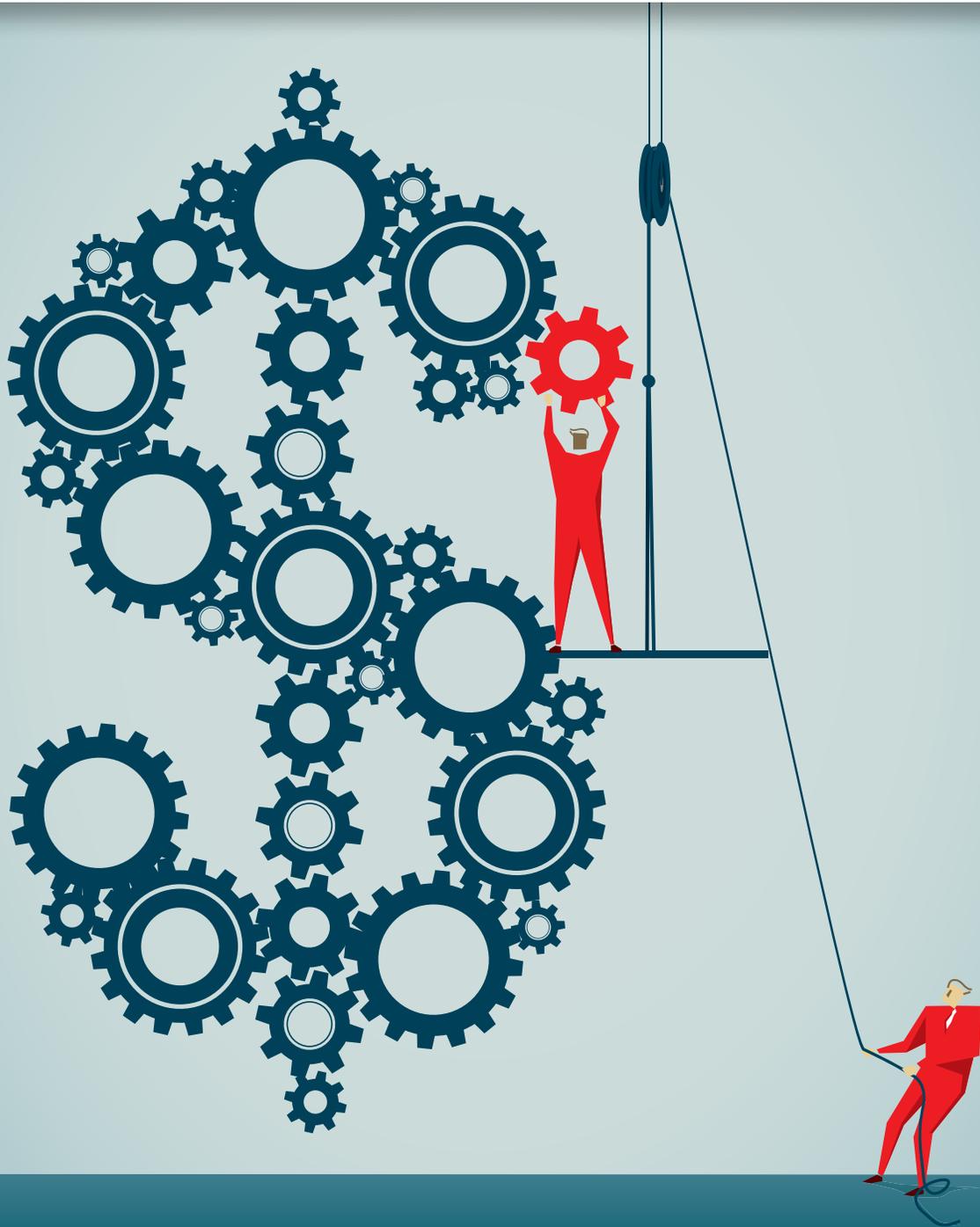


# Financial Wellness and Education in the Workplace: Strategies and Best Practices



This report was prepared by the International Foundation of Employee Benefit Plans.

Written by Patricia A. Bonner, Ph.D., CEBS

Copies of this paper may be obtained from  
Publications Department  
International Foundation of Employee Benefit Plans  
18700 West Bluemound Road  
Brookfield, WI 53045  
Phone: (888) 334-3327, option 4  
Online store: [www.ifebp.org/bookstore](http://www.ifebp.org/bookstore)

Published in 2016 by the International Foundation of Employee Benefit Plans, Inc.  
©2016 International Foundation of Employee Benefit Plans, Inc.  
All rights reserved. ISBN 978-1-89154-785-1

Printed in the United States of America

## Acknowledgments

The Foundation wishes to thank the following reviewers for their valuable comments during the preparation of this report:

Mauro Canori, Senior Director, Human Resources, Celgene Corporation  
Cary Franklin, Actuary and Managing Consultant, Horizon Actuarial Services LLC  
Rick Garnitz, President, LifeSpan Services, Inc.  
Kirby Watson, Chief Operating Officer, Coughlin & Associates Ltd.  
Mark Zigler, Senior Partner, Koskie Minsky LLP

## About the International Foundation of Employee Benefit Plans

The International Foundation of Employee Benefit Plans is a nonprofit organization dedicated to being a leading, objective and independent global source of employee benefits and compensation education and information. Total membership includes 33,000 individuals representing multiemployer trust funds, corporations, public employer groups and professional advisory firms throughout the United States and Canada. Each year the International Foundation offers over 100 educational programs, including conferences and e-learning courses. Membership provides access to personalized research services and daily news delivery. The International Foundation sponsors the Certified Employee Benefit Specialist® (CEBS®) program in conjunction with the Wharton School of the University of Pennsylvania and Dalhousie University in Canada.

## About Research at the International Foundation

Discover the latest trends and how your colleagues are reacting to them through International Foundation survey results. The Foundation's research team gets to the core of unique industry concerns by conducting benchmarking studies and delivering survey findings and special reports on a variety of topics impacting the employee benefits world. Members can gauge the impact of current and emerging issues, legislation changes and economic developments on their benefit plans through regularly conducted research efforts.

# Table of Contents

<b>Introduction</b> .....	<b>3</b>	<b>E. Monitor and Measure Results</b> .....	<b>28</b>
<b>I. The Impact of Financial Distress</b> .....	<b>5</b>	1. Program Usage, Satisfaction and Suggestions for Improvement	
A. Personal Relationships .....	6	2. Participant Impact	
B. High-Risk Behaviors .....	6	3. Demographics	
C. Personal Health .....	6	4. Organization Impact	
D. Accidents .....	6	<b>Conclusion</b> .....	<b>29</b>
E. Absenteeism .....	6	<b>Endnotes</b> .....	<b>30</b>
F. Presenteeism .....	7	<b>Exhibits</b>	
G. Morale .....	7	1. Personal Signs of Financial Distress .....	4
H. Ethics .....	7	2. The Cost of Worker Stress to Employers .....	5
I. Turnover .....	8	3. Workplace Indicators of Financial Distress .....	8
J. Delayed Retirement .....	8	4. Individual Characteristics That Influence Financial Well-Being .....	10
K. Employee Benefits .....	8	5. Financial Wellness and Education Assessment Tools .....	13
L. Human Resource and Benefit Services .....	8	6. Personal Financial Concepts .....	18
<b>II. Financial Well-Being and What Influences It</b> .....	<b>9</b>	7. Sample Financial Education Program Objectives .....	19
<b>III. Strategies for Promoting Financial Well-Being</b> .....	<b>11</b>	8. Free Online Financial Education Resources .....	21
A. Living Wages .....	11	9. Financial Education: More on What Works .....	23
B. Employer-Sponsored Benefits .....	11	10. Choosing a Financial Education Provider .....	25
C. Emergency Loan or Hardship Fund .....	12	11. Protecting Privacy and Overcoming Stigmas .....	27
D. Personal Risk Assessment .....	12	<b>Figures</b>	
E. Education and Information .....	12	1. Integration of Financial Wellness and Education Within a Health and Wellness Program .....	3
F. One-on-One Support .....	12	2. Financial Stress Manifestations .....	7
G. Rewards Program .....	14	3. Financial Wellness Strategies in the Workplace .....	11
<b>IV. Financial Education: Program Development and Best Practices</b> .....	<b>15</b>	4. The Education Programming Cycle .....	15
A. Get Leadership Buy-In and Support .....	15	5. Life Events Provide Teachable Moments .....	22
1. Return on Investment			
2. Liability			
3. Scope			
B. Assess Worker Needs and Preferences .....	16		
1. Content			
2. Privacy			
3. Incentives			
C. Establish Program Objectives .....	19		
D. Create a Plan .....	20		
1. Content			
2. Delivery Options			
3. Timing			
4. Providers			
5. Logistics			
6. Marketing			
7. Program Evaluation			
8. Budget			



People today confront an array of challenges in their efforts to achieve and maintain financial security. Financial decisions surrounding retirement planning and investing are complex, and the options for credit cards, mortgages and other credit vehicles have multiplied. Unfortunately, too many people are not equipped to handle money matters. Research consistently shows that many people—young and old, male and female, rich and poor—lack the knowledge, skills and other traits required to manage money effectively.

