



BEHAVIOR CHANGING 401K EDUCATION

THE PLAN SPONSOR'S GUIDE TO 401KBUDDY™

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Overview

- What is 401kbuddy™?
- How we change behavior
- Case study
- Benefits to the employer
- Creators of 401kbuddy™
- How it works
- Learn more



What is 401kbuddy™?



It's A Video and Web-Based
401k Education Tool



That Helps Change
Employee Behavior

Who's our target?

The hardest to reach employees!

- Millennials
 - Employees working remotely
 - Employees in multiple offices
 - Spanish speaking workforce
-

What behaviors do we change?

- Higher enrollment rate
- Higher contributions to the plan
- Wiser employee investment choices





How does 401kbuddy™ change behavior?



Whiteboard
Videos



Simplified
Language



Step-by-Step
Guidance



Access From
Any Device



Whiteboard Videos

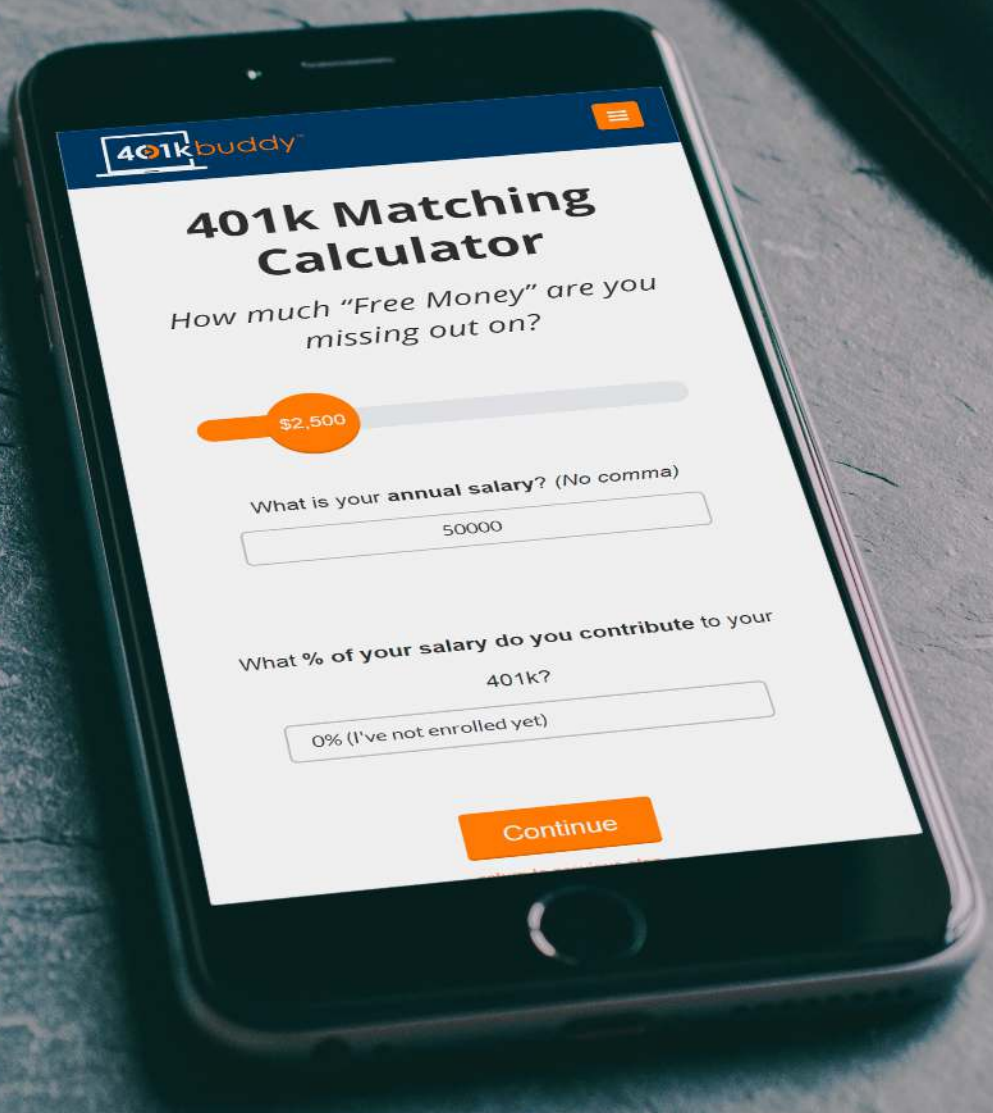
- Traditional education methods don't always work.
- Our videos are engaging, funny, and relevant.
- We use calculators and questionnaires connected with the videos to personalize the content.





