What is Financial Wellness?

Prudential believes financial wellness is when individuals adopt the behaviors that result in:

- Managing their day-to-day finances
- Achieving important financial goals
- Protecting themselves against key financial risks

Why Financial Wellness Matters

**Improve Productivity and Engagement**
- 25% of employees are distracted by financial issues at work\(^1\)
- 64% of employers say financial challenges affect employees’ ability to focus on work\(^2\)

**Maximize Benefit Dollars**
- 42% of employees expect to use money held in retirement plans for non-retirement expenses\(^1\)
- 34% of employees say financial stress affects their health\(^3\)

**Improve Workforce Management**
- 42% of workers plan to retire later than previously planned\(^1\)
- 1 to 1.5% higher employer costs if employees delay retirement by one year\(^4\)

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PRUDENTIAL PATHWAYS ONSITE LEARNING

PATHWAYS PROGRAM AT A GLANCE

Prudential Pathways:

- Holistic financial education seminars at your workplace with no solicitation
  - Seminar Series
  - 30+ one-hour topical seminars
  - Workshop to assist employees with completing important financial wellness exercises
  - Executive education seminars
- Complements existing retirement plan education
- Promotes utilization of retirement plans
- Delivered onsite at the workplace by local, specially trained Prudential financial professionals who are selected using stringent criteria
- Reach all employees using various modes of delivery
- Available to all employees, their guests, and retirees
- No cost to you or your employees
- Employer’s benefit plan is integrated into the presentation
- Easy to implement and administer — all communications, registration, satisfaction surveys, data, and metrics reporting is handled by Prudential
A series of engaging onsite financial wellness seminars. These easy-to-understand seminars are designed to teach employees how to best manage their financial house in all areas related to financial wellness.

Seminar 1
GREAT STRIDES: Understanding the Fundamentals of Financial Wellness
Specifically, we’ll cover:
• Creating and fine-tuning a budget
• Fundamental concepts of investing, including:
  ▪ Paying yourself first
  ▪ Pre-tax investing
  ▪ Tax-deferred vehicles
  ▪ Principles of time and compounding
  ▪ Dollar cost averaging
  ▪ Asset allocation concepts
• Savings and investment vehicles to help meet your long-term financial goals
• Challenges in retirement: longevity risk, inflationary risk, and medical expenses
• College funding vehicles

Activities
- Retirement Savings Calculator
- Budget Exercise
- Visit SSA.gov
- Envision Retirement Exercise

Seminar 2
FOR THE LONG HAUL: Building Your Road to Retirement
Specifically, we’ll cover:
• Key elements of a retirement plan
• Building your road to retirement
• Common roadblocks when investing for the future and how to avoid them
• How to keep goals in focus and on track in retirement
• How to help manage investment risks through diversification and prudent asset allocation
• Investing pitfalls and how they can be avoided
• Developing a plan for retirement income. Creating a paycheck from the retirement assets you’ve accumulated.
• An overview of Social Security

Activities
- Cash Flow Worksheet
- RMD Calculator
- Defining Your Investment Risk Tolerance

Seminar 3
CRUISING ALONG: Protecting Yourself and Your Loved Ones
Specifically, we’ll cover:
• Why protecting assets is just as important as accumulating assets
• Ways to help protect and secure financial wellness against predictable and unforeseen circumstances
• Various types of insurance, including:
  ▪ Property & casualty
  ▪ Medical
  ▪ Life
  ▪ Disability Income
  ▪ Long-Term Care
• Healthcare in retirement and the role Medicare plays, including:
  ▪ Parts A, B, C, & D
  ▪ Supplemental insurance

Activities
- HHS.gov
- Medicare Booklet
- Life Insurance Needs Estimator

Seminar 4
THE JOURNEY CONTINUES: Creating a Solid Plan for the Future
Specifically, we’ll cover:
• The importance of maximizing employee benefits
• Common estate planning concepts, including:
  ▪ Wills
  ▪ Trusts
  ▪ Beneficiaries
  ▪ Powers of Attorney
  ▪ Medical directives
• Estate planning pitfalls, including:
  ▪ Not having a plan or putting it in writing
  ▪ Not preparing a custodial agreement for minors
  ▪ Neglecting to use common and readily available estate planning documents to minimize taxes and probate court fees
• Optional – A company representative can provide an overview of the employee benefit package

Activities
- LifeStages Folio
- Estate Planning/Asset Transfer Checklist
- Financial Wellness Checklist
- Optional: Employee Benefits Overview
This program covers a broad range of topics such as budgeting, college funding, retirement planning strategies, and tax and estate planning strategies.

