The Ultimate Guide *to* Evaluating Financial Wellbeing Solutions

An employer's guide to choosing the best financial wellbeing solution for their workforce.



LEARNLUX

The rise of financial wellbeing in the workplace

Financial wellbeing is a critical aspect of an employee's overall health. In today's economically challenging environment, employees face numerous financial stressors, from inflation and cost of living, to managing debt, to planning for retirement. In a recent survey, more than 88% of employees report feeling financially stressed across all income levels.

Employees are juggling more debt than ever before, with credit card debt surging to over $1.2 trillion in the US on top of $1.7 trillion in student loan debt.

Fluctuations in the economy over the past few years have fueled a need for financial stability and planning. With the inflation rate hitting a peak of 9.1%, now more than ever employees need help navigating the cost of living crisis and planning for their financial futures.

Financial stress impacts employees' mental health, retirement readiness and productivity at work. Today, 96% of employers feel responsibility for their employees' financial wellbeing.

Diverse financial needs across the workforce lifecycle

Your workforce encompasses a diverse range of financial needs across different life stages and income levels. Addressing these needs holistically is essential for a comprehensive financial wellbeing solution. The infographic below illustrates the spectrum of financial challenges and needs throughout .

- Healthcare costs
- Eliminating debt
- Leaving a legacy

- Savings
- Student debt
- Benefits Decisions



- Retirement savings
- Investments
- Estate Planning

- Home ownership
- Family planning
- Care-giving

STUDENT DEBT

The total student loan debt in the United States is over $1.7 trillion, with an average of $37,787 per borrower. (Investopedia)

ESTATE PLANNING

Less than half (47%) of Americans have a will (Investopedia)

HOME OWNERSHIP

73% of homeowners reported being “at least okay” financially, while only 56% of renters reported the same, showing a significant difference in financial wellbeing. (Homebay)

HEALTHCARE EXPENSES

A 65-year-old couple retiring today can expect to spend about $315,000 on healthcare expenses throughout their retirement. (Fidelity)

Starting the financial wellbeing search

To effectively address the financial wellbeing of your workforce, it is crucial to first understand the specific gaps and needs that exist.

Here are some best practices for assessing the current state of employees' financial wellbeing:

Surveying employees

Begin by surveying your employees to identify the factors both at home and at work that are causing stress, productivity gaps, or absenteeism. This survey should include questions designed to pinpoint the root causes of financial stress.

By including these questions in your survey, you can gather comprehensive data on the financial stressors affecting your employees and identify specific areas where financial wellness programs can have the most impact. This will help in designing targeted interventions that address the diverse financial needs of your workforce.

Sample survey questions

OVERALL FINANCIAL WELLBEING

Overall, how would you rate your current financial wellbeing?

- ◯ Poor
- ◯ Fair
- ◯ Good
- ◯ Very Good
- ◯ Excellent

FINANCIAL PAIN POINTS

Which area of financial wellbeing is your biggest pain point today?

- ◯ Affording necessities
- ◯ Understanding finances/budget
- ◯ Learning how to invest
- ◯ Creating an emergency savings
- ◯ Preparing for retirement
- ◯ Managing debt
- ◯ Saving for education
- ◯ Healthcare expenses
- ◯ Estate planning

PERSONAL FINANCIAL HEALTH

How confident are you in your ability to manage your current financial situation?

- ◯ Not confident
- ◯ Slightly confident
- ◯ Moderately confident
- ◯ Very confident
- ◯ Extremely confident

Do you have enough savings to cover an unexpected $1,000 expense?

- ◯ Yes
- ◯ No

BENEFITS UNDERSTANDING

On a scale of 1-10, how well do you understand your _____ benefits?

	1	2	3	4	5	6	7	8	9	10
Health insurance	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Disability insurance	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Equity compensation	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Life insurance	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯
Retirement	◯	◯	◯	◯	◯	◯	◯	◯	◯	◯

WORK-RELATED FINANCIAL STRESS

How often do you worry about your financial situation during work hours?

