

What You Need To Know When Evaluating a Financial Wellness Solution



A Buyer's Guide for Total Financial Wellness

To attract and retain top talent and drive business success, forward-thinking HR leaders are going beyond providing basic financial benefits. They're offering employees a path to Total Financial Wellness—financial success on their own terms at every stage of life.

This buyer's guide describes what to look for in a Total Financial Wellness benefit solution.

Contents

A New Kind of Financial Benefit	3
Digital Platform	4
Learn	5
Plan	6
Invest	7
Manage	8
Certified Fiduciary Process	8
Experienced Financial Planners	9
Success Measures for HR	11
Learn More	12



A New Kind of Financial Benefit

To acquire and retain the talented employees your company needs, you offer a competitive financial benefits package. It may include 401(k) employer matching, health savings accounts, stock purchase plans, restricted stock units, group life and disability insurance, and more. But do your employees fully understand, appreciate, and utilize these benefits?

A Total Financial Wellness solution helps relieve the number one source of stress for employees: finances. It enables employees and their families to make the best use of company benefits to achieve their life goals and augments traditional financial benefits to make your Total Rewards program even more competitive.

There are two essential elements of a Total Financial Wellness solution:

- ✓ A digital platform that enables self-service access to the analysis, education, and coaching employees need for financial success
- ✓ Access to experienced financial planners trained in your company's benefits to review plans, answer questions, and provide guidance

This buyer's guide explores the components of a Total Financial Wellness solution and guides you through questions you should ask when evaluating options.

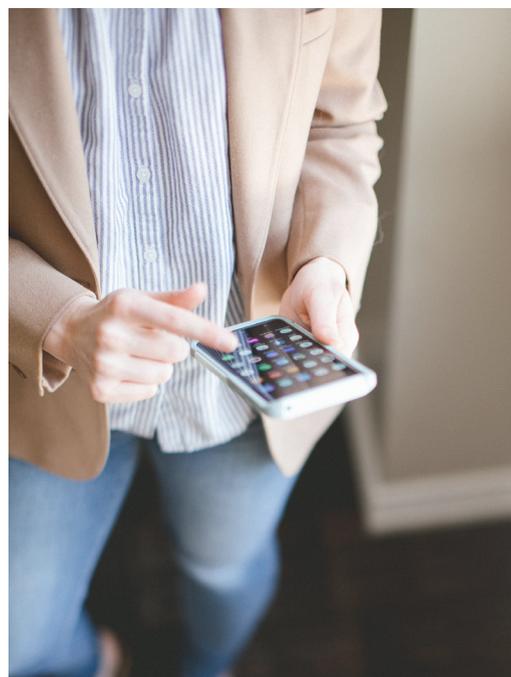
Digital Platform

With much of today's financial activities conducted entirely online, a digital platform is a critical component of a Total Financial Wellness solution. An effective digital platform ties together all of an employee's banking, credit, and investment accounts along with real estate and other assets to provide a 360-degree view of their total financial life.

A best-in-class digital platform, however, goes beyond just the numbers. It connects an employee's current financial picture to the priorities in their life. It lets them create personalized goals, such as saving for a home, a child's college education or retirement, and tracks progress towards these goals while providing relevant next steps to achieve them.

The ideal digital platform should act as both a dashboard and a compass for where your employees are and want to go in life. It should let employees see the past, present, and future of their financial well-being.

In order to deliver this deep level of insight, a digital platform has to satisfy both your employees' and your HR team's needs in some key areas. We've compiled a list of questions you should consider to assess how the solution helps employees execute on these important steps in their journey to financial wellness.



The ideal digital platform acts as both a dashboard and a compass for where your employees are and want to go in life.



LEARN

Financial literacy is in a crisis – many employees cannot answer basic financial questions correctly. Relevant and approachable financial education is central to financial confidence and wellness. Employers are well positioned to help as much of an employee's financial life is tied to their employers.

Consider these questions when evaluating the educational content of a Total Financial Wellness solution:

- ✓ Does the solution **include** CFP®-curated educational content and sessions on **relevant** financial topics?
- ✓ Is the education **customized** to align with the benefits your company offers, so employees can apply what they learn to improve their financial well-being?
- ✓ What **formats** is the educational content offered in—live or recorded, short or in-depth, articles or video? And do they **match** your employee's personalized learning preferences?
- ✓ Is the content **approachable** and **encouraging** or is it filled with financial jargon that is overwhelming?
- ✓ How often does the solution offer **new** and **refreshed** content?

Relevant and approachable financial education is central to financial literacy and wellness.



PLAN

Financial goals vary by life stage. A Total Financial Wellness solution should provide a guided process to help each employee create a personalized financial plan to achieve their life goals. The complete plan should include elements such as retirement planning, emergency readiness, debt reduction, college planning, and more.

