

Financial Wellness in the Workplace... Just Getting Started

An introduction of the many ideas available
brought to you by
NEA Member Benefits
Teresa Muench

Financial Wellness, why now?

- ▶ 24% of employees report that issues with personal finances have been a distraction at work
- ▶ 61% of US workers lack a savings cushion of 3-months' expenses
- ▶ 47% of Defined contribution participants find themselves living paycheck to paycheck
- ▶ Employers are often times a trusted source of financial information
- ▶ Learnings from other aspects of health and wellness can easily transfer to financial health

Creating Your Financial Wellness Strategy

Financial wellness will look different in every institution...what do you dream of yours looking like?

Reducing Stress

Integrated, supportive

Tool kits

Holistic program

workshops

Step 1: Understand Your Starting Point

What role can your organization play?

What do you know about your employees/members?

WORKING LIFE	PERSONAL LIFE
Wages	Savings/Debt
Health Care	Housing
Student Loans	Lifestyle
Retirement	Stress
Taxes	Entertainment
Supplemental Benefits	Household Structure

Step 2: Meet Members Where They Are

Financial Wellness is not dependent on income

Stress levels seem to be highest among younger adults

<\$50,000 in total assets > level of stress



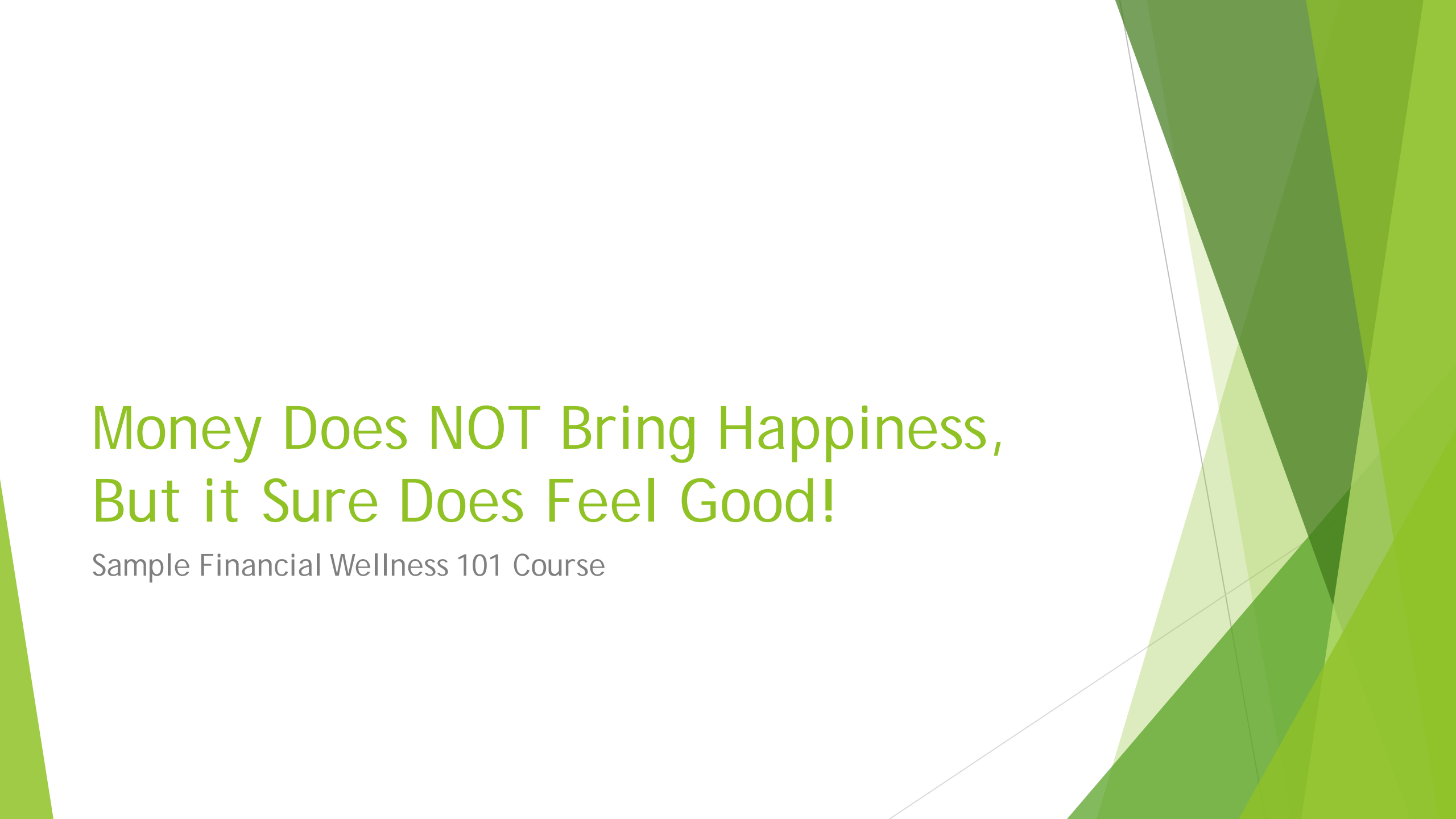
Step 3: Create Your Plan/Program

- ▶ Must Be Flexible; ex. available in more than one channel
- ▶ Understand Your Members/Employees
- ▶ Define the Offering (what solutions do you already have?)
- ▶ Keep It Simple, especially at the start
- ▶ Measure & Adjust

Financial Counseling, Emergency Savings & Loans, Cash Flow Management, Investing Education, EAP, Savings Games, Credit Counseling, etc.

Step 4: Year Round Communications

- ▶ Targeted Messages
- ▶ Use a Variety of Media
- ▶ Spread the Word Beyond the employee
- ▶ Create a website/page
- ▶ Use every tool at your disposal, especially free ones!

