DESIGNING A WORKPLACE FINANCIAL WELL PROGRAM

by Brian Nelson Ford
The workplace can be an ideal place to deliver financial education, which fits in with other employee benefits such as compensation and health care. This article offers tips for developing, kicking off and operating a financial wellness program.
Financial stress is not a new problem, and financial education is not a new solution. Workplace financial wellness, however, is different—Employers represent a new source for an old solution.

Here’s why the alignment of employers and financial wellness education makes sense: When financial wellness training comes from employers, employees trust the source, and it fits in with other benefits like pay and health care.

Employers have a vested interest in their employees’ financial success. Surveys show 46% of the employed U.S. population reports living paycheck to paycheck, and 41% of people in the United States do not have $2,000 saved for emergencies. Nearly three-quarters (72%) of the U.S. workforce reports experiencing financial stress, and companies notice its negative effects in the workplace. On average, employees report spending 28 hours of on-the-clock time per month handling personal finance, which lowers productivity. Financial stress is a barrier that impedes business.

Yet even when business leaders understand the importance of helping employees with their financial lives, they often do not know how to begin. It helps to put financial confidence training in the context of a new employee benefit—Companies research options for providing health insurance and other benefits, and an employee financial wellness program deserves the same level of attention.

When designing a financial wellness program, here are some good ideas to make it a success for the company and its employees.

**The Psychology of the Employee**

A critical first step to implementing a successful workplace financial wellness program is to understand the psychology of the employee. So many U.S. workers are feeling financial stress, yet typical workplace financial education programs report participation rates that are subpar at best. Employees do not participate because they think the program will:

- Bore them
- Try to sell them a product
- Take up too much time
- Mark them as financially inept
- Allow their employer access to their personal financial information.

These employee perceptions pose a hurdle for companies implementing a financial well-being program. The success of the program depends on employers acknowledging and effectively overcoming them.

**Measure of Success**

Some employers implement a financial wellness program simply because they believe it is the right thing to do for their employees. Some, however, need to demonstrate the program’s measurable success in order to continue offering it as a benefit.

There are three levels of measurement companies can use when implementing a new financial wellness program.

**Level 1: Satisfaction and Utilization**

Employers can use feedback as a barometer to measure the percentage of the workforce utilizing the new program and their satisfaction with it. Utilization can be measured easily by looking at the program’s participation rate, but satisfaction measurement will require a survey, comments or some other type of feedback from the employees. Even a basic user satisfaction survey can gather the pertinent data. For example, it could ask how satisfied employees are with the program on a scale of one to ten or ask whether employees would recommend the program to their peers.

**Level 2: Behavior Change**

The most common level of measurement involves tracking behavior change. After all, the overall goal is to prompt
employees into developing better financial well-being habits. Some organizations measure:

- 401(k) participation
- Established emergency savings
- Percentage of employees who report living by a budget
- Debt load
- Credit scores.

To measure this change, companies employ a financial fitness test prior to employees beginning the financial wellness program and again after completion. This gives a baseline financial snapshot with which to compare results and measure the change throughout the program.

An important distinction is to measure the behavior change, not the dollar amount of accounts or savings. Employees must know their personal financial information is not available to the company. A survey about emergency savings accounts should be anonymous and should ask only if the person has an account rather than any details regarding the balance.

Even with an anonymous survey, any shared results should include only aggregated data.

**Level 3: Return on Investment (ROI)**

The highest and most challenging level of measurement is to calculate the company’s ROI for the program. Employers will find it difficult to show direct impacts on, say, profitability because of any one initiative, but they can measure factors such as employee retention. When SunTrust Bank completed a financial wellness program with its own employees, it found that after 12 months, the retention rate of new hires who had completed the program was 92% versus 60% in the population who had not participated.

Regular performance reviews of employees present another opportunity for measurement throughout the program. In the SunTrust example, employees who completed the financial well-being program were more likely to score in the top two quintiles of the company’s performance scorecard than those who had not (44% versus 32% for nonparticipants).

Remember that the most important measurement is people feeling more confident in their financial lives. As long as the employees feel like they are benefiting from the program, there is no need to overanalyze the results.

**Developing the Winning Program**

When it comes to designing a program that will entice employees to actually use it, employers should look for options to tailor the program to their workforce. Options encourage engagement because the company can target employees’ unique learning styles, reward preferences, and communication habits. Factors to consider include:

- **What will the program title be?**

  Employers should give their financial wellness program a name that resonates easily and fits into the company image. The program will be publicized to employees, so the title needs to be appropriate for normal workplace display and use.

- **Will the program target particular groups of employees?** In planning a financial wellness program, employers often want to target the employees they think need the program most—low-income employees or those who have taken a loan from their company 401(k). While these are groups that people naturally want to pinpoint with this topic, companies never know which employees may need financial well-being training. Instead of trying to choose a particular audience, open the program to all employees.

- **How will employees receive communication?** Employers should combine methods they normally use to broadcast important information. A best practice is to use several communication channels—electronic, print and verbal announcements—to publicize the program.

**Takeaways**

- Nearly three-quarters of the U.S. workforce reports experiencing financial stress.
- Understanding the psychology of the employee is critical to implementing a successful workplace financial wellness program. Employee concerns about such programs include confidentiality and time.
- Three levels of measurement employers can use to track the impact of a financial wellness program include satisfaction and utilization, behavior change and return on investment.
- In developing a financial wellness programs, employers should consider factors such as whom the program will target and how employees will complete the program, such as whether it will be an online program or classroom-style instruction.
- Employers should consider incentives to keep employees participating in the program and increase engagement.
• What method will people use to complete the program? An important point—Print is not dead. While online-only financial wellness programs are often the most inexpensive options, higher engagement occurs when participating employees have a variety of media to choose from to complete their program. After all, not every employee is at a desk or a computer throughout the workday. Options companies can offer to their employees include in-person classroom sessions, live-streaming, online portals, hard-copy workbooks or combinations of all of these. Employers should offer a variety of ways to engage so that employees can select the best method to match their natural learning style and the pace of their workplace.