Simplified English

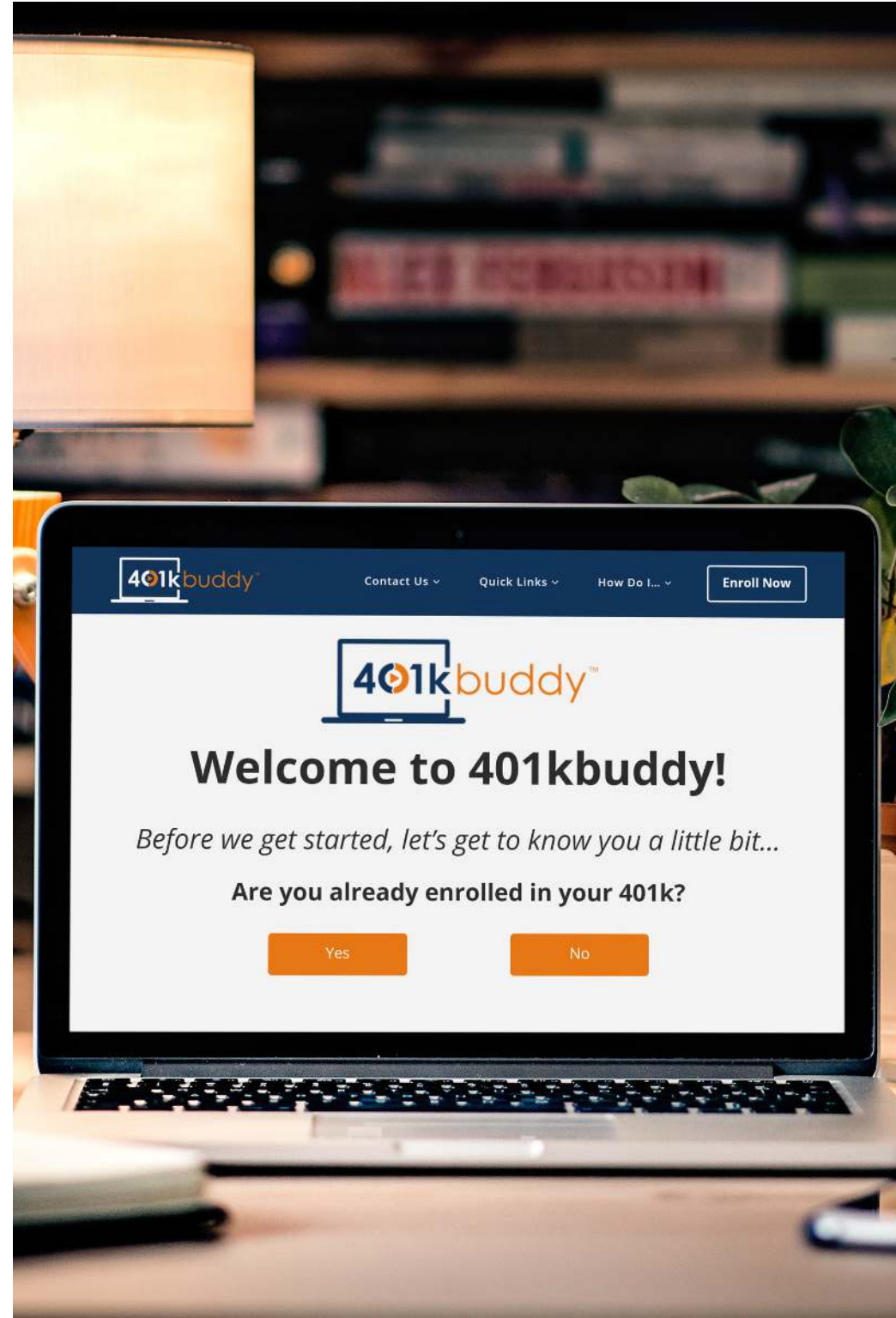
- Our job is to translate!
- Participants are only motivated by language they can understand.
- Our "Free Money" matching calculator shows employees how much money they could receive from their employer by taking advantage of the full match.

