

A person wearing a white lab coat is using a tablet computer. The background is blurred, showing what appears to be a laboratory or office setting. The text "BENCHMARKING YOUR COMPANY'S FINANCIAL WELLNESS PROGRAM" is overlaid in large, bold, black letters.

# BENCHMARKING YOUR COMPANY'S FINANCIAL WELLNESS PROGRAM

## **Benchmarking Your Company's Financial Wellness Program**

Financial wellness is more than just a buzzword or a “feel-good” benefit: when effectively implemented, it can be a powerful tool to help employees take control of their financial lives and help your company reach organizational goals. This article will share insights on program partners and workplace benefits, as well as benchmarking tips and strategies that seek to improve financial wellness and increase employee engagement.

### **Starting Out on the Right Foot**

We cannot emphasize the importance of employer involvement enough: plan sponsors need to identify and assess the needs of their employees on a regular basis. Key to the ultimate goal of retirement is understanding financial hurdles and tracking towards personal, financial, and savings goals: once you fully grasp these, you can be more confident that each of your employees will receive tangible benefits through a custom-tailored financial wellness program. The more diverse your employee population, the more comprehensive your wellness program will need to be. But don't worry – most financial wellness programs already address major life milestones. Be sure to partner with a financial wellness provider that focuses on helping employees achieve their financial goals.

### **Action Over Education**

Financial education is the foundation for financial wellness. Ongoing education will pave a path for your employees to follow along their career. However, even a solid financial curriculum which covers all aspects of financial planning isn't guaranteed to get your employees to take action. In order for a financial wellness program to actually be beneficial for your employees, it needs to go beyond merely informing them: it needs to inspire them to tackle their financial wellness journey head-on. Here are some tips for establishing a successful program:

- Encourage employees to participate via gamification and score tracking
- Plan a financial wellness kick-off party (e.g. an outdoor luncheon or after-hours party)
- Track and reward goals that you have set

### **Tracking Success**

An effective financial wellness program can help employees stay focused and on track for retirement. As an added bonus, a successful program may reduce your employees' financial stress, resulting in a healthier and more productive workforce.<sup>1</sup> Financial wellness and retirement readiness are a journey, and each milestone reached is an achievement: motivate your employees by encouraging, recognizing, and celebrating them!

Recognizing these financial achievements is an ever-evolving process, but here are some benchmarking tips you may find useful in your program:

- Take the time to check up on and connect with participants
- Collect surveys on their individual growth and goals regularly
- Challenge their goals to encourage them to continuously evolve and reach new heights
- Reward employees for completing goals within a personalized deadline

### **Can You Afford Not To?**

Financial wellness isn't a thing you can measure in black or red: it's subjective from individual to individual, company to company. Benchmarking year-round is a good way to solidify processes and make sure all your employees have access to equal benefits from it regardless of their age group or financial situation. On the other hand, financial wellness may provide objective benefits in the form of improved workplace productivity.

Research shows that 28% of employees report that issues with personal finances have been a distraction at work. 46% of those that work each week say they spend three hours or more thinking about or dealing with issues related to their personal finances.<sup>2</sup> This stress comes out to a cost of \$3,388 of paid distracted time per affected employee on average<sup>2</sup>, a figure which can add up dramatically with the size of your business! A solid financial wellness program doesn't help only employees: it may help you avoid losing time and money. Can you afford not to take an active role in your employees' financial wellness? Providing a financial wellness program can pay dividends for both employees and employers. Through financial wellness, you can pave the way toward a healthier and more productive workforce. Ignoring the need for financial wellness may have an adverse effect on employee stress and productivity, costing you more in the long run than it would take to implement a financial wellness program to begin with.

At Process Design Capital Management, we believe you have the power to reduce the effects of financial stress, help employees take control of their financial lives, and inspire successful retirement futures. We think you'll agree that a comprehensive financial wellness program is a powerful tool and valuable asset to help you work towards achieving those goals.

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<sup>1</sup> PricewaterhouseCoopers LLP. "Employee Financial Wellness Survey" (2016): Pg. 8. PWC. April 2016.

<sup>2</sup> Trading Economics. "United States Average Hourly Wages. 1964-2016." October 2016. (Based on avg. hourly wage of \$21.72)

We are the premier 401k plan specialist in Arizona, providing state of the art plan design, management and employee education to assure maximum employee participation and satisfaction. We believe all employees should have the opportunity to secure a financially sound retirement and we manage the plan solely for the participants so they may achieve their goals.

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