Plans and employers that assess employee feedback, participant needs and organizational resources can deliver relevant financial content to the right audiences. And by using a variety of topics and tools, financial education programs can reach those most in need and help them take charge of their finances.

November marks Canada’s ninth annual Financial Literacy Month. It represents a time to recognize the important role that financial literacy plays in the quality of life and overall well-being of our employees and plan members. This year’s theme—“Take charge of your finances!”—concentrates on the basic yet essential behaviours that contribute to financial wellness: making a budget, having a debt reduction and savings plan, and understanding financial rights and responsibilities.¹

Financial education programs in the workplace can be a big part of making this mission a reality. Employers and plan sponsors can play a role by allowing employees who lack the skills and knowledge required to manage money effectively to receive education during work hours and start taking important steps to improve their financial wellness.
Financial Wellness in the Workplace: Getting Back to the Basics

by Vince Siciliano, Bishara Rizek and David Veld

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This article will present ways for plans and employers to assess feedback on financial wellness programs, incorporate these programs into the wider concept of financial wellness, and decide on content and audiences. It will end with specific ideas for how to present content within a financial education program.

Financial Literacy Month is an opportunity to celebrate the ongoing efforts to improve Canadians’ financial wellness. According to the 2018 Education Benefits Survey by the International Foundation of Employee Benefit Plans, 60% of employees have access to education on retirement and financial issues. And these programs are growing rapidly. There is now an entire industry of vendors that offer sophisticated, multiplatform delivery (one-on-one meetings, digital and group) to suit the diversity of the workforce.

Studies show that these programs can have a much wider benefit too, by combating social and economic inequality and strengthening the organizations that implement them. The Personal Finance Employee Education Fund (PFEEF) stresses the business case for financial education in the workplace, noting that financial wellness programs pay back at least $3 for every $1 invested by increasing worker productivity and retention.

As financial wellness programs in the workplace continue to grow in popularity, however, so too will the awareness of their challenges. From passive initiatives like handing out brochures to interactive group sessions for shy or embarrassed employees, financial education at work can be a tough sell.

How can we improve our efforts? This process starts by properly identifying the challenges and getting back to the basics.

Putting Feedback Into Perspective

Among the biggest challenges that financial wellness programs face is being able to engage with employees in a meaningful way.

Different surveys and reports have pointed to a disconnect between employees’ expectations and employers’ financial education programs. A 2018 Bank of America Merrill Lynch report found that employers tend to focus on actions that address employees’ immediate needs, like budgeting and handling expenses. The employees, however, wanted more information about long-term financial goals, like saving and investing.

There are additional challenges, including the delivery format of a typical financial wellness program. Most of these programs are structured as group sessions, but a 2018 International Foundation survey found that in-person, one-on-one meetings had the highest participation rates and were rated as the most effective meeting approach.

When assessing educational programs in the workplace, it is important to put feedback into perspective. Let’s take a closer look at the 2018 Bank of America Merrill Lynch report.

On the one hand, from a liability perspective, financial wellness programs should focus on teaching participants the basic concepts—the how-tos of money management—rather than providing personalized financial advice. Important parameters need to be established before allowing this type of interaction to occur in the workplace. On the other hand, the feedback presented in the report would seem to indicate that the respondents are, overall, financially well. If participants express a desire for more personalized long-term financial goals, like saving for retirement and learning how to invest, the program has achieved its central objective. The next step in the program would be to explain how to find objective and impartial guidance through a financial planner, a fiduciary or other trustworthy sources of information.

Regarding one-on-one meetings, studies show that this type of coaching is beneficial, especially when some people are embarrassed or hesitant to discuss their financial situation in front of co-workers. Of course, it is no secret that...
individualized meetings can be difficult to implement and often go beyond a program’s objectives and resources. If resources are limited, a program should consider directing information to those who need it the most.

Partnerships with financial service providers can be a good way to boost participant access to professional and personalized advice. Many unions and employers work with accredited professionals to provide free informational sessions that are not sales pitches. And there have been cases where these financial service providers will provide complimentary one-on-one consultations. Again, unions and employers need to establish a clear framework for any type of third-party advice. The most important aspect of these meetings is outlining an action plan based on an individual’s current financial situation and future goals. Both personal meetings and group sessions can be effective ways to achieve this outcome.

