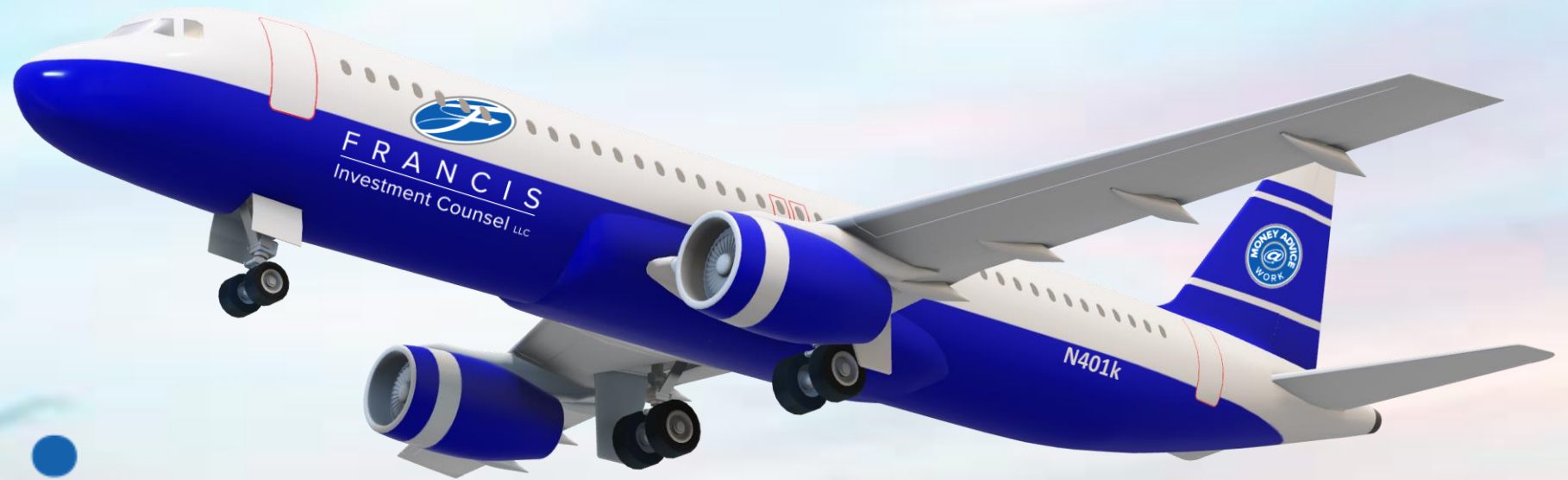


FLIGHT 401 (k)

Your Employee's Odyssey to Financial Freedom



fei[®]



FRANCIS
Investment Counsel LLC



Timothy M. Shirk, CFP®
Money Advisor – MoneyAdvice@Work® Team
Francis Investment Counsel LLC

Certified Financial Planner Board of Standards Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design), and CFP® (with flame design) in the U.S., which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.



Just another
Monday morning

...

MKE to JFK
Meeting of a
Lifetime!



Your New Employee

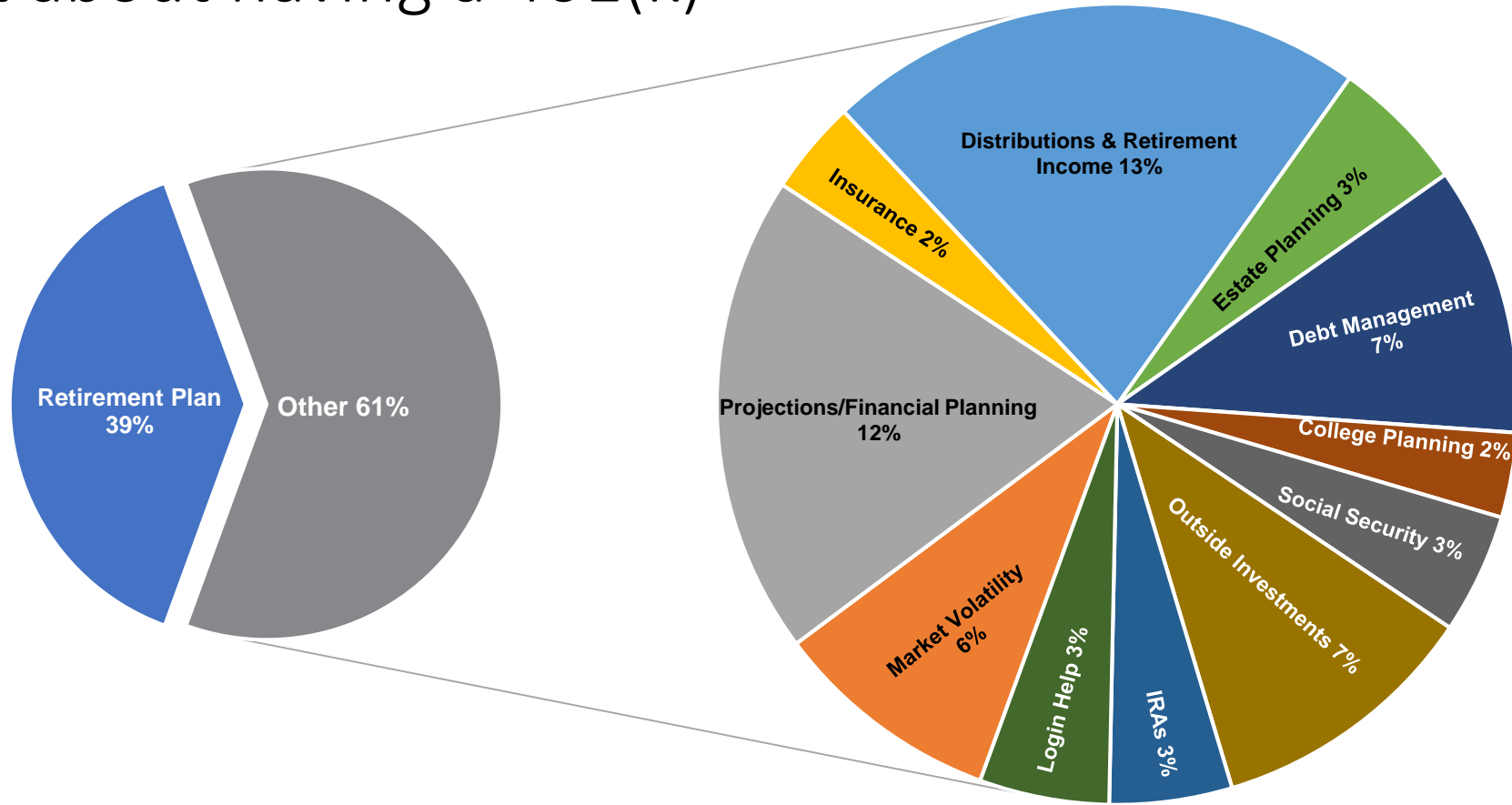
- Fresh out of school
- Starting his career
- Whole life ahead of him
- Making plans!



