

Everyone Wins with Workplace Financial Education

by Ted Beck

Where should we go to teach American adults about personal finance? Well, we should go where they are—where many of them spend a significant portion of their waking hours—at work.

In the continuum of exposure to financial education, there are several natural points during a lifetime. First is early childhood (most often served, or not, by the family). Next is school age, served

NEFE looks forward to working with credit unions to bring the classroom into the workroom.

by many fine K-12 classrooms programs, including the NEFE High School Financial Planning Program®, for which we must thank CUNA again for its ongoing support and sponsorship.

The working class

After high school, most young adults (about 65% according to the U.S. Department of Education) go on to college, where they are served by their universities (including NEFE's new CashCourse program). Most of the rest go into the workplace, where they are served by their employers, if they are fortunate. Many are not.

In an unscientific survey of human resources managers at the annual convention of the Society of Human Resources Managers in June, NEFE staff learned that "financial education in the workplace" often means that "we invite our 401(k) providers in to talk to employees." Some companies provide a wider range of financial education resources to their employees. Many, however, said that they didn't have a current program but wanted one.

We applaud employers who take the time to set up information sessions with their retirement plan providers. But we believe there is enormous potential to bring comprehensive financial

education into the workplace—where 146 million adult Americans spend their days. We also believe that most of the educational information already exists. The issue is not the availability of information, but the support and mechanism for it to be provided where they work.

When financial education improves the financial wellness of employees, it improves many cost factors for employers. According to E. Thomas Gorman, president of the Personal Finance Employee Education Foundation, these include job productivity, absenteeism, job stress, and work time spent on financial matters. Numerous studies show that employees under financial stress usually cannot give their best work to their employer.

Employer-credit union-NEFE partnerships

It makes sense for companies to integrate financial education into their employee benefits. Our challenge is to help them do so. Fortunately, a solid set of recommendations already exists, thanks to the 2002 colloquium "Financial Stress and Workplace Performance: Developing Employer-Credit Union Partnerships," funded in part by the National Credit Union Foundation. The recommendations for credit unions are:

- Identify products and services that forge a partnership (e.g., savings programs, financial education, and counseling),
- Choose effective distribution modes (e.g., individual face-to-face, "lunch and learn," Internet),
- Create persuasive communications to promote the program (e.g., motivating employees to access resources designed to alleviate stress, motivating companies to adopt and integrate financial education resources), and
- Develop pricing strategies acceptable to all parties.

Credit unions are uniquely positioned as local, caring community members to offer employers credible financial education programs and re-

sources. And the benefits to all parties are not that difficult to articulate: Employees reduce financial stress and feel better; employers enjoy increased productivity from a workforce that isn't distracted by financial issues; and credit unions build goodwill, improve loan portfolios, and create bottom-line business partnerships. You can see the entire colloquium report at: www.personalfinancefoundation.org/research/vte/vte-list-16.pdf

We have a great opportunity to help working Americans throughout their financial lives. In partnership with NEFE (and similar organizations), credit unions and employers can provide our fellow workers with the information and resources they need to reduce financial turmoil and stress and make the most of their financial assets in the years between school and retirement.

In 2008, NEFE plans to examine the landscape of workplace financial education to learn more about best practices we can use to serve employers and employees. We look forward to sharing what we learn with you, and working with credit unions to bring the classroom into the workroom. ■



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Resources

- Seminars in a Box™ for Members—group presentation materials—cuna.org (search "Box for Members")
- Plan It™: Retire Ready Toolkit—online resource—cuna.org (search "Plan It")
- NEFE High School Financial Planning Program—free curriculum—cuna.org (search "HSFPP")