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the slide, creating a modern, layered effect. The main text is positioned on the left side of the slide against a plain white background.

Money Does NOT Bring Happiness, But it Sure Does Feel Good!

Sample Financial Wellness 101 Course

FINANCIAL WELLNESS FEELS GOOD

Managing Your Money

the Basics for Long Term Success

- **SPEND LESS**
- **Borrow Wisely**
- Protect against fraud
- Save More

Text keyword k12 to 73915

Spending Less

Ever wonder at the end of the month where all your hard earned money has gone?

Spend Less: Take a **Serious** look at your spending

- Create a Spending Plan (formally known as a budget)
- Identify Needs vs. Wants
- Cut from wants first : (restaurant meals, premium TV, subscriptions, memberships)
- Consider Opportunities to save on necessities (public transportation, buying used instead of new, look for sales, take care of what you do have)

Text Keyword "discounts" to 73915

**SPEND LESS:
TAKE A **SERIOUS** LOOK AT YOUR SPENDING**

Finally, don't use credit to buy things you can't afford

p.s. Remember that thing we used to call a budget?
It helps YOU decide how to spend YOUR money and controls impulse buying.

Your Personal Monthly Budget



Borrowing Wisely

Work your tail off to get yourself in the best place you can and then stay put!

First, Understand
what you have and what it costs you



read the fine print



check your statements

note how you use your credit

shop and compare what is available

go to www.neamb.com
and search
"23 Financial Mistakes"

Next,
Be Smart with the credit you already have



pay the bill on time



Don't run up the balance

Don't get additional cards for "freebies"

keep an eye on your credit report and Credit score

Credit score...what is it?

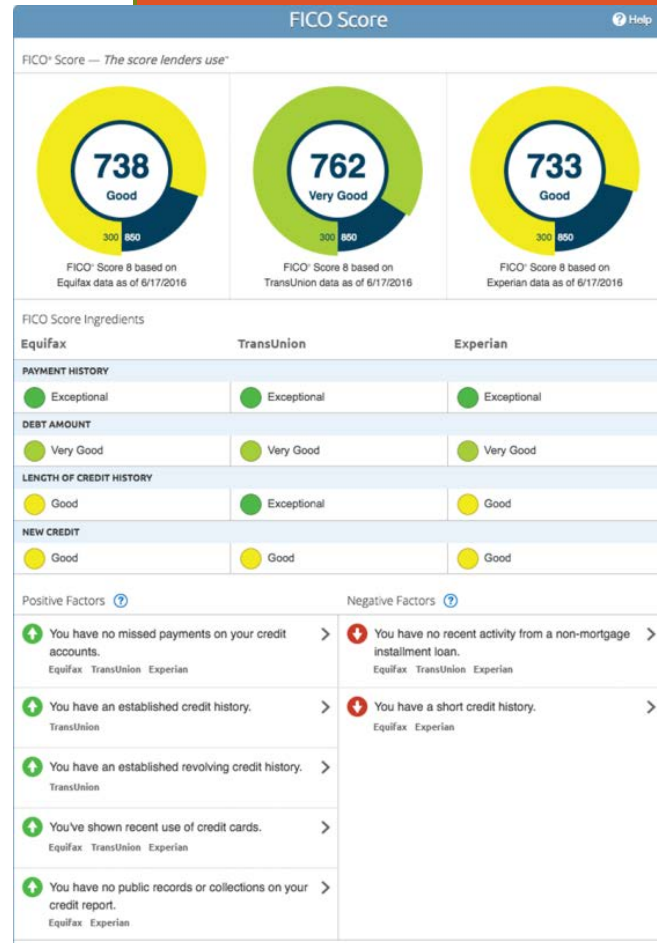
- Numerical number that reflects how risky you are as a borrower
- FICO Score is the most widely used score
- Long before you need credit, get your score as high as possible
- Credit Scores generally range from 300-850
- Most folks score in the 600's and 700's
- Most lenders consider anything above 750 a very good score