**A**dd recent economic conditions such as unemployment, underemployment and pay stagnation, and it is not surprising that an alarming number of people are living paycheck to paycheck, saddled with debt, not saving for the future and feeling financially vulnerable.<sup>1</sup>

Financial distress takes its toll both mentally and physically—affecting the quality of an individual's personal life and work. Increasingly, employers and benefit plans are recognizing that workers' financial problems and the accompanying stress are having a negative impact on worker behavior, productivity, benefit plan costs and profit. Employers and benefit plan sponsors are seeing financial well-being as an important component of workplace health and wellness programs (see Figure 1). The purpose of this paper is to:

- Summarize the ways financial distress negatively impacts people's personal and work lives (Section I)
- Explore the factors contributing to financial well-being that might be targeted as part of a holistic workplace wellness program (Section II)
- Identify workplace strategies that can improve financial well-being and help mitigate the organizational costs of financial distress (Section III)
- Provide an overview of steps involved in initiating a financial education program—one element of a financial wellness program—and best practices that can contribute to the success of a financial education program (Section IV).

Figure 1 | Integration of Financial Wellness and Education Within a Health and Wellness Program



## Exhibit 1 | Personal Signs of Financial Distress

Most people occasionally make a mistake or are careless with their money. It seems to be a natural result of today's hectic living and complicated financial world. When there are many mistakes or careless behaviors, however, there may be a bigger problem. The following are 35 indicators suggesting a problem that goes beyond the occasional error.

### Saving

1. Having a small or no emergency fund
2. Failing to contribute to a retirement plan

### Spending

3. Regularly spending too much money
4. Regularly running out of money
5. Regularly being unable to pay bills (e.g., utilities, rent, child care, credit cards) when due
6. Regularly relying on a second income to pay living expenses and debts
7. Losing money to ripoffs and fraud
8. Regularly losing money by gambling or buying lottery tickets and/or gambling in an attempt to "fix" one's financial situation
9. Allowing insurance (e.g., vehicle, renters/homeowners, medical, life) to lapse
10. Choosing not to access preventive/routine health care due to its cost
11. Writing overdrawn checks that result in additional fees/penalties

### Borrowing

12. Regularly borrowing, perhaps by obtaining a cash advance, to pay for living expenses and/or other debts
13. Being denied credit because of poor credit history
14. Overusing credit
15. Paying only the minimum amount due on a credit card
16. Regularly reaching the maximum limit on a credit card
17. Regularly paying some bills and installment debts late
18. Being unable to repay installment debts
19. Habitually receiving "overdue" notices from creditors
20. Regularly obtaining debt-consolidation loans
21. Receiving communications from collection agencies
22. Having utility services cut off
23. Having property securing a debt repossessed
24. Being evicted from rental housing or having one's home foreclosed
25. Filing for personal bankruptcy

### Ethics and Criminal Behavior

26. Committing check fraud
27. Stealing from a family member, employer or other source
28. Filing false expense account requests
29. Evading income tax payments
30. Filing deceptive loan statements

### Other

31. Regularly making a request for welfare support (e.g., cash grants, food stamps, subsidized housing)
32. Being sued for financial reasons
33. Having one's tax refund intercepted by a government agency or court order
34. Having one's wages garnished
35. Having a lien placed on one's personal or real property.

Source: Adapted from Table 2 from E. T. Garman, I. E. Leech and J. E. Grable, "The Negative Impact of Employee Poor Personal Financial Behaviors on Employers," *Financial Counseling and Planning*, Vol 7, (1996) p. 159.

# I. The Impact of Financial Distress

According to a three-year study by the Financial Planning Standards Council, money is the leading source of stress among Canadians—significantly more than work, personal health and relationships.<sup>2</sup> Similarly, the American Psychological Association (APA) has identified money and financial issues as the No. 1 cause of stress in the United States in each of the past eight years.<sup>3</sup>

How many people are stressed? In 2014, 76% of Canadians said they were stressed.<sup>4</sup> In the 2015 APA study, 72% of U.S. adults reported feeling stressed about money and finances at least some of the time. More than one-quarter said they experience stress about money most or all of the time.<sup>5</sup>

While all kinds of people—including those with a high income—experience stress about money, research indicates persons with high levels of stress due to financial concerns are more likely to be those who:

- Are young (i.e., Millennials and Generation Xers)
- Are female
- Do not have a postsecondary education
- Have a pink-collar job in sales or service
- Have a lower income
- Have children at home
- Are members of a visible minority group
- Have recently immigrated
- Do not have family or friends as an emotional support system.<sup>6</sup>

As the stress from financial issues intensifies, the likelihood of interpersonal conflicts, high-risk behaviors (e.g., gambling, substance abuse), accidents caused by fatigue and distractions, and poor health escalates. Persons who suffer from “money worries” also tend to be absent more frequently, less engaged and less productive in the workplace.

There is no shortage of reports examining the negative impact financial distress has on individuals as well as their families, co-workers, employers and benefits plans. The following offers a brief look at some of the key findings. Exhibit 2 looks at some estimates of the dollars employers are paying for stressed workers.

## Exhibit 2 | The Cost of Worker Stress to Employers

While precise amounts are difficult to pinpoint, there have been some efforts to place a dollar cost on how much worker stress costs employers:

- One study places the cost of workplace stress in the U.S. at nearly \$300 billion a year. In Canada, the annual cost is estimated to be \$16 billion.<sup>7</sup>
- Pension Consultants, Inc., estimates workforce stress costs a company with 1,000 employees \$5,655,500 per year.<sup>8</sup>
- Tom Garman, founder of the Personal Finance Employee Education Foundation (PFEEF), estimates the price tag to an employer for financial distress ranges from \$750 to \$2,000 per employee annually.<sup>9</sup>

Organizations that wish to measure their hard costs of stress may want to use this formula provided by author Ravi Tangri in the book *Stress Costs, Stress Cures*:

- 19% of absenteeism
- 40% of turnover
- 55% of EAPs
- 30% of short- and long-term disability
- 10% of drug plan costs
- 60% of total workplace accidents
- The total costs of workers’ comp and lawsuits.

## Personal Relationships

Anger, depression, guilt, irritability, anxiety and even panic attacks frequently accompany stress about money—in fact, stress from any cause. This toxic combination affects people's relationships and can make home life extremely difficult. Almost a third of adults with partners (31%) report that money is a major source of conflict in their relationships.<sup>10</sup>

Parental financial strains—both directly and indirectly—have been associated with problem behavior in children.<sup>11</sup> In relationships where domestic violence is present, financial problems can lead to an increase in the severity and frequency of abuse.<sup>12</sup>

Domestic violence at home can follow victims to work. It spills over into the workplace when a victim receives threatening phone calls, is absent because of injuries and/or is less productive due to extreme stress. In too many instances, an abusive partner brings violence to the workplace of the victim, resulting in the injury or death of co-workers.