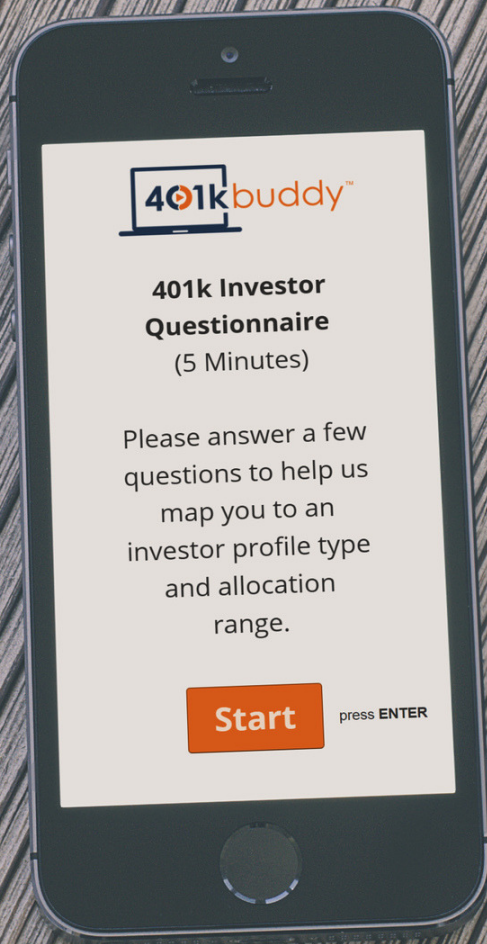




Step-by-Step Guidance

- We walk employees through the entire enrollment process at their own pace.
- Employees receive guidance with the ability to skip sections of 401kbuddy™.
- We help with the biggest stumbling blocks employees encounter when enrolling.





Access From Any Device

- 401kbuddy™ is optimized for all screens, including smartphone and tablet.
- This allows instant engagement and education for employees across multiple locations.



Case Study #1

Multiple Locations

Low Enrollment

It's one thing to *say* that we change employee behavior and quite another to *actually change* their behavior. To prove the effectiveness of 401kbuddy™, we prepared a case study of a client plan that had just about every employee challenge you can imagine.

This company is in the leisure industry and has locations all across the United States. There is high employee turnover, a low average salary, a large number of millennials, and a large population of employees whose native language is Spanish. The company is growing by acquisition and had recently completed a purchase in a new geographical location.

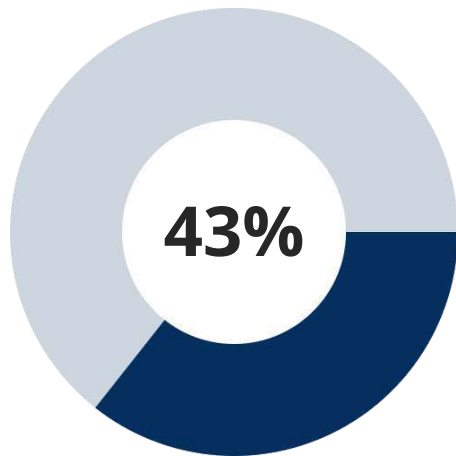
Up until this point, this company had struggled to get employees to enroll. To help solve their problem, we worked with their HR director to enroll new hires using 401kbuddy™.

After analyzing the final data, the results spoke for themselves.

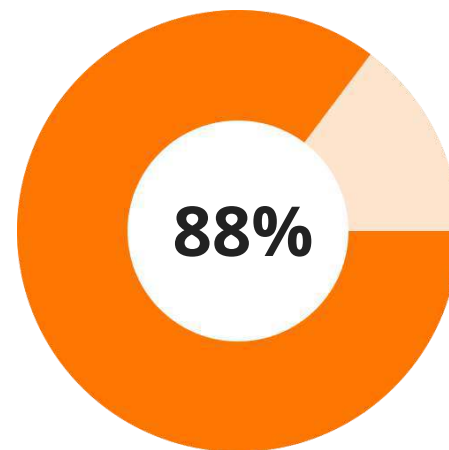
Case Study #1 Results:

Average Enrollment Rates

Traditional methods (group presentations & enrollment booklets) had resulted in a meager 43% enrollment rate. During the study, 33 employees registered through 401kbuddy™ and 88% of them enrolled. This was a 100% increase above the plan average enrollment rate.