- Help, I am drowning in debt!
- I am a budget failure!
- I'll never retire!
- I'm paycheck to paycheck, what if . . . ?
- I know I should be doing something, but what?
- How will I ever afford . . . ?

Five Years Later . . .

It's not just about having a 401(k)



Source: Francis Investment Counsel

Why This Matters . . .

Financially stressed employees cost employers more in health care claims.


*Source: Consumer Financial Protection Bureau, "Financial Wellness
at Work: A Review of Promising Practices and Policies," 2014.*




40% of
turnover is
stress-related.
It costs \$3,000
to \$13,000 to
replace an
employee.




Source: Workforce, "Role of Workplace Stress in Turnover Undervalued," 2007, Gina Ruiz. Equity 1 Group, "Employee Financial Stress is Costing Your Company a Bundle," 2005, Ned Lenhart.



Workers who
delay retirement
increase
employer cost
through disability
claims.



Employees who
delay retirement
tend to be less
engaged, more
stressed, and in
poorer health.



*Source: Towers Watson, "Workers Still Uneasy
about Financial Security in Retirement," March
2014.*

Financial stress
contributes more
to presenteeism
than health concerns
like anxiety and
depression.



Source: Personal Finance Employee Education Foundation, "Financial Literacy and Workplace Outcomes: Presenteeism and Absenteeism," January 2013, Dr. Aimee D. Prawitz.

Net Worth

\$2,317,371

LAST 30 DAYS \$138,864

TODAY'S CHANGE \$3,402



Cash Flow

-\$23,834

LAST 30 DAYS



M

TODAY

0.65%

S&P 500

Your Holdings

YOUR GAINERS

- Apple Inc
- Firstenergy Corp
- Duke Energy Corp
- Northeast Utilities
- ITT Educational Services

YOUR LOSERS

- Harris Teeter Supermarkets
- Gulfport Energy Corp
- Microsoft Corp
- Wells Fargo & Co
- Eastman Chemical Co