These educational seminars are intended for every demographic of employee within your organization.

**THE BASICS**

The Basics of Credit & Banking Services covers the advantages and risks of using credit, which banking services you need to be wary of, and how to choose and maintain a checking account.

The Basics of Saving & Investing covers the importance of paying yourself first, how interest is calculated, types of investments, and more.

Financial Challenges That Matter Most provides best practices for growing and managing your income, protecting your assets, and minimizing debt.

Strategies for College Funding provides strategies to save for college, including 529 College Savings Plans and Coverdell Education Savings Accounts.

Don’t Try to Predict the Stock Market outlines approaches toward investing in the stock market.

Budgeting and Debt Management focuses on budgeting, how to prioritize your bills, and the importance of saving and investing.

Student Loans – How to Pay Off Your Debt discusses the impact student loan debt has on borrowers and provides repayment options and payoff strategies.

Is Your Financial House in Order? covers concepts such as budgeting, debt management, protection of assets, preparing for retirement, and creating a legacy for your loved ones.

Understanding Your Health Savings Account explores topics including who’s eligible to participate in a health savings account, contribution limits, and long-term growth opportunities.

**RETIREMENT**

Roadmap to Retirement discusses actions you should consider at particular ages to ensure you get the most out of your retirement.

Your Social Security Benefits provides an in-depth explanation of the retirement, disability, and death benefits of Social Security.

Are You Prepared for the Financial Challenges in Retirement? covers the most common challenges faced in retirement and provides strategies to help create a more secure future.

Retirement Planning Toolkit provides the tools you need to make informed decisions about your retirement.

Managing Healthcare Costs in Retirement covers topics including what Medicare covers, out-of-pocket medical expenses, and long-term care insurance.

Life’s Retirement Derailers examines how challenges such as rising healthcare costs, market volatility, and low interest rates can affect your retirement savings.

Providing for a Surviving Spouse in Retirement explores how to ensure your spouse’s financial stability despite rising healthcare costs and reduced Social Security benefits.

**TAXES & ESTATE PLANNING STRATEGIES**

Taking Control of Your Taxes focuses on how investment decisions in today’s tax environment can impact your income in retirement.

It’s Your Estate, Are You in Control? discusses fundamentals of estate planning from taxes to asset distribution.

Estate Planning for the LGBTQ Community provides tips for LGBTQ individuals and couples on how to ensure assets are distributed according to their wishes.
ASSET PROTECTION

How Insurance Can Help Protect Your Financial Wellness discusses how life, health, auto, disability, long-term care, and homeowners insurance can play an important role in your asset protection plan.

What You Should Know About Life Insurance covers how to determine how much life insurance you may need and an overview of different types to consider.

Protecting Yourself from Identity Theft discusses types and warning signs of this growing crime, as well as how to report incidents.

SPECIALTY

Women & Money - Taking Control of your Financial Future helps women create an action plan to take control of their finances.

Managing Money for Kids and Teens presents basic financial topics like creating a budget and the importance of savings in terms kids and teens can understand.

Teaching Your Children Good Money Habits provides age-appropriate “money” lessons to help you reinforce your family’s values about spending, giving, and saving.

Financial Challenges of the Sandwich Generation discusses issues faced by those caring for children and parents at the same time.

Taking Care of Your Loved Ones as They Age discusses issues faced by those caring for aging loved ones and the importance of developing a caregiving plan.

Financial Challenges of Coping with Critical Illness delves into topics such as the types of costs to expect and funding sources for dealing with them.

Financial Conversations Before Saying “I Do” explores topics such as budgeting and debt management, which should be discussed before tying the knot.

WORKING SESSION

Pathways Working Session provides several exercises to help attendees organize their financial life, identify the type of retirement they wish to have, and start creating financial strategies.

30-MINUTE SESSION

Challenges that Impact Your Financial Life addresses ways to make your money work for you.