## High-Risk Behaviors

Most people think of high-risk behaviors such as substance abuse and gambling as causes of financial distress. However, the stress of financial problems can also lead to (and escalate) risky behaviors that negatively impact a person's physical health, damage personal relationships and worsen financial problems. Consider:

- **Substance abuse.** Some people turn to tobacco, alcohol or drugs to dampen the effects of stress.
- **Gambling.** Some people think a “big win” will solve their financial problems. For others, gambling provides a way to temporarily escape the pain they are feeling from financial distress.<sup>13</sup>
- **Shopping.** Impulse and excessive spending are additional short-term remedies for coping with stress.<sup>14</sup>
- **Eating.** While some people find food a comfort in difficult times and overeat, others lose their appetite. In worst-case scenarios, the result is an eating disorder such as anorexia or bulimia.

## Personal Health

People vary in their ability to cope with stress. How their body reacts can also differ. Some experience digestive problems, while others have headaches, sleeplessness, fatigue, a depressed mood, anger and/or irritability. People under chronic stress are prone to more frequent and severe viral infections such as the flu or common cold.<sup>15</sup> Vaccines (e.g., a flu shot) are less effective.<sup>16</sup> As illustrated in Figure 2, continued stress can also lead to serious health problems such as heart disease, high blood pressure, diabetes, depression and anxiety disorder.

Financial distress also appears to have a significant impact on many people's health care decisions. Some are putting their health care needs on hold because of financial concerns.<sup>17</sup>

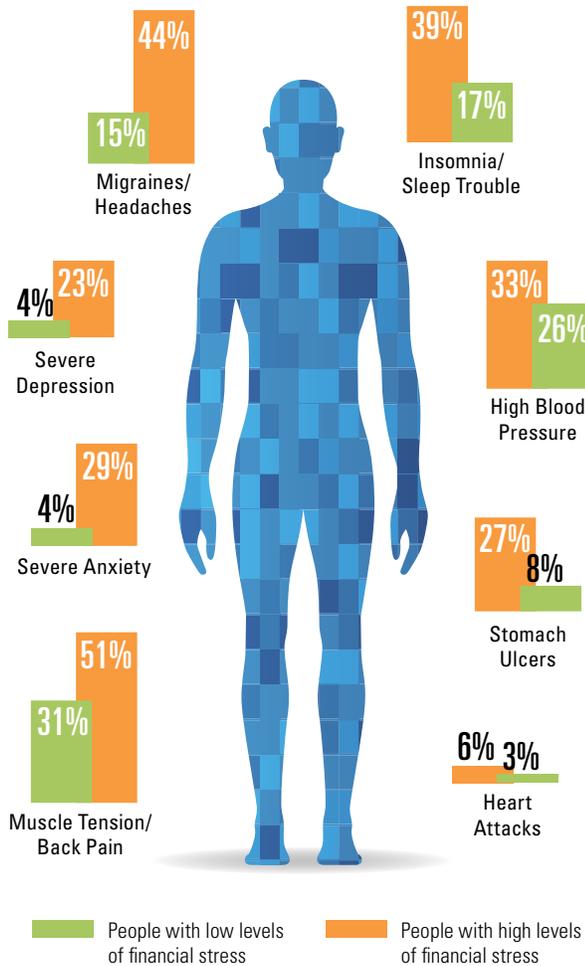
## Accidents

Financial stress can be a significant distraction at home and at work. Persons who are distracted or experiencing stress-induced fatigue are more prone to errors and injuries. On the job, an estimated 60% to 80% of accidents are attributed to stress-related distraction or sleepiness.<sup>18</sup> Stressed workers are more likely to damage equipment than those fully focused on their work. For nurses, doctors and others in the medical field, inattentiveness literally can be a “life-and-death” situation for patients—boosting the potential for negligence and medical malpractice suits.

## Absenteeism

Financially distressed workers are more likely to miss work<sup>19</sup>—not surprising given persons with financial stress tend to have more physical and mental health problems than those who are financially healthy. In fact, 70% of all job absenteeism has been tied to stress-related illnesses.<sup>20</sup> Another study attributed about 65 million days of lost U.S. production time in 2004 to injuries that were not work-related.<sup>21</sup> Employees also call in sick so they can make court appearances, talk with attorneys and meet with others concerning their financial problems.

Figure 2 | Financial Stress Manifestations



Source: AP-AOL Health Poll. *Debt Stress: The Toll Owing Money Takes on the Body* (2008).

### Presenteeism

Even when employees do show up for work, they are likely to demonstrate some degree of presenteeism due to fatigue and/or an inability to concentrate. *Presenteeism* occurs when employees come to work but are not functioning up to their capabilities. It manifests in a host of ways including more time spent on tasks, poor-quality work, impaired social functioning, burnout, anger and low morale.

Employees with financial stressors may take time to telephone creditors, seek sources of additional credit, talk with co-workers about their money problems, smoke cigarettes and place gambling wagers. One in five employees (20%) reports issues with personal finances have been a distraction at work. More than one-third (37%) say they spend three hours or more each week thinking about or dealing with issues related to personal finances.<sup>22</sup>

### Morale

The mental and emotional dynamics (e.g., anger) that negatively affect personal relationships at home also appear in the workplace.<sup>23</sup> When workers are financially distressed, their problems tend to have a ripple effect, creating tension and reduced morale among co-workers. In addition, absenteeism and presenteeism force fellow employees to shoulder extra work. Co-workers may respond with passive forms of aggression, such as withholding resources, not responding to communications and/or being late to meetings, that further reduce productivity. Tempers may flare; a physical assault may occur.

### Ethics

Financially stressed workers are more tempted to steal from their employers, and a small percentage of employees have been caught doing just that. Retailers estimate “shrinkage losses” in the U.S. totaled \$44 billion in 2014, and 35% of these losses can be attributed to employee theft. This loss amount does not include extra costs for security, HR, legal expenses and employee replacement.<sup>24</sup>

## Turnover

Financially stressed people tend to be focused on the dollar amount of income coming in and what is going out. They may view compensation from their employer as the solution to their financial challenges. They are less likely to be satisfied with their pay, job and benefits<sup>25</sup> and more likely to look for greener pastures. Employee departures cost a company time, money and other resources.

## Delayed Retirement

Not all turnover is negative. An employee's retirement may generate an opportunity for a new hire who is more skilled or productive. In addition, payroll and benefit costs may be reduced with a younger, healthier workforce. But many financially distressed individuals barely pay their bills, let alone set aside sufficient funds for retirement. Among individuals who have some retirement savings, withdrawing the funds can address a financial shortfall. The only option for too many of these employees with insufficient retirement resources is to continue working beyond normal retirement age.

## Employee Benefits

According to the National Institute for Occupational Safety and Health (NIOSH), U.S. workers who report they are stressed incur health care costs 50% higher than those of nonstressed workers.<sup>26</sup> Another report calculates the health care costs of stressed workers to be twice as high as those for other workers.<sup>27</sup> It is likely that workers' compensation claims—both legitimate and fraudulent—also increase.

Personal financial problems also lead to higher use of employee assistance programs (EAPs) and outpatient mental health services for help dealing with these issues. Consider a survey by one EAP near the beginning of the 2008-2009 financial crisis. Employee requests for financial services increased dramatically over the previous year.<sup>28</sup>

## Human Resource and Benefit Services

The financial stress of employees can also put a strain on HR and benefits personnel. These persons handle the calls from bill collectors and ex-spouses seeking past due payments, deal with requests for pay advances and loans from retirement plans, process wage garnishments and help employees file bankruptcy claims. In addition to the extra paperwork and phone calls, staff persons often are pulled into the conflicts that erupt between financially stressed employees, domestic partners and co-workers.

Exhibit 3 provides some red flags in the workplace that a worker may be experiencing financial distress.

### Exhibit 3 | Workplace Indicators of Financial Distress

The following are signs employees may be experiencing financial difficulties:

- Frequent volunteering to work overtime
- Requests for an advance in pay or a loan from an employer
- Borrowing from a retirement account and/or discontinuing contributions
- Calls from lenders to verify employment and wages
- Garnishment of wages
- Frequent phone calls to the employee
- Changes in work performance, attitude or behavior
- Overly emotional behavior.

