

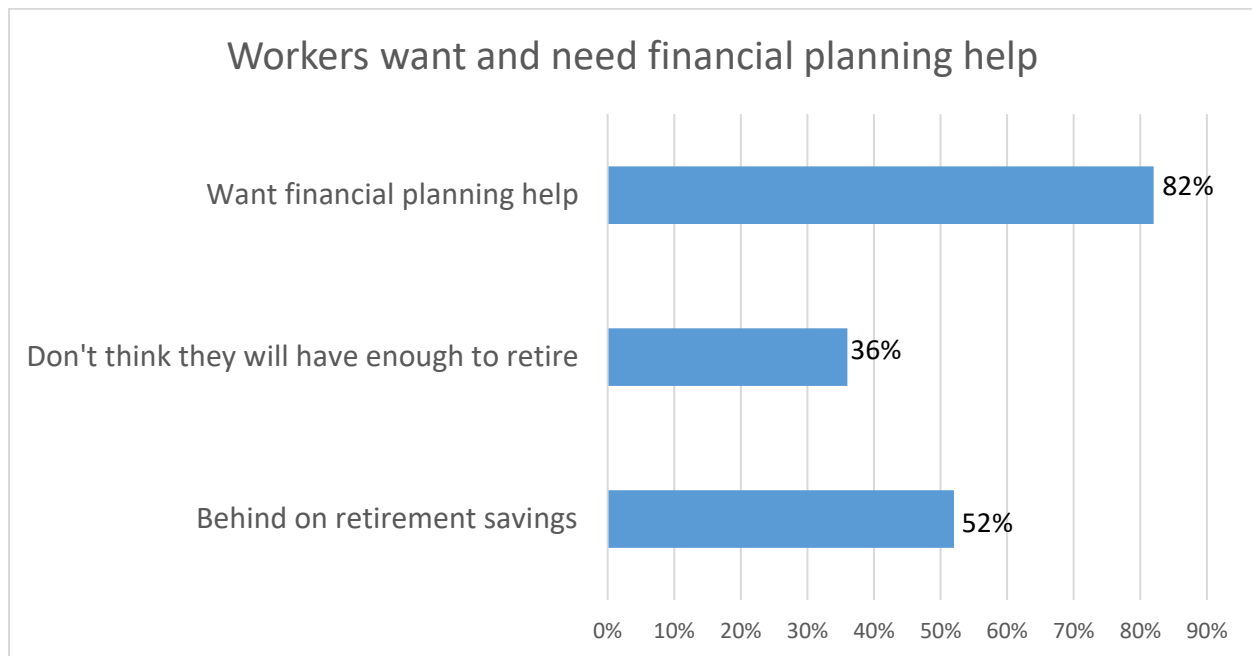


Why Employers can (and Should) Help Employees with Their Financial Futures

Increase Employee Financial Awareness
and Workplace Satisfaction with
Financial and Retirement Planning Tools

Why Employers Have a Role to Play in the Financial Wellness of Employees

Employee Productivity and Engagement: Financial stress can significantly impact an employee's performance and focus at work. By providing financial wellness programs, employers can help alleviate financial concerns, resulting in improved productivity, higher engagement levels, and better overall job performance.



If You Offer a 401(k) Plan, You Have a Fiduciary Duty: According to recent interpretations of the [Employee Retirement Income Security Act](#) (ERISA) employers who offer 401(k) plans to employees are a fiduciary. Being a fiduciary means employers have a responsibility to provide clear and timely communication to plan participants regarding their rights, the fees they pay, benefits, and obligations under the 401(k) plan.

ERISA rules have also been interpreted by many in the industry as follows: employers who offer retirement plans should also **offer educational resources to help employees make informed decisions about using the retirement plan.** This means employers should be providing comprehensive retirement planning tools to employees.

Reduced Absenteeism and Turnover: Financial problems can lead to increased absenteeism as employees may need to take time off to deal with financial emergencies or personal financial matters. Additionally, financial stress can contribute to higher turnover rates as employees may seek better-paying jobs or more stable financial situations. By offering financial wellness programs, employers can help reduce absenteeism and turnover, resulting in a more stable and committed workforce.