Search credit score on www.neamb.com

Credit Score...How is it used?

- Used to determine your credit worthiness
- Helps determine what credit will cost you
- Affects auto insurance premiums
- Looked at as part of many job applications and promotions
- Rental agreements and contracts terms

Borrowing Wisely requires a Good Credit Score



Get copies of your credit reports

www.annualcreditreport.com

free once every 12 months, 3 different credit bureaus

Experian, TransUnion, Equifax

Check to make certain all information is correct

Pay your bills on time



1. **Jot down** several ideas you have heard so far which you like best
2. At your table, **take turns Sharing...**
 - * what you plan to do, personally, with the new information.
 - * how could you share this learning with your colleagues?
3. Report out

Protecting Against Fraud

If it sounds too good to be true...
it is!

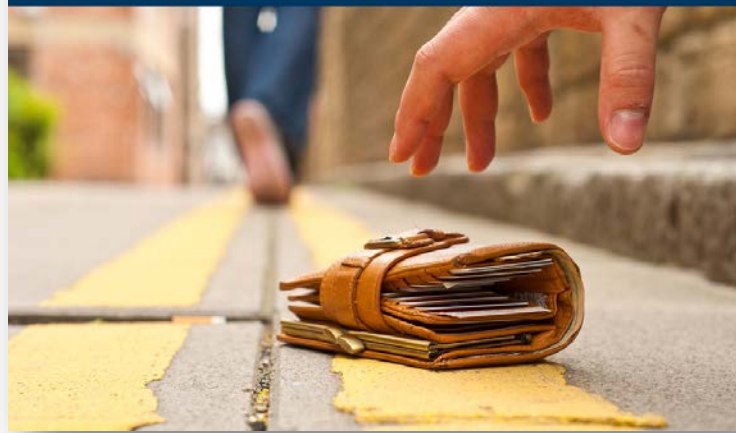
Common Schemes

- Phony websites
- Facebook “at-home” scheme and other work at home deals
- IRS Impersonators
- Financial Institutions call to confirm account info
- Mystery Shopper Scams

How to Protect Yourself From Rip-offs

- Be wary of requests for “updated” information
- Create strong passwords
- Be skeptical of any offer that requires upfront fees
- Thoroughly research organizations that offer jobs, loans or deposits
- Assume if the offer sounds unrealistic (especially if it is unsolicited and unfamiliar)...it is

WHAT'S IN YOUR WALLET?



*dig through your wallet/purse to see if you are carrying any unnecessary document or info that puts you at higher risk for ID Theft

*make a list of places you need to check for “too much info” i.e. Facebook, twitter, instagram, other online profiles, back seat of your car, etc.

Saving More

You work hard for your money, so make
your money work harder for YOU !

#1 Create Your Emergency Fund

- Self Insurance against unforeseen expenses
- A minimum of 3-6 months of living expenses, more if employment outlook is uncertain
- Keep the \$\$ in a fairly liquid account i.e. money market, short term CD, savings account
- FDIC-insured accounts are preferred

NEA MB Online Savings Account

<https://www.neamb.com/finance/nea-online-savings-account.htm>

Other Tips on Saving More

- Save/Invest for Long-Term Goals
 - set those goals first
- Pay Yourself First
 - automatic deposits from your paycheck
- Start Small
 - “A latte a day” method
 - If you get a raise, save it
 - Use the money you “found” after doing your spending plan

More Savings Tips...

