

2022

FINANCIAL WELLNESS SURVEY



FINANCIAL FITNESS
FOR LIFE

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WHO IS FINANCIAL FITNESS FOR LIFE?

Serving employees nationwide, Financial Fitness for Life (FF4L) works with companies to add value to their employee benefits package by providing tailor-made financial education to their employees, empowering them to gain control of their financial future.

We believe we deliver the most effective financial wellness education through dedicated financial coaches and coupling personalized guidance with engaging technology. Our breadth of resources allows us to assist every person, regardless of where they are in their financial journey.

Our goal is to guide every person we connect with toward financial independence. By personalizing the conversation and understanding each person's story and journey, we are more successful than the typical prescriptive education solution.

ABOUT OUR SURVEY

A successful financial wellness program must be able to measure progress both in the short and long term. That progress needs to be measured by more than just participation rates and deferral rates within the retirement plan. Employees deserve to have a say in what is really going on in their financial lives.

Each year, FF4L clients have the opportunity to participate in the Financial Wellness Annual Survey, a series of questions that gauge the current status of a person's financial wellness confidentially. Each question is designed to understand better that person's financial IQ, mindset, and habits. We use this report to shape our financial wellness program better and provide the most appropriate and timely financial wellness education and resources.

Our goal is to improve the financial health of employees across America. We want to be able to show quantitative and qualitative improvements on a year-by-year basis. As we see improvements, this will reaffirm that our holistic education, and the unique way our Financial Fitness Consultants deliver it, is both helpful and effective.

Welcome to the First Annual Financial Wellness Survey!

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ABOUT THIS REPORT

Financial Fitness for Life's first annual survey was delivered to our participating clients over the 2022 calendar year. These organizations span across eight different industries, including:



EDUCATION



NOT FOR PROFIT



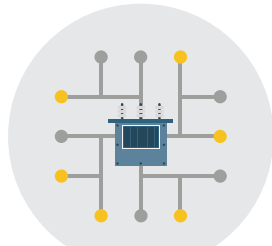
OIL



BANKING



TRANSPORTATION



ENERGY



FINANCE



REAL ESTATE

EXECUTIVE SUMMARY

We are thrilled to be able to provide some critical insights into our first Annual Financial Wellness Survey. There is no question that 2022 tested a person's ability to manage their financial stress. Over 75% of employees are experiencing moderate to extreme financial stress on a regular basis. This increase in financial stress leads to at least one to two hours per week being spent on personal financial matters at work. While this may not seem too detrimental to an individual employee's overall productivity, if left unchanged, this ongoing stress often leads to a more permanent negative impact on their quality of work, ability to manage multiple tasks, and relationships with co-workers.

The question now becomes, why are employees so stressed out? Before answering this question, it's important to acknowledge that financial wellness encompasses a range of factors, including budgeting, saving, investing, debt management, insurance, and estate planning. Each person has their own unique financial wellness journey. Good financial health and wellness have a lot to do with establishing and reinforcing good habits and identifying and breaking bad ones. In order to understand a person's financial situation and their corresponding habits, we need to let them tell their story.

Here is what the story of the employees we surveyed is telling us right now about where some of that financial stress is coming from:

- Over 50% do not have a budget or have yet to review their budget in six months.
- 64% are not adequately prepared in the case of an emergency or unexpected expense.
- Over 80% do not have a will, nor do they know how to start to put together an estate plan.
- 80% are not confident that they are on track to meet their retirement goals or have no plan in place.

Despite some of the concerns, employees are establishing good habits that are helping them manage, or even alleviate, some of their financial stress.