Employee Morale and Satisfaction: A comprehensive financial wellness program demonstrates that employers care about their employees' well-being beyond their work responsibilities. When employees feel supported in their financial journey, their morale and overall job satisfaction improve. This can lead to a more positive work environment, increased loyalty, and higher employee retention rates.

Attraction and Retention of Talent: In a competitive job market, offering financial wellness programs can be a significant differentiating factor for attracting top talent. More than half of businesses surveyed by [SHRM.com](https://www.shrm.com) expect to have attraction and retention issues over the next two years. Among these employers, 35 percent expect to differentiate their retirement plan from those of their competitors. Many are doing this by offering financial education and web-based retirement planning tools.

Enhanced Financial Literacy: Many employees lack basic financial knowledge and skills, which can lead to poor financial decision-making and a cycle of financial struggles. Financial wellness programs can provide education and resources to help employees improve their financial literacy, including budgeting, debt management, investing, and retirement planning. This can empower employees to make better financial choices, leading to long-term financial stability.

Health and Wellness Benefits: Financial stress can have adverse effects on an individual's physical and mental health. By offering financial wellness programs, employers contribute to their employees' overall well-being, as financial stability is closely tied to overall health. Reducing financial stress can help employees better manage their health, resulting in reduced healthcare costs and improved employee well-being.

Positive Employer Brand and Reputation: A commitment to employee financial wellness can enhance an employer's brand and reputation. When employees feel supported and valued in their financial journey, they are more likely to speak positively about their employer, both internally and externally. This can contribute to a positive employer brand, attracting not only potential employees but also customers and clients who value companies that prioritize employee well-being.

Fiduciary Duty to Disclose Fees

Employers that offer a retirement plan have a **legal and fiduciary duty** to disclose all fees their employees pay. This includes the fees they pay on funds inside the plan. It is extremely important that these fees are not only disclosed, but are easy to find and understand.

Investment Accounts & Holdings	Turnover	Expense Ratio	Current Balance ▼	Fees Per Year
▾ Rollover IRA				
VTI VANGUARD TOTAL STOCK MARKET ETF	8%	0.03%	\$183,193	\$55
SHV ISHARES SHORT TREASURY BOND ETF	115%	0.15%	\$172,676	\$259
GDX VANECK GOLD MINERS ETF	13%	0.51%	\$22,131	\$113
INDA ISHARES MSCI INDIA INDEXETF	25%	0.65%	\$10,712	\$70
	56%	0.13%	\$388,712	\$496

Use WealthTrace to view fund fees in both annual percentage (expense ratio) and dollars, which helps employers fulfill their legal, fiduciary duties.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
VTI	33.45%	12.55%	0.36%	12.82%	21.21%	-5.23%	30.67%	21.08%	25.68%	-19.52%	17.72%
AMRMX	28.64%	12.77%	-2.92%	14.15%	17.68%	-2.09%	21.73%	4.52%	25.00%	-4.49%	4.02%

