

Following through on employee financial wellness

Company profile

Waste Management, Inc., is the largest environmental solutions provider in North America, serving more than 21 million customers in the U.S. and Canada. The company depends on more than 40,000 skilled employees to support the needs of its residential, commercial, industrial and municipal customers throughout North America.¹ Even in a hurricane or other disaster, the drivers are out operating heavy equipment and skillfully navigating our roadways in order to meet the company's standards of service.

Waste Management has won many awards² for its commitment to hiring former military members — one in 12 employees is a veteran.

Goal

Waste Management is a progressive employer that understands its strength lies in the talents and commitment of its loyal workers. Just over two years ago, Waste Management streamlined its financial benefits program, moving record-keeping and administration of its four plans to Bank of America Merrill Lynch (BofAML):



This move enhanced the participant experience and provided a robust, one-stop resource for participants to manage their benefits.

Employers struggle to get their employees to pay attention to the actions that may help them pursue financial wellness. While people know that staying on top of their finances and planning for the future is important, so much other “stuff” competes for their time and energy. Waste Management knew it needed to initially educate its employees, but also knew it was critical to continually drive its messages home, month after month, building employee connections one at a time.

Once Waste Management achieved its streamlined state of benefits administration, the company wasted no time turning its focus to helping employees improve their readiness for retirement. This broad-based initiative took on many forms, and the success of the effort would be judged in two ways:

- By the strength of the employee response to the program
- Through signs of positive plan decision-making

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Solution

Design of the workplace education program was based primarily on the findings of Bank of America Merrill Lynch's 2017 *Workplace Benefits Report*. This research detailed the struggle employees face when trying to prioritize their financial goals, such as saving for retirement and health care expenses.

No opportunity wasted

Waste Management's program included precisely chosen components and multiple channels to reach its employees. Working together with a dedicated BofAML communication consultant, the company crafted an educational outreach program with a broad scope designed to maximize effectiveness. The effort included:



- **Access to professional financial guidance and support.** In-person events are powerful forums where employees can ask questions and broach personal matters. Waste Management created dedicated days in up to 19 different locations where in-person consultation opportunities were available. In addition, workplace events were supported by on-demand, web-based programming to broaden overall reach.



- **Wide choice of topics for on-site and web-based workshops.** During the first year of its relationship with BofAML, messaging from Waste Management primarily focused on plan conversion activities. But it also promoted three basic retirement-related topics to kick-start the company's ongoing education efforts: Investing Wisely, 401(k) Enrollment, and Financial Habits That Matter. Later, Waste Management added topics that stressed pre-retirement preparation and ongoing investment education: Planning for Retirement, Planning for Health Care in Retirement, and Social Security Basics and Benefit Strategies.



- **Internal wellness champions.** In a visible sign of its commitment to this effort, Waste Management created a 900-person-strong team of wellness champions across the company. These internal advocates help the company coordinate an integrated health and financial wellness education effort within an overall holistic benefits framework.



- **Integrated messaging with annual benefits enrollment.** Since annual health benefit enrollment tends to engage most employees, Waste Management used the opportunity to remind employees to think about their retirement plan at the same time, especially in terms of total rewards. Waste Management's annual benefits enrollment system displayed the following message if an employee was not enrolled in the plan or had a current 401(k) contribution of less than 6%:

For the second year in a row, Waste Management did not increase your share of the cost of medical insurance. Now may be a good time to think about enrolling in or increasing your 401(k) election to maximize the company match. Even 1% more can make a difference in [preparing for] your retirement. If you're not contributing at least 6%, you're leaving money on the table.

Source: Waste Management annual benefits enrollment system, 11/1/17 – 11/14/17.

401(k)



- **Targeted marketing campaigns.** Working with BofAML, the company conducted four campaigns, two via email or home mailing and two via email only, focused on the following messages:

1. Encouraging nonparticipants to enroll in the 401(k) plan
2. Urging those contributing less than 6% to the plan to bump up their contribution
3. Suggesting that participants maximize the company's matching contribution
4. Encouraging those who had stopped their contributions to start contributing again

Solution (continued)



- **Robust online tools.** Waste Management employees have many online tools and resources available through the Merrill Lynch Benefits OnLine® portal. The tools include an education center, pre-recorded presentations on financial wellness topics, and an innovative tool called Personal Financial Journey. The tool can help guide employees to information and resources based on their individual goals, priorities and life stage, or they can choose to self-navigate through the journey.

