Financial Literacy and Education Commission

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Background

UTC Businesses:
- Otis – elevators, escalators and moving walkways
- Pratt & Whitney - aircraft engines
- Sikorsky - helicopters
- UTC Aerospace Systems - aircraft power, controls & sensing
- UTC Climate, Controls & Security - heating, air conditioning and refrigeration systems, building controls and automation, and fire and security solutions

- $63 Billion in Sales in 2012
- 16th largest U.S. manufacturer
- 48th largest U.S. corporation
- 112th largest company in the world
- Over 200,000 employees worldwide
- $22B U.S. Pension Plan
- $19B U.S. Saving Plan
COMPANIES CARE ABOUT EMPLOYEE SAVINGS

- **Attract & Retain**
  - Attractive retirement benefit, retain talent

- **Lower Risk than Traditional Pension Plan**
  - Efficient retirement plan without impacting balance sheet

- **Employee Transition into Retirement**
  - Facilitates transition from active employment to retirement

- **Employee Engagement**
  - Increases engagement, well-being, financial confidence and benefit satisfaction
UTC FINANCIAL ADVICE TOOLS

Address Total Finances
- Spending
- Budgeting
- Emergency Savings
- Retirement
- Healthcare

Personalize Investment Strategies
- Retirement goals
- Retirement income projection
- Savings rate recommendation
- Retirement age recommendation
- Personalized portfolio asset mix
- Retirement readiness forecasts
- Access to Lifetime Income Solution (Pension-like Benefit)
UTC’S LIFETIME INCOME SOLUTION

Starting Retirement Savings at an Early Age

Early Savers
Starts by investing in a portfolio of stocks and bonds

Mid Career
Builds a secure lifetime income through an insurance component

In Retirement
Provides a stream of income for the rest of a participant’s life, after leaving UTC

Life Cycle Based Recommendations

Early Savers: Accumulation
Saving, diversification & long-term investing

Mid Career Building Protection
Saving, diversification, long-term investing & planning for certainty of income at retirement

Retirees: Collecting Retirement Income
Income preservation / purchasing power
WHAT REALLY WORKS

Comprehensive Financial Education
- Debt Management
- Emergency Savings
- Budgeting
- Taxes
- Health Care Costs
- Insurance
- Setting Goals
- Saving for Retirement

Behavior
- Participate at an Early Age
- Contribute Maximum ASAP
- Diversify

Auto Everything
- Auto-enrolling
- Auto-defaulting
- Auto-escalating
- Auto-re-enrolling
BEST PRACTICES

✓ Comprehensive financial education
✓ Simple, low cost, flexible savings plan design
✓ Life stage segmented workshops, focus groups, lunch & learn seminars, videos and webinars
✓ Financial education through work life programs
✓ One-on-one coaching
✓ Mandatory annual financial literacy training
✓ Retirement planning linked with medical benefit enrolling
✓ Flexible financial advice tools – IPAD, iPhone, Android
✓ Dashboards showing income replacement and messaging if not on track
✓ Pushed suggested financial education sessions out to employees