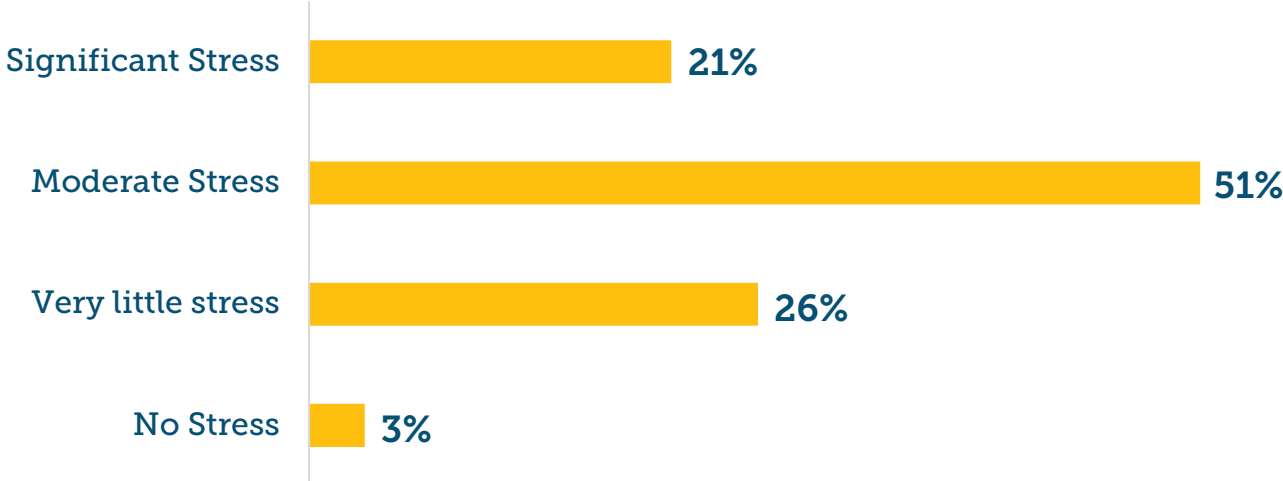
- Over 70% of people with any debt consistently make their monthly payments and have a plan to eliminate those debts.
- Over 70% also understand their credit report and review it regularly.
- 69% are confident that they are invested properly.
- Only 27% feel that they do not have an adequate amount of insurance coverage.
- Only 23% need to add or update beneficiaries.

When employees are financially healthy, businesses and communities thrive. Our unique approach engages both employer and employee to transform information, like our Annual Wellness Survey, into action that leads to lasting improvements in overall financial health and wellness. Employees and employers are more in need of personalized wellness solutions than ever before.

Let us help you find the right approach to create lasting change for your entire organization.

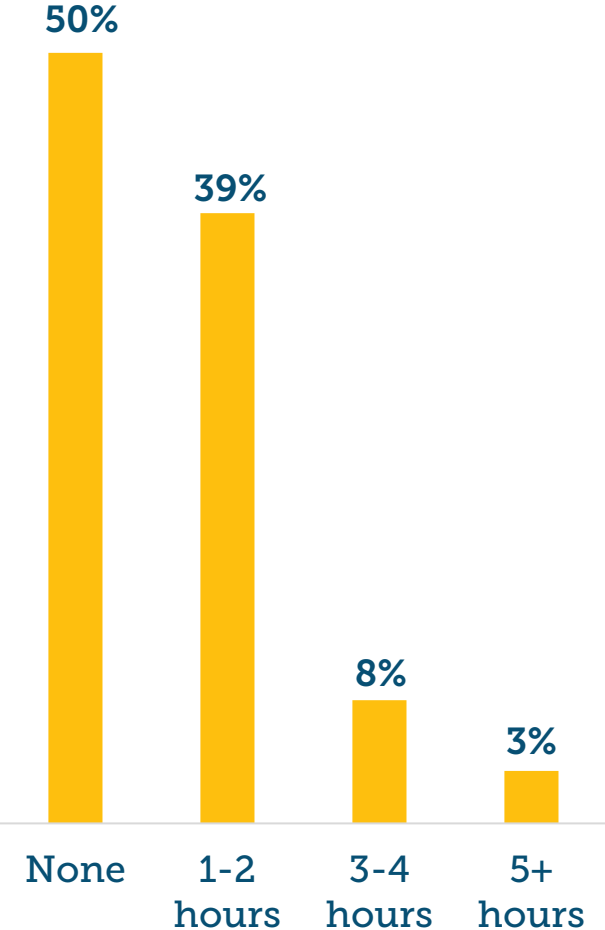
THE MAJORITY OF EMPLOYEES ARE EXPERIENCING FINANCIAL STRESS

The vast majority of employees, over 75%, are experiencing moderate to extreme financial stress. Only 3% of employees experience no stress concerning to their finances.



EMPLOYEES ARE DISTRACTED, SPENDING TIME DEALING WITH PERSONAL FINANCES AT WORK

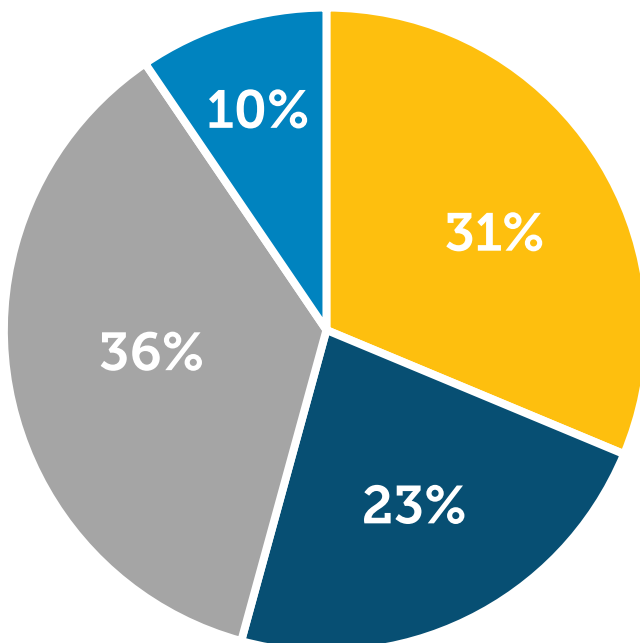
Of employees who reported handling personal finances during work hours, the average time spent is 2.5 hours per week.