- Review and Compare Your Existing Accounts
 - bankrate.com
 - ask questions of your financial institutions and representatives
 - understand all fees associated with your accounts
- Turn a Debt Payment into a Deposit
- SAVE... Don't Spend a Financial Windfall

The Ultimate Savings Goal...Retirement

<https://www.neamb.com/products/retirement-accounts>



Retirement Planning

Where are you on your path to retirement? Learn about investing basics, long-term planning strategies and how to make the most of your retirement.



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Why Educators May Find It Works to Work in Retirement



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Smart Tax Strategies That Can Stretch Your Retirement Savings

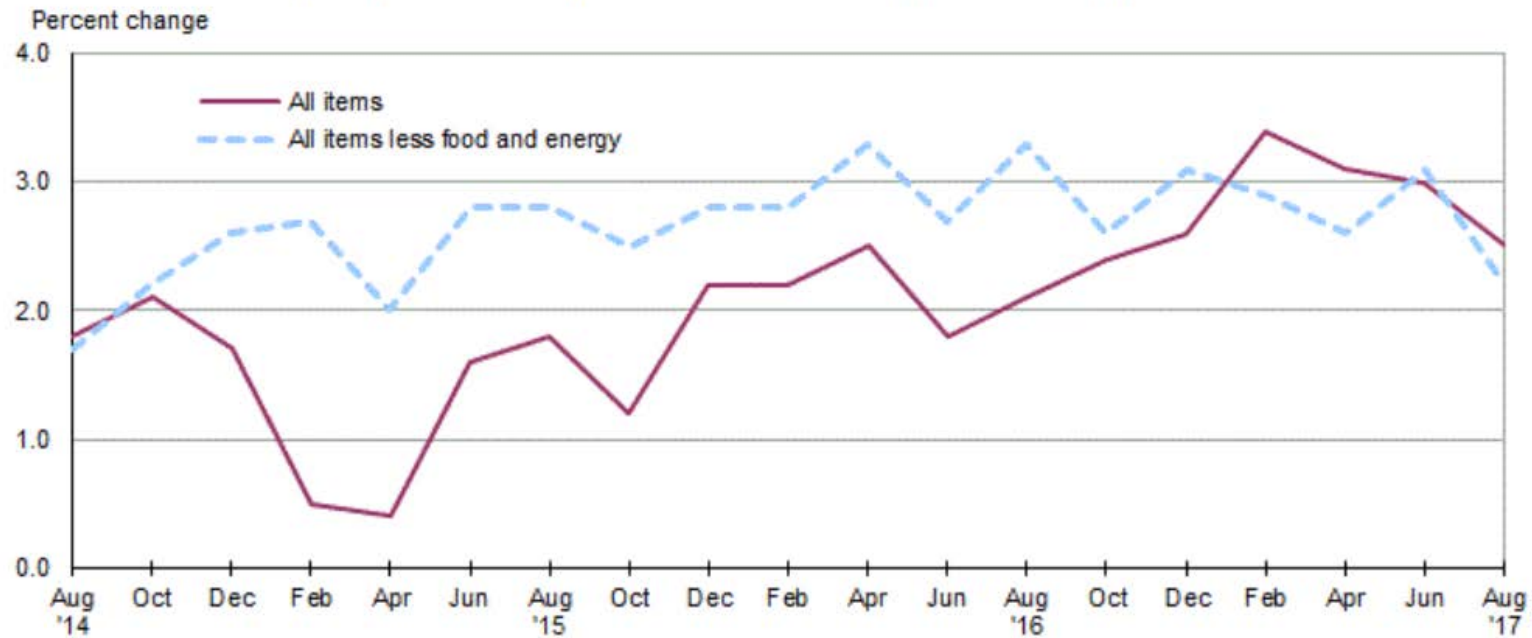


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Ensure an Easy Transition to Medicare

Cost of living – Seattle metro area

Chart 1. Over-the-year percent change in CPI-U, Seattle, August 2014–August 2017



Source: U.S. Bureau of Labor Statistics.

Why Diversification?