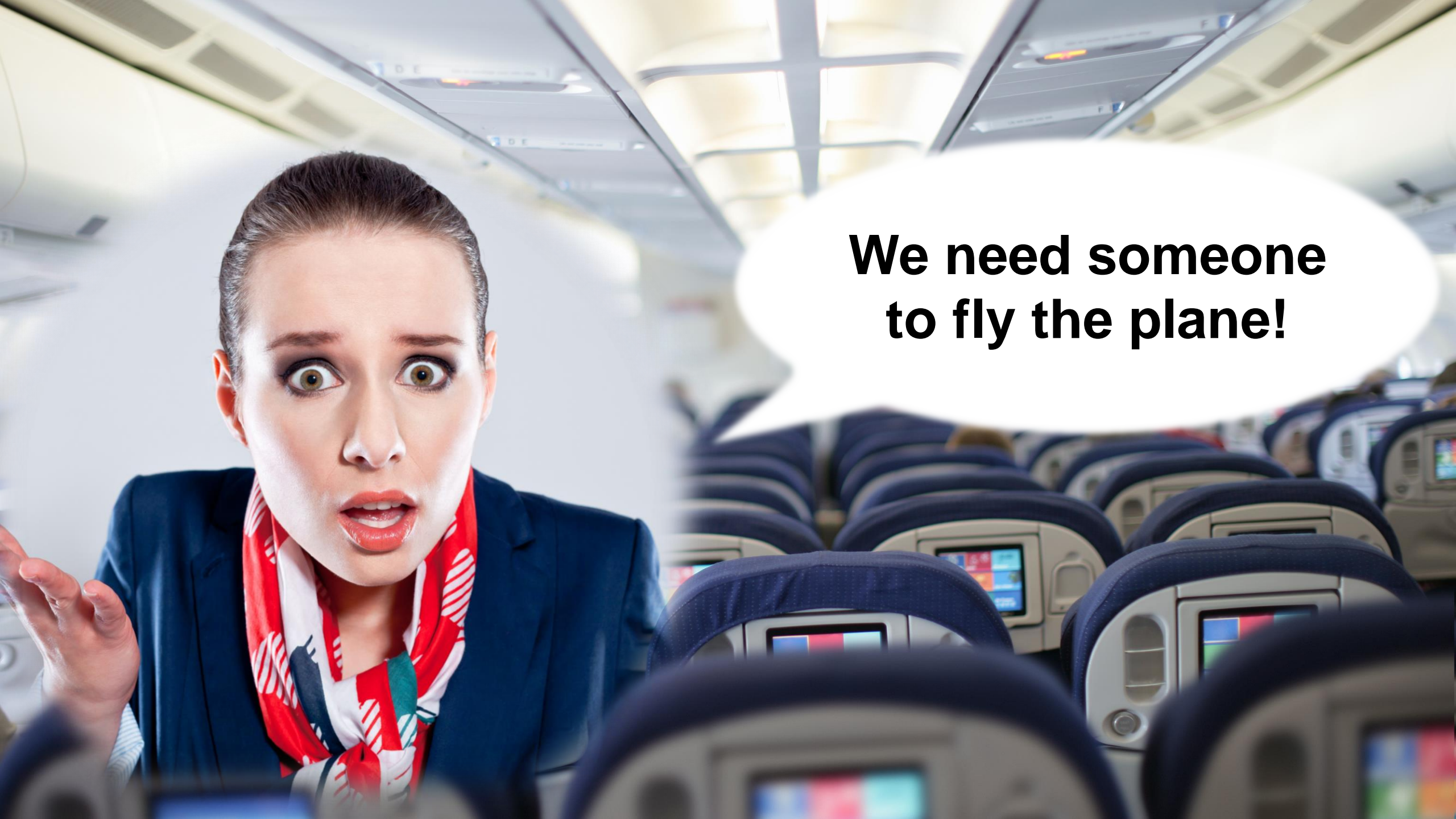
Insights

Compared to our baseline portfolio, you are **underweight in: International Stocks** by (8.64)

You are currently paying over **\$3408.34** per year in **fees** for mutual funds and ETF's.

You are projected to pay over **\$119017.22** in **20 years** in **management fees** for mutual funds and ETF's.





**We need someone
to fly the plane!**



WASH
360 COURSE

360 COURSE

254
359

360 COURSE

360 COURSE

FLT DIR

PTCH DR

YCU DIR

AL. STERNING. ELEV

360 COURSE

F/D APP

LOW

SPEED BRK SET

TAXI RANGE

F/D APP

101
5
1000

137
1000

360
1000

14480
1000

1000

1000

211
211
215

211
211
215

1000

1000

1000

1000

1000

1000

14480
1000

1000

1000

360
1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

1000

359
1000

1000

1000

000 MILES

000 MILES

LANDING GEAR
LIMIT 600
LIMIT 100-120
LIMIT 100-120
LIMIT 100-120
LIMIT 100-120

1000

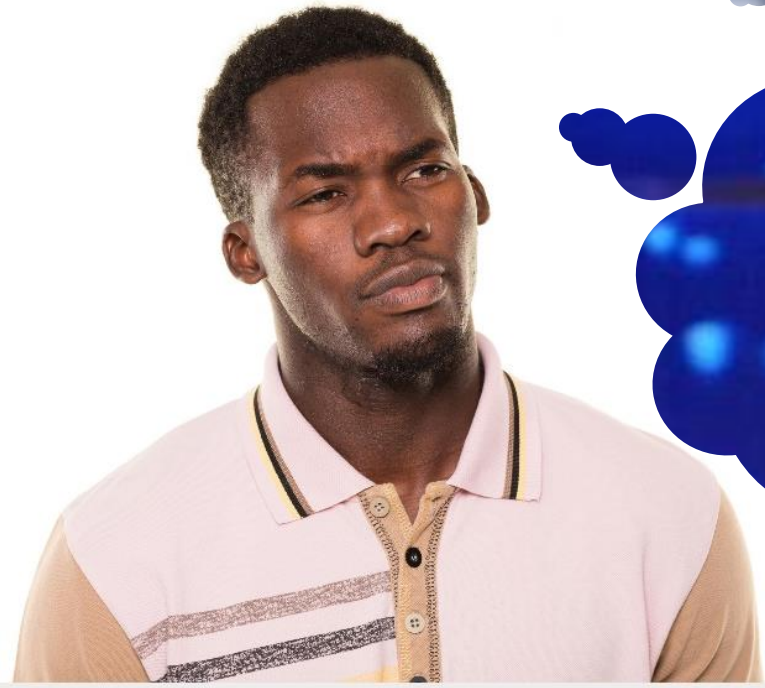
02 FLAP

Your Employee's Perspective

Take-aways

- Reality - Your employee is likely not comfortable in the world of money and investing, often leading to . . .
 - Avoidance
 - Error due to ignorance
 - Following the loudest influencer