EMPLOYEES DO NOT HAVE THEIR FINANCES IN ORDER

The majority of full-time employees do not have a budget or have not addressed their budget in six months. Less than 10% have worked on improving their budget over the last 6-12 months.



-  I do not have a budget
-  I have a budget, but I have not addressed it in six months
-  I have a budget, and I review and update it on a consistent basis
-  I have improved my budget over the last 6-12 months



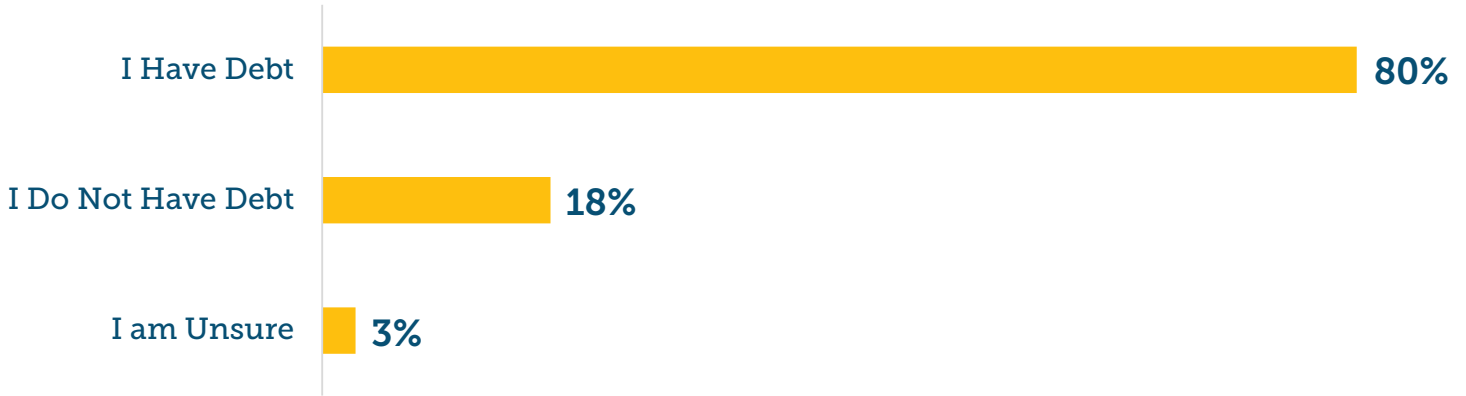
MOST EMPLOYEES CAN'T COVER AN EMERGENCY EXPENSE THAT WOULD COST THEM MORE THAN \$1,000

Over half of the employees, 64%, are not adequately prepared in the case of an emergency. Only 36% of employees have saved at least 3 - 6 months of living expenses and would be prepared if something unexpected happened to them.

