



# Prudential Financial Wellness Program



# Financial Wellness Program Overview

Prudential's Financial Wellness Program uses an omnichannel approach (e.g., education and individual guidance) to address a multitude of employee financial needs and pain points such as:



## 1 Day-to-day money management

Credit and debt review, budget/spending plan, emergency savings, student loans, and taxation



## 2 Reaching specific financial goals

College funding, major purchases, family finances and saving for retirement



## 3 Protecting against risk

Adequate insurance coverage, estate planning and investment asset allocation review

## Why it Matters

Work is where employees make critical decisions about how to allocate their wages to current needs, savings, benefits and financial goals. These decisions, without proper knowledge, can have a negative effect on job performance and impact an employee's financial well being.

### Employees are financially stressed...



75% say they are in debt (50%+ think they always will be)<sup>1</sup>



78% live paycheck to paycheck<sup>1</sup>



1 in 5 aren't saving for retirement, emergencies, or other financial goals<sup>2</sup>

### ...and that's bad for business



25% of workers are distracted by financial issues at work<sup>3</sup>



46% higher healthcare costs for stressed employees<sup>4</sup>



64% say financial challenges affect workers' ability to focus on work<sup>5</sup>

## Financial Wellness Onsite Learning

- Holistic financial education seminars at your workplace with no solicitation
  - Seminar Series
  - 30+ one-hour topical seminars
  - Workshop to assist employees with completing important financial wellness exercises
  - Employment transition seminars
- Delivered onsite at the workplace by local, specially trained Prudential financial professionals who are selected using stringent criteria
- National coverage
- No cost to you or your employees
- Employer's benefit plan is integrated into the presentation
- Easy to implement and administer — all communications, registration, satisfaction surveys, data and metrics reporting is handled by Prudential

1 CareerBuilder Research, 2017

2 Bankrate's Financial Security Index, February 23, 2019 – March 3, 2019

3 PwC, Employee Financial Wellness Survey, 2018

4 Stress in the Workplace: Meeting the Challenge. Health Advocate, <https://www.mysecureadvantage.com/for-employers/resource-center/articles/reduce-healthcare-costs-with-financial-wellness>.

5 International Foundation of Employee Benefit Plans. "Financial Education for Today's Workforce: 2018 Survey Results."

# SEMINAR SERIES

A series of engaging onsite financial wellness seminars. These easy-to-understand seminars are designed to teach employees how to best manage their financial house in all areas related to financial wellness.

## Seminar 1

### GREAT STRIDES: Understanding the Fundamentals of Financial Wellness

**Specifically, we'll cover:**

- Creating and fine-tuning a budget
- Fundamental concepts of investing, including:
  - Paying yourself first
  - Pre-tax investing
  - Tax-deferred vehicles
  - Principles of time and compounding
  - Dollar cost averaging
  - Asset allocation concepts
- Savings and investment vehicles to help meet your long-term financial goals
- Challenges in retirement: longevity risk, inflationary risk, and medical expenses
- College funding vehicles

Activities	■ Retirement Savings Calculator
	■ Budget Exercise
	■ Visit SSA.gov
	■ Envision Retirement Exercise

## Seminar 3

### CRUISING ALONG: Protecting Yourself and Your Loved Ones

**Specifically, we'll cover:**

- Why protecting assets is just as important as accumulating assets
- Ways to help protect and secure financial wellness against predictable and unforeseen circumstances
- Various types of insurance, including:
  - Property & casualty
  - Medical
  - Life
  - Disability Income
  - Long-Term Care
- Healthcare in retirement and the role Medicare plays, including:
  - Parts A, B, C, & D
  - Supplemental insurance

Activities	■ HHS.gov
	■ Medicare Booklet
	■ Life Insurance Needs Estimator

## Seminar 2

### FOR THE LONG HAUL: Building Your Road to Retirement

**Specifically, we'll cover:**

- Key elements of a retirement plan
- Building your road to retirement
- Common roadblocks when investing for the future and how to avoid them
- How to keep goals in focus and on track in retirement
- How to help manage investment risks through diversification and prudent asset allocation
- Investing pitfalls and how they can be avoided
- Developing a plan for retirement income. Creating a paycheck from the retirement assets you've accumulated
- An overview of Social Security

