



A Closer Look at Financial Well-Being for Higher Education Institutions

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Today's Presenters



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Agenda

Why is Financial Well-Being So Important

What Faculty and Staff Get vs What They Need

What Does a Comprehensive Offering Look Like

How to Drive Successful Engagement

Why is Financial Well-Being in the News?

Financial stress lowers health and happiness and increases social isolation¹

68% of workers are stressed about their finances²

Half of Americans feel financially worse off than they did a year ago, the highest since the Great Recession³

9.3 million more Americans are living paycheck-to-paycheck compared to the prior year⁴

The national rent-to-income ratio reached **30%** for the first time⁵

48% feel they don't have enough savings to handle an emergency expense⁶

¹ "The Cost of Financial Precarity", Carrie Leana, Stanford Social Innovation Review, Spring 2019

² "Stress, finances, and well-being", John Hancock, December 2022

³ "Half in U.S. Say They Are Worse Off", Jeffrey M. Jones, Gallup, 2/8/2023

⁴ "New Reality Check: The Paycheck-to-Paycheck Report", PYMNTS and LendingClub, January 2023

⁵ "Key Takeaways from the 4th Quarter Housing Affordability Update", Lu Chen and Mary Le, Moody's Analytics, 1/19/2023

⁶ "Inflation Taking Its Toll on Worker Financial Well-Being", EBRI, Fast Facts #452, 1/19/2023

Why Does Financial Well-Being Matter in Higher Ed?

Poor financial health costs companies 13%-18% of workers' annual salaries¹

Curb costs

1

68% of American workers feel that their company has a responsibility to make sure they are financially secure and well²

Meet emerging expectations

2

Black and Hispanic families have 22% and 20%, respectively, of the wealth of White families³

Support DEI initiatives

3

You care about your people; empower them to be happy, healthy and productive

Employer of choice

4

¹ "The 2nd Annual Salary Finance Report", Salary Finance, 2020

² "2021 EBRI Financial Wellbeing Employer Survey", Craig Copeland, Employee Benefits Research Institute, October 28, 2021

³ "Defined Benefit and Defined Contribution Plans and the Distribution of Family Wealth", Congressional Budget Office, February 2023

What Services are Typically Made Available to Workers Today?

Types of financial wellness topics covered by retirement providers¹:

- Pre-retirement savings strategies (77.3%)
- Investment basics (68.6%)
- Budgeting tools (64.0%)
- College savings (37.4%)
- Credit/debit management (35.0%)
- Student loans (27.0%)
- Home buying (20.7%)
- None (36.6%)



Financial wellness services are available through:

- Participant call center
- Webinars
- Online (self-service) tools
- Proprietary products



Where is Traditional Financial Education and Literacy Falling Short?

Challenges

Poor Engagement

Knowledge of, trust and utilization is low

Fees May Apply

Some services may be subject to fees

Confusing Landscape

Multiple providers and overly focused on retirement

Consequences

A third of workers say that retirement savings are not a priority relative to the current needs of their family¹