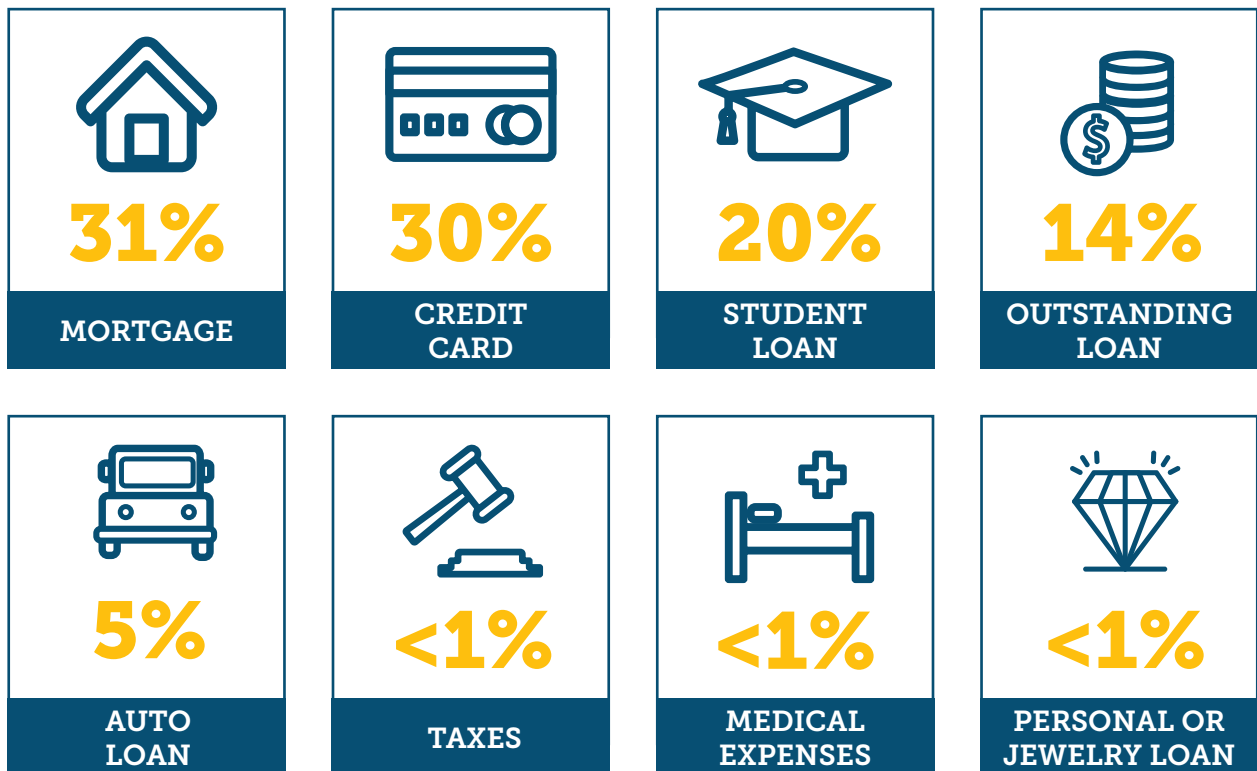


ALMOST ALL EMPLOYEES HAVE FOUND THEMSELVES IN DEBT

While having some debt is to be expected, our survey revealed that most employees are experiencing more considerable debt, such as paying down a mortgage, substantial credit card balances, and student loan debt.



THE TYPES OF DEBT MOST COMMONLY IDENTIFIED WERE:



EMPLOYEES ARE IN DEBT, BUT THEY HAVE A PLAN TO GET OUT

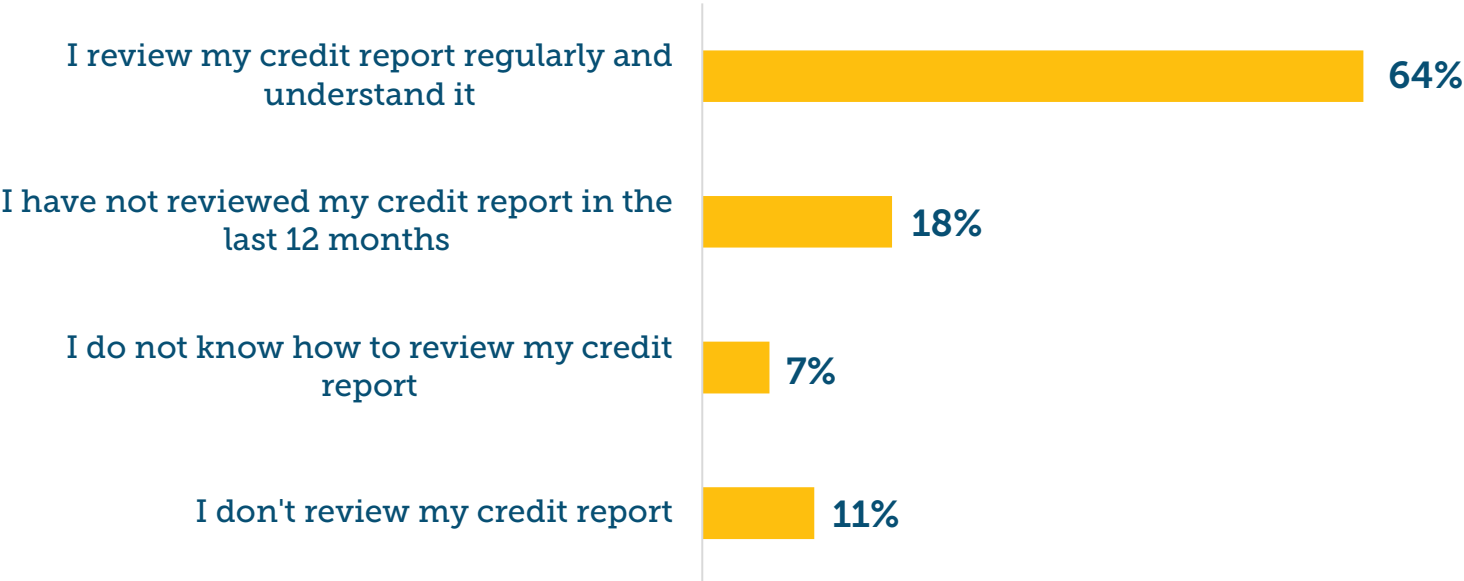
With almost 80% of employees being in debt, it's important they understand how to effectively pay down debt so they can focus on establishing an emergency fund and saving for the future. Fortunately, the majority of employees understand how they should pay off their debt and consistently lower their balances each month.