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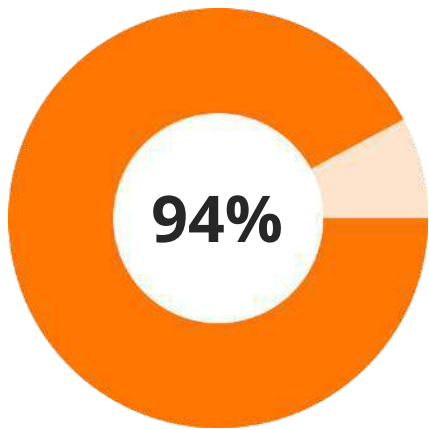


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Case Study #1 Results:

401kbuddy™ Enrollment (By Generation)

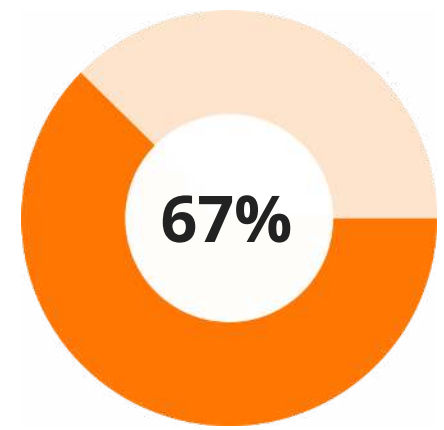
Of the 33 employees we studied, we found that 401kbuddy™ was especially effective among millennial and Gen X employees. These employees found our videos to be helpful and the layout of our tool easy to use.



MILLENNIAL
15 / 16



GEN X
8 / 8



BABY BOOMER
6 / 9



Case Study #1 Conclusion: 401kbuddy™ Changes Behavior

From our research we concluded that 401kbuddy™ is effective in changing employee behavior and increasing enrollment. Our tool engages employees despite the fact that they may be spread across multiple locations.

401kbuddy™ convinces employees that they should enroll in their company 401(k) plan. It teaches them what they need to know and walks them through the enrollment process. Also, the tool is helpful for Spanish-speakers who may have difficulty understanding other 401(k) printed materials or presentations.

Where all other methods of employee engagement have failed, 401kbuddy™ is effective in increasing engagement and helping employees take advantage of their company's 401(k) plan while helping their employer to save money in the process.



Case Study #2

Auto-Enroll @ 1%

Low Contributions

Our first case study proved that 401kbuddy™ is an effective tool, assisting companies with multiple locations to engage their employees and increase participation. Next, we wanted to evaluate the impact that 401kbuddy™ can have on plans that do not struggle with enrollment, but have low overall contribution rates.

We chose to do a case study on a beverage company that utilized auto-enrollment. Auto-enrollment is a proven way to increase enrollment. The challenge: This plan's auto-enrollment rate is set to 1%. Also, the company's high number of millennial employees work in outside sales. Very few employees ever opt out of enrollment, and very few ever increase their contribution rate above 1% to gain the larger company match.

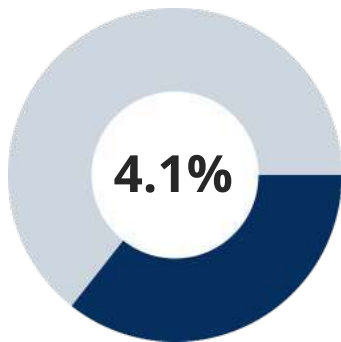
We worked with the HR director to introduce 401kbuddy™ as part of the onboarding process for new hires. We also developed a strategy to engage current employees with 401kbuddy™.

Case Study #2 Results:

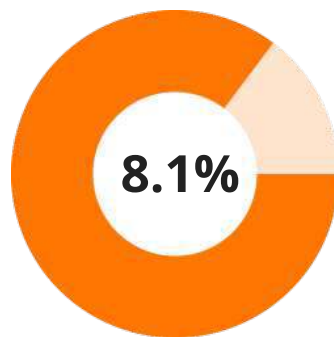
Average Contribution Rates Increased

Over the course of nine months, 19 employees registered for 401kbuddy™. We sampled the deferral rates of this group of employees to determine the effectiveness of 401kbuddy™. The contribution rates of this group doubled above the company average, and the number of employees saving over 10% more than doubled.

