

## A MUTUAL INTEREST IN FINANCIAL WELLNESS

Employers have long offered workplace retirement plans as a benefit to workers, and one that serves to both attract and retain the workforce they need to sustain their business, particularly in tight labor markets.

To explore these trends further, we recently spoke with Bob Carroll, Head of Workplace Distribution for Massachusetts Mutual Life Insurance Co.

### **NN: How has the changing landscape impacted an employee's ability to save for retirement?**

**Carroll:** Employees are really crying for help. Surveys indicate that 78% live paycheck to paycheck<sup>1</sup>, and 63% of middle-income Americans (\$35k-\$150k HH income) say they are behind in preparing for retirement<sup>2</sup>. More than half are not only stressed, they expect to have to tap into retirement funds prior to retirement<sup>3</sup>.

Employers need to realize there is a large gap between how individuals feel about their finances and where they are. Proximity drives financial decisions, and that means that a lot of those long-term needs like retirement take a back seat to immediate needs.

Once you can help someone better manage their shorter-term financial needs, you can help them find money to save and invest for retirement.

### **NN: What do plan sponsors need to know about the state of retirement readiness and its impact on their business?**

**Carroll:** Employers are beginning to realize that retirement readiness is about more than just retirement – it's looking at their employees' entire financial picture. And, more than ever before, the interests of the employer and employee are aligned; employees want to retire on their own terms, and for employers, the longer employees must work, the more it impacts their bottom line, in terms of health care, disability claims, worker's compensation. Consequently, today employers are looking at their retirement plans not only

as a benefit, but as an investment in their people and in their business.

### **NN: What should employers look for in an effective financial wellness program?**

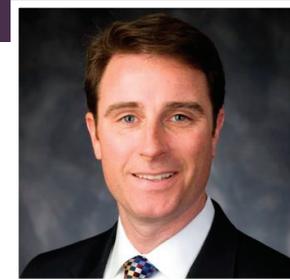
**Carroll:** To be truly effective, the program needs to holistically look at each employee's individual needs, and that involves looking at the needs of their current life stage. Financial wellness involves an acknowledgement that there are financial goals that are not only long- but short- and medium-term. Ultimately you need to deliver a solution that can not only analyze those sometimes competing goals for the participant, but develop a plan for what their best next step is based on that.

Now, that's easy to say – but it takes technology and people, whether in-person, on the phone or online, to shape the complex analysis into a simple financial game plan. Not the standard cookie-cutter approach that some rely upon, but one that brings to you real, credible information based on your individual needs, wants and desires.

### **NN: What's new out there for financial professionals?**

**Carroll:** We've moved beyond financial wellness as a concept. Those who are going to lead are finding that their relationship with recordkeepers is key in order to access the tools and the analytics applied to both the employer and individual employee situations. MassMutual's has introduced a new financial wellness tool – MapMyFINANCES – that helps employees prioritize their benefits choices based on their personal situation and budget, creating a game plan that updates to keep pace with life changes.

That's why the next 15 years are going to be so exciting in this business. There is no reason we can't do that with financial services in a way that makes it work for all Americans – to provide guidance to plan participants across the board to help them plan and budget for retirement and everything in between – and the easiest way, the best way, to achieve success is through their retirement plan at work.



BOB CARROLL

**MassMutual**

› Bob will be speaking at the NAPA 401(K) Summit in April. Please join him on Monday, April 8th during the Breakfast Sessions.

### MapMyFINANCES<sup>SM</sup>

MassMutual is introducing a next-generation financial guidance<sup>4</sup> tool for employees called MapMyFINANCES. It's a powerful digital planning tool solution, designed to help employees make informed decisions to improve their financial wellness. With minimal effort, MapMyFINANCES provides a view of an employee's current financial state and generates a financial wellness score based on the information provided.

It also creates a comprehensive game plan for an employee's financial journey through life tailored to their situation and budget. MapMyFINANCES prioritizes and optimizes financial goals into short-term and long-term categories. And it provides a "to-do" list of simple, actionable ways employees can improve their score.

When combined with MassMutual's flexible plan design and investment options, MapMyFINANCES gives advisors a holistic approach to delivering solutions to help improve employee financial wellness in the workplace and drive better financial outcomes for their clients

<sup>1</sup> 2017, CareerBuilder, Living Paycheck to Paycheck is a Way of Life for a Majority of U.S. Workers. <http://press.careerbuilder.com/2017-08-24-Living-Paycheck-to-Paycheck-is-a-Way-of-Life-for-Majority-of-U-S-Workers-According-to-New-CareerBuilder-Survey>

<sup>2</sup> 2017, MassMutual Middle American Financial Security Study, 2017. <https://www.massmutual.com/~media/files/MM-Financial-Security-Study-GEN-POP-617>

<sup>3</sup> 2018, PwC, Employee Financial Wellness Survey, 2018. <https://www.pwc.com/us/en/industries/private-company-services/library/financial-well-being-retirement-survey.html>

<sup>4</sup> Guidance may not be available for certain products. Guidance is based on MapMyFINANCES assumptions and information provided by the employee and the employer.