## II. Financial Well-Being and What Influences It

**W**hat is *financial well-being*? The U.S. Consumer Financial Protection Bureau (CFPB) defines it as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life.” The bureau described this well-being as “a continuum—ranging from severe financial stress to being highly satisfied with one’s financial situation.”<sup>29</sup>

Income is not a particularly useful way to measure well-being. A person who is far from wealthy may have a high level of well-being, while someone with a much higher income may feel quite the opposite. Through learning and effort, given reasonable opportunity and support, people can move along the continuum to greater financial well-being.<sup>30</sup>

CFPB characterizes a person with financial well-being as having four traits. Such persons:<sup>31</sup>

- **Have control over day-to-day, month-to-month finances.** They can cover their expenses and pay bills on time. They do not worry about having enough money to get by.
- **Have the capacity to absorb a financial shock.** With a support system of family and friends, personal savings and insurance, they can cope with the financial challenges of unforeseen events.
- **Are on track to meet financial goals.** They have a formal or informal financial plan and are actively working toward these goals (e.g., paying off a student loan or saving for a car, home or retirement).
- **Have the financial freedom to make the choices that allow them to enjoy life.** They can splurge once in a while and have the ability to make choices such as being generous with family, friends and community.

CFPB has also analyzed what factors influence financial well-being. Events such as unemployment and inflation, family wealth and connections, access to education and the availability of other opportunities, geographic location and life events can and do play a major role in financial well-being. However, individual behaviors, abilities and personality traits also are influential. It is these latter qualities, summarized in Exhibit 4, that help people make the best of the situations they are handed.<sup>32</sup> To a large extent, these latter qualities are also the ones that are the focus of financial wellness and education programs.

## Exhibit 4 | Individual Characteristics That Influence Financial Well-Being

People are more likely to make the best of the situation they are handed when they have these personal characteristics.

### 1. Financial Behaviors

- **Effective routine money management, which encompasses often-unconscious habits, intuitions and decision-making shortcuts.** This behavior includes managing the money that goes out (e.g., living within one's means) and managing the money that comes in (e.g., making sure there is enough income to cover one's needs).
- **Financial research and knowledge-seeking, which support purposeful, informed financial decision-making.** Consumers report they rely primarily on family and friends for financial information and advice. They also learn passively from those close to them—observing both the successes and mistakes of those they know. Some people do more formal research such as reading books by popular financial professionals or the business section of the newspaper. They may reach out to a professional as a source of knowledge or sounding board.
- **Financial planning and goal-setting, which give purpose and structure to financial decisions.** Some people develop a budget; others focus on a longer time horizon and set goals for saving.
- **Following through on financial decisions—the final step between intentions and desired outcomes.** Deciding to do something and doing it are not the same thing. Once people decide to save, invest or improve their education, they must take action.

### 2. Financial Ability

- **Knowing when and where to find reliable information to make financial decisions,** whether it is advice from a friend, mortgage quotes or professional investment advice.
- **Knowing how to process financial information to make sound financial decisions,** such as determining which cell phone service has the features desired and which auto loan works best for a budget.
- **Knowing how to execute financial decisions and adapting as necessary to stay on track.** Execution involves implementing a plan, sticking with it and making adjustments when circumstances change.

### 3. Personal Traits

- **Comparing oneself to one's own standards, not to others (*internal frame of reference*).** How one judges one's success may be learned within one's family or from elsewhere. If the result is low self-esteem, impulsive spending may make a person feel better, at least temporarily. Overspending is another outcome of not feeling good about oneself—It can be framed as the desire to “keep up with the Joneses.”
- **Being highly motivated to stay on track in the face of obstacles (*perseverance*).** Drive, grit and being a hard worker reflect perseverance—a quality that helps motivate people to work toward goals and to seek out better opportunities in the workplace. Other characteristics such as being conscientious and responsible are key to sticking with a budget, paying bills on time, not falling into debt and avoiding risky behaviors such as overreliance on credit cards.
- **Having a tendency to plan for the future, control impulses and think creatively to address unexpected challenges (*executive functioning*).** People with these characteristics are more likely to have a plan to cope with unforeseen events and the self-discipline to not make impulsive choices that might negatively impact achieving their financial goals.
- **Believing in one's own ability to influence financial outcomes (*financial self-efficacy*).** People with this trait have confidence in their ability to manage their finances without feeling overwhelmed. They believe they can stick to a spending plan and will achieve their financial goals. These persons are also more likely to act on their financial knowledge; for example, starting a business or investing in the stock market.

Source: Consumer Financial Protection Bureau, *Financial Well-Being: The Goal of Financial Education* (January 2015).

# III. Strategies for Promoting Financial Well-Being

Employers, labor organizations and benefit plan administrators can take a proactive approach to helping workers with financial issues by providing a workplace financial wellness program. While there is no single, agreed-upon definition for such a program, there are common characteristics.

A financial wellness program assesses and supports the overall financial well-being of workers. Such a program does not focus on one single aspect of financial planning such as retirement or college savings. It looks at how all the pieces of an individual's financial life fit together.

A quality financial wellness program:

- Stresses the importance of workers knowing financial concepts
- Provides access to and guidance on using decision-making tools
- Helps workers take the steps needed to improve their financial health
- Strikes a balance between planning for immediate needs while taking into account long-term goals—living responsibly today and planning wisely for tomorrow
- Helps workers create a plan and implement that plan over time.

There are many ways to help workers achieve financial wellness, and each organization has its own goals for its financial wellness program. Some initiatives emphasize prevention, while others address problems that already are causing stress. Some endeavors address both prevention and problem resolution.

Figure 3 | Financial Wellness Strategies in the Workplace



Strategies need not be expensive or complicated, and many organizations already provide some components of a financial wellness program. The challenge for each organization is to determine what content and approach best fit with the needs and interests of workers and then fill in the gaps. In general, a good financial wellness program has multiple, integrated components, as illustrated in Figure 3.

## Living Wages

At the most basic level, a livable wage is key to the financial well-being of workers. While this may seem obvious, the number of workers receiving subsistence-level wages indicates it is not. The best way to avoid financial stress among workers—especially those at the bottom of the ladder—is to pay them a reasonable amount to live on.

## Employer-Sponsored Benefits

The workplace benefit package also contributes to financial well-being. Benefits that promote wellness include:

- Health, dental, vision and hearing care
- Sick leave and disability protection
- Life insurance
- A retirement program
- Financial planning services
- Legal assistance
- Child/elder-care subsidies
- College education and savings programs
- Long-term care insurance
- Reduced prices and discounts for goods and services (e.g., fitness center, computers, travel).

Simply knowing they have protection when life's surprises occur and sufficient resources for retirement will help reduce worker stress.

## Emergency Loan or Hardship Fund

There are occasions when workers experience an unexpected financial need—medical expenses exceeding insurance coverage, an uninsured loss due to fire, car repairs or burial expenses. An emergency loan fund can provide cash that not only reduces worker stress but also lessens the likelihood the worker will resort to withdrawing funds from a retirement account or taking out a high-interest payday loan. Funding requests should be for situations that are short-term or temporary in nature, not chronic. With a hardship fund, recipients may not be required to pay back what they receive—but they should be encouraged to do so if possible, to expand how many the fund can serve and the level of assistance provided.

## Personal Risk Assessment

Just as workers are asked to participate in a health risk assessment, they can be encouraged to take advantage of a financial wellness risk assessment. An increasing number of organizations are developing tools employees can use anonymously to assess their financial wellness.

Goals of the assessment should be to help workers pinpoint where they need help and to establish priorities. Ideally, workers can get their individual results immediately, with an action plan that suggests what tools or resources may benefit them specifically. Users may be referred to a financial counselor for advice or to an educational program, as appropriate. Deidentified aggregate findings can also provide an employer or other stakeholder insight into workers' finance issues that need attention. Exhibit 5 on page 13 includes some free and low-cost tools for assessing financial wellness/distress.

## Education and Information

Given that lack of financial knowledge and skills has been linked to behaviors such as abusing credit and living beyond one's means,<sup>33</sup> an especially important element of any financial wellness program is education and information. This topic will be discussed in more detail later in this report.