EXECUTIVE SESSIONS – 90 MINUTES EACH

Advanced Asset Accumulation helps you gain a better grasp of the financial concepts behind investing within your portfolio, tax planning, and risk management.

Advanced Asset Distribution explores distribution of assets and tax sensitivity, deferred compensation, and how the assets you’ve accumulated can ensure an income stream in retirement.

Advanced Estate Planning Strategies covers the four-step estate planning process along with different types of trusts, portability of exemption of spouses, and more.
SUMMARY OF PARTICIPANT SURVEY RESULTS

Making financial education a positive experience for employees

92% said they were satisfied overall with the program.7
96% would recommend the program to a co-worker or friend.8
96% said their speaker was easy to understand.9
94% rated the information as valuable.3
92% rated the content valuable and relevant.9
94% said the content was easy to understand.9

More importantly, our seminars helped inspire participants to take action.

97% plan to maximize their employee benefits.
96% plan to create or update a will.
98% will check and update their beneficiary forms.
95% will rebalance their portfolio.
97% will create a budget.
94% rated the information as valuable.9
92% rated the content valuable and relevant.9
94% said the content was easy to understand.9

Employer Testimonials:

“Prudential Pathways has been an integral part of our financial wellness strategy at Cintas. Since rolling out this program in August of 2016, they have proven themselves as great partners time and time again. Their coverage map across the country allows us to offer the program to the majority of our employees at times that are convenient for the location. The speakers are licensed and engaging. We have received rave reviews from our employees around the country on their presenters. For our more remote employees, Prudential worked with us to develop a virtual website solution. We are grateful for the time and effort Prudential has put into developing this strong program!”
- Cintas

Employee Testimonials:

“Access to presenter to get questions answered.”
“Brought up items that I have been thinking about and now feel more confident crossing off the “To Do list”.
“Exposure to areas not discussed anywhere else in life (Medicare, insurance).”
“Feeling like I can take control of my finances finally!”

WEBINARS

Each of your employees has different financial needs and communication preferences. We use a variety of integrated communication methods, like webinars, to enable further engagement and learning. Webinars are also a great way to reach employees who don’t have access to in person sessions.

- Offered on a monthly basis and will last approximately 30 minutes
- A different topic is featured each month
- The Pathways Series will be available via webinar
- Webinar participants will have the opportunity to request a one-on-one with a local Pathways representative

5. Results based on feedback provided by 33,008 participants from January 2015 through March 2019.
6. Based on 681 retirement plan participants between November 2017 and April 2018.
7. Positive ratings of “very satisfied” or “extremely satisfied.”
8. Defined as “promoters” giving ratings of 7–10 out of an 11-point recommend scale. 7 (very likely) – 10 (extremely likely).
9. Positive ratings of “very good” or “excellent.”
### THE BENEFITS OF FINANCIAL WELLNESS EDUCATION

<table>
<thead>
<tr>
<th>Employers can:</th>
<th>Employees can:</th>
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<tbody>
<tr>
<td>Provide holistic financial wellness education that complements existing retirement education</td>
<td>Receive objective financial education in person from experienced local financial professionals</td>
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<tr>
<td>Promote utilization of retirement plan</td>
<td>Have a dedicated resource who is licensed and registered to answer all of their questions</td>
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<td>Demonstrate concern for employee well-being</td>
<td>Attend seminars at their worksite for their convenience and bring guests</td>
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<td>Reduce questions coming from your employees about what to do, which in turn saves time</td>
<td>Learn how benefits fit into their overall financial wellness</td>
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<tr>
<td>Non-solicitation - objective financial education</td>
<td>Feel increased satisfaction and improve productivity</td>
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<tr>
<td>Easily put the program in place with little administrative time and at no cost</td>
<td>Learn how to better manage their finances day-to-day</td>
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<tr>
<td>Help improve employee satisfaction and productivity</td>
<td>Achieve important financial goals and protect themselves against key financial risks</td>
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<tr>
<td>Provide education to suit the needs of all employees</td>
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<tr>
<td>Inspire employees to improve their financial wellness</td>
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<tr>
<td>Reach all employees, regardless of location</td>
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Contact Your Prudential Representative today to discuss how this workplace solution can help your employees.

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