Ask these questions when evaluating a digital platform's ability to help plan an employee's financial life:

- ✓ Does the solution let each employee view their **entire financial picture** in one place?
- ✓ Does the digital platform **guide employees** step-by-step through setting and planning their financial goals?
- ✓ Does the solution use **gamification** and behavioral science to drive immediate action and encourage employees to set up plans for their goals?
- ✓ When evaluating a financial goal, does the digital platform take into account factors such as inflation, taxes, and the volatility of the stock market to calculate the goal's **probability of success**?
- ✓ For goals—such as retirement—that require investing in the stock market, does the digital platform recommend **investment strategies** to achieve them?
- ✓ Does it provide guidance for **all investment accounts** owned by an employee including the company 401(k) or just a few?
- ✓ Does the digital platform include **cash-flow planning** to easily view money coming in and going out?
- ✓ Having adequate insurance is an important part of financial well-being. Does the digital platform help an employee determine how much **insurance** they need?
- ✓ Having an estate plan, a set of legal documents to capture a person's wishes in case of incapacity or death, should be a part of financial wellness regardless of an employee's net worth. Does the digital platform capture an employee's **estate planning needs** and provide guidance on how to create one?

Provide a guided process that helps each employee create a personalized financial plan to achieve their life goals.



INVEST

Once a plan is in place, a Total Financial Wellness solution should help employees execute on this plan through investments designed to achieve their goals. Research shows that the majority of employees expect their employers to provide financial guidance and tools for investing. Investing is a core part of building wealth. The benefits of compounding over time through the stock market far outpace the interest earned in a typical savings account.

A Total Financial Wellness solution should demystify investing and provide guidance across an employee's entire portfolio—401(k), IRAs, taxable brokerage accounts, and stock compensation. It should help an employee build wealth through investment best practices including guidance on asset allocation, diversification, and stock concentration. And it should help the employee manage fund fees.

Demystify investing and provide guidance across an employee's entire portfolio.

Ask these questions when evaluating the investment capabilities of a solution's digital platform:

- ✓ What is the solution's **business model** and how does the provider get paid? Do they receive a monthly fee paid by the employer, a monthly fee paid by the employee, a fee based on the percentage of assets invested, or commissions on selling investment products?
- ✓ Does the digital platform **analyze an employee's investments** in detail and suggest improvements? This may include spelling out the employee's asset allocation, expense ratios, and actual dollar cost of each fund. It may also point out risks such as stock concentration in a single company.
- ✓ Does the digital platform help employees select funds tailored to your **company's 401(k)** plan?
- ✓ Does the solution provide academically rigorous **investment analysis** based on employees' goals and personal risk tolerance?



MANAGE

Once a financial plan is in place and investments are made, employees must be able to track progress towards their goals and manage personal finances day-to-day to ensure plan success. Here are questions you should consider related to a digital platform's day-to-day financial management capabilities:

- ✓ How does the solution **track an employee's progress** towards their financial goals? Can HR teams see aggregated data and monitor overall program success?
- ✓ Does the solution **alert the employee** when they are not on track and need to readjust their plan?
- ✓ Does the solution allow each person to see where they stand financially by including a **personal balance sheet** of assets and liabilities?
- ✓ Does the solution analyze an employee's **day-to-day spending**, so they know where their money is going and how their net-worth changes over time?
- ✓ Last but not least, does the Total Financial Wellness solution automatically create a **smart budget**—a budget that prioritizes saving for important life goals based on an employee's actual expenses?

Certified Fiduciary Process

The topics mentioned above are important, but even more so is the standard that financial benefit providers are held to. The fiduciary standard of care requires that a financial planner act solely in the client's best interest when offering personalized financial advice, and it's an important question to ask any financial benefit provider.

Asking a provider if they operate under a fiduciary standard is synonymous with: "Are you going to advise my employees in their best interests?"

Not all financial planners are bound by the fiduciary standard. Many financial planners operate under a suitability standard. Unlike the fiduciary standard, the suitability standard does not compel financial service providers to put their clients' needs and interests ahead of their own. Under the suitability standard, a financial benefit provider may have competing incentives to sell financial products that result in potential conflicts of interest.

For a Total Financial Wellness solution to be trusted, it should meet the fiduciary standard. A few providers even go beyond the normal standard and are certified by a third party, such as the Centre for Fiduciary Excellence, to ensure that they act in their clients' best interests at all times.

Experienced Financial Planners



A Total Financial Wellness solution with a digital platform provides the foundation for financial well-being and the self-service tools employees need to learn, plan, invest, and manage for financial success. Expert guidance with a human touch provides additional advice for each employee's unique needs.

More importantly, it instills confidence in each employee that their plan and their investments have been reviewed by experts. A Total Financial Wellness solution should offer access to qualified financial planners who put your employees' interests first at all times.

Expert guidance with a human touch provides additional advice for each employee's unique needs.