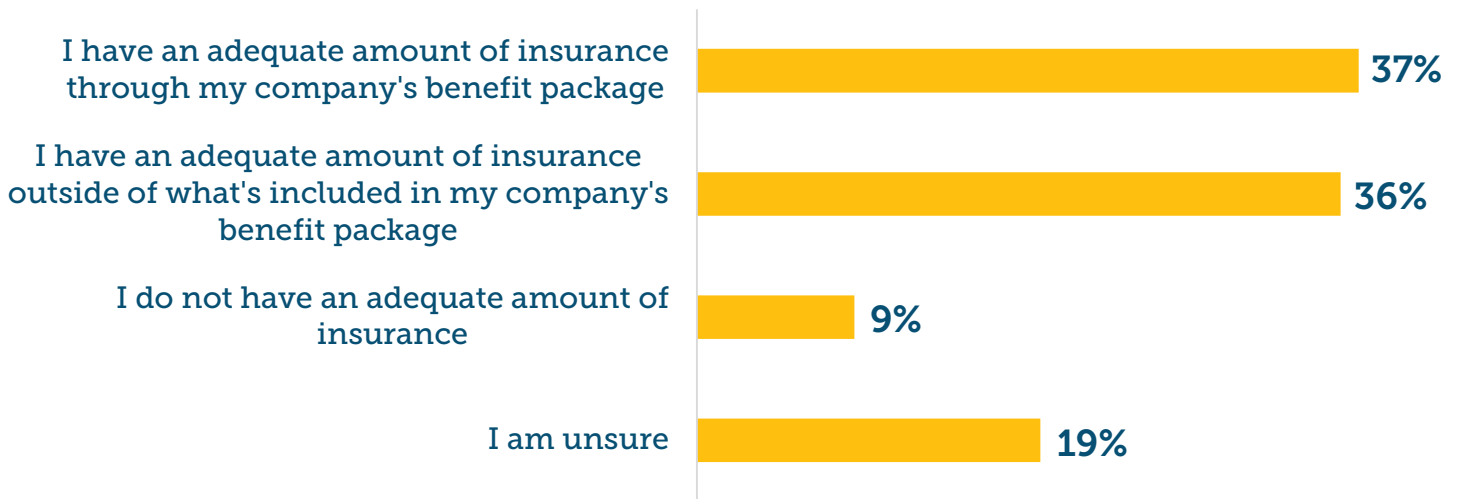
MOST EMPLOYEES UNDERSTAND THEIR CREDIT SCORE AND HOW IT CAN AFFECT THEIR FINANCES

While the majority of employees understand their credit report and review it regularly, there are still around 30% of employees who do not know how to find their credit score or need help understanding their report.



EMPLOYEES HAVE CONFIDENCE THAT THEY ARE PROTECTED THROUGH THEIR EMPLOYER'S BENEFIT PACKAGE

Less than half of employees, 36%, have obtained additional insurance coverage out of what their company's benefit package offers. Employees feel confident that they are adequately protected, with only 27% of individuals feeling that they are not adequately insured.