Performance Disclaimer

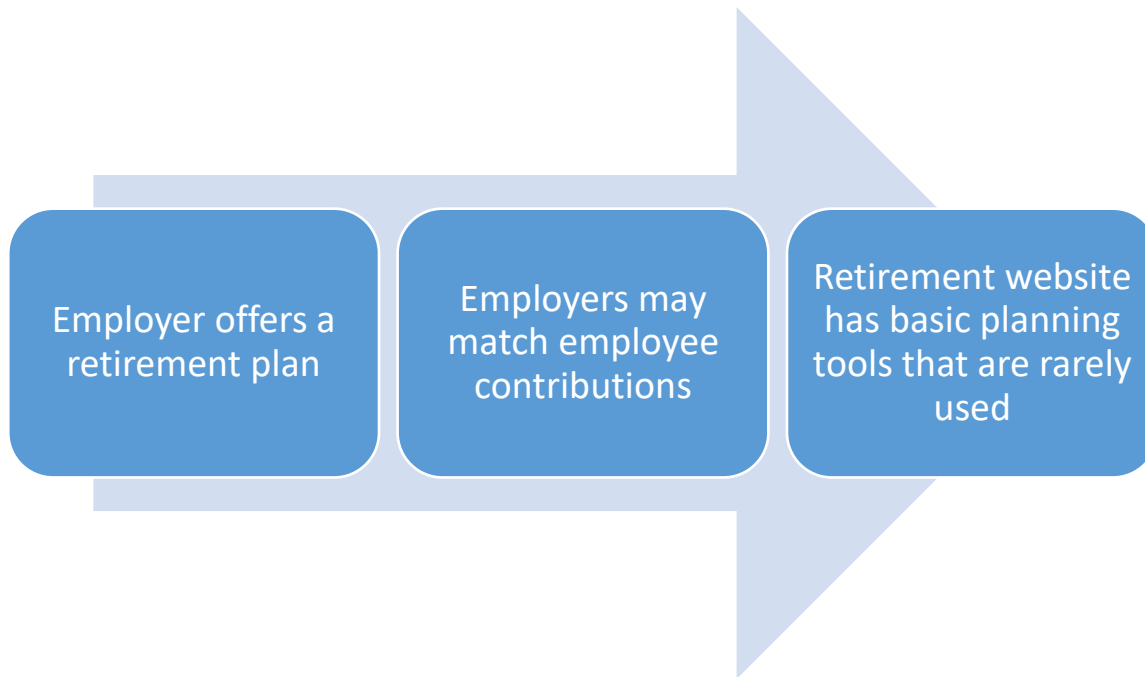
Funds Being Compared	Expense Ratio	1 Year Return	3 Year Return	5 Year Return	10 Year Return
VTI	0.10%	-19.52%	6.99%	8.68%	12.07%
AMRMX	0.39%	-4.49%	7.66%	8.26%	10.90%
Difference	-0.29%	-15.03%	-0.67%	0.42%	1.17%

With WealthTrace employees can sort by highest fees and compare historical performance and fees vs. other, similar funds.

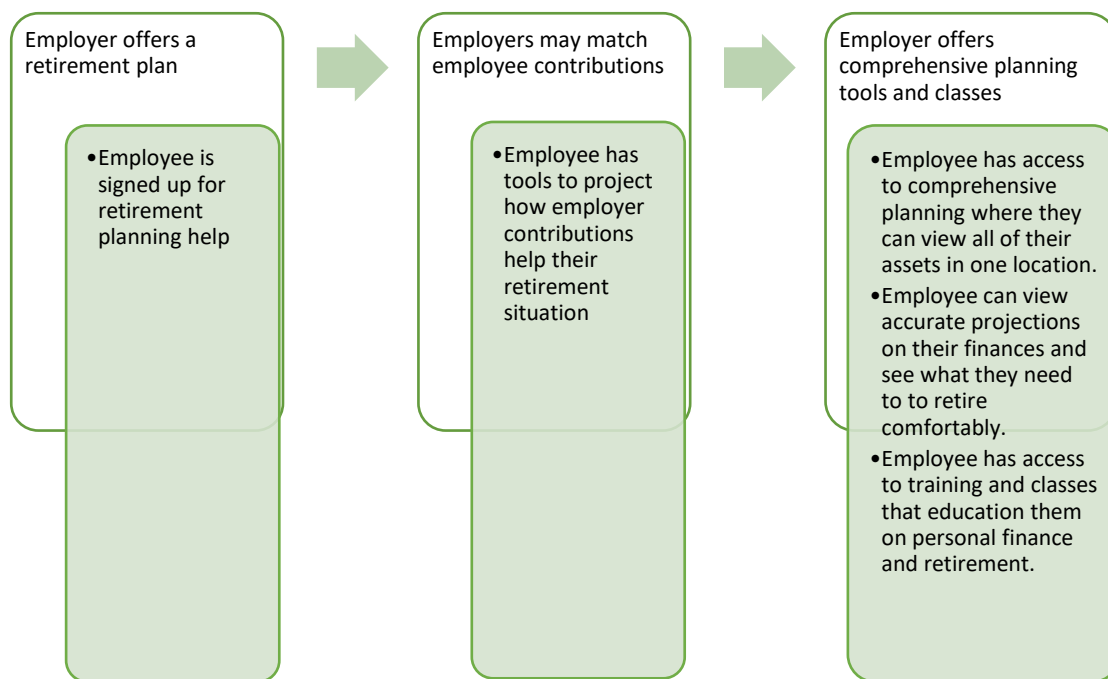
Financial Planning Help is Becoming a Standard Benefit

Numerous employers have observed the negative effects of financial strain on employee productivity, leading to increased absenteeism and a decline in overall health. In response, many companies are implementing innovative strategies to improve their employees' financial well-being.

