

## Financial Soundings Vendor Spotlight



Financial Soundings through its Retirement Planning Insights™ solution has created a unique means of delivering personalized retirement planning and investment advice to defined contribution eligible employees on a proactive basis. This is accomplished without having to change your plan design, your recordkeeper, or your plan's investment fund lineup. As noted below, most of Financial Soundings' clients pay for this service through their retirement plans, meaning no direct out of pocket operating cost to the plan sponsor. With a significant footprint in the healthcare industry as well as other industries, Financial Soundings has over \$2 billion under management – and is growing.

The key differences between Financial Soundings' approach and other investment advice solutions include:

- **Proactive Approach Drives Results** – Personalized paper-based Insights™ reports are delivered to all eligible employees each year – which consistently drives utilization in excess of 50% (as compared to less than 6% in traditional advice solutions that rely on the employee to take action in order to obtain advice). Why paper? Behavioral finance research has shown that the vast majority of employees respond better to a personalized paper report depicting their individual situation.
- **Recordkeeper Integration and Neutrality** – Insights™ is a plan sponsor and provider-friendly program designed to be a complement to the services of any recordkeeper, TPA or service provider. The Insights™ service drives the desired activities to the recordkeeper and/or their onsite representative(s), if applicable, to facilitate appropriate plan utilization – and does not disrupt any current plan service protocols.
- **True Investment Advice, Not just a Gap Analysis** – While the Insights™ report performs a gap analysis for each employee, it does not leave the employee hanging wondering what the correct action might be to reduce or eliminate their gap. The Insights™ report provides personalized and specific fund level investment advice (using the plan's fund lineup) and contribution recommendations for each employee to improve their likelihood of retirement planning success.
- **Annual Individual Reallocation Keeps Employees on Track** – Most advice programs provide investment advice at a particular point in time and then leave the employee to update their profile or circumstances down the road. The Insights™ solution proactively provides an updated allocation recommendation *each and every year*, thus keeping the employee on track in terms of their risk and return characteristics within their portfolio.
- **Annual Retirement Readiness Report Improves Fiduciary Risk Management** – Financial Soundings' core focus is on producing actual retirement readiness outcomes, not simply producing employee reports. They are the only provider in their market that provides each plan sponsor with an annual retirement readiness report that portrays how the employees are progressing towards their own retirement readiness as compared the Insights™ recommendations. Not only is this a powerful fiduciary risk management tool for plan sponsors/fiduciaries, it provides powerful information for use in internal targeted communications within various workforce demographics.
- **Low Cost Funded as Plan Benefit** – As a result of a highly efficient, technology driven, and easy to manage process, the Insights™ service can be provided at a very low cost – especially as compared to more traditional advice services. Costs range from about \$7.50 to \$17.00 per year per employee (based primarily on the size of the workforce). Because the Insights™ service touches the entire benefit eligible population, it can be funded as a plan benefit which means the cost can be dispersed among the current plan participants and *can be implemented at no direct operating cost to the plan sponsor*.

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