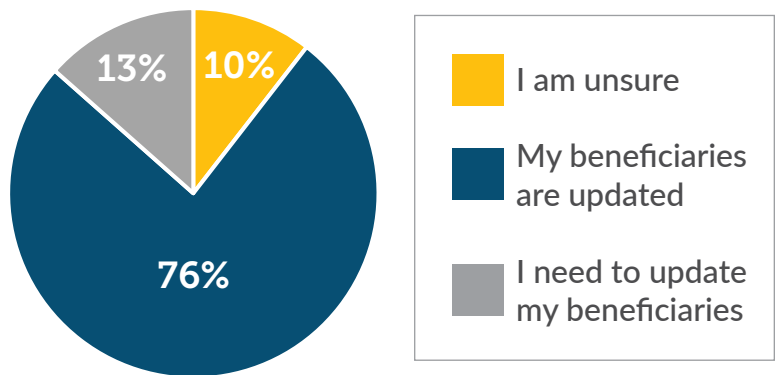




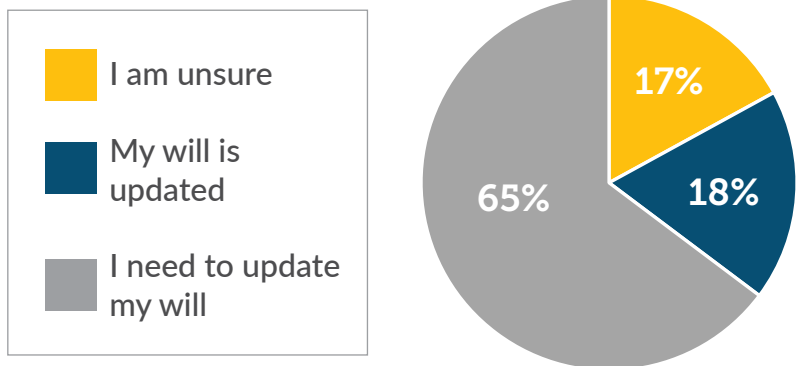
ESTATE PLANS ARE ONLY PARTIALLY PREPARED FOR EMPLOYEES

It seems that the majority of employees are confident that they have assigned and kept their beneficiaries up-to-date, with only 23% of employees noting they need to assign or update a beneficiary for their assets.

However, it's not surprising that over 80% of employees do not have a will and don't know where to begin creating a plan for how their property will distribute after death.



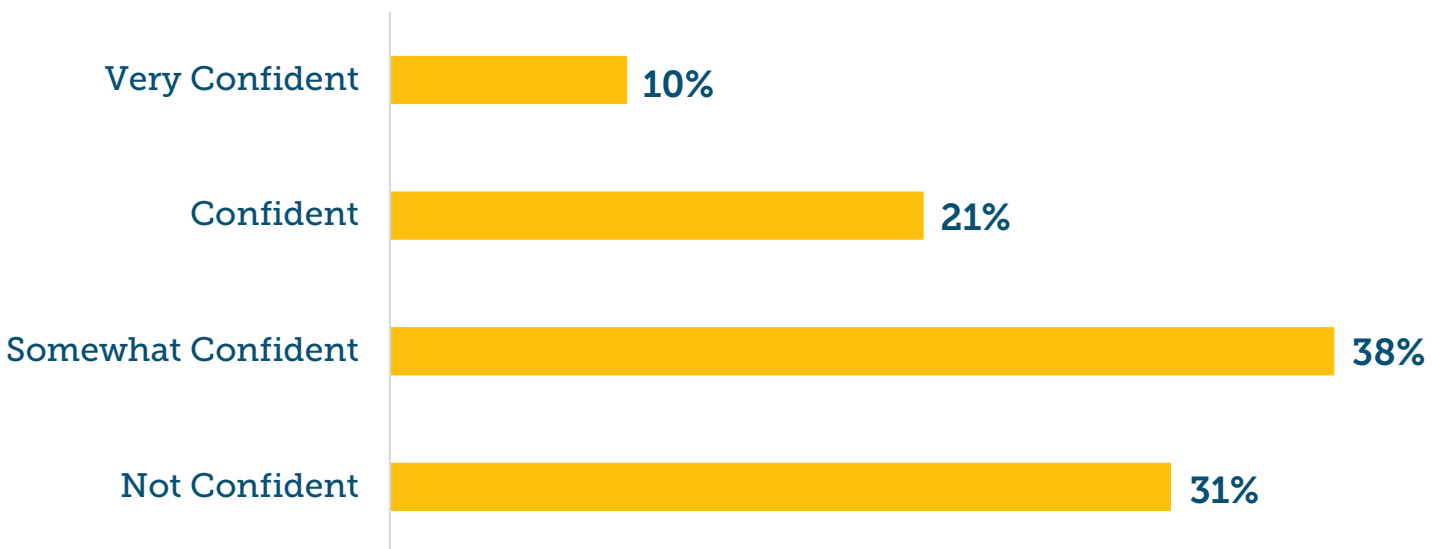
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EMPLOYEES HAVE CONFIDENCE IN THEIR INVESTMENT STRATEGY