Activities	■ Cash Flow Worksheet
	■ RMD Calculator
	■ Defining Your Investment Risk Tolerance

## Seminar 4

### THE JOURNEY CONTINUES: Creating a Solid Plan for the Future

**Specifically, we'll cover:**

- The importance of maximizing employee benefits
- Common estate planning concepts, including:
  - Wills
  - Trusts
  - Beneficiaries
  - Probate
  - Powers of Attorney
  - Medical directives
- Estate planning pitfalls, including:
  - Not having a plan or putting it in writing
  - Not preparing a custodial agreement for minors
  - Neglecting to use common and readily available estate planning documents to minimize taxes and probate court fees
- Optional – A company representative can provide an overview of the employee benefit package

Activities	■ LifeStages Folio
	■ Estate Planning/Asset Transfer Checklist
	■ Financial Wellness Checklist
	■ Optional: Employee Benefits Overview

# MENU OF ONE-HOUR SESSIONS

This program covers a broad range of topics such as budgeting, college funding, retirement planning strategies, and tax and estate planning strategies.

These educational seminars are intended for every demographic of employee within your organization.

## THE BASICS

**The Basics of Credit & Banking Services** covers the advantages and risks of using credit, which banking services you need to be wary of, and how to choose and maintain a checking account.

**The Basics of Saving & Investing** covers the importance of paying yourself first, how interest is calculated, types of investments, and more.

**Financial Challenges That Matter Most** provides best practices for growing and managing your income, protecting your assets, and minimizing debt.

**Strategies for College Funding** provides strategies to save for college, including 529 College Savings Plans and Coverdell Education Savings Accounts.

**Don't Try to Predict the Stock Market** outlines approaches toward investing in the stock market.

**Budgeting and Debt Management** focuses on budgeting, how to prioritize your bills, and the importance of saving and investing.

**Student Loans – How to Pay Off Your Debt** discusses the impact student loan debt has on borrowers and provides repayment options and payoff strategies.

**Is Your Financial House in Order?** covers concepts such as budgeting, debt management, protection of assets, preparing for retirement, and creating a legacy for your loved ones.

**Understanding Your Health Savings Account** explores topics including who's eligible to participate in a health savings account, contribution limits, and long-term growth opportunities.

## RETIREMENT

**Roadmap to Retirement** discusses actions you should consider at particular ages to ensure you get the most out of your retirement.

**Your Social Security Benefits** provides an in-depth explanation of the retirement, disability, and death benefits of Social Security.

**Are You Prepared for the Financial Challenges in Retirement?** covers the most common challenges faced in retirement and provides strategies to help create a more secure future.

**Retirement Planning Toolkit** provides the tools you need to make informed decisions about your retirement.

**Managing Healthcare Costs in Retirement** covers topics including what Medicare covers, out-of-pocket medical expenses, and long-term care insurance.

**Life's Retirement Derailers** examines how challenges such as rising healthcare costs, market volatility, and low interest rates can affect your retirement savings.

**Providing for a Surviving Spouse in Retirement** explores how to ensure your spouse's financial stability despite rising healthcare costs and reduced Social Security benefits.

## TAXES & ESTATE PLANNING STRATEGIES

**Taking Control of Your Taxes** focuses on how investment decisions in today's tax environment can impact your income in retirement.

**It's Your Estate, Are You in Control?** discusses fundamentals of estate planning from taxes to asset distribution.

**Estate Planning for the LGBTQ + Community** provides tips for LGBTQ + individuals and couples on how to ensure assets are distributed according to their wishes.

# MENU OF ONE-HOUR SESSIONS

## ASSET PROTECTION

**How Insurance Can Help Protect Your Financial Wellness** discusses how life, health, auto, disability, long-term care, and homeowners insurance can play an important role in your asset protection plan.

**What You Should Know About Life Insurance** covers how to determine how much life insurance you may need and an overview of different types to consider.

**Protecting Yourself from Identity Theft** discusses types and warning signs of this growing crime, as well as how to report incidents.

## SPECIALTY

**Women & Money - Taking Control of your Financial Future** helps women create an action plan to take control of their finances.