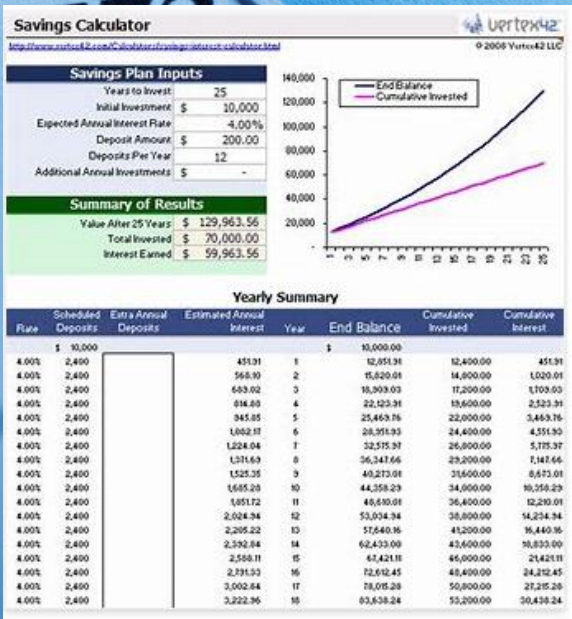
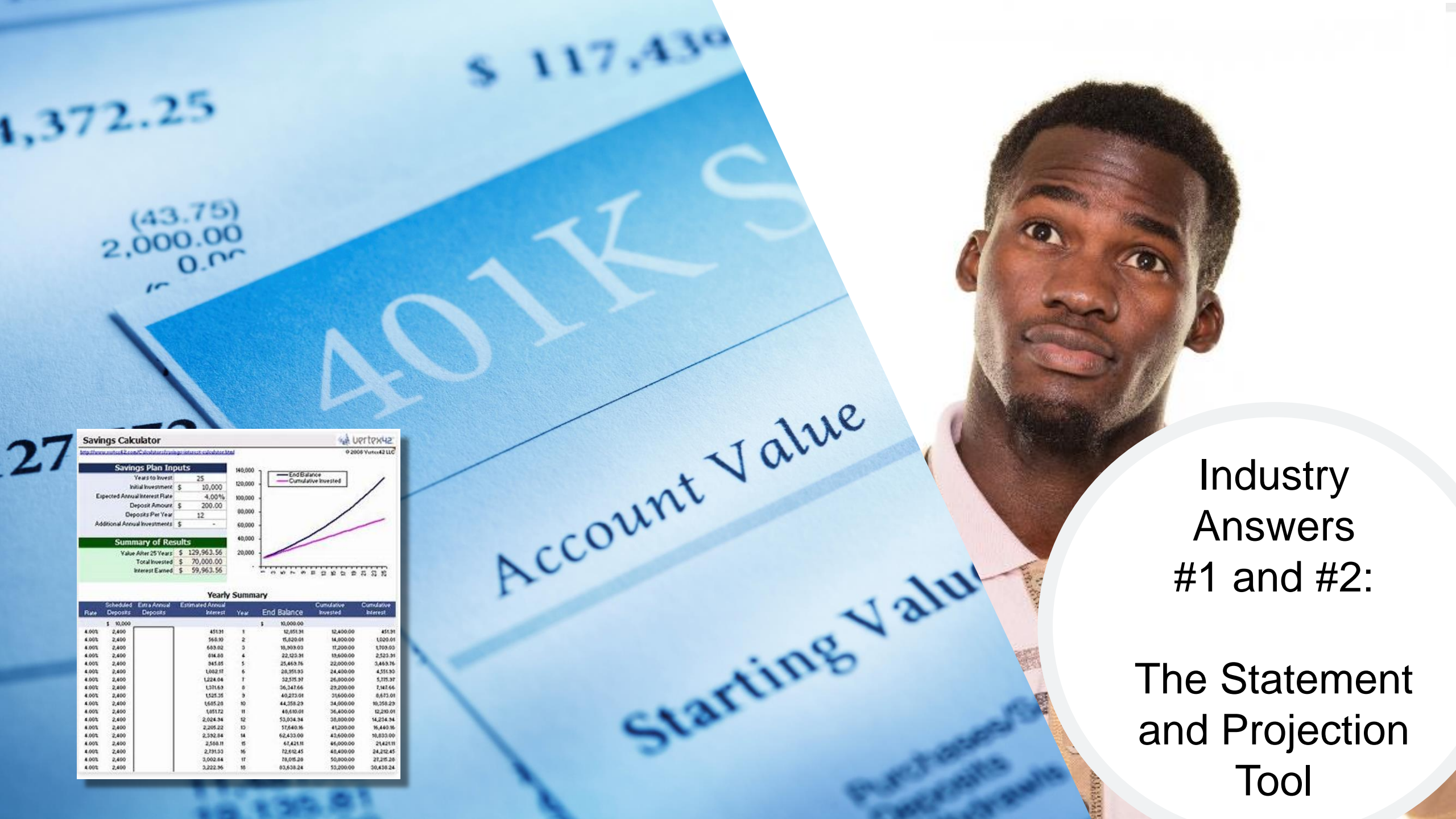