## One-on-One Support

Access to professional counseling (e.g., financial planning, money coaching, credit counseling, career counseling and/or legal advice) also may help workers achieve financial well-being. Too often, those who most need expert advice cannot afford it or, in the case of retirement planning, wait too long to seek help. Among options available for providing workers with access to professional financial advice, face-to-face counseling works best. Assessments of telephone counseling have been mixed with respect to effectiveness. Some believe the ability to talk with the same telephone counselor is a key to success.<sup>34</sup>

The following are examples of how workers might be provided one-on-one support.

- Many employers already offer EAP services that include financial or legal assistance. An advantage of an EAP is that a worker can receive stress management support as well as other help he or she needs during a difficult time.
- Some employers and benefit plan sponsors arrange for a financial advisor to visit the workplace. Workers sign up to meet with the advisor at no or a reduced fee. Workers are permitted to meet during paid work hours.
- Another route is to provide employees a benefit allowance or a flexible benefit package that includes the services of a financial advisor. One corporation offers a “life adjustment fund” to pay for any of about a dozen services including a masseuse and a financial planner.
- For workers experiencing credit problems, a low-cost solution may be a referral to a nonprofit consumer credit counseling center that can help with debt consolidation, working with creditors to spread out payments, establishing a budget, etc. To identify local, accredited debt counseling agencies, contact the National Foundation for Credit Counseling (in the U.S.) or Credit Counseling Canada.

Employers and others already providing access to a professional may find it more effective to create a campaign to ensure that workers know the benefit is available versus adding a new benefit.

## Exhibit 5 | Financial Wellness and Education Assessment Tools

An overwhelming collection of financial education materials and programs exists, but efforts to evaluate effectiveness are few and far between. Today, new tools are available that improve the validity of financial wellness assessments and make the evaluation process less daunting. All but one of the following items are free of cost.

### Canada

- **Financial Literacy Self-Assessment Quiz.** Developed by the Financial Consumer Agency of Canada, this set of 30 online questions can be used to assess an individual's knowledge and skills to keep track of money, make ends meet, plan ahead, stay informed and choose products. Findings from a survey of workers can be compared with those of Canadians who took the quiz online. Take the free quiz at [itools-ioutils.fcac-acfc.gc.ca/FLSAT-OAELF/star-comm-eng.aspx](https://itools-ioutils.fcac-acfc.gc.ca/FLSAT-OAELF/star-comm-eng.aspx).
- **Financial Literacy Evaluation Toolkit.** Prosper Canada offers advice and a collection of ready-to-use documents for gathering demographic data and participant satisfaction levels along with "pre- and post-" data on knowledge, skills, attitudes and habits related to financial literacy. Practical tips and guidelines are offered for evaluation planning as well as hiring an evaluator. National data is available for those who want to compare their workers with the Canadian population. All materials are available free at [prospercanada.org/Resources/Financial-Literacy-Evaluation-Toolkit.aspx](https://prospercanada.org/Resources/Financial-Literacy-Evaluation-Toolkit.aspx).
- **NEFE Evaluation Toolkit.** For those who want a more robust evaluation and are comfortable taking on the project with existing personnel, consider this online tool kit designed specifically to evaluate financial education programs. Available free from the National Endowment for Financial Education, this kit offers a database of evaluation templates and forms for several different program formats. Questions test program participant knowledge, confidence, behaviors and intention to change with respect to a wide range of financial topics. The database also has questions to determine the demographics of workers, including their current financial condition. In addition, there are questions that provide feedback concerning program content and delivery that are useful when deciding how a program might be improved. An evaluation manual covers the basics of program evaluation and how to fully utilize the tool kit. The kit is available at [toolkit.nefe.org](https://toolkit.nefe.org).
- **The Personal Financial Wellness Scale™ (PFW Scale™).** Organizations that prefer to have a third-party expert handle evaluation should consider the PFW Scale™, which has been confirmed as a valid and reliable measure of the overall financial well-being of workers. National norms for the general population of U.S. adults have been established for comparison. The cost for using the assessment tool, which was developed through the Personal Finance Employee Education Fund (PFEEF), typically is \$1 per person taking the test. Translation of the PFW Scale™ to different languages is permitted with permission. For information, visit [pfeef.org/personal-financial-wellness-scale-uses-and-policies](https://pfeef.org/personal-financial-wellness-scale-uses-and-policies).

### United States

- **Financial Fitness Quiz.** The New Jersey Agricultural Experiment Station at Rutgers University offers 20 online questions concerning money management, credit, insurance, estate planning and shopping. A nice feature of this free quiz is that it uses the responses to provide a score that summarizes the user's financial well-being. Take the quiz at [njaes.rutgers.edu/money/ffquiz](https://njaes.rutgers.edu/money/ffquiz).
- **CFPB Financial Well-Being Scale.** For a tool that measures worker feelings of empowerment, confidence and satisfaction with his or her financial status, consider these ten questions developed by the Consumer Financial Protection Bureau. A ready-to-copy questionnaire that provides individuals with their financial well-being score and a user guide are available free at [www.consumerfinance.gov/reports/financial-well-being-scale](https://www.consumerfinance.gov/reports/financial-well-being-scale).

Some organizations have taken a lesson from health and wellness programs by rewarding workers who have taken steps to achieve or have achieved financial wellness.

### Rewards Program

Some organizations have taken a lesson from health and wellness programs by rewarding workers who have taken steps to achieve or have achieved financial wellness. The program might be based on criteria such as:

- Completing a personal financial wellness risk assessment
- Establishing financial goals and/or a budget for the upcoming year
- Achieving financial goals for the previous year
- Reviewing the beneficiaries on their workplace benefit and insurance plans—and making changes where appropriate
- Having pay automatically deposited into a bank or credit union account
- Obtaining a credit bureau report for credit worthiness
- Reducing consumer debt
- Contributing 10% to 15% of their salary to a defined contribution retirement plan

- Not borrowing from a workplace retirement savings program
- Using an online tool to determine how much to save for a child's education
- Using the Internet to gather information before making a major financial decision (e.g., buying a house or motor vehicle, choosing a credit card or insurance)
- Participating in and completing the evaluation for a financial education program
- Getting an annual personal financial checkup conducted by a financial planner.

Those who meet eight criteria might receive a \$100 cash bonus. Workers who meet six might receive \$50. Alternatively, a \$25 gift card might be given to everyone who meets a specific number of criteria. The amount awarded should reflect projected savings to the organization resulting from workers who exhibit good financial wellness. As with health wellness incentive programs, organizations should establish a threshold every worker can achieve.

# IV. Financial Education: Program Development and Best Practices

Workplace financial education often is confused with handing out brochures, putting posters in the lunchroom or providing links to some great websites. Pointing to and distributing information is only one element of an effective program.

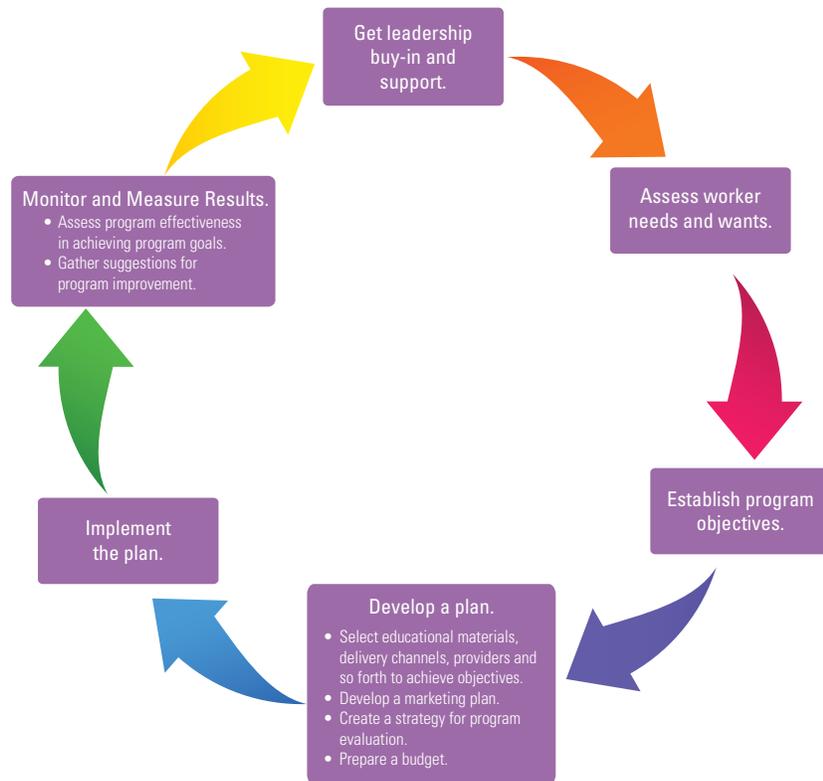
Think of financial education as an ongoing process that helps individuals acquire the knowledge, skills, values, beliefs and habits that will help them improve their financial well-being. An important part of this process is giving learners the information, tools and strategies they can use to make money management decisions throughout their lives.

