



Step by step

It all adds up

July 2017



SUM180: A New Financial Wellness Solution for Employees

# Employees are under financial stress

- **50%** of employees have \$1,000 or less on hand for *sudden medical expenses*<sup>1</sup>
- **81%** of employers offered a *high-deductible plan* in 2015<sup>2</sup>
- **70%** of 401k plan borrowers *defaulted* when they lost their job<sup>3</sup>
- **33%** of 401k plan participants took a *hardship loan*<sup>4</sup>



# Half the country does not have \$400 extra

---



The Fed asked respondents how they would pay for a \$400 emergency.

47% said that either they would cover the expense by *borrowing* or *selling something*, or they *would not be able to come up with the \$400 at all*.

# Financial stress affects productivity

- Financial concerns lead to absenteeism and lost productivity in 15% of employees
- 37% of full-time employees say they think about or deal with financial issues while on the clock at work.
- Since 2007, Americans have been saying that money is their top stressor
- Almost half of American adults have problems with “paying household expenses on time”



# A crisis in financial well-being

- People are overwhelmed, fearful and generally not dealing with their money
- Financial stress is costing companies money
- Traditional solutions alone - financial education/literacy and access to advisors for defined contribution accounts - aren't fixing the problem



# It's time for a new approach

---

When it comes to money,  
**everyone deserves a plan**  
that helps them live better



# A focus on behavior change

---

## Key principles:

- **Social cognitive change theory** - learning occurs through interaction
- **Positive psychology** - emphasizing factors that allow people to thrive
- **Small, personalized steps** - promoting the Action Stage of Change
- **Gamification online** - invite, encourage, account



# Best practices adapted

---

## Earning Trust

- Private/confidential
- 24/7
- Start where they are
- Nonjudgmental
- Simple
- Unbiased

## Encouraging Change

- Address the comprehensive picture
- Show where they stand
- Emphasize accomplishments
- Give personalized, actionable steps
- Give “how to” education and tips
- Prompt interaction

## Supporting Action

- Small steps
- Notifications prompting progress
- Progress tracking for accountability
- Share stories
- Coaching from advisers



# Where are the problems?



Saving for retirement (81%\*)



What life insurance you need (30%\*)



How much to save, build your emergency fund (84%\*)

Pay off your credit cards (46%\*)

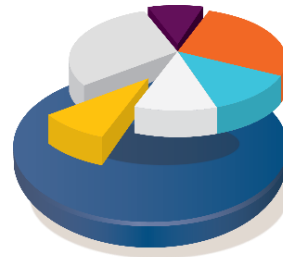


Home and mortgage debt (8%\*)



# SUM180: A new financial wellness solution

- An **online financial wellness** service that supports behavior change with a jargon-free, safe space to make finances more manageable
- With **three (3) simple steps** and progress tracking, including by app
- **Affordable** access to qualified financial advisers
- An online community for **engagement**, to share and get answers



# The employee experience

- Employee gathers their financial data and completes their profile online
- System generates **three (3) action items**, tailored to the employee's circumstances. Employee tracks progress and updates whenever they are ready.

## Employee takes action:

- Start on Plan and track progress
- Get coaching from an adviser
- Join the conversation online



# SUM180 Plan helps reduce employee stress

---

- Starts with reviewing employee's financial accomplishments, to help **build confidence** in ability to control financial circumstances
- Recommendations are **100% individualized** and delivered in small batches of **three (3) at a time**, to avoid overwhelming the employee
- Each action item is tailored to be **realistic** for the employee's current circumstances, making it easier to accomplish
- Employee can engage in SUM180 online community to **share and learn** in a more informal setting
- Employee pursues financial advisers only **when they are ready**
- Employees' decisions about amount and type of 401k investments can now be informed and encouraged with a **comprehensive understanding** of their financial picture



Feeling Better

# Stewardship reporting

---

- Engagement metrics
- Financial stress metrics (pre/post survey)
- Progress on each of their 3 Next Steps in the Plan, relative to their individual goals such as:
  - ✓ Saving
  - ✓ Debt management
  - ✓ Building cash reserves
  - ✓ Increasing retirement plans
  - ✓ Home ownership
  - ✓ Insurance coverage



# SUM180 in the news

---





# Helping your employees live better today

July 2017



Carla Dearing, CEO  
cdearing@sum180.com | 502-272-2413