The Average Group Contribution %

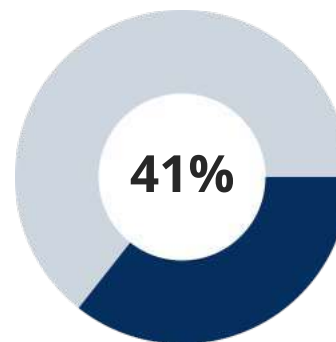


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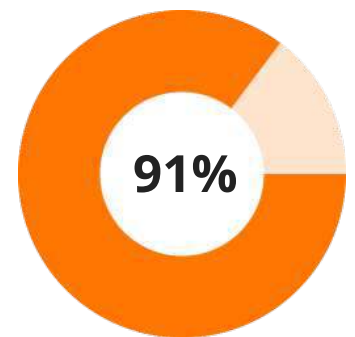


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Employees Who Saved +10% (w/ Match):



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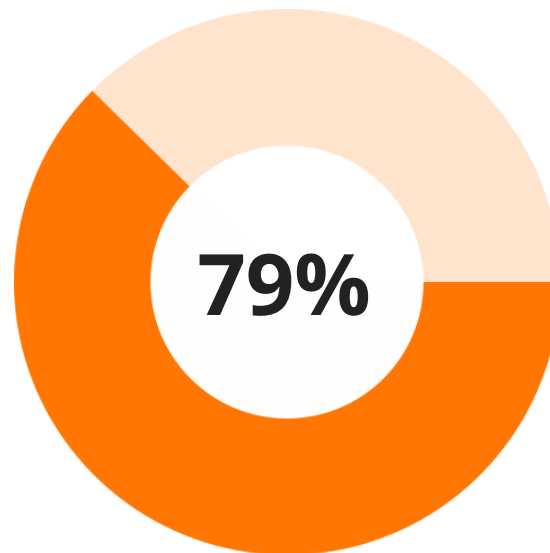
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Case Study #2 Results:

401kbuddy™ Enrollment (By Generation)

401kbuddy™ was effective in motivating behavior change for 15 out of the 19 employees (79%), with an average increase of 5.9% of their salary.

The % of Employees who Increased Contributions after 401kbuddy™





Case Study #2 Conclusion: 401kbuddy™ Changes Behavior

The effect of 401kbuddy™ on the company's overall metrics was significant. Prior to 401kbuddy™, the company was well below its peer average for employee contributions. After implementing 401kbuddy™ for a short nine months, they surpassed the peer benchmark.

Before 401kbuddy™, management could not motivate their employees to increase contributions or take advantage of the company match. 401kbuddy™ was effective in engaging off-site employees and in making it easy to change their deferral rate. For new employees, it also provided a convenient way to learn about the plan and increase contributions.



Check out what employees are saying!

"The information provided was very helpful for someone like me trying to start his enrollment into his 401k plan."

- Millennial in Consumer Services

"Easy To understand."

- Baby Boomer in Computer Software

"Great explanations."

- Millennial in Computer Software

"The info was very informative."

- Baby Boomer in Warehousing

"Great visuals."

- Millennial in Accounting

"You kept it interesting using the animations."

- Millennial in Graphic Design

How does 401kbuddy™ help employers?

- Save time & money with fewer meetings
- Increase employee engagement
- Employer saves in the long run due to higher enrollment and contributions*

**A study showed that on average an employee delaying retirement by one year would cost the company \$32,340 in salary and health care costs (compared to replacing them with a younger employee). Viability Advisory Group & Reveal Liability Program of MassMutual Life Insurance Company ran the study.*



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FINANCIAL GROUP

The Creators of 401kbuddy™



Austin Abell

Austin used his background in web development for education sites and video production to create 401kbuddy™. His other education sites have had over 5M users to date. He continues to assist with all technical aspects of 401kbuddy™.



Jon Dinkins

Leveraging over 40 years in the financial services industry, Jon assisted with the video scripts and content in 401kbuddy™. He continues to provide strategic oversight of 401kbuddy™.



Bill Cannon

Bill has extensive experience with participant education and provided insight into development of the content. He provides assistance to any participant who needs more guidance with their plan.



Barb Willette

Barb was the editor throughout the entire process of creating 401kbuddy™. She used her 34 year teaching career to assist with editing of the scripts and website content.



How does 401kbuddy™ work?



1. Custom intro video

We create a custom intro plan video that highlights the most important aspects of your plan.



2. Enroll eligible employees

Enroll newly eligible employees by entering their name and email into 401kbuddy™.



3. We take it from there

We will follow up with a series of emails encouraging the employee to enroll.



4. Employees engage

The employee will either enroll through the tool or schedule an online meeting with an advisor.



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**WANT TO SEE IT
IN ACTION?**

Visit: demo.401kbuddy.com



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