Annual Total Returns of Key Asset Classes (1994–2013)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Best ↑	FOREIGN STOCKS 8.06%	LARGE GROWTH STOCKS 38.13%	LARGE GROWTH STOCKS 23.97%	LARGE GROWTH STOCKS 36.53%	LARGE GROWTH STOCKS 42.16%	SMALL GROWTH STOCKS 43.09%	SMALL VALUE STOCKS 22.83%	SMALL VALUE STOCKS 14.02%	BONDS 10.26%	SMALL GROWTH STOCKS 48.54%	SMALL VALUE STOCKS 22.25%	FOREIGN STOCKS 14.02%	FOREIGN STOCKS 26.86%	FOREIGN STOCKS 11.63%	BONDS 5.24%	SMALL GROWTH STOCKS 34.47%	SMALL GROWTH STOCKS 29.09%	BONDS 7.84%	SMALL VALUE STOCKS 18.05%	SMALL GROWTH STOCKS 43.30%
	LARGE GROWTH STOCKS 3.13%	LARGE STOCKS 37.58%	LARGE STOCKS 22.96%	LARGE STOCKS 33.36%	LARGE STOCKS 28.58%	LARGE GROWTH STOCKS 28.25%	BONDS 11.63%	BONDS 8.44%	SMALL VALUE STOCKS -11.43%	SMALL STOCKS 47.25%	FOREIGN STOCKS 20.70%	LARGE VALUE STOCKS 5.82%	SMALL VALUE STOCKS 23.48%	LARGE GROWTH STOCKS 9.13%	SMALL VALUE STOCKS -28.92%	FOREIGN STOCKS 32.46%	SMALL STOCKS 26.85%	LARGE GROWTH STOCKS 4.65%	FOREIGN STOCKS 17.90%	SMALL STOCKS 38.82%
	LARGE STOCKS 1.32%	LARGE VALUE STOCKS 37.00%	LARGE VALUE STOCKS 21.99%	SMALL VALUE STOCKS 31.78%	FOREIGN STOCKS 20.33%	FOREIGN STOCKS 27.30%	LARGE VALUE STOCKS 6.08%	SMALL STOCKS 2.49%	FOREIGN STOCKS -15.66%	SMALL VALUE STOCKS 46.03%	SMALL STOCKS 18.33%	LARGE STOCKS 4.91%	LARGE VALUE STOCKS 20.80%	SMALL GROWTH STOCKS 7.05%	SMALL STOCKS -33.79%	LARGE GROWTH STOCKS 31.57%	SMALL VALUE STOCKS 24.50%	LARGE STOCKS 2.11%	LARGE VALUE STOCKS 17.68%	SMALL VALUE STOCKS 34.52%
	LARGE VALUE STOCKS -0.64%	SMALL GROWTH STOCKS 31.04%	SMALL VALUE STOCKS 21.37%	LARGE VALUE STOCKS 29.98%	LARGE VALUE STOCKS 14.67%	SMALL STOCKS 21.26%	SMALL STOCKS -3.02%	SMALL GROWTH STOCKS -9.23%	SMALL STOCKS -20.48%	FOREIGN STOCKS 39.17%	LARGE VALUE STOCKS 15.71%	SMALL VALUE STOCKS 4.71%	SMALL STOCKS 18.37%	BONDS 6.97%	LARGE GROWTH STOCKS -34.92%	SMALL STOCKS 27.17%	LARGE VALUE STOCKS 15.10%	LARGE VALUE STOCKS -0.48%	SMALL STOCKS 16.35%	LARGE GROWTH STOCKS 32.75%
	SMALL VALUE STOCKS -1.54%	SMALL STOCKS 28.45%	SMALL STOCKS 16.49%	SMALL STOCKS 22.36%	BONDS 8.69%	LARGE STOCKS 21.04%	LARGE STOCKS -9.10%	LARGE VALUE STOCKS -11.71%	LARGE VALUE STOCKS -20.85%	LARGE VALUE STOCKS 31.79%	SMALL GROWTH STOCKS 14.31%	SMALL STOCKS 4.55%	LARGE STOCKS 15.79%	LARGE STOCKS 5.49%	LARGE STOCKS -37.00%	LARGE STOCKS 26.46%	LARGE STOCKS 15.06%	SMALL GROWTH STOCKS -2.91%	LARGE STOCKS 16.00%	LARGE STOCKS 32.39%
	SMALL STOCKS -1.82%	SMALL VALUE STOCKS 25.75%	SMALL GROWTH STOCKS 11.26%	SMALL GROWTH STOCKS 12.95%	SMALL GROWTH STOCKS 1.23%	LARGE VALUE STOCKS 12.72%	FOREIGN STOCKS -13.96%	LARGE STOCKS -11.89%	LARGE STOCKS -22.10%	LARGE STOCKS 28.68%	LARGE STOCKS 10.88%	SMALL GROWTH STOCKS 4.15%	SMALL GROWTH STOCKS 13.35%	LARGE VALUE STOCKS 1.99%	SMALL GROWTH STOCKS -38.54%	LARGE VALUE STOCKS 21.18%	LARGE GROWTH STOCKS 15.05%	SMALL STOCKS -4.18%	LARGE GROWTH STOCKS 14.61%	LARGE VALUE STOCKS 31.99%
	SMALL GROWTH STOCKS -2.43%	BONDS 18.47%	FOREIGN STOCKS 6.36%	BONDS 9.65%	SMALL STOCKS -2.55%	BONDS -0.82%	LARGE GROWTH STOCKS -22.08%	LARGE GROWTH STOCKS -12.73%	LARGE GROWTH STOCKS -23.59%	LARGE GROWTH STOCKS 25.66%	LARGE GROWTH STOCKS 6.13%	LARGE GROWTH STOCKS 4.00%	LARGE GROWTH STOCKS 11.01%	SMALL STOCKS -1.57%	LARGE VALUE STOCKS -39.22%	SMALL VALUE STOCKS 20.58%	FOREIGN STOCKS 8.21%	SMALL VALUE STOCKS -5.50%	SMALL GROWTH STOCKS 14.59%	FOREIGN STOCKS 23.29%
Worst ↓	BONDS -2.92%	FOREIGN STOCKS 11.55%	BONDS 3.63%	FOREIGN STOCKS 2.06%	SMALL VALUE STOCKS -6.45%	SMALL VALUE STOCKS -1.49%	SMALL GROWTH STOCKS -22.43%	FOREIGN STOCKS -21.21%	SMALL VALUE STOCKS -30.26%	BONDS 4.10%	BONDS 4.34%	BONDS 2.43%	BONDS 4.33%	SMALL VALUE STOCKS -9.78%	FOREIGN STOCKS -43.06%	BONDS 5.93%	BONDS 6.54%	FOREIGN STOCKS -11.73%	BONDS 4.21%	BONDS -2.02%