Outdated Model



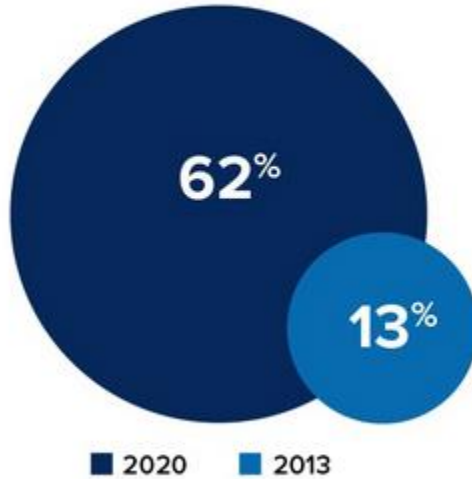
Forward-Thinking Model



Finding the Right Help for Your Employees

Choosing the appropriate financial wellness benefits partner is essential. This involves not only finding the best product or service for your organization but also selecting a vendor that will ease the burden on your HR team, guide you through the implementation process, and troubleshoot issues as they arise.

In 2020, 62% of employers feel extreme responsibility for their employees' financial wellness, up from 13% in 2013.



Source: Bank of America's Workplace Benefits Reports.

If you are among the 62% of employers who feel highly responsible for their employees' financial well-being, here are some steps you can take:

- Begin offering financial assistance.

If your company does not currently provide financial wellness benefits, consider implementing them now. Avoid the misconception that a costly, comprehensive package is required from the start.

If you already provide essential financial benefits and have the budget, enhance your offerings by focusing on personalized guidance. You have already provided your employees with a competitive salary and retirement account; now, show them how to use those resources to achieve their financial goals. This can be accomplished by connecting them with financial experts like WealthTrace.

- Support employees in both short-term and long-term planning.

Many companies prioritize retirement benefits for their employees. While retirement planning is a vital component of financial wellness, addressing short-term goals is equally important. Employees struggling to pay rent or save for a house may not prioritize contributions to their 401(k).

In fact, 42% of employees anticipate using retirement funds for non-retirement expenses. This indicates the need for a comprehensive financial wellness program that helps employees save for retirement and manage their day-to-day finances.

If providing additional benefits is not feasible at the moment, you can still support your employees by hosting financial literacy workshops or inviting speakers to discuss relevant topics such as budget management or debt repayment.

- Select the right benefits partner.

To evaluate potential financial wellness partners, consider asking the following questions:

- What is your launch process like?
- Are you willing to collaborate with us in educating our workforce, whether through hosting regular webinars or providing valuable materials?
- What is your approach to customer success?
- How will you handle questions, concerns, and requests from our employees?

Start with these questions and look for a partner that provides thoughtful answers.



WealthTrace offers a unique financial planning solution to both individuals and businesses. Through innovative software, educational courses, and digital coaching, WealthTrace provides a comprehensive planning and modeling engine that considers numerous scenarios. This empowers individuals to plan for both their wealth accumulation and retirement with digital guidance. The platform is also scalable for enterprises, enabling them to implement holistic planning at a larger scale.

The platform is designed to make financial and retirement planning easy while empowering individuals to take control of their retirement based on their specific goals. This not only benefits employees by promoting financial wellness but also allows employers to increase productivity and employee retention while helping to fulfill the fiduciary duties of a retirement plan.

WealthTrace is a widely used, award-winning platform trusted by thousands of individuals and financial advisors.

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www.mywealthtrace.com/how-it-works-employers

References:

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