Your Employee's Perspective

Take-aways

- Reality - Your employee is likely not comfortable in the world of money and investing, often leading to . . .
 - Avoidance
 - Error due to ignorance
 - Following the loudest influencer
- Remedy – Financial wellness programs should include:
 - Meaningful education leading to increased comfort in the financial wellness environment.
 - Concrete positive reward to motivate the employee into action that is in their best interest





Industry Answers #1 and #2:
 The Statement and Projection Tool



LINCOLN PARK (N07)
182° L 29° 22.8'

VOR-DME
TETERBORO
108.4 Ch 21 TEB

See NOTAMS/Directory
for Class D/E (sfc) eff hrs

ESSEX CO (CDW)
ATIS 114.2/132.85
CT-119.5
172° L 45° 22.95
RP 22, 28

TETERBORO
214 TE

CHATHAM
254-CAT



NEW YORK

JOHN F KENNEDY INT

BRIDGE
414 OGY

VOR-DME
KENNEDY
115.9 Ch 106 JFK

NEW YORK

Your Employee's Perspective

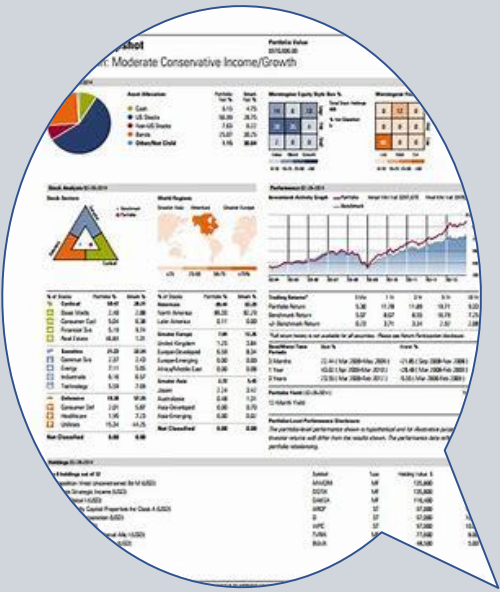
Take-aways

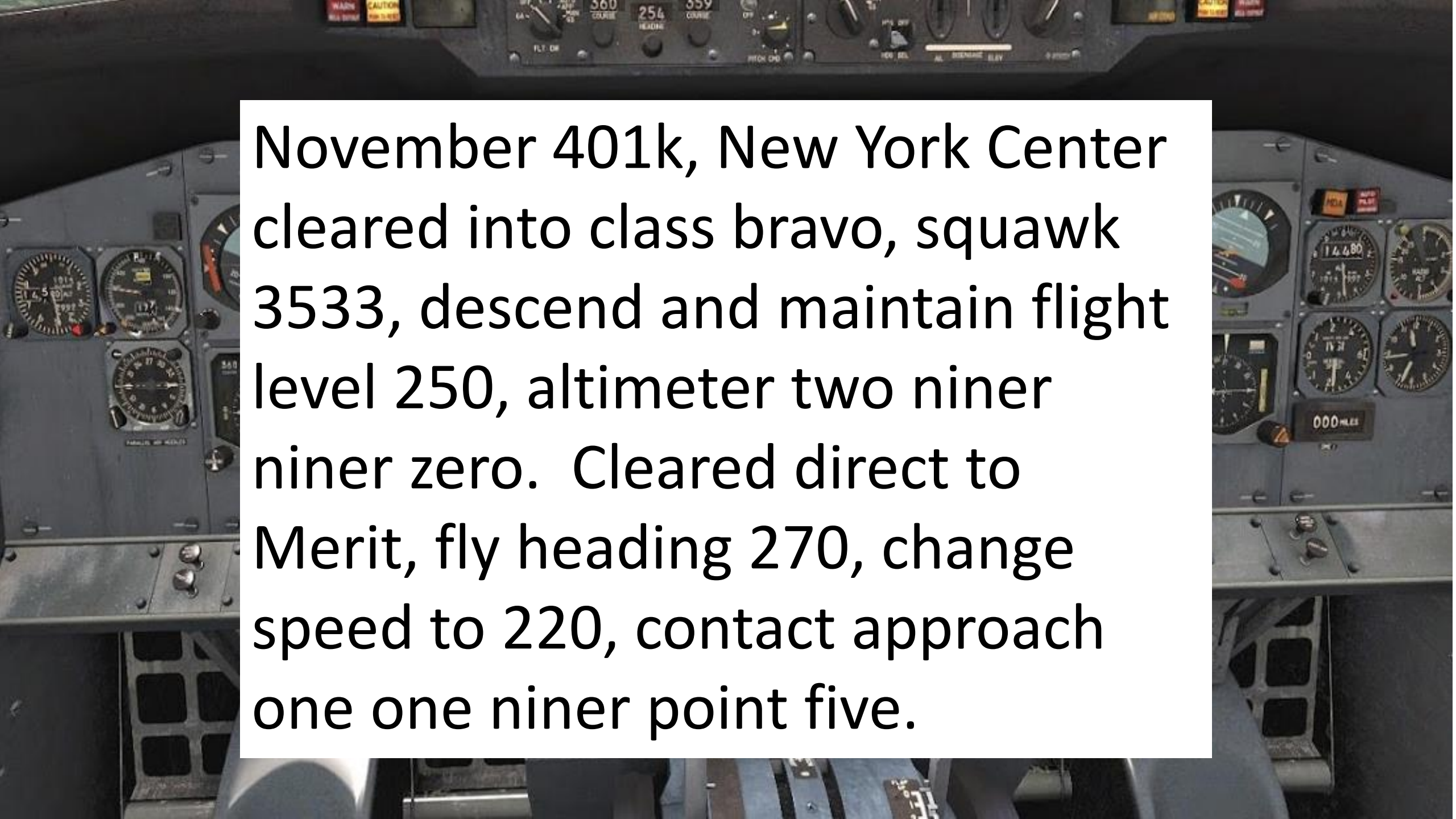
- Reality – Financial statements and projections tools are of little use to your employee if they do not understand the underlying terms and concepts
- Remedy – Financial wellness programs should include the availability of a knowledgeable, human subject expert to interpret and instruct



