■ Total amount of hardship/in-service distributions in the past 12 and 24 months</li></ul>
<b>Workforce management</b>	<ul style="list-style-type: none"><li>■ Turnover rate</li><li>■ Recruitment</li><li>■ Retention</li><li>■ Hiring successes</li></ul>
<b>Financial readiness</b>	<ul style="list-style-type: none"><li>■ Retirement plan participation rate</li><li>■ Average deferral rate</li><li>■ Average account balance</li><li>■ Average credit card balance</li><li>■ Average student loan balance</li><li>■ Number of employees with student loan balances</li></ul>
<b>Workplace productivity</b>	<ul style="list-style-type: none"><li>■ Absenteeism</li><li>■ Errors/mistakes</li><li>■ Cost of errors/mistakes</li></ul>
<b>Health and wellness</b>	<ul style="list-style-type: none"><li>■ Employee Assistance Program usage</li><li>■ Health care claims usage behavior</li><li>■ Engagement with wellness programs, webinars, fitness incentives</li></ul>

# What and When to Measure

Similar to the psychological boost that comes with achieving “quick wins” on the road to financial wellness, organizations can utilize very tactical data points to measure initial, and ongoing, program success. The guide below provides examples of objectives and success measures you may want to consider.



## Short-Term Metrics (Launch to six months)

Key objectives: awareness, engagement, initial utilization

Points to measure:

- Percent of opens and click-through rate (CTR) on initial promotional emails
- Percent of employees who signed up for an incentive program (if applicable)
- Number of employees who visited a booth at implementation/launch
- Percent of employees who have engaged with online content, watched videos, called financial coach/mentor, or signed up for or attended employee meetings (group or one-on-one)
- Satisfaction survey results from meetings
- Percent of program users who are satisfied with their wellness experience
- Percent of employees who are satisfied with the overall benefits package



## Medium-Term Metrics (six to 18 months)

Key objectives: engagement, utilization, appreciation, and improved wellness/stress metrics

Points to measure:

- All of the above, plus
- Percent of opens and CTR on subsequent promotional emails and other communications
- Levels of financial stress, confidence, and distractions
- Total number of sick days taken in the past year



## Long-Term Metrics (18 months+)

Key objectives: repeat engagement, utilization, appreciation, improved wellness/stress and retirement plan metrics, and reduced attrition and absenteeism/errors

Points to measure:

- All of the above, plus
- Number of retirement plan loans outstanding
- Percent of participants with retirement plan loans outstanding
- Average loan balance
- Total amount of hardship/in-service distributions in the past 12 and 24 months
- Retirement plan participation rate
- Average deferral rate
- Organizational turnover
- Number of errors/mistakes
- Cost of errors/mistakes
- Average credit card balance
- Average student loan balance

# Establishing Goals and Success Metrics

Use this section to identify the financial and non-financial goals and appropriate success metrics that are most appropriate for your organization and employee population. Be sure to include both short-term and long-term goals in order to measure both initial and ongoing success.

Organization	
Financial Goals	
Non-financial Goals	
Success Metrics	
Employees	
Financial Goals	
Non-financial Goals	
Success Metrics	

For more information, please talk to a financial professional.

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