Although developing a comprehensive program may seem a daunting task, it is possible. Those who are not financial education experts can accomplish it by applying some basic principles, which include finding the right materials and providers.

Figure 4 illustrates the steps involved in initiating a financial education program in the workplace. Leadership buy-in is needed early in the process and may require data showing why a program is needed and how it will benefit the organization.

In addition, the specific needs of workers and their program preferences must be identified. Prioritizing needs leads to the establishment of program objectives.

Figure 4 | The Education Programming Cycle



The program development stage is where specific content, educational materials, delivery methods and providers are selected, and a plan for program evaluation and the budget are established.

Predetermined assessment tools are used to monitor and measure how well the program is meeting its goals and to gather suggestions for improvement—information that is essential to future program support and decisions.

## Get Leadership Buy-In and Support

Getting the buy-in and support of senior leadership is critical to getting the resources necessary to develop a successful financial education program. Showing leaders how a financially literate workforce connects to and can address management concerns is key. When workers are less worried about their financial health, the organization's bottom line is improved through cost savings and increased productivity in the short term and for many years to come.<sup>35</sup>

The expense of running an education program is quickly recouped through cost savings and increased productivity.

### *Return on Investment*

Like other benefits, it is not easy to calculate the return on investment (ROI) of a financial education program. For organizations in general, the Personal Finance Employee Education Fund (PFEED) has quantified the ROI of a quality employee financial education program as at least \$3 for every \$1 invested. The expense of running an education program is quickly recouped through cost savings and increased productivity. This 3:1 ratio doesn't include the value of the increased worker and community goodwill generated when providing such a program.<sup>36</sup>

For those seeking assistance estimating the benefits for their own organization, PFEED has a network of providers that will use organization data for absenteeism, turnover rates, training costs and a financial wellness scale to prepare a detailed report on ROI.

### *Liability*

The leadership of some organizations fear they will be held liable for providing poor financial advice to workers. The first step in dispelling this concern is to explain that a financial education program is focused on basic financial concepts and the “how-tos” of money management. Plan participants are given the information and tools they need to make their own decisions based on their personal circumstances. Such efforts are not considered financial advice. On those occasions when advice is given (e.g., one-on-one sessions with a financial counselor or planner), organizations have learned how to appropriately provide this assistance by using credentialed third-party professionals and proper vetting.

A financial education program may, in fact, reduce an organization's liability. Reduced financial distress has the potential to reduce liability exposure resulting from workplace accidents, malpractice, etc. A program can also reduce the possibility that workers who lack sufficient resources for a secure retirement will blame plan fiduciaries.

### *Scope*

If leaders still hesitate to launch a financial education program, consider starting with a pilot that has just a few objectives.

- **First come, first served.** Offer one class, or limit the number of individuals who can participate (e.g., 20, 30 or 50 workers) to those who sign up first. This approach provides a means to gauge participant interest and a way to control how much is spent.
- **Target those who need it most.** To maximize impact, identify workers who most need the program. For example, the organization might gather names of individuals requesting a loan or hardship withdrawal from a retirement plan. In some organizations, managers or supervisors may know of workers who are struggling financially. Potential participants would be discreetly informed the program is available.

Over time, what has been learned can be used to demonstrate the value of the program and to expand it in a controlled and thoughtful way.

### *Assess Worker Needs and Preferences*

To identify the financial needs and preferences of workers—an essential early step in developing a financial education program—look to workers themselves. A combination of the following ways to gather information is recommended:

- Interviews
- Focus groups
- An advisory group
- Questionnaires via mail, e-mail or in person
- Questions submitted to HR, the plan office or vendors
- Use of website content and other information/education efforts
- Discussion and questions at meetings.

The focus of these strategies might be to identify:

- The financial goals of workers and their families
- The obstacles workers have experienced in realizing these goals
- The financial knowledge, attitudes and behaviors of workers
- The content workers say they want a financial education program to address
- Worker preferences in program location and delivery
- Worker willingness to share program costs.

Gathering demographic data such as the age, gender, education, race, ethnicity and family status of workers is vital when determining appropriate content, program delivery and marketing for targeted subgroups. Young couples are more likely to be concerned about purchasing a home or teaching their small children how to manage money, while older workers may be focused on retirement or the care of aging parents. From a cultural perspective, taking responsibility for the care of elderly relatives is an especially strong tradition among Asians. On the other hand, these same workers are more likely to have the support of friends and families if they experience a financial crisis.

Surveys are a particularly effective way of gathering information from workers. Tools developed by several government and private organizations to assess financial knowledge, skills, etc., of individuals make this part of the process less intimidating. See Exhibit 5 on page 13 for details on some of these low-cost and free tools. Many can be used to assess both worker needs and preferences as well as program effectiveness.

### *Content*

When asking workers what topics they would like covered in a financial education program, include a range of topics—not just health and/or retirement benefits. The ability of workers to understand and take advantage of benefit programs is often interconnected with other financial education topics. For example, the ability to save for retirement depends on a worker's ability to live within his or her means and understand the basics of investment (e.g., risk, diversification). Topics such as purchasing insurance, buying a home and estate planning also make the point to potential participants that improving financial skills is a normal need for everyone.

Exhibit 6 on page 18 provides an outline of topics that might be considered as part of a workplace financial education program and listed in the survey. The importance of these topics will vary from one education program to another and may change over time.

### *Privacy*

Given the highly personal nature of the information collected, it is critical that the privacy of participants be protected. Respondents must be assured that information gathered will be treated with the utmost confidentiality.

### *Incentives*

Offering an incentive to take part in a survey often results in greater participation. The incentive chosen may be comparable to those already used for existing programs.

The ability of workers to understand and take advantage of benefit programs is often interconnected with other financial education topics.

## Exhibit 6 | Personal Financial Concepts

Personal finance education may encompass a broad array of topics that will help workers with their overall financial fitness at every stage of their lives.

### 1. Money management and decision making

- a. Identifying needs and wants
- b. Establishing financial goals
- c. Analyzing the costs and benefits of choices
- d. Organizing and storing financial records
- e. Developing a personal financial plan (e.g., budgeting, spending plan)



### 2. Earning

- a. How education, career and life choices impact income and relate to achieving financial goals
- b. How taxes and benefits affect disposable income
- c. Sources of personal income



### 3. Goods and services

- a. Analyzing the products and services of banks and other financial institutions
- b. Making major purchases (e.g., motor vehicle, home, college education)
- c. Renting and leasing (motor vehicle, apartment)
- d. Choosing professionals (e.g., financial, legal, medical)
- e. Expressing consumer dissatisfaction and filing a complaint



### 4. Credit

- a. The costs and benefits of the various types of credit and debt (e.g., credit cards, auto loans, home mortgages, home equity loans, payday loans, education loans)
- b. Building, protecting and rebuilding a credit history
- c. Handling credit and debt problems
- d. Consumer credit protection laws



### 5. Risk Management and insurance

- a. Insurance products (e.g., life, health, disability, long-term care, property and liability)
- b. The need for and value of different types of insurance at different life stages
- c. Purchasing insurance



### 6. Saving and investing

- a. How saving impacts financial well-being
- b. Compounding and the time value of money
- c. Savings strategies for college, buying a home, retirement, etc.
- d. Savings and investment options (e.g., certificates of deposit, stocks, bonds, mutual funds)
- e. Investment principles (e.g., the relationship between risk and return, diversification)
- f. How government regulatory agencies protect savers and investors



### 7. Paying taxes and giving

- a. Reducing taxes using tax deductions and credits
- b. Tax form preparation
- c. The impact of taxes on investment returns
- d. Evaluating charitable organizations



### 8. Coping with and planning for life events

- a. Establishing an emergency savings fund
- b. Coping with unemployment
- c. Paying for college and other education goals
- d. Estimating retirement needs
- e. Types of retirement plans (e.g., government benefits, tax-deferred plans)
- f. Retirement spending
- g. Marriage, separation and divorce
- h. Teaching children about money
- i. Helping aging parents
- j. Financial and health directives (e.g., powers of attorney, beneficiary and account ownership designations, wills)
- k. Estate planning
- l. Funeral planning



## Establish Program Objectives

Objectives are what program participants will learn and/or be able to do as a result of the education. They are developed based on the most common worker needs and preferences. To assist later in measuring program success, objectives should have a SMART format with these characteristics:

- **Specific**—Target a specific group/area for change or improvement.
- **Measurable**—Attach a number to measure success, or at least suggest what will indicate progress.
- **Achievable**—The results can realistically be achieved given available resources.
- **Relevant**—The results are relevant to improving the financial well-being of workers and to achieving organizational goals.