**Managing Money for Kids and Teens** presents basic financial topics like creating a budget and the importance of savings in terms kids and teens can understand.

**Teaching Your Children Good Money Habits** provides age-appropriate “money” lessons to help you reinforce your family’s values about spending, giving, and saving.

**Financial Challenges of the Sandwich Generation** discusses issues faced by those caring for children and parents at the same time.

**Taking Care of Your Loved Ones as They Age** discusses issues faced by those caring for aging loved ones and the importance of developing a caregiving plan.

**Financial Challenges of Coping with Critical Illness** delves into topics such as the types of costs to expect and funding sources for dealing with them.

**Financial Conversations Before Saying “I Do”** explores topics such as budgeting and debt management, which should be discussed before tying the knot.

## WORKING SESSION

**Pathways Working Session** provides several exercises to help attendees organize their financial life, identify the type of retirement they wish to have, and start creating financial strategies.

## 30-MINUTE SESSION

**Challenges that Impact Your Financial Life** addresses ways to make your money work for you.

## NEW COVID SESSIONS

**7 Financial Tips for Life After Lockdown:** We’ll start simple, with ways members can review and revise their spending plan. Then, we’ll move on to discuss more complex topics, including how recent legislation may impact debt such as student loans.

**Budgeting & Building an Emergency Fund:** For those seeking a deeper dive into revising their budget, this session is ideal. We’ll also tackle how to create an emergency fund and address pitfalls to avoid along the way.

**Is Your Financial House in Order?:** This seminar gets back to the basics, allowing members to think holistically about a variety of financial concepts in the wake of the pandemic.

**How Insurance Helps Protect Financial Wellness:** We’ll look at ways to leverage different types of insurance to help protect hard-earned assets.

**Saving and Investing:** In volatile markets, saving and investing are topics that tend to make everyone uneasy. This seminar offers strategies to help members feel more confident.

**6 Essential Tools for Estate Planning Strategies After Lockdown:** Amid the healthcare crisis, members may have contemplated how to provide for their loved ones no matter what the future brings. To address these concerns, this seminar will demystify some of the fundamentals of estate planning strategies.

**Investing in Turbulent Times:** The Impact of the Coronavirus: Addresses the current economic climate due to the Coronavirus as well as strategies for investing in turbulent financial markets.

**Managing Day-to-Day Finances During the Coronavirus Crisis:** Focuses on budgeting, how to prioritize your bills and strategies for saving and investing in uncertain times.

# NEW BEGINNINGS

A major change in employment, like a job loss, furlough or retirement, is an impactful event in an employee's life. It's a time when employees most need education about making benefit decisions and managing their financial wellness.

## New Beginnings focuses on steps employees can take to help improve their financial wellness during the transition into retirement or to another employer

Seminars provide education and tools, as well as outline actions that employees can take to manage their financial and benefit decisions that have to be made.

Employers can choose among these seminars:

- **Retirement—Your Next Chapter:** Step-by-step guidance for those who are thinking about retirement. The offering includes a seminar, personal retirement strategy session with a financial professional, and a comprehensive analysis of retirement readiness tailored to the individual's specific goals.
- **Managing Employment Change:** For employees who will stay in the workforce but not with their current employer
- **Transitioning Successfully into Retirement:** For employees who will retire from the workforce

Seminars take a deep dive into topics such as:

- Transition and portability of benefits
- Managing cash flow
- Unemployment compensation
- Severance package details
- Protecting retirement savings
- Health insurance replacement
- Social Security
- Estate planning strategies

# FINANCIAL WELLNESS CHECK-UP

Employers can request a Financial Professional to be present on site or virtually for 30-minute one-on-one financial conversations with employees.

During a financial check-up session, Financial Professionals can:

- Answer questions related to overall financial wellness
- Conduct a review and analysis of employee's current needs and goals
- Help employees better understand their benefit plan and how to use it more effectively

# FINANCIAL WELLNESS 360

Employees can schedule an appointment with a financial professional to conduct a thorough analysis and evaluation of their current needs and goals relating to key financial areas.

The financial analysis includes:

- A snapshot of their current financial picture, including cash flow, net worth, and breakdown of assets and liabilities.
- The probability of meeting their most important financial goals like saving for retirement, college expenses or other major purchases, as well as assessing how their investments are allocated.