Industry
Answer #3
Education





A photograph of an aircraft cockpit instrument panel. The panel features several analog gauges, including a heading indicator showing 254, an altimeter showing 29900, and a speedometer showing 220. There are also various control knobs and switches. A white text box is overlaid on the center of the image, containing flight instructions.

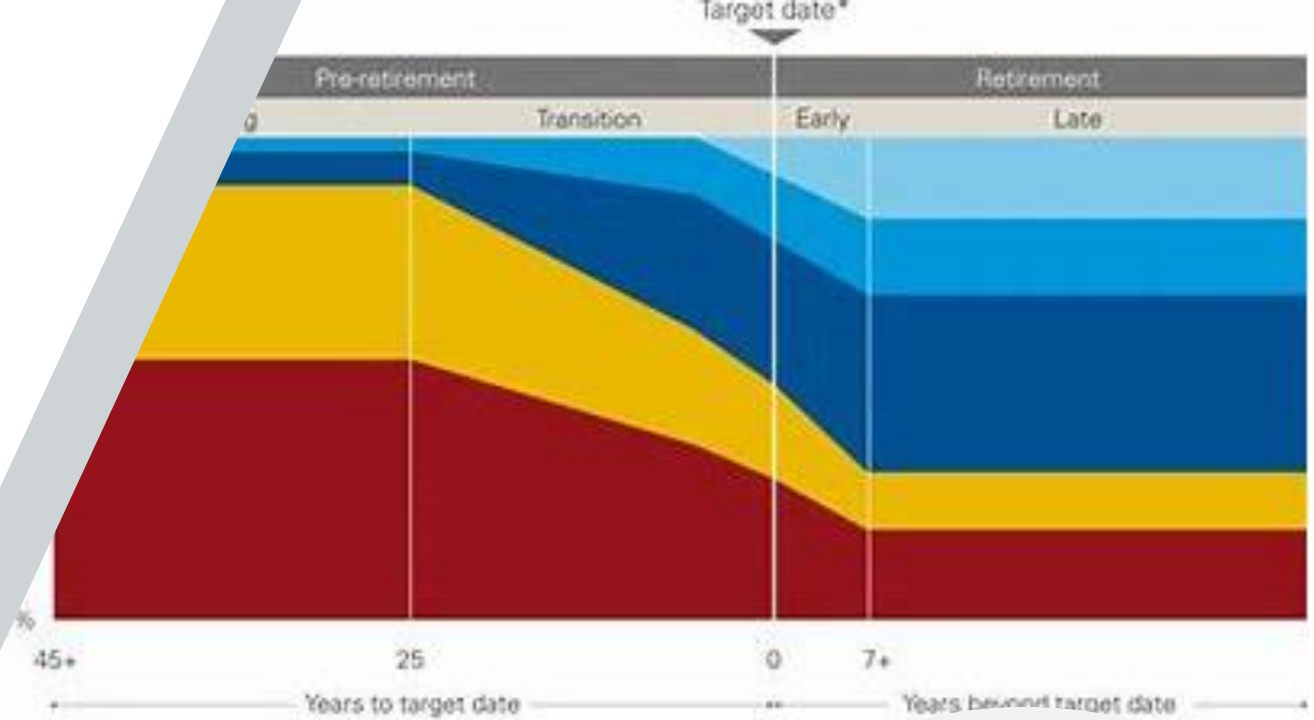
November 401k, New York Center cleared into class bravo, squawk 3533, descend and maintain flight level 250, altimeter two niner niner zero. Cleared direct to Merit, fly heading 270, change speed to 220, contact approach one one niner point five.