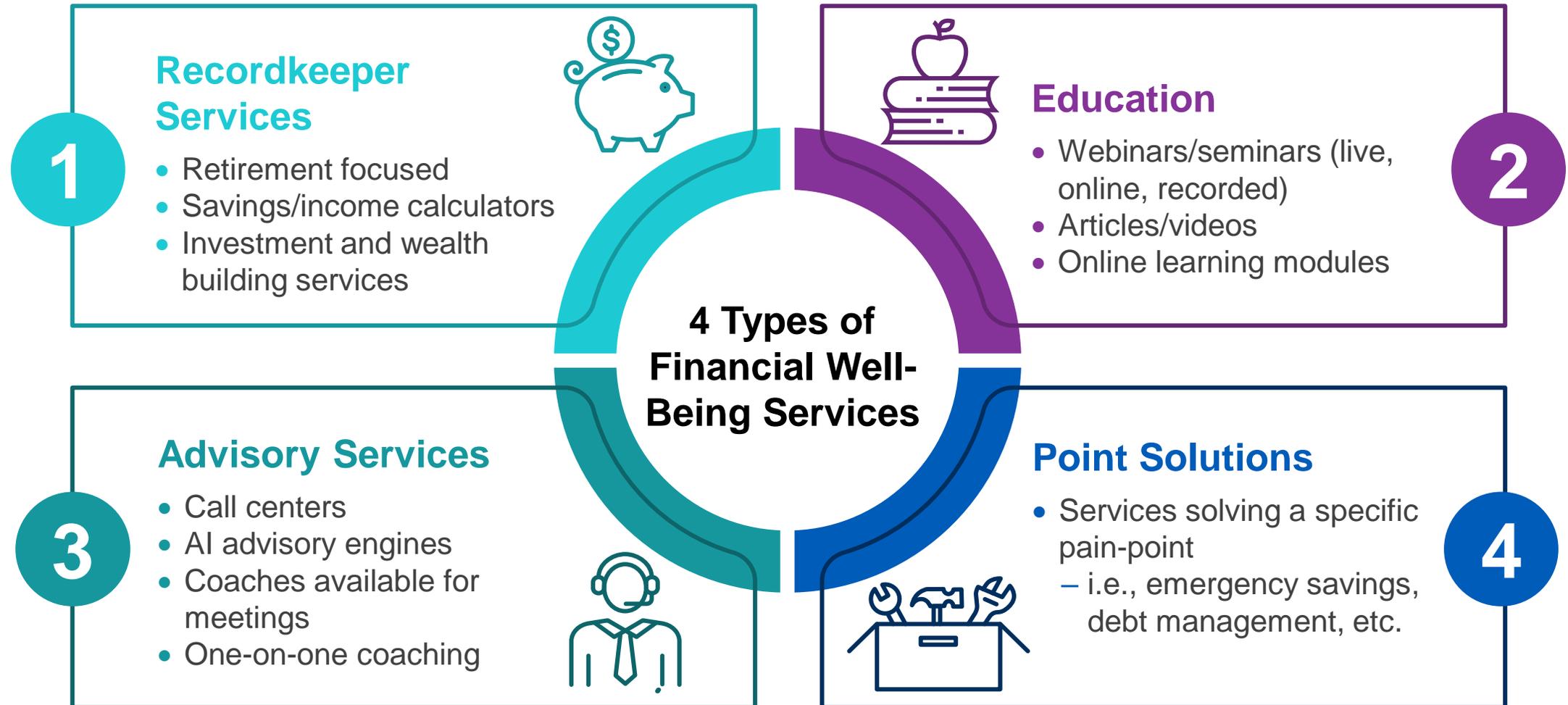
Half of workers feel like they are just getting by and unable to save for retirement and the future²