- **Time-specific**—State when results will be achieved. Consider an assessment of Acme Contractors that reveals:

1. A substantial number of immigrant workers with limited English skills are relying heavily on costly check-cashing services.
2. Young workers are burdened by heavy student debt.
3. The proportion of new workers participating in ACME's retirement savings plan has declined notably.

These facts suggest a need for three programs with objectives targeting specific groups of Acme workers. See Exhibit 7 for targeted programs and potential objectives the organization might establish as a result of these findings.

### Exhibit 7 | Sample Financial Education Program Objectives

After assessing worker needs and preferences, ACME Contractors might establish these program objectives.

1. **Basic banking program for immigrant workers.** As a result of this program offered in their native language, participants will:
  - Become aware of the alternatives to costly check-cashing services
  - Be able to compare services available through local banks and credit unions
  - Reduce their use of check-cashing services
  - Increase their use of less costly services available through banks and credit unions.
2. **Educational debt program.** Participants in this program will:
  - Become aware of potential strategies for reducing the financial impact of their student loans
  - Recognize the pros and cons of debt consolidation
  - Develop a financial plan that will help them achieve their goals for paying off student debt
  - Have less financial stress meeting their student loan payments and day-to-day living expenses.
3. **Retirement savings education program for new workers.** Participants will:
  - Understand how compounding and tax-sheltered investments reduce the amount they must save for retirement
  - Choose an amount to save that will help them achieve a secure retirement
  - Enroll in their retirement savings program
  - Create a retirement savings portfolio appropriate to their risk tolerance and current circumstances.

For workers in general, ACME might offer additional programs—each having a specific objective or set of objectives. Sample program objectives might be that participants will be able to:

- Select an appropriate health plan
- Establish an emergency savings account
- Organize and automate their financial lives
- Break free of debt
- Improve their credit score
- Create an insurance plan to manage financial risks
- Produce a plan for achieving a secure retirement
- Understand the steps involved in buying a home
- Prepare health and end-of-life directives.

To fit the SMART format, numbers or percentages might be added. For example:

- The number of workers using check-cashing services will be reduced to 10%.
- 75% of workers with student debt will report a decline in financial stress.
- 90% of new workers will enroll in the company's retirement savings program.
- 75% of workers will prepare health and end-of-life directives.

## Financial fitness doesn't happen overnight or through a one-time event.

When establishing objectives, consider the impact a program will have on participants. Generally, objectives should have one of three impacts.<sup>37</sup>

1. **Improve participant knowledge, attitudes, skills or aspirations (KASA).** Objectives to improve KASA are easier and take less time to accomplish than those in category 2 and 3. A one-time, two-hour presentation may be sufficient to increase participant knowledge of banking options and convince them they can benefit by using a bank or credit union.
2. **Change participant behavior.** Getting participants to use the less costly services available through banks and credit unions is an example of a behavioral change. These types of objectives (as well as those in category 3) are more challenging. Success takes longer and almost always depends on first making changes in KASA.
3. **Achieve an end result.** In a financial education program, these objectives usually are focused on improving the overall social and/or economic condition of participants. A daylong workshop or multisession program over several months may be necessary.

Financial fitness doesn't happen overnight or through a one-time event. It is a process that involves gathering information, setting short- and long-term goals, taking a series of small steps and establishing routines. Eventually, this process becomes a way of life that leads to the higher level desired results. The process has many similarities to helping a person change his or her diet and/or lose weight.

A longer program gives an educator more opportunities to get to know individuals, recognize obstacles to desired behaviors and observe changes. The educator can help participants overcome obstacles and provide positive reinforcement as they take steps to achieve their goals.

## Create a Plan

### Content

For its financial education program, an organization might adopt an existing curriculum, modify a curriculum to fit its unique needs or even develop a new curriculum. There is a happy medium between acquiring an advanced degree in personal finance and relying on an Internet search for personal finance content. The federal governments of both Canada and the U.S. have created materials that could serve as part of a workplace education program. A few examples are identified in Exhibit 8.

**Relevant and practical.** The content chosen must be relevant to the target audience and practical. A program is more likely to engage learners and have an impact when the subject matter is tailored to their interests and what they view as important.<sup>38</sup> For a group of low-income workers, a program that addresses how to find low-cost sources of credit, take advantage of tax credits or get financial aid for a child who wants to attend college is likely to be more successful than one on retirement planning.

**Accurate and up to date.** Over time, people change, the legal environment evolves, and new products and services are introduced. Subject matter and the materials supporting a program must be continuously modified to reflect these changes.

### Delivery Options

Just as there is a diversity of content that might be offered as part of a financial education program, there are also many options as to how a program is delivered. The delivery method is as important as the content chosen. What works depends on the potential participants and the individual organization. Budget often has an impact on the options chosen.

Four popular approaches to financial education are most likely to be effective and may be used alone or in combination:

1. **Information distribution.** Printed booklets, newsletter articles and payroll stuffers traditionally have been used to provide information on benefits and, more recently, on financial topics in general. Newer distribution strategies include e-mail, social media and websites. However, used alone, distributing information tends to be the least effective strategy. Too often, content is set aside, unread and forgotten.
2. **Group sessions (including webcasts).** Workshops and other person-to-person programs provide opportunities to ask questions and share opinions/experiences. Informal small groups tend to work better than large groups if participants are expected to participate actively in the learning process (e.g., group discussion, completion of a worksheet). A large group might work when employing a motivational speaker to kick off a program and when using a presenter more than once is costly or impractical. Webcasts can reach workers at geographically diverse sites and at times that are convenient to those who want to participate. If the webcast is live, people may be able to interact anonymously with the presenter.
3. **One-on-one coaching.** For people who need more help, one-on-one counseling with a professional may be required. The coaching may be in person or through a phone hotline or online chat. The overwhelming advantage to this approach is the ability of learners to deal with their specific circumstances. In addition, those reluctant to discuss embarrassing financial information in front of co-workers may be more willing to talk privately with a financial counselor. The effectiveness of one-on-one assistance is high—Studies show that 80% of employees took action after a one-on-one financial discussion.<sup>39</sup>
4. **Self-study.** Videos, podcasts, workbooks, games and online learning modules offer opportunities for individualized instruction at the time when a participant needs the information, wants to make a change and is most motivated to learn. These programs also can reach people who are unable to attend group programs. Timing and location of the learning are at the convenience of the learner. Finally, self-study programs give people the freedom and privacy to explore financial issues they would shy away from with the other delivery methods.

## Exhibit 8 | Free Online Financial Education Resources

### Canada

- **GetSmarterAboutMoney.ca.** Information and decision tools on all things money, including spending, using credit and investing, from the Investor Education Fund, part of the Ontario Securities Commission. English and French versions are available.
- **Financial Consumer Agency of Canada.** Click on “For Consumers” for links to articles and tools concerning banking, budgeting, credit, saving, insurance, fraud and more at [www.fcac-acfc.gc.ca/Eng/Pages/home-accueil.aspx](http://www.fcac-acfc.gc.ca/Eng/Pages/home-accueil.aspx). Content is available in English and French.