Employee Participation

The kickoff of a new financial wellness program is critically important to its success, because it sets the tone for the life of the program. Companies should strive for a positive, inspiring introduction to position the program as a benefit rather than a chore.

A tactic to garner high engagement with a financial wellness program is to have an in-person introduction meeting. Employees should understand that they are expected to attend the kickoff meeting. The introduction session could be scheduled during a normal “all-hands” meeting, for example. If needed, schedule several kickoff sessions to accommodate the different work schedules of employees.

Along with the employees attending the kickoff session, senior management should be invited. Employers could consider turning the kickoff into an event, perhaps with an external event host or a catered meal. High attendance at introductory sessions ensures two things: All employees will receive the information at the same time, and they will not feel singled out for or ashamed of attending a financial wellness meeting because everyone is there. When all the employees attend, those who want to use the program may do so in private.

Privacy is another important factor in this introduction. The program must keep all employee financial information private in order for employees to truly garner the benefits of a financial well-being education. Employers should make it clear that they do not have and will never have access to any employee’s personal financial information.

Kickoff Time Line

Once the company has completed the planning steps, it will begin introducing the new financial wellness program to employees. Here is a suggested time line:

• Four weeks prior to launch: Engage employee leadership. The workforce will respond to the energy and enthusiasm of their leadership, so the program should be previewed to familiarize leaders with its content and goals.
• Three weeks prior to launch: Make a companywide program announcement. This is not a detailed introduction but rather a high-level overview of the new employee benefit.
• One week prior to launch: Invite all employees to the in-person introductory program meeting. Hold the kickoff session “on the clock” to garner the highest engagement.
• Day of launch: Host the in-person introductory session. Inspire employees. The introduction should paint a picture of what financial confidence would mean for employees, their loved ones and their goals. Ideally, the session is entertaining—Employers can bring a host from outside the company or plan a raffle to get employees interested. As many employees should attend as possible.
• Day after launch: Send a companywide reminder. Companies need not nag employees—A simple message directing employees to register for the new financial wellness program will suffice for those who want to engage.

Continuing Engagement

After the initial launch, the content must engage users while providing enough value to convince them to continue. Along the way, the program should provide users with praise and congratulations whenever possible. Checkpoints or smaller goals that lead to program completion, like the completion of a certain number of courses or a financial milestone like saving the first $100, will help employees avoid feeling overwhelmed and provide a sense of ongoing accomplishment.

Personalization

The more personal the program feels to employees, the more likely they are to become enthusiastically engaged with
it. Employers should consider the popularity of social media. People enjoy having a profile with their name, a photo and other personalization options. A program with an online portal, for example, could include an individual profile and photo that encourages customization by each employee.

**Company Communication**

Via reminder messages, employers can instill hope that employees can achieve their financial goals while also spurring them to check their progress in the program. One idea is to feature success stories, even small ones, in a monthly electronic newspaper or flier. Recognition can motivate others and also spark congenial competition.

**Incentives**

Incentives offered by the company play multiple roles in a financial wellness program. They create excitement and encourage enrollment. Incentives increase engagement over time, particularly if they require a certain checkpoint in the program to qualify. They also demonstrate the importance a company places on helping their employees reduce financial stress and feel more confident.

Financial incentives are just one way to motivate employees. Ask employees for ideas about how they might like to be incentivized. There could be a sweepstakes in which all employees who complete the program are entered to win one larger prize or a smaller incentive for each person who meets a certain milestone. Paid time off could make a compelling incentive. Companies can customize these ideas to resonate with their workforce.

**Feedback**

Companies should provide channels for anonymous feedback from employees throughout their financial wellness course. Employers should demonstrate that they are making changes based upon feedback and adjust the program accordingly.

**Conclusion**

Workplace financial well-being programs can give employers the means to offer a new kind of employee benefit: financial confidence.

Americans desperately need financial wellness training. Even highly educated adults may never have received this instruction. Think about it: Grade schools do not include it in their curricula; in many cases, financial college courses are only aimed at a small subset of students.

The benefits of financial well-being touch all aspects of a person's life. Research shows a strong relationship between financial confidence and life satisfaction. Regardless of income, 68% of those who report being financially confident also report feeling satisfied with their life, versus 18% who are not financially confident.

More satisfied, financially organized workers report less distraction at work, boosting overall productivity and benefiting their employer.

In the past, companies felt an obligation to help their employees handle their financial lives—pensions, for example, were much more common. Today, employers might offer a 401(k) plan with no other targeted guidance on the topic of finances. Through financial wellness programs, employers can reclaim their historic role of caring for the financial health of their employees.

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**Endnotes**


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**Bio**

**Brian Nelson Ford** is the financial well-being executive at SunTrust Bank, where he is responsible for the design and implementation of Momentum onUp, SunTrust’s not-for-profit financial wellness program. He is also the architect of the bank’s internal employee financial well-being programs. Prior to joining SunTrust, he was the founder and president of 8 Pillars, LLC, a provider of workplace financial wellness programs. Ford is an author and frequent speaker and is recognized as an expert on workplace financial education programs. He earned bachelor’s degrees in business and in marriage, family and human development from Brigham Young University and holds a master’s degree in personal finance from the College for Financial Planning.