Financial Freedom – Employee Well Being

GOVERNOR’S WORKFORCE & HUMAN RESOURCE CONFERENCE

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FARGO, ND
Financial Planning as a Benefit.
Making your hard work worth it.

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A financial advisory advisory practice of Ameriprise Financial Services, Inc.

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Benefits of offering financial planning and financial education as a benefit
The difference a plan might make

Sue
• 24 years-old
• Single
• Marketing professional
• Earns $32,000/year
• Wants to retire at age 55

Ed
• 26 years-old
• Single
• Engineer
• Earns $36,000/year
• Wants career growth and financial security

The characters are fictional. This section is not intended to offer you financial planning advice. It is meant to provide you with some information that may be helpful as you begin to think about investment choices. Your own decisions should be made in light of your own financial situation. Ameriprise Financial cannot guarantee future financial results. Such a plan does not assure a profit or protect against losses in a declining market.
First job → Marriage → Baby → Retirement

Sue’s choices:
• Engage in financial planning
• Purchase group life and disability insurance
• Full participation in employer’s 401(k) plan
• Pay off debt
• Buy a home

Ed’s choices:
• Partial participation in employer’s 401(k) plan
• Actively uses credit cards
• Rents a home

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First job → **Marriage** → **Baby** → **Retirement**

Sue’s decisions
- Update financial plan
- Supplement group life insurance
- Max out 401(k) contribution
- Update will
- Carry no credit card debt

Ed’s decisions
- No written financial plan
- No group life insurance
- Not to max 401(k) contributions
- Get a simple will
- Carry $8,000 in credit card debt

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First job → Marriage → Baby → Retirement

Sue’s decisions
• Update financial plan
• Set up a 529 college savings plan
• Update will
• Enroll in health care & dependent care reimbursement accounts
• No credit card debt

Ed’s decisions
• Set up college savings, but not tax-deferred
• Will not updated
• Not enrolled in flexible spending accounts
• Credit card debt of $20,000

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First job → Marriage → Baby → Retirement

Sue’s decisions
• Update financial plan
• Invest outside of 401(k)
• Obtain long-term care insurance
• Create retirement income plan

Ed’s decisions
• Work part-time to maintain health insurance benefit
• Start investing outside of 401(k)
• Take loan to pay off credit card debt

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The difference

• 63 & married
• Two sons complete college
• Retired since age 56
• $70,000/year investment income
• Retirement savings of $1.8 million excluding home equity

• 65 & married
• Daughter completes college
• Engineer, earning $75,000/year
• $10,000/year investment income
• Retirement savings of $499,000 including home equity

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The difference

WHO HAD MORE TO SHOW FOR THEIR HARD WORK?

Ed

Sue

Working with a financial advisor does not guarantee investment success.
Integrate financial planning benefits

MAKE YOUR HARD WORK WORTH IT

1. IN NEW HIRE PACKETS
2. ON CORPORATE INTRANET SITE
3. IN TOTAL COMPENSATION STATEMENTS
4. AS PART OF OPEN ENROLLMENT
5. OFFER MEETINGS WITH ADVISORS
6. OFFER A SUBSIDY
Why it’s important

**Improve the well-being and productivity of your employees**

- 46% of those who are distracted by their finances at work spend 3 or more hours at work each week thinking about or dealing with personal finances.¹
- 37% of Millennials and 29% of GenXers say that issues with personal finances have been a distraction at work.¹
- 75% of employees surveyed did not feel financially secure.²

**Drive employee engagement**

- 70% of employees say that benefits that can be customized to meet their needs would increase their loyalty to their employers.³
- 62% of employees agree that they're looking to their employers for more help in achieving financial security through employee benefits.³

**Maximize your benefits investment**

- 67% of organizations offering financial education rate their programs as successful with most effective methods of providing financial education being⁴:
  - Free personal consultations
  - Voluntary classes/workshops
  - Web-based/online resources and courses
  - Focus on a holistic approach (rather than educating employees through a summary plan description)

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¹ PWC Employee Financial Wellness Survey Results, April 2016
² 2016 Bank of America Merrill Lynch Workplace Benefits Report
³ 2016 MetLife’s 14th Annual U.S. Employee Benefit Trends Study
⁴ 2016 International Foundation of Employee Benefit Plans, Financial Education for Today’s Workforce Survey Results
The Ameriprise financial wellness program offers:

Employee financial planning services

- Provide a personal roadmap for each employee
- Workplace pricing options available
- Rounds out your benefits offering
- Can be available to all employees or select groups

30% of millennials say that incentives from their employer help them take steps to improve their financial well-being.¹

Comprehensive financial planning services integrate your benefits and compensation into an employees’ personal financial picture.

¹ MetLife MetLife’s 14th annual U.S. Employee Benefit Trends Study, Opportunity is Knocking: How Benefits Lay the Groundwork for a Thriving Workforce

America’s leader in financial planning: Ameriprise helped pioneer the financial planning process more than 30 years ago. We have more CERTIFIED FINANCIAL PLANNER™ professionals than any other company in the U.S. as documented by the Certified Financial Planner Board of Standards, Inc., as of Dec. 31, 2016. There is no guarantee that you will work with an advisor with a CFP® certification.
Our Confident Retirement® approach

We use our Confident Retirement approach as a framework for a conversation about balancing employees’ financial priorities.

- **Covering essentials**: Essentials are the necessities — the monthly expenses that keep your life running.
- **Ensuring lifestyle**: Lifestyle is about the things you want to do, and how you want to live, today and in the future.
- **Preparing for the unexpected**: The unexpected are events that could derail your plans.
- **Leaving a legacy**: Legacy is about the impact you’ll make on the people, charities and causes that are important to you.

The Confident Retirement approach will include a review of your existing financial retirement situation and potential opportunities, gaps, or general strategies. You will not receive a comprehensive review or financial planning services for which fees are charged. It is not a guarantee of future financial results.

These services are not intended to be ERISA fiduciary services.
The financial planning experience

A personal approach to individual financial planning
Employees who are interested in a comprehensive approach to financial planning can meet with a financial advisor for a complimentary, no obligation introductory consultation.

The initial consultation provides an overview of financial planning concepts. Employees will not receive written analysis and/or recommendations.
Take steps to promote a culture of financial responsibility for your employees.
Thank you.