- ◯ Never
- ◯ Rarely
- ◯ Sometimes
- ◯ Often
- ◯ Always

To what extent do financial concerns affect your work productivity?

- ◯ Not at all
- ◯ Slightly
- ◯ Moderately
- ◯ Significantly
- ◯ Extremely

DESIRED FINANCIAL EDUCATION TOPICS

What financial topics would you like more education or resources on?

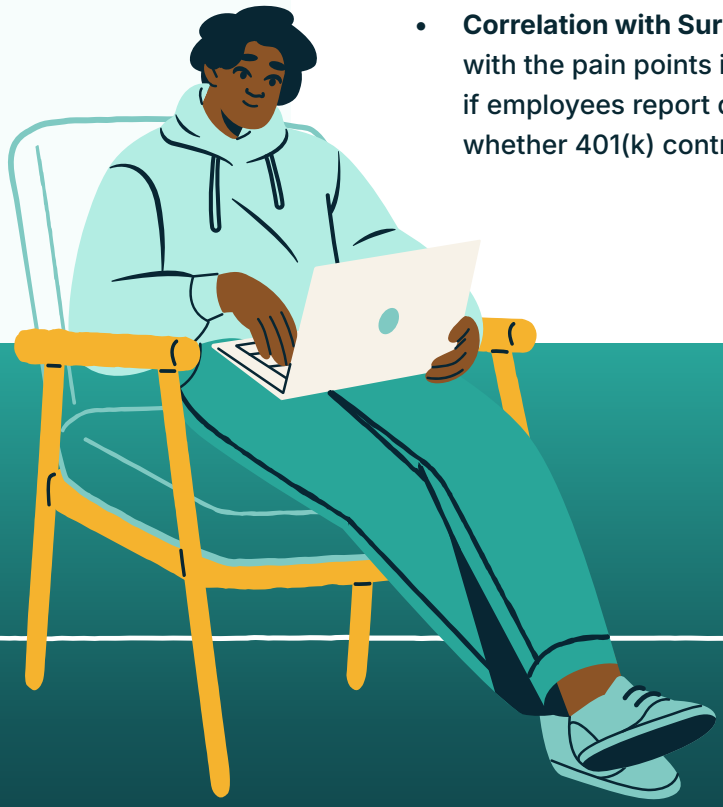
- ◯ Budgeting and saving
- ◯ Investment strategies
- ◯ Debt management
- ◯ Equity compensation
- ◯ Retirement planning
- ◯ Tax planning
- ◯ Credit score improvement
- ◯ Insurance options and planning

Evaluating existing programs

After identifying the current state of financial wellbeing, the next step is to evaluate the effectiveness of your existing programs. This involves analyzing utilization rates and identifying any gaps.

Key evaluation metrics:

- **401(k) Utilization and Participation:** Assess how many employees are participating in the 401(k) plan and whether they are taking full advantage of employer matches.
- **401(k) Loans and Hardship Withdrawals:** Monitor the frequency of loans and withdrawals, which can indicate financial distress among employees.
- **Benefit Utilization by Compensation Tiers:** Examine how financial benefits such as Health Savings Accounts (HSAs), Flexible Spending Accounts (FSAs) and more are being used across different income levels within your organization.
- **Correlation with Survey Findings:** Compare the utilization of benefits with the pain points identified in the employee surveys. For example, if employees report difficulty with budgeting or paying bills, evaluate whether 401(k) contributions are effectively addressing these issues.



Understanding financial wellbeing solutions

Once you have a clear understanding of your workforce's financial needs and the gaps in your current programs, it's time to explore the various types of financial wellbeing solutions available.

Types of financial wellbeing solutions:

1. **Subsidy and lifestyle spending accounts (LSAs):**
   - These programs offer short-term aid to address immediate affordability issues.
   - Helps employees manage day-to-day expenses and unexpected financial needs, but does not provide needed guidance or long-term strategy.
2. **Traditional benefits (401(k), HSA, etc.):**
   - These are powerful tools when fully utilized, but often misunderstood by employees.
   - Provides long-term financial security through retirement savings and healthcare expense management, however is beneficial only for employees who can afford to contribute. Often push products with the goal of getting assets under management.
3. **Holistic financial wellbeing and coaching:**
   - This comprehensive approach is widely recognized as the industry gold-standard of financial wellbeing solutions.
   - Offers personalized financial coaching and education, addressing a wide range of financial needs from budgeting and debt management to investment planning and retirement preparation. This approach ensures that employees receive tailored advice and support, enhancing their financial health and confidence.