Ask these questions when evaluating the financial advisor component of a Total Financial Wellness solution:

- ✓ How are the financial planners **compensated**? Do they get paid an annual salary, or are they motivated by earning commissions on investment products they sell?
- ✓ Are the financial planners **legally required** to adhere to **fiduciary standards**—putting their clients' (your employees') best interest first at all times?
- ✓ What are the **qualifications** and **certifications** held by the financial planners? Do they have the relevant qualifications or are they just money coaches?
- ✓ Are the financial planners full-time employees of the company or are they 1099 contractors?
- ✓ How much **experience** do they have advising clients in similar financial situations as your employees?
- ✓ Can **any of your employees** meet with the financial planners or do they only support high net-worth employees?
- ✓ Is there an **extra cost** for an employee to meet and work with a financial planner?
- ✓ Are financial planners **trained in your company's benefits** to drive utilization and engagement with existing benefits?
- ✓ Do financial planners share a **similar background** to the employees that they serve? Is there support across geographies?
- ✓ Does the solution seamlessly **integrate** the digital platform with financial planners? Financial planners and employees need to work from the same page. They should **share financial data, investment information, and plans** already present in the digital platform to ensure effective face-to-face time.



Success Measures For HR

A Total Financial Wellness solution needs to address the financial success of both your employees and their families, as well as the company. The solution should be aligned with delivering on company priorities and help your HR team demonstrate the value and return on investment by tracking engagement and adoption, not only of the Total Financial Wellness solution but of your entire financial benefits program.

Data reported by demographic—like gender, age, race, and length of employment—lets HR see which financial benefits are bringing the most value to their employees. It shows how uptake on financial benefits maps to diversity and inclusion goals, and it offers insights that empower HR teams to make more informed decisions on their Total Rewards program.

Here are some questions to evaluate the Total Financial Wellness solution's analytics and reporting capabilities:

- ✓ Can the solution report **on employee adoption and engagement**? This information is critical when correlating uptake on the program with the utilization of benefits and overall HR success metrics in areas like talent acquisition, employee engagement, and retention.
- ✓ Does the solution show the extent to which individuals **engage** with the platform and the benefit they derive?
- ✓ Does the solution track engagement by **gender, race**, and other factors that help HR teams make informed decisions about their benefits program?
- ✓ Can the solution track **engagement with financial planners** over time?
- ✓ Will the HR team have access to data on **engagement with financial education**, showing which topics are top of mind for employees?
- ✓ Can the solution track employee's **confidence** in their financial well-being?
- ✓ Can the solution show aggregate figures calculated from anonymized employee data highlighting employee **savings, investments, debt, and financial security**? This data can provide HR teams with a long-term measure of program effectiveness. This can also help evaluate the need for new or expanded financial benefits to address newly uncovered needs.
- ✓ Does the solution show a **company-wide view** of employees' financial well-being? This could be through a quantitative score or a qualitative survey. For HR, seeing the needle move in a positive direction shows they are improving employees' financial wellness and overall well-being. It also means they're creating a positive workplace culture and enhancing recruitment and retention by improving workers' perceptions of the company.

Financial wellness brings important benefits for both your employees and your company. Employees experience improved financial health and, with that, reduced financial stress. They have a well-thought-out plan to achieve their life goals, and they have a partner—you—in helping them achieve financial success.

For the employer, Total Financial Wellness strengthens your entire Total Rewards package and can increase uptake of other benefits like 401(k), health savings accounts, and group life insurance. It also gives you a competitive edge in recruiting, and helps increase employee engagement, productivity and retention.

Learn More

BrightPlan is a leader in Total Financial Wellness. The company is the first financial wellness solution certified for fiduciary excellence by the Centre for Fiduciary Excellence (CEFEX). BrightPlan provides a comprehensive personal finance solution for all employees that is global, real-time, personalized, actionable and integrated with employer benefits. Its unique combination of digital platform and financial planners supports employee personal financial goals at every stage of life, helping enterprises to better attract, retain and engage talent. For more, visit brightplan.com.

CONTACT US:

info@brightplan.com | www.brightplan.com | (408) 933 6188

BrightPlan LLC is an SEC-registered investment adviser that offers digital and human investment advice to US residents. Registration does not imply a certain level of skill or training nor does it imply endorsement by the SEC. Please see the BrightPlan ADV for additional important information. BrightPlan is neither registered with any international agency to provide, nor does it provide, any investment advice to non-U.S. residents. Financial advisors may be made available through unaffiliated third parties. All investing involves risk, including the loss of principal. Past performance does not guarantee future results. BrightPlan is a trademark of BrightPlan LLC, registered in the U.S. Patent and Trademark Office. Board of Directors are of BrightPlan Group, Inc., the parent of BrightPlan LLC. BrightPlan is certified by the Center for Fiduciary Excellence, LLC ("CEFEX") as having met their standards for Fiduciary Practices for Investment Advisors.