## Retirement Goal Comparison

Probability of Success	
High	82% - 100%
Medium	70% - 81%
Low	0% - 69%



Current Situation



Recommended Plan

## Education Goals Comparison

### Eva's Education Education Goal for Eva Stevens

Probability of Success	
High	82% - 100%
Medium	70% - 81%
Low	0% - 69%



Current Situation



Recommended Plan

# SUMMARY OF PARTICIPANT SURVEY RESULTS FOR ONSITE SEMINARS<sup>5</sup>

**14%** of Retirement plan participants increased their contribution rate by 5.2% within the same or following month of attending a Pathways seminar.<sup>6</sup>

## Making financial education a positive experience for employees

We're working hard to give employees the information and tools they need to achieve financial wellness. That's why we're proud to present the participant survey results from our Pathways financial wellness series.

**92%** said they were satisfied overall with the program.<sup>7</sup>

**96%** would recommend the program to a co-worker or friend.<sup>8</sup>

**96%** said their speaker was easy to understand.<sup>9</sup>

**94%** rated the information as valuable.<sup>9</sup>

**92%** rated the content valuable and relevant.<sup>9</sup>

**93%** said the content was easy to understand.<sup>9</sup>

## More importantly, our seminars helped inspire participants to take action.

**97%** plan to maximize their employee benefits.

**96%** plan to create or update a will.

**98%** will check and update their beneficiary forms.

**98%** will create a budget.

**95%** will rebalance their portfolio.

## Employer Testimonial:

“Prudential Pathways has been an integral part of our financial wellness strategy at Cintas. Since rolling out this program in August of 2016, they have proven themselves as great partners time and time again. Their coverage map across the country allows us to offer the program to the majority of our employees at times that are convenient for the location. The speakers are licensed and engaging. We have received rave reviews from our employees around the country on their presenters. For our more remote employees, Prudential worked with us to develop a virtual website solution. We are grateful for the time and effort Prudential has put into developing this strong program!” - Cintas

“The Samsung Wellness program is based on three fundamental facets of overall wellbeing – mind, body and financial wellness. The Prudential Pathways free seminars and four-week series has been a key contributor to our success in providing practical yet impactful financial learning opportunities and counseling to our employees. The Pathways series and seminars are always anticipated and well received by employees. Participant feedback indicates that our employees are feeling more informed about financial concerns throughout their lifetimes and feel more confident in making critical financial decisions. I believe a key factor of the program's success is the Prudential speaker and his colleagues. Everyone is so knowledgeable, friendly, and willing to take an extra moment after class to speak with participants who have questions. I am proud to offer Samsung employees the Prudential Pathways experience. Thank you Prudential!” - Samsung

## Employee Testimonials:

“Access to presenter to get questions answered.”

“Brought up items that I have been thinking about and now feel more confident crossing off the “To Do list.””

“Exposure to areas not discussed anywhere else in life (Medicare, insurance).”

“Feeling like I can take control of my finances — finally!”

5. Results based on feedback provided by 59,488 participants from October 2020 to December 2020.

6. Prudential Retirement Operational data store.

7. Positive ratings of “very good” or “excellent.”

8. Defined as “promoters” giving ratings of 7–10 out of an 11-point recommend scale.

9. Positive ratings of “very satisfied” or “extremely satisfied.”





# The Benefits of Financial Wellness Education

Employers can:	Employees can:
Demonstrate concern for employee well-being	Receive objective financial education in person from experienced local financial professionals
Reduce questions coming from your employees about what to do, which in turn saves time	Have a dedicated resource who is licensed and registered to answer all of their questions
Offer objective financial education without solicitation	Attend seminars at their worksite for their convenience and bring guests
Easily put the program in place with little administrative time and at no cost	Learn how benefits fit into their overall financial wellness
Help improve employee satisfaction and productivity	Feel increased satisfaction and improve productivity
Provide education to suit the needs of all employees	Learn how to best manage their finances day-to-day
Inspire employees to improve their financial wellness	Achieve important financial goals and protect themselves against key financial risks
Reach all employees, regardless of location	

**Contact your Prudential Representative today to discuss how this workplace solution can help your employees.**

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