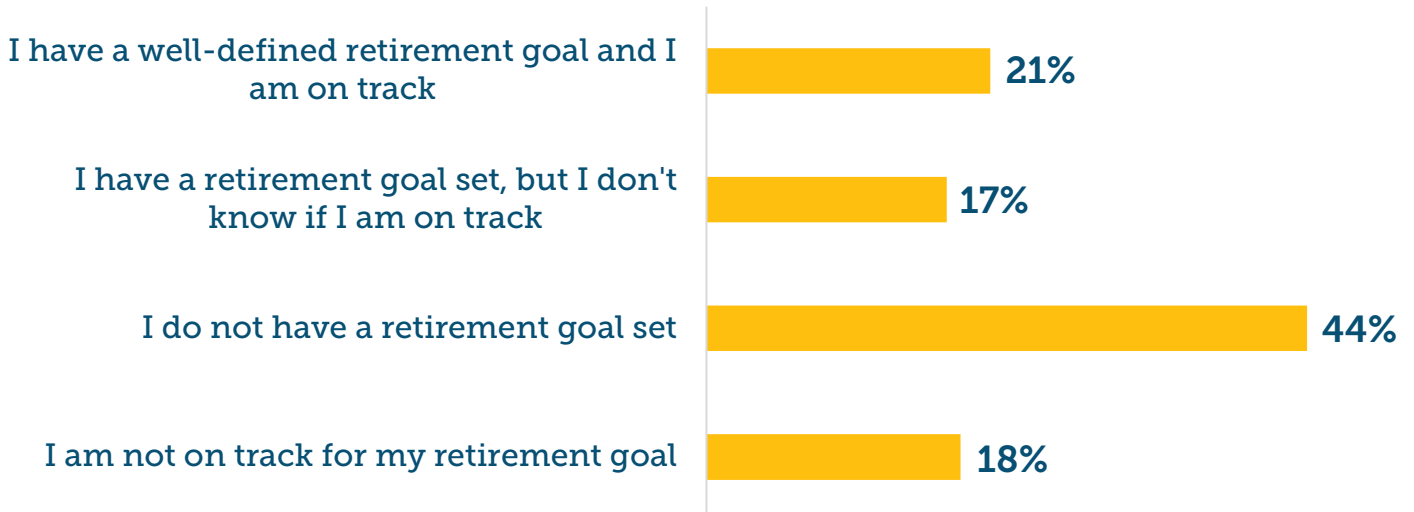
With the market fluctuations in 2022, it's encouraging to see that only 31% of employees are not confident they are appropriately invested. However, only 10% are very confident that they are invested properly, leaving room for improvement.





RETIREMENT IS ON THE BACK-BURNER FOR MOST EMPLOYEES

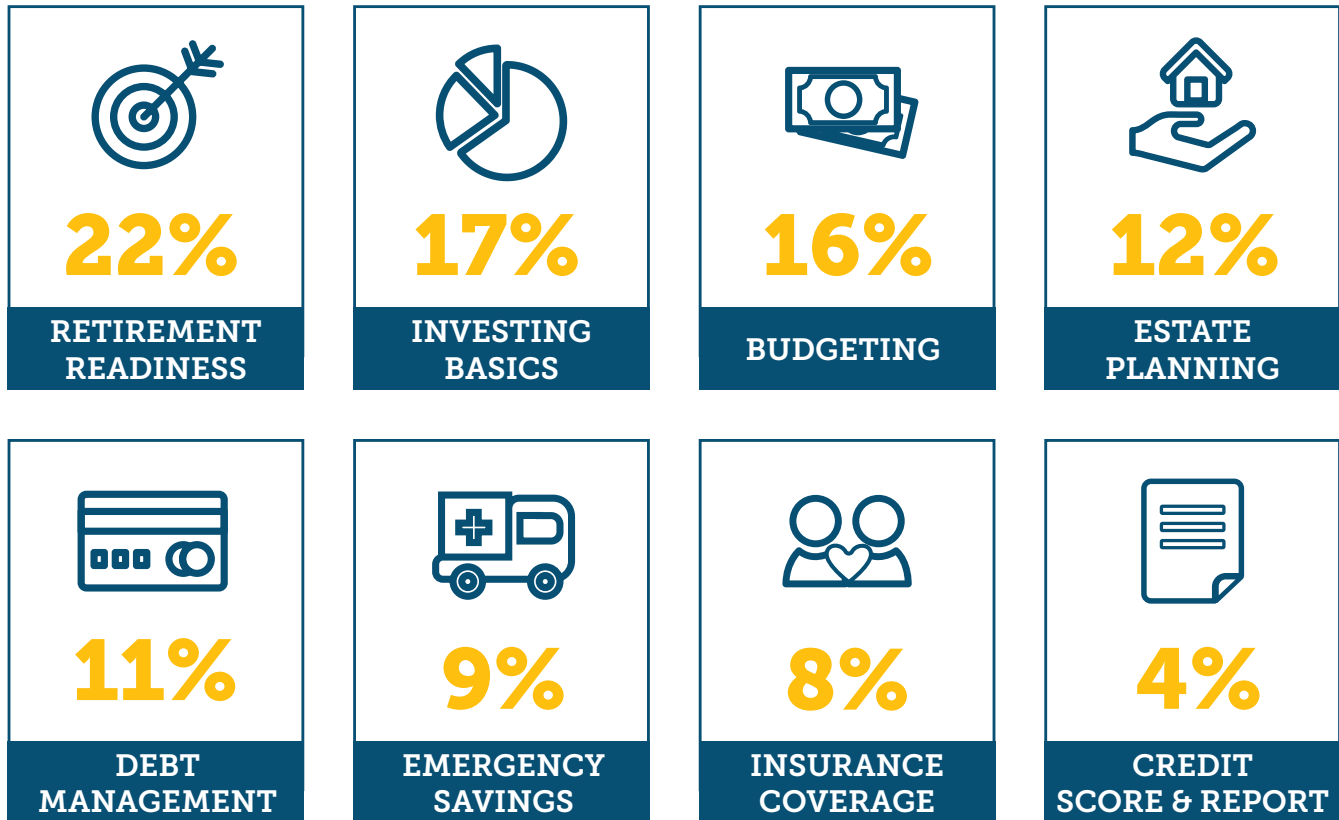
Employees are busy trying to focus on budgeting, paying down debt, and maintaining their emergency fund, which leaves little room for them to focus on their long-term financial goals. 80% of employees are having difficulty planning ahead; they are not confident in being on track to meet their retirement goals or do not have a goal in place at all.