7 in 10 workers do not expect to retire on time²

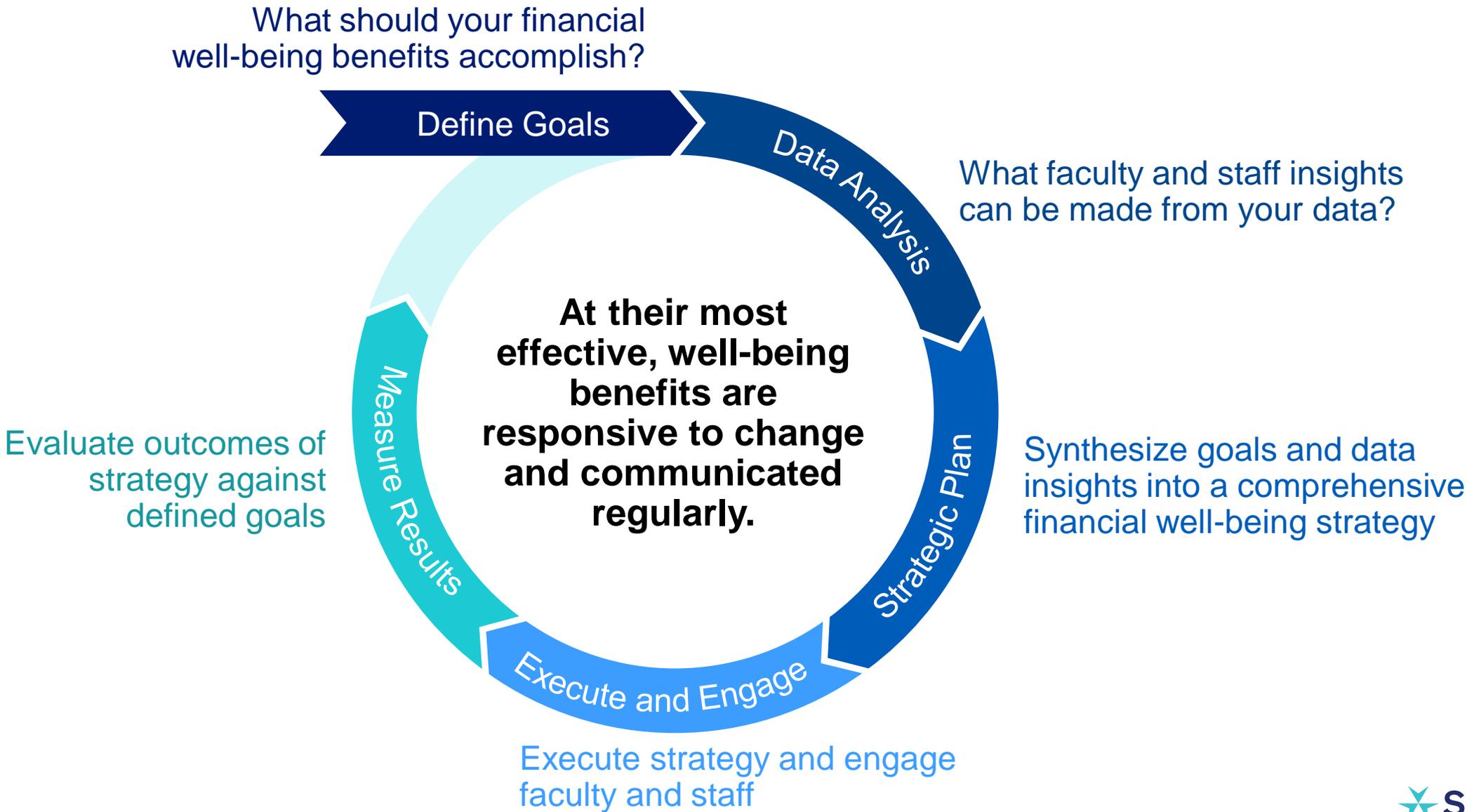
¹ "2023 Retirement Confidence Survey", Craig Copeland, Employee Benefit Research Institute, 2023

² "Axios/Ipsos Retirement Survey", Chris Jackson, Ipsos, July 2023

Elements of a Modern Financial Well-Being Offering



Creating a Modern Financial Well-Being Offering



Increasing Participation



**Build
Awareness**



**Communicate
Value**



**Drive
Engagement**

Driving Positive Outcomes

- 1 “What’s in it for me” needs to be clear

Example: “This will help me avoid pay-day loans.”
- 2 Convenient and accessible

Easy-to-use and mobile friendly
- 3 Easy to understand

Explained simply and available in relevant languages

Best Practices for Engagement



Frequent and ongoing promotion needed

Faculty and staff will need to be reminded regularly



Support and endorsement from stakeholders will be key

Stakeholders have power to reaffirm value to faculty and staff



Coordinated rollout will help drive adoption

Holistic approach to messaging and implementation will help create a consistent and positive user experience



Branding/co-branding a must-have

Your brand will instill trust



Peer testimonials will help increase engagement

Questions



Thank You

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