By understanding the full spectrum of financial needs across every generation and life stage, employers can implement a holistic financial wellbeing solution that effectively addresses the diverse challenges faced by their workforce. This comprehensive approach not only improves employee financial health but also enhances productivity and overall job satisfaction.

Understanding the financial wellbeing solution landscape

Legacy solutions *vs* point solutions *vs* holistic financial wellbeing

When navigating the financial wellbeing space, consider the following program types.

1. **Legacy solutions:**
   - Employee Assistance Programs (EAP): These often include basic financial counseling for one-off questions, without continuity of care.
   - Bank-Provided Services: Limited to the offerings of a single financial institution, these programs often push products and services from the bank to make money.
2. **Point solutions:**
   - Earned Wage Access: Provide early access to earned wages, which can provide short-term help, but exacerbate long-term financial issues.
   - Student Loan Specific: These programs focus on managing and paying down student loans – only relevant to employees with student loan debt.
   - Subsidy and LSA Programs: Provide short-term aid to address affordability issues, helping employees manage immediate financial needs.
   - Retirement Centric: Concentrate on retirement planning and savings, which may miss the mark for employees focused on financial foundations.
   - Emergency Savings: Help employees build a cash buffer, but does not guide trade-offs like debt paydown, retirement, or other goals.

3 **Holistic financial wellbeing solutions:**

- Combine digital tools with human financial experts for a more holistic, accessible approach.
- Offer comprehensive financial guidance across the full financial wellbeing spectrum, including emergency savings, credit, debt, investing, retirement, navigating major life events, and more.
- Additional programming like equity compensation, benefits decision assistance, tax support, and debt paydown strategies.
- Global financial wellbeing capabilities that address the unique financial needs of multinational workforces.

Today, holistic financial wellbeing solutions are the gold standard. These leading offerings support your entire workforce, meeting them where they are with financial guidance for all life stages and goals.



Evaluation criteria

Selecting a holistic financial wellbeing solution: *Now what?*

Selecting a Holistic Financial Wellbeing Solution offers a comprehensive approach that considers various aspects of an individual's financial health, including budgeting, saving, investing, retirement, benefits, debt management, and more. Legacy solutions push products and focus on specific areas. A holistic solution will provide a more integrated and personalized approach by addressing the interconnected nature of financial wellbeing. Employees can benefit from a more cohesive and efficient experience by choosing a holistic solution, where different financial components work in synergy to support long-term financial goals and overall wellbeing.

After deciding on a Holistic Financial Wellbeing Solution, consider the following evaluation criteria:

Holistic program offerings

Understand the holistic program's structure and offerings by evaluating key criteria.

- Digital Programming: Comprehensive digital resources and tools for on-demand financial education.
- 1:1 Guidance from Trusted Financial Experts: Personalized advice from accredited financial experts.
- Accessible and Equitable Programming
- Financial Wellbeing Considerations for Your Global Workforce: Countries supported, languages offered, and level of localization.
- Client Support and Reporting
- Timeliness of Offering
- Return on Investment

Digital programming

Financial checkups, cashflow calculators, retirement readiness models, webinars and a full library of financial education lessons help each employee make the most of their digital financial plan. Content should be high quality, engaging, and relevant to your employees' financial needs.