Your Employee's Perspective

Take-aways

- Reality – The industry standard financial wellness class . . .
 - Is created by the compliance department
 - Edited by lawyers
 - Delivered by brokers
 - Assumes some level of financial understanding
- Remedy – Financial wellness material should:
 - be created with adult education principles in mind
 - delivered by relatable, education professionals





deducted from your account, an individual expenses section regarding individual expenses that...
ent if the Plan charges participants and beneficiaries for the expenses associated with indiv...
vestment alternative is designed. If your Plan's administrative expenses could be deducted from...
Administrative Expenses section. The Administrative Expenses section provides information regarding...
deducted from your account. An Individual Expenses section regarding individual expenses th...
ent if the Plan charges participants and beneficiaries for the expenses associated with indiv...
al that:
ent's past performance is no guarantee of future results.
ive long-term retirement security, you should give careful consideration to the benefits of v...
only one of several factors you should consider when making investment decisions. For more...
nizes, please visit: http://www.dol.gov/ebsa/publications/401k_employee.html and <http://www>

... a participant or beneficiary in an individual account plan that allows you to direct the investment...
with information that will allow you to make informed decisions when selecting and managing your in...
rding fees and expenses associated with your participation in the Plan. The General Plan Information...
... you are a participant or beneficiary in an individual account plan that allows you to direct the investment of...
you with information that will allow you to make informed decisions when selecting and managing your inves...
regarding fees and expenses associated with your participation in the Plan. The General Plan Information sec...
Comparative Chart section provides information about the Plan's designated investment alternatives including a...
restrictions, and an industry benchmark relative to each non-fixed interest investment to help you make investmen...
allocation alternatives, this disclosure statement will include a Target Date Asset Allocation Investment Alternatives...
allocation will change over time, when it will reach its most conservative asset allocation, the relevance of any dates use...
groups for whom the investment alternative is designed. If your Plan's administrative expenses could be deducted from your...

Industry
Answers
#4 and #5

Disclosure and
Automatic
Features

Auto-Features Work, Until . . .



I Have Trouble with Spending . . .



A Samsung smartphone screen showing an expense tracking application. The app displays a table of expenses for October and November. The table has columns for 'EXPENSES', 'October', and 'November'. The 'EXPENSE DESCRIPTION' column lists various categories and amounts.

EXPENSES	October	November
EXPENSE DESCRIPTION		
Mortgage	\$ 1,653.00	\$
WE Energies	\$ 287.76	\$
Water	\$ 413.92	\$
Internet	\$ 143.99	\$
Cell Phone	\$ 260.33	\$
Groceries	\$ -	\$
Gas	\$ -	\$
Household	\$ -	\$
Clothes	\$ 149.00	\$
Entertainment	\$ -	\$
Miscellaneous	\$ -	\$
School	\$ -	\$
Insurance	\$ 274.79	\$
Giving	\$ 425.00	\$
Medical	\$ -	\$
Spring Green (Lawn)	\$ 60.23	\$
Set Expense 5	\$ -	\$
Set Expense 6	\$ -	\$
Set Expense 7	\$ -	\$
Set Expense 8	\$ -	\$
Set Expense 9	\$ -	\$
Set Expense 10	\$ -	\$
Set Expense 11	\$ -	\$
Set Expense 12	\$ -	\$
Set Expense 13	\$ -	\$

“ _____ ” Just Happened!

