Executive Insights with Brad Arends (Q&A)

- **How do you view the importance of spending/planning for the 99%?**
  - It's extremely important. It's one of the core things we have to help them with. Incentive has done a great job addressing this in the spending challenges. It's almost like its gamification – which younger people really like. It's also not a problem for just young people. I know a lot of high-income doctors with the same issue. They make more so they spend more. So, this is not just an issue with the mass affluent. Budgeting and spending behaviors are at all points of the wealth spectrum.

- **How do you think Incentive lines up to apps like Mint and Acorns?**
  - The do-it-yourself applications don't have the one thing that Incentive has which is that it comes attached with an advisor – which helps provide a level of advice that you don't get when using other apps.

- **You mentioned your analysis of having individuals at the company go from 19% to 60% success rate (which is awesome)…however, was there a common theme on why the other 40% still had issues?**
  - Admittedly, we are assuming the majority of the 40% cannot afford to contribute enough to achieve retirement readiness due to their current financial wellness status. Numerous national surveys we have seen would support this assumption.

- **What are some key features you wish Incentive had and/or should consider building in the future?**
  - A tightly integrated low-cost digital advisor (e.g. Schwab's institutional intelligent portfolios)
  - A system to provide an overall financial wellness score for each participant, and an aggregate financial wellness score for the workforce as a whole. We must be able to show the sponsoring employer progress so they feel the program has true value.

- **How do you view the relationship of financial planning and financial wellness?**
  - The vast majority of financial wellness programs die-on-the-vine because they only deliver education/coaching, and employees want advice. sWhereas plan sponsor-incentivized financial planning will better engage employees in the program.
  - We predict that financial planning will be the next BIG THING in employee benefits. Our initial response among our existing clients is very positive, with numerous employers picking up the entire cost and others at least significantly subsidizing the cost. In essence, financial planning is the next generation of worksite financial wellness programs.

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