1:1 guidance from trusted financial experts

Guidance provided 1:1 from financial experts can significantly enhance the effectiveness of a Holistic Financial Wellbeing Solution. When evaluating programs with financial planners, look for:

- **Accreditation of financial experts:** Ensure that planners are Certified Financial Planner™ professionals (CFPs).
- **Fiduciary guidance:** Navigating the concept of fiduciary responsibility is crucial. A fiduciary financial planner or coach acts in the best interest of the employees, ensuring that all financial guidance provided is both effective and ethical.
- **Aligned compensation:** Planners should not have financial interests aligned with pushing products, selling solutions, or providing additional services. Prioritize programs with in-house financial experts, compensated only with a salary from the financial wellbeing provider.
- **Security and compliance:** Planners must adhere to regulatory standards and protect employee data, considering ever-changing legislation like Secure 2.0.

Accessible and equitable programming

- **Accessibility:** Prioritize programs that are designed for accessibility. Holistic Financial Wellbeing Solutions should offer digital tools and interactive education, on-demand – 24/7. Employees want to connect with financial experts via chat, email, phone, and video, with a wide range of availability to connect before work, after hours, and on weekends.
- **Equity:** Benefits equity means that all employees can get value from the offering. Holistic Financial Wellbeing Solutions are programs that support employees of all incomes and asset levels to help each team member feel included.
- **Diversity of Planning Team:** Consider if financial planning services are inclusive of age, gender, ethnicity, language, and other elements of diversity to serve your entire workforce.

Financial Wellbeing Considerations for Your Global Workforce

For multinational workforces, a truly effective program should offer global capabilities with a deep understanding of the financial nuances in each country.

Guidance from globally certified financial experts:

- Credentialed experts in each country speak 1:1 with employees on a holistic range of financial topics, no matter their income or asset level
- Never push products and always act in employees' best interest.

Translation:

- Languages differ from one country to another in terms of vocabulary, grammar, pronunciation, and even cultural expressions
- Employees are more likely to engage with and participate in programs that are presented in their own language, which in some countries is a legal requirement

Localized financial content:

- Localization considers the technological, visual, and cultural aspects of adapting financial wellbeing content and guidance for employees in different languages and geographic locations.
- Programming and content should be adapted to local cultural and financial nuances.

Global customer success support:

- Global customer success support includes every technical aspect of rolling out a global financial wellbeing program, along with reporting plus strategy and insights from trusted global financial wellbeing experts.
- Timely and effective support should be localized to the HR and benefits team's time zone and convenient to their calendar.

Global member engagement:

- Marketing and program promotional materials should be customized through the local lens.
- Localized communications materials ensure that employees have equal access to information, can better understand the content presented, and feel valued by their employer.



Explore the Global Financial Wellness Guide for more information.

Client support and reporting

For HR, benefits teams, and consultants, selecting a financial wellbeing program with white-glove client support and robust reporting is paramount to the long-term success of the initiative.

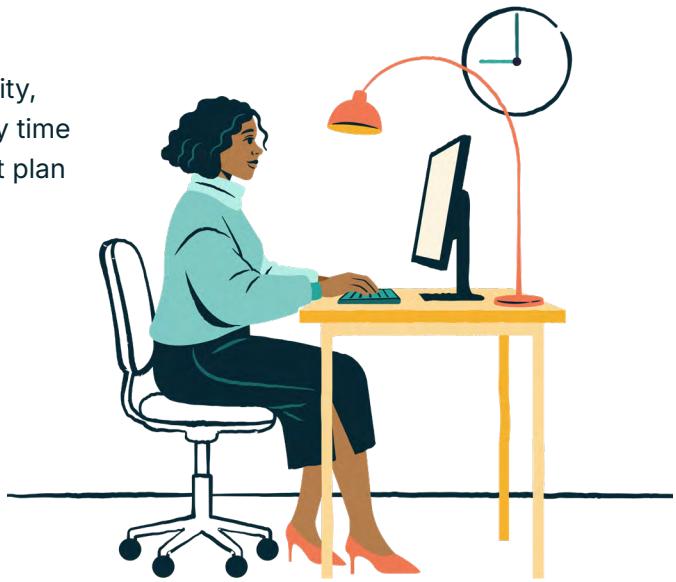
Evaluate reporting capabilities for the following data points and insights:

- In-app activity and engagement, including completing checkup suggestions, building a budget, setting goals, and taking lessons
- Interactions with Financial Planners, including calls, emails, and chat
- Live webinar attendance and on-demand webinar views
- Changes in financial stress and confidence over time based on financial wellbeing assessments
- Integrated data insights from 401(k) providers including contributions, loans and hardship withdrawals and benefits participation in programs like HSA, FSA, insurance offering, equity compensation plans and more
- Usage by location, salary band, and department
- Outcomes including reduced financial stress, fewer hardship withdrawals from retirement accounts, and improved employee retention rates.