Diversification does not guarantee a profit or protect against loss.

Source: © 2014 Morningstar. Large stocks are represented by the S&P 500; large growth stocks are represented by the S&P 500/Barra Growth Index until 1995 and the S&P 500 Growth Index thereafter; large value stocks are represented by the S&P 500/Barra Value Index until 1995 and the S&P 500 Value Index thereafter; small stocks are represented by the Russell 2000® Index; small growth stocks are represented by the Russell 2000 Growth Index; small value stocks are represented by the Russell 2000 Value Index; foreign stocks are represented by the MSCI EAFE Index; and bonds are represented by the Barclays U.S. Aggregate Index. Indexes are unmanaged, and one cannot invest directly in an index.

Past performance does not guarantee future results

Cost of Waiting

	Jack	Jill
Age	Monthly Contribution	Monthly Contribution
25	\$0	\$200
30	\$0	\$0
45	\$200	\$0
65	\$200	\$0
Amount Contributed	\$48,000	\$12,000
Account Balance*	\$104,185	\$164,756

*This example assumes hypothetical 7% annually compounded tax-deferred growth. Example is for illustrative purposes only. Actual return may be higher or lower. Each individual's situation is different. Systematic investing does not ensure a profit and does not protect against a loss in declining markets. You should evaluate your financial ability to continue purchases through periods of volatile price levels before deciding to invest this way.

Understanding SERS 2 & 3

SERS 2	SERS 3	
Defined Benefit (Pension)	Defined Benefit (Pension)	Defined Contribution (Investment)
Funded by employer & employee	Funded by employer	Funded by employee
Provides lifetime income	Provides lifetime income	Investment account

Source: SERS Plan 2 Member Handbook and SERS Plan 3 Member Handbook.

Take charge, do the easy stuff
and feel better!

Questions?

Back to the Workplace Program

- ▶ What ideas do you have?
- ▶ What resources do you already have on tap?
- ▶ What do your employees/members need most?