While it’s true that the scope of financial wellness programs is continually evolving and expanding, we should not lose sight of a financial wellness program’s primary goal, which is to help the people most in need of education. It is worth noting that despite the constructive criticism, the same Bank of America Merrill Lynch study showed that a striking majority of participants still said that financial wellness programs work: 91% said these resources had been effective.8

Financial Wellness or Financial Literacy?

Most of the literature on financial wellness programs agree: They should be ongoing and holistic in perspective, delving into a variety of topics that relate directly and indirectly to financial wellness.

But what does financial wellness mean? It is an ambiguous term and a difficult concept to define. Financial wellness compares a person’s finances with their overall well-being, including their state of mind and health. The approach goes beyond the numbers and integrates a person’s overall relationship with money. Financial wellness extends to lifestyles, goals and dreams, and even values and beliefs.

Financial education in the workplace, however, needs to be structured and finite, where feedback helps to improve lesson plans and delivery methods, so that the course can be repeated on a cyclical basis. In more practical terms, a financial wellness program should be about conveying financial literacy and providing the basics for the people who need it most. Providers can add variety by tailoring the content to participants’ interests, gathered through surveys, questionnaires and feedback.

What are the behaviours, tools and vocabulary of personal finance that a person needs to learn in order to monitor spending, enable saving, take advantage of employee benefits, protect against risk and seek trustworthy advice? And, finally, how should a program present this content so that participants can grasp these objectives while applying them to their own personal situations?

Seminars need to cultivate not just attendance but also interaction and engagement through active and experiential learning. See the figure for an example of an interactive chart to help participants visualize clear action plans.
Deciding on Content and Audiences

Another significant challenge in delivering financial content is catering to the diversity of your participants. The workplace is almost always a multigenerational environment with a variety of financial concerns.

It can be valuable to conduct interviews, focus groups and questionnaires to reveal an array of financial goals, challenges and blind spots, as well as content and delivery preferences. But gathering the information is the easy part. The hard part is choosing which content to concentrate on, especially when resources are limited. Curriculum design has to perform a balancing act between the information that has the widest appeal and the information that certain people need the most.

To complicate things further, the success of financial education programs is often measured by their participation rates. The 2018 Bank of America Merrill Lynch report illustrates the dilemma. The report presents the 30% participation rate as a low figure (which we would argue is not), and it seems to blame the content, which it describes as “disconnect-ed” from the majority of people’s interests. However, low participation rates might be more logically attributed to factors such as embarrassment, especially when the majority of employees express interest in financial wellness programs.9

This does not mean that participation rates are no longer important. Greater efforts should be invested in making financial literacy more appealing to a diverse crowd by organizing sessions that address specific generational and/or demographic concerns and including them in the marketing materials. Examples could include:

- Affordability issues for Millennials
- Women and financial literacy
- Immigrants and financial literacy
- Baby Boomer debt and retirement saving.

The common denominator in these categories is teaching potentially vulnerable demographics how to minimize their reliance on credit and deal with debt problems. Presenting this aspect of financial literacy in a more specific way could be a means of increasing participation rates or at least diversifying them.

As an example, we have recently been working with a few union locals providing financial wellness workshops to their members as part of their apprenticeship training program. They have enhanced their attendance and participation by providing members with valuable budgeting and money management tools to assist with the management of the money they would be earning after graduation.

For providers that are able to implement one-on-one meetings that can address every single person’s concern, it is possible to cater to everyone. But when personalized meetings aren’t possible, needs that are in the minority should take precedence over wants in the majority. Therefore, participation rates are perhaps not the best metric for measuring success. And harder-to-measure results like changes in behaviour would have to rely on ongoing check-ins with past participants as well as firmwide data.

Content Presentation Ideas

The following topics can be a valuable guide when deciding what content to include in a financial education program.
• Financial decision trees
• Small-group storytelling exercises. (For example, “How did your parents manage money?”)
• Tests and scores that help participants personally assess their own financial situation
• Case studies and group work that enable discussion without sharing personal information
• Interactive sessions that explain how to use budgeting technology (YNAB, Mint, etc.)
• Scenarios that reenact possible fraud schemes
• Myth-busting games
• Group quizzes with prizes

Conclusion

With November serving as Financial Literacy Month, it can be a great time of year to get back to basics by starting or enhancing a financial education program. Employers and plan sponsors should start by seeking employee feedback, then assess participant needs and organizational resources, and finally decide on specific content and target audiences. With that information in place, a financial education program can make use of a variety of topics and tools to help employees take charge of their finances.

Endnotes

BIOS

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