Result

Based on the strength and reach of the program, Waste Management made significant progress toward its goals. Most importantly, the educational program was not only well-received, it changed behavior.

Boosted participation

Waste Management’s comprehensive two-year-plus educational effort was a success: 401(k) plan participation increased from 57% to 71%.³ To be even more effective, Waste Management added auto-enrollment for non-union employees in 2018.

Positive reinforcement

Putting a special message on Waste Management’s annual benefits enrollment system capitalized on ideal timing — the need to think about and act on their benefits was already top-of-mind for employees. This tactic resulted in a meaningful uptick in 401(k) enrollment:

- 19% took action and enrolled⁴
- 14% increased their deferral rates⁴

Hitting the target

Waste Management employees responded well to the campaign’s suggestion to either enroll in the plan or, if they were already participating, to increase their deferral rate. Employees’ response rate exceeded BofAML’s benchmarks for direct mail campaigns (compared to the industry), particularly when using email delivery:

Campaign type	Results	Benchmark comparison
Participate	16.90%	7.42%
Save more	16.00%	11.81%
Maximize match	13.8%	Not applicable
Time to start saving again	11.5%	Not applicable

Source: 2017 Bank of America Merrill Lynch statistics for the Waste Management 401(k) retirement savings plan, 8/4/2017 – 10/4/2017.

29%
of employees followed up personal consultations with decisive, positive steps in the 401(k) plan⁷



From talk to action

From 2016 through 2017, 1,532 employees attended 17 group meetings and 18 benefit fairs, in addition to over 300 one-on-one consultations.⁵ The strength of the in-person interactions by BofAML financial wellness specialists with individual Waste Management employees was clearly demonstrated by employee actions following the consultations:

- In 2016 and 2017, 32% and 29% of employees, respectively, followed up their personal meetings with decisive, positive steps in the 401(k) plan.⁶
- Specifically, these employees either enrolled, increased their contribution rate or, if already participating, signed up for Advice Access, a BofAML service that suggests savings and investment strategies.

Result (continued)

“ When we reviewed our 401(k) plan statistics following the conclusion of our educational program, we were thrilled to see the measurable results. Our employees work hard at their jobs, and they deserve to see the fruits of their labors translate into their pursuit of financial wellness.⁸ ”

— Gordon Blasius, Vice President, Benefits, Waste Management, Inc.

Thorough and steadfast

Waste Management employees have made positive progress in their individual retirement planning, and the company continues to provide them with regular, robust resources and support. The company knows that pursuing true financial wellness and retirement readiness is a journey of daily achievements. By providing practical support, creating individual connections and encouraging thoughtful choices, Waste Management strives to increase worker confidence and help improve retirement outcomes.

¹ WM.com, About Us and Careers tabs, March 2018.

² “Best for Vets: Employers 2018,” *Military Times*, nine years in a row (2009–2018).

³ 2017 Bank of America Merrill Lynch statistics for the Waste Management 401(k) retirement savings plan, September 2015 to December 2017.

⁴ Bank of America Merrill Lynch statistics for the Waste Management 401(k) retirement savings plan, 11/1/17 – 11/14/17.

⁵ Waste Management workshop attendance statistics and survey data, full years 2016 and 2017.

⁶ See note 5, above.

⁷ Bank of America Merrill Lynch statistics for the Waste Management 401(k) retirement savings plan full year, 1/1/17 – 12/31/17.

⁸ Case studies are intended to illustrate products and services available at Merrill Lynch. You should not consider these as an endorsement of Merrill Lynch as an investment adviser or as a testimonial about a client’s experiences with us as an investment adviser. Case studies do not necessarily represent the experiences of other clients, nor do they indicate future performance. Investment results may vary. The investment strategies discussed are not appropriate for every investor and should be considered given a person’s investment objectives, financial situation and particular needs.

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