Timeliness of offering

Financial wellbeing programs can offer unique flexibility, allowing employers to integrate these initiatives at any time of the year, rather than being restricted to January 1st plan year launches.

This adaptability enables strategic launches during impactful times such as Financial Literacy Month in April, Tax Day, or before Open Enrollment to provide benefits decision assistance. By aligning the launch with key financial events, employers can enhance employee engagement and provide timely support for financial stressors, ultimately creating a more comprehensive and effective benefits strategy.



Return on investment

Choosing an outcomes driven financial wellbeing program is essential to achieving return on investment (ROI) and building a strong benefits business case for years to come.

- 85% of financially healthy employees are more productive at work. (PwC)
- 75% of financially healthy employees are more likely to be satisfied with their employer. (PwC)
- Employees are 51% more likely to stay with their organization for 12 months when offered financial wellbeing benefits. (PwC)
- 72% of employees with a financial plan report saving money monthly, compared to 44% without a plan. (ESI Group)
- Employees who receive professional financial guidance accumulate, on average, four times more wealth than those who do not seek such guidance. (PwC)
- 80% of participants in financial wellness programs are actively saving for retirement. (ESI Group)

As you consider calculating return on investment, evaluate pricing models and ensure they align with your budget and program goals. Transparent pricing with no hidden fees is essential for accurate budgeting and long-term financial planning.

Consider tapping into Wellness Dollars to support your financial wellbeing program budget if available.



RFP template for evaluating holistic financial wellbeing solutions

For HR, benefits teams, and consultants evaluating Holistic Financial Wellbeing Solutions, using a scorecard can simplify comparisons and prioritize the features that matter most.

To navigate the evaluation process, use the Financial Wellbeing Scorecard. The scorecard includes key areas to consider across the following categories:

- INDEPENDENT / FIDUCIARY / CFPS
- GLOBAL CAPABILITIES
- HOLISTIC FINANCIAL PLANNING
- DIGITAL PROGRAM
- FINANCIAL EXPERTS
- ACCESSIBILITY AND DEIB
- GLOBAL CAPABILITIES
- BUSINESS MODEL
- SECURITY AND INTEGRATIONS
- CUSTOMER SUCCESS
- REPORTING
- SUBMISSION REQUIREMENTS
- EVALUATION CRITERIA

Using this RFP template, HR, benefits teams, and consultants can systematically evaluate Holistic Financial Wellbeing Solutions to find the best fit for the workforces they support. By focusing on these key areas, they can ensure that the chosen program meets their needs and delivers maximum value to employees.

DOWNLOAD THE SAMPLE RFP TEMPLATE

Selecting the best-fit Holistic Financial Wellbeing Solution is essential for fostering a healthy, engaged, and productive workforce. By taking a proactive approach to program evaluation, HR teams, benefits professionals, and consultants can methodically assess and compare various programs based on critical criteria. This structured approach ensures that the chosen solution aligns with organizational goals, budget, and the diverse needs of employees. Here's to paving the way to a brighter financial future for all.

About LearnLux

LearnLux is the leading provider of workplace financial wellbeing that blends fiduciary digital planning with access to one-on-one guidance from Certified Financial Planner® professionals. LearnLux's award-winning program equips employees with a financial plan to guide them through decision points like budgeting, paying down debt, electing benefits, understanding equity compensation, starting a family, buying a home, saving for retirement, and more.

Advanced reporting keeps our partners in the know, and drives results like reduction in financial stress, increased productivity, reduced employee turnover, greater use of pretax products, on-time retirement, and healthcare savings. LearnLux members feel great about their money, allowing their work and wellbeing to thrive.

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