

# Closing the

## Improving Engagement in Your Financial Wellness Program

by | Joleen F. Workman



# Gap:

Reproduced with permission from *Benefits Magazine*, Volume 59, No. 1, January/February 2022, pages 30-34, published by the International Foundation of Employee Benefit Plans ([www.ifebp.org](http://www.ifebp.org)), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.



The pandemic has caused many employees to put an increased emphasis on saving for retirement as well as for emergencies. What's the best way to integrate financial planning and literacy into employee benefits packages?

**T**he term *financial wellness* has been trending through human resources (HR) departments across the country as the pandemic brought to the forefront the need for workplace benefits programs that tie financial well-being to overall workplace satisfaction.

Many workers have increased anxiety about their financial health. More people are interested in emergency savings vehicles to weather unexpected events as well as in building wealth for retirement. In a recent Principal® national survey, 77% of workers said the pandemic made them put an increased emphasis on saving for retirement.<sup>1</sup> When asked to choose their top financial stressors, workers list not being able to retire when they want to (41%), not having enough emergency savings (32%) and health care costs for themselves or their loved ones (29%).<sup>2</sup>

These areas are all related to a sense of security for workers and their families and can be addressed through workplace financial wellness programs. More than half of workers say

they want to improve their financial wellness, and more than 71% would use financial wellness resources if offered.<sup>3</sup>

But how can businesses integrate financial planning and literacy into their benefits packages to make the biggest impact as well as make it affordable and sustainable?

### The Gap Between Intention and Action

People want to save for retirement. The issue is that the desire to do so doesn't always translate into action. When workers are given a selection of educational methods they prefer for retirement saving, the most popular options are often emails with educational content, prerecorded/on-demand webinars, educational resources on a website and live online webinars.<sup>4</sup>

Employers, however, often struggle to get positive employee engagement. When asked about the key challenges to offering financial wellness solutions, 49% of businesses feel their employees will not use the solutions if offered.<sup>5</sup>

Of course, every business and its employee base is different. But there are some universal tactics that employers can use to ensure their financial wellness offerings best serve their workers: Make it simple, make it personal and make it valuable.

### Make It Simple

Financial wellness benefits need to be simple and easily accessible. For example, they can be incorporated into other benefits programs. If you're highlighting a health program that includes a gym membership discount, use it as a moment to offer a financial health check-in that provides a free professional consultation. Use health care enrollment materials to remind employees that a health savings account (HSA), if they are eligible to contribute to one, can be a good savings vehicle and can provide a cushion for future health needs.

Investigate a retirement savings platform that's easy to use, informative and fun. For instance, a retirement planner keeps participants updated on their savings goal progress with simple pie charts and color-coded bar graphs. It gives workers a chance to compare themselves with peers in their industry, which is both enlightening and motivating for financial planning.

Ideally, these opportunities and resources are shared with employees, not just online but via mobile apps too. An increasing percentage of retirement plan participants are now accessing their plans through their mobile devices compared with before the pandemic.

When things get complicated, access to financial help through a trusted financial professional can be key,

## takeaways

- The pandemic has caused many employees to have increased anxiety about their financial health, and they are more interested in building up savings for emergencies as well as retirement.
- Workplace financial wellness programs can meet many of these needs, but employers must use tactics, including personalization, to bridge the gap between employee intention and action.
- Having a retirement savings platform that's simple to use and integrated with other benefit actions such as health care enrollment helps keep retirement savings top of mind and encourages action.
- Many workers are interested in investment advice for their retirement savings. Options include access to financial investment and online tools or models.
- Employers should communicate how financial wellness programs can help them increase their savings outcomes and improve overall financial well-being. Surveys help identify employee needs.

whether for basic questions such as whether to contribute to a 401(k) or how to adjust the investment mix in a portfolio. Many people think they need to go to a bank or pay a fee for these services—but a lot of good retirement plans offer professional advice on savings and investments. And if there is some charge, it often pays off in the long run. Ideally, access to financial help includes options to connect via chat, by phone or in person to accommodate a range of employee preferences.

