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Financial Readiness

➤ CNA Financial Literacy Workshop

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Who We Are



Our Mission

The mission of the association is to facilitate the financial security of its members, associates, and their families through provision of a full range of highly competitive financial products and services; in so doing, USAA seeks to be the provider of choice for the military community.

Our Core Values

Service ◆ Loyalty ◆ Honesty ◆ Integrity

Our Brand Promise

GOING ABOVE

FOR THOSE WHO HAVE GONE BEYOND

Our Brand Pillars



Shared
Military
Values

Financial
Strength
& Wisdom

Passionate
Member
Advocacy

Agenda



- **Financial Readiness education**
- **USAA Member Financial Readiness overview**
- **Consistently integrating advice**
- **Financial Readiness capabilities ecosystem**
- **Measuring progress**
- **Financial Readiness program best practices**

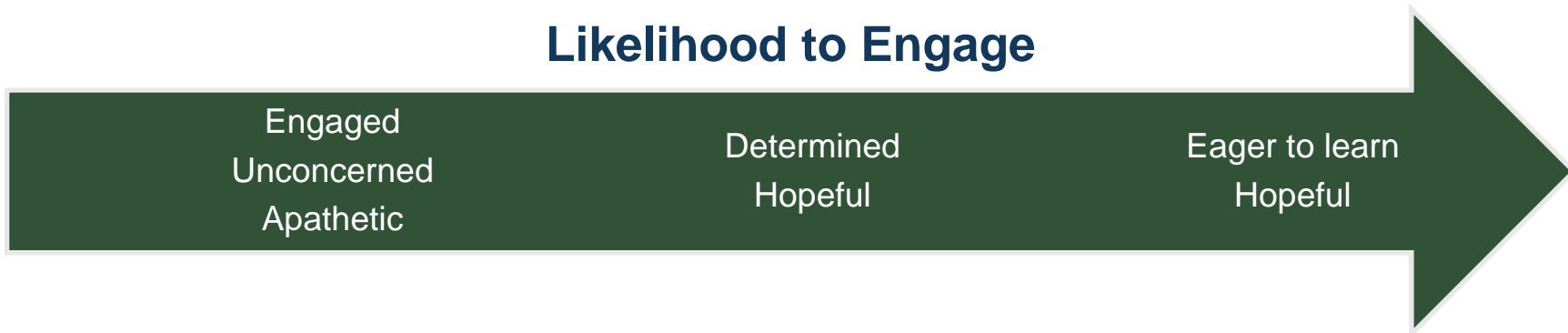
Financial Readiness education



Education alone does not work



Likelihood to Engage



USAA Member Financial Readiness Overview



- USAA member landscape:
 - ▢ 34% of members are living paycheck to paycheck*
 - ▢ Only 25% of members are financially secure+
 - ▢ #1 goal to pay down debt*
 - ▢ 25% not saving for retirement*
- How members interact with USAA:
 - ▢ 4.4M members have completed a financial plan^
 - ▢ 42% re-engage with their plan^
 - ▢ 307K have acquired their Financial Readiness Score (FRS) ^

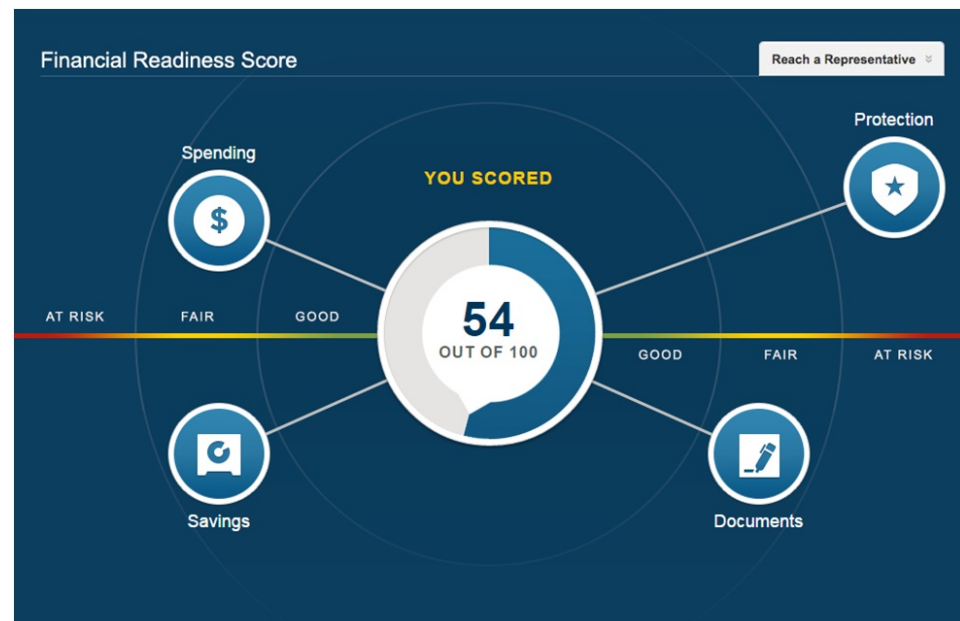


* Hageman, Ronda (September 2014) USAA Report: Deeper Dive into members living paycheck to paycheck
+ Hall, Ellen (January 2014) USAA Report: Spend Borrow Save – Taxonomy of Denial.
^FASG Data & Analytics (January 2016)

Consistently integrating advice



- USAA Core Advice:
 - ☐ Spend less than you earn
 - ☐ Protect your life, loved ones and possessions
 - ☐ Save enough for emergencies
 - ☐ Save now for retirement
 - ☐ Have a will and other legal documents
 - ☐ Have a plan, review it annually and update with major events.



Financial Readiness capabilities ecosystem



Taking members through the planning journey



Ecosystem of USAA and 3rd Party Service Providers

Advice Points of View • Digital Platform • Education Content • Personal Financial Management
Financial Planning • Financial Advisors • Education Content

Measuring Financial Readiness improvement

- Capability Utilization
 - ◆ Education
 - ◆ Planning tools
 - ◆ Taking action
- Engagement
- Systematic savings and debt management
- Progress towards goals
- Financial Readiness Score



Financial Readiness program best practices



- Education alone won't work
- Meet members where they are
- Digital is accelerating the speed of change
- Inspire shared commitment
- Living Advice
- Engagement and nurturing
- Sustaining good habits



Disclosures



Investments/Insurance: Not FDIC Insured • Not Bank Issued, Guaranteed or Underwritten • May Lose Value

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