EMPLOYEES ARE EAGER TO LEARN MORE

Given the level of confidence that employees have regarding their readiness to retire, it is no surprise that employees are most concerned with and want to learn more about retirement readiness. After experiencing market fluctuations over the past year, there is a high level of curiosity surrounding investing from employees. With inflation closing out around 6.5% in 2022, it's crucial and significant to see that employees want to update or establish their budget.

The financial topics employees are most interested in learning more about are:

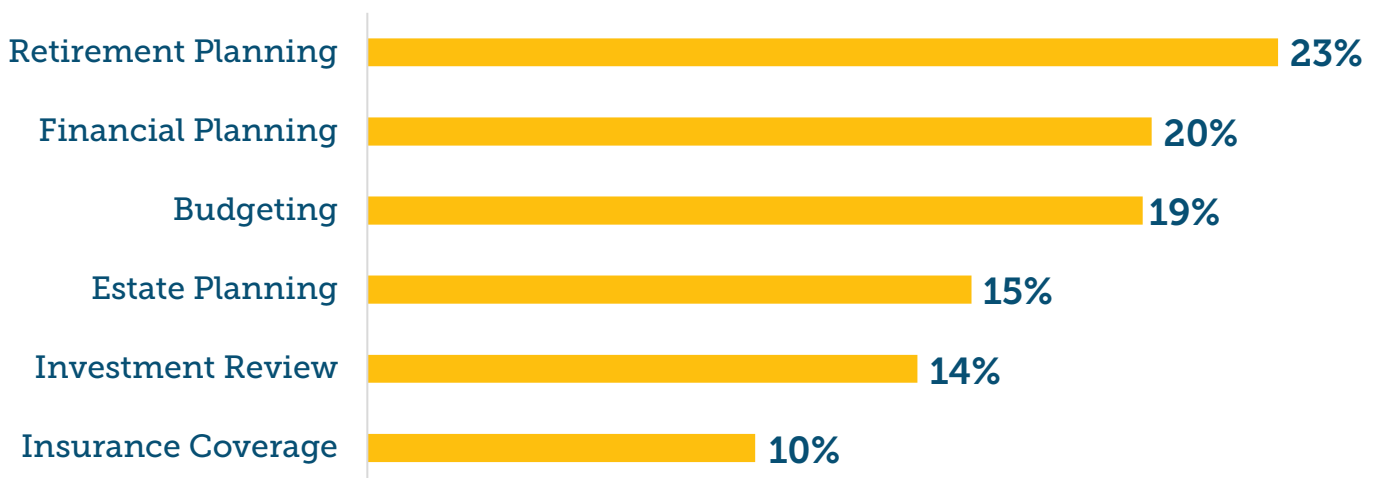




EMPLOYEES WANT HELP ON THEIR FINANCIAL JOURNEYS

Employees are asking for help! Nearly half of the employees request to meet with our Financial Fitness Consultants while taking our financial wellness survey.

The majority are focused on some type of planning, whether it be in relation to meeting their retirement goals or looking at their financial household more holistically. Closely trailing behind, employees are still asking for help with simply putting a budget together.





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Financial Fitness for Life's first annual survey was delivered to our participating clients over the 2022 calendar year. It tracks the financial IQ and wellness of 505 full-time employees within 14 organizations.

Advisory services offered through Prime Capital Investment Advisors, LLC. ("PCIA"), a federally registered investment adviser. PCIA: 6201 College Blvd., Suite 150, Overland Park, KS 66211. PCIA doing business as Financial Fitness for Life ("FF4L") and Prime Capital Wealth Management ("PCWM"). Certain services may be provided by affiliates of PCIA.

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