### Make It Personal

Research from Principal shows that eight out of ten workers are interested in some type of investment advice for their retirement savings. While the advice needs vary, the top choices all share a common trait: personalization. For example, popular options include access to a financial professional whom they can talk to about their personal situation as well as online tools or models to help personalize their investment mix. Less popular options include selecting their own investment options, picking a default option or relying on family and friends.<sup>6</sup>

These days, personalization also needs to be digital and accessible—Workers are interested in advice from a digital tool, but a smaller percentage are willing to pay for such a tool. For example, when participants are onboarded through a personalized platform with financial wellness resources integrated into the offering, participation rates improve. This personalization can include participants' planned retirement age and goals for retirement income as well as external savings or debt. If you want to account for health care costs or student debt, those can all be included, with advice ranging from budget planning to whether employees should leverage an HSA. Participants who leverage financial resources along with the retirement plan onboarding often have a higher savings deferral rate than the average.<sup>7</sup>

The good news is that you may already have the programs in place to provide financial wellness. It's just a matter of finding ways to personalize them to fit the needs of your unique workforce. A manufacturer, for example, likely best reaches employees through mobile reminders, with in-person nudges on the floor. If you have a lot of remote office workers, try mixing up the email notifications with a webinar. Before the pandemic, vendors and service providers often sent representatives to talk through retirement plans in person. Now they offer a lot of virtual education, such as

bio



**Joleen F. Workman** is vice president of customer care for the Retirement & Income Solutions business unit at Principal®, where she leads the customer care teams for Principal retirement plan customers. A recognized industry expert, Workman shares her insight not only with customers but also with national media outlets. She frequently comments on topics and trends including retirement readiness, financial wellness and savings. With more than 30 years of experience, Workman has led several marketing and customer-facing teams where she uses her expertise to shape and transform customer experiences.

webinars focused on financial wellness topics. These methods may actually reach more people because of their convenience.

### Make It Valuable

The current environment for recruiting and retaining workers is highly competitive. Workers are savvy, and they want to know how their benefits will create value for them on par with salary. Rather than just telling workers that financial guidance is available, let them know how it may help them increase their savings outcomes and overall financial well-being.

It's important to survey your workforce often and collect insights into pain points that exist within your financial wellness offerings. Do they have access to a retirement plan but aren't contributing because they don't understand the benefits? Are there educational funding opportunities that aren't getting traction? Are workers interested in guaranteed income options in retirement but aren't aware of financial professionals within the program that can guide them? With these learnings, you can make updates and offer options that employees need most.

Employees have fears about their savings. Top concerns include market volatility, rate of return due to inflation and how to manage their retirement investments.

Part of the challenge, then, is connecting the dots from their concerns to financial wellness offerings that can help.

You can do this by communicating with them in unique and compelling ways, such as:

- Providing a virtual tutorial on how to use a retirement wellness tool
- Inviting external speakers through your provider to discuss financial best practices
- Adding financial planning and budgeting to HR training offerings, with a certificate at the end to show knowledge and accomplishment.

In addition, if the workforce shows a need or desire for information in one area over another, try to address that area with them. If there are frequent questions about vesting for the retirement plan, for example, schedule a lunch-and-learn session to provide a forum to discuss it and use the confusion to clear up the message or even make changes to the communication. If, instead, staff members are requesting more investment options, partner with your financial professional or plan provider to review options to bring back to the employee base. This proactive approach will help support both current employees and recruiting efforts.

When thoughtfully implemented, these tactics may help move a financial wellness program from a skipped email to

an integrated program—which, in turn, may help improve employee retirement outcomes, productivity and overall employee happiness. By working toward more robust and integrated financial wellness programs, employers won't just be managing the current moment—They'll be setting themselves up for a better workplace in the future. 

This communication is intended to be educational in nature and is not intended to be taken as a recommendation.

Principal® does not make available products related to health savings accounts.

Insurance products issued by Principal National Life Insurance Co (except in New York) and Principal Life Insurance Co. Plan administrative services offered by Principal Life. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., member SIPC and/or independent broker/dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392.

## Endnotes

1. Principal® Retirement Security Survey: Consumer Results, September 2021 (third quarter).
2. Principal Retirement Security Survey: Consumer Results, June 2021 (second quarter).
3. Ibid.
4. Ibid.
5. Ibid.
6. Ibid.
7. Principal® data, third quarter, 2021.