### United States

- **Money Smart for Adults.** Instructor-led curriculum with 11 training modules covering basic financial topics concerning bank services, credit, budgeting and home ownership. Each module contains a script for the educator, overhead slides and reproducible take-home materials for students that can be used independently afterward. Similar programs are available for young people and older adults. A computer-based version of the program also is available in English and Spanish. Visit [www.fdic.gov/consumers/consumer/moneysmart/adult.html](http://www.fdic.gov/consumers/consumer/moneysmart/adult.html).
- **Wi\$eUp: Financial Planning for Generation X & Y Women.** Free online course available in English and Spanish with eight modules on money management that include content on budgeting, credit, insurance, retirement planning and more. Other features of the site include free webinars and questions answered by financial professionals. Go to [wiseupwomen.tamu.edu/about-us.php](http://wiseupwomen.tamu.edu/about-us.php).
- **Savings Fitness: A Guide to Your Money and Your Financial Future.** From the U.S. Department of Labor, a printable 44-page booklet with worksheets on planning and saving for retirement. Visit [www.dol.gov/ebsa/publications/savingsfitness.html](http://www.dol.gov/ebsa/publications/savingsfitness.html) for the online version and instructions on how to order.

Organizations increasingly are using technology to provide customized and on-demand personal finance education via online events and courses. In addition, calculators and other virtual tools permit individuals to do personalized planning (e.g., determining how much money is needed for retirement, how much house the user can afford and the cost of different credit options). The use of mobile apps, games and social media for adult personal financial education is also emerging. Early indicators suggest there is potential for at least some of these applications, although they likely will serve as supplements versus a total solution to helping individuals change financial behaviors.

Regardless of the delivery channels and the content covered, experts have identified some techniques that can contribute to the success of any education program. For more information regarding what works with respect to program delivery, see Exhibit 8.

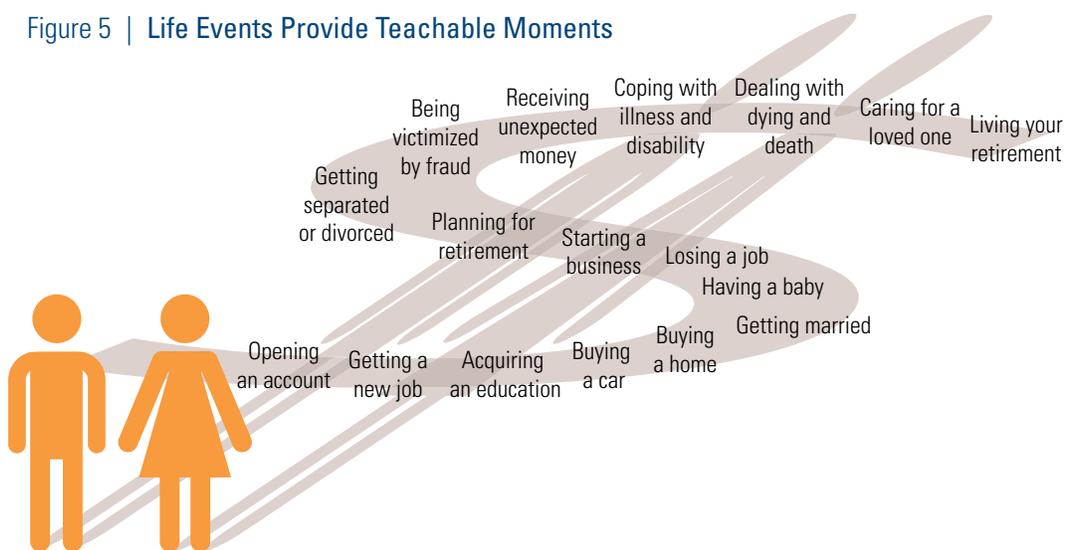
### Timing

How timing affects the success of financial education programs often is overlooked. Learners want content that connects with a current problem or situation they are experiencing.<sup>40</sup> Program goals and instruction should link to decisions learners are ready to make. A group of young, single apprentices likely is interested in getting credit, buying a vehicle and getting the best deal on car insurance. For them, home mortgages or long-term care insurance may be far in the future.

The life events identified in Figure 5 are *teachable moments* when people are motivated to learn and will almost immediately take action on what they have learned. For example, the point when a worker is first hired and must choose among various retirement options is the ideal time to provide education about the options. Taking advantage of such opportunities is referred to as *just-in-time education*.

If a program covers topics that are many years away, it is highly likely what has been learned will be forgotten by the time it is needed. In an analysis of more than 200 studies of financial education programs, researchers found that within 20 months, most people had forgotten what they had learned.<sup>41</sup>

Figure 5 | Life Events Provide Teachable Moments



Source: Based on a graph published by the Task Force on Financial Literacy, *Canadians and Their Money: Building a Brighter Financial Future* (2010), and information from the Investor Education Fund.

## Exhibit 9 | Financial Education: More on What Works

In recent years, researchers and educators have identified specific strategies that work regardless of the personal finance content.

1. **Multiple channels.** People have different learning styles and learn more rapidly when information reaches them through more than one sensory channel (e.g., visual, auditory, tactile). An effective educational program might use a mix of seminars, discussion groups, news articles, handouts, worksheets, videos and online calculators.
2. **Active learning.** Learning is more effective when learners have an active role in the process.<sup>42</sup> Learning should be problem- and experience-centered, with hands-on activities that go beyond reading, listening or observation. Effective programs layer learning by first providing basic information, followed by activities that permit people to apply what they've learned. Interactive learning experiences include group discussion, role play, case studies and technology-assisted simulations. Participants are shown how to use the tools and resources that are made available to them, then given an opportunity to use them with the assistance of the instructor.
3. **Self-direction.** Adult learners tend to resist learning when they think others are imposing information, ideas or actions on them.<sup>43</sup> They prefer deciding for themselves what they want to learn, how they will learn and when learning will occur. They typically enter into the learning process with a goal in mind. But there are also situations when the program facilitator has to help learners become aware of their "need to know" and make a case for the value of learning. Whenever possible, learners should have some choice in the content covered and learning activities.
4. **Integration of new and previous knowledge.** Adults bring life experiences and knowledge to the learning experience that can enhance or interfere with new learning.<sup>44</sup> Effective educational programs acknowledge and build on these interests and experiences while respectfully addressing erroneous and preconceived ideas.
5. **Unbiased.** To be most effective, financial education must be presented by professionals who are unbiased in their recommendations. Learners want solid, objective information—not sales presentations for insurance or investments. A financial education program should be something an organization is doing *for* workers, not *to* them.
6. **Language.** All the financial education in the world is of little or no value if delivered in a language foreign to program participants. Many program planners and educators recognize that some workers may need content in a language other than English. But they may not grasp as readily that personal finance has its own language that can be an obstacle to learning. Program participants who do not know fundamental terms of investing (e.g., growth stocks, target-date funds, diversify, rebalance) quickly are lost if they are not given simple explanations of the vocabulary being used.
7. **Underlying skills.** Financial literacy and the demands of everyday life involve underlying skills such as reading, oral and written communication, mathematics and problem solving. Not all program participants can use a computer, read the text provided or do the basic math required to complete a program. As a result, instruction in these areas prior to or in combination with financial literacy may be essential. The average reading level in the U.S. is around grade 7 or 8; in Canada, it is about grade 10.
8. **Diversity.** Participants in a workplace financial education program may be very different in terms of gender, race, ethnicity, religion, culture and socioeconomic status. Effective educators are aware of these differences and acknowledge them by using materials, examples and a variety of instructional strategies that reflect the real lives of participants.
9. **Constructive feedback.** Adult learners want to know how well they are doing. Clear objectives should be presented and reviewed at the start of the program, workshop, online lesson, etc. Constructive feedback throughout the learning process should give learners confidence they'll succeed in what they have set out to do. Learners should have opportunities to evaluate their individual progress and identify where more work is needed.
10. **Ongoing support.** Just as coaching and peer support help people who are trying to lose weight stay on track, the same strategies can help individuals achieve financial well-being. Offer a followup session to a program so learners can report on their progress and get help