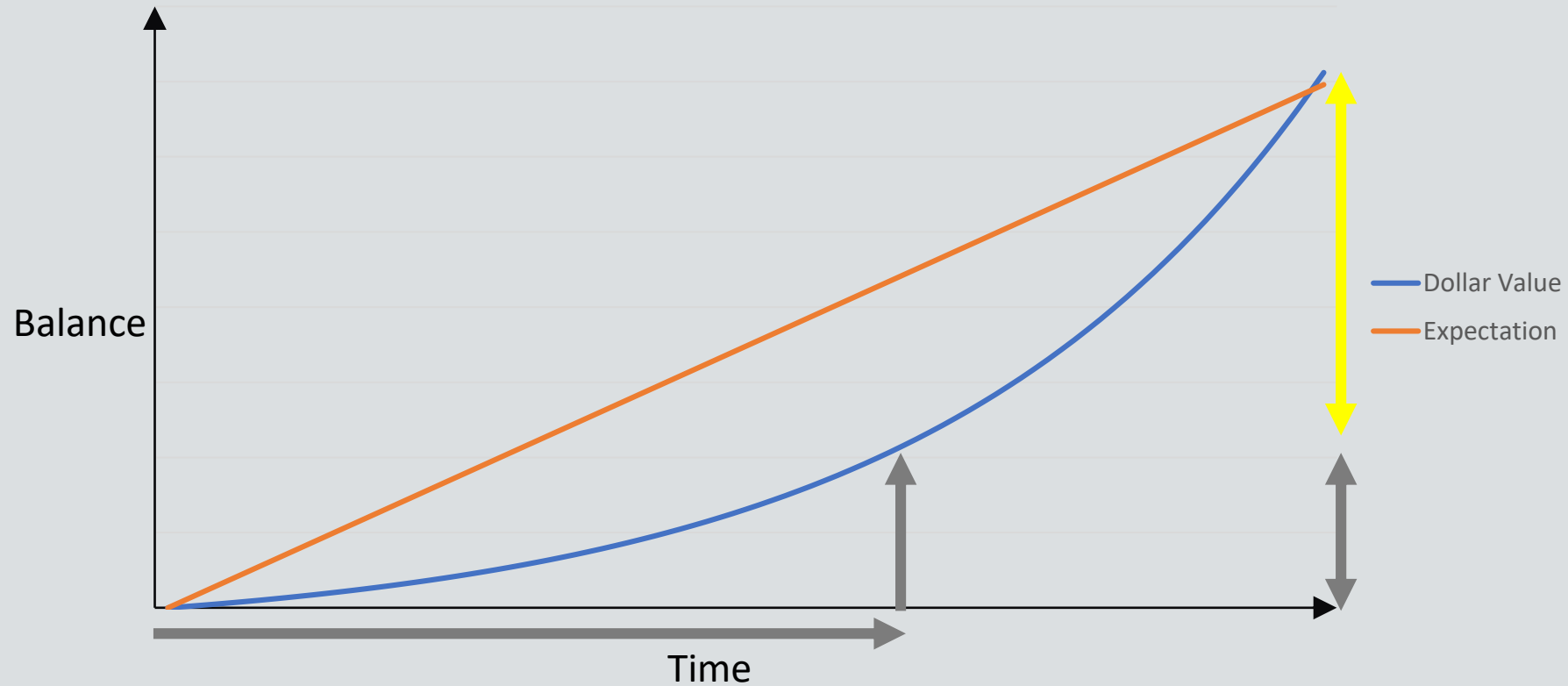


Am I Really Going to be Ready?



Am I Really Going to be Ready?

Market Performance V. Expectations



Your Employee's Perspective

Take-aways

- Reality – Automatic features work – until they don't
- Remedy – Wellness programs should include:
 - Automatic features as a complimentary tools
 - Individual resources for individual issues



Industry
Answer #6
Advice







Your Employee's Perspective

Take-aways

- Reality – Not every organization that offers advice is acting in your employees' best interest.
 - In many cases advice is a front for sales
 - Often the result does not resemble the promise
- Remedy – Wellness programs should be built:
 - With an eye out for conflicts of interest
 - With a healthy skepticism of provider promises (Trust and Verify)





Your Employee's Perspective

Take-aways

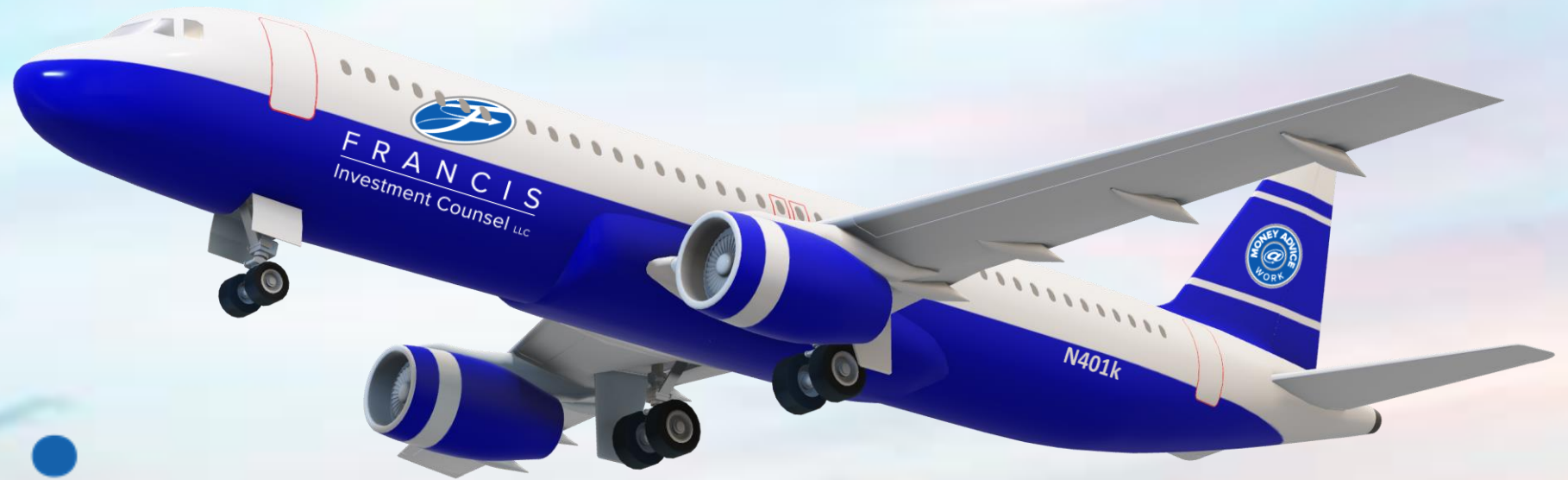
- Reality – While technology enhances capability
 - Technology often intimidates employees into inaction
 - Technology creates its own problems
- Remedy – Consider your wellness technology from your employee's perspective
 - Verify your service provider's delivery mechanism matches your employee's reception capability?
 - Make sure there is a resource for employees who are unable to appropriately use technology.





FLIGHT 401 (k)

Your Employee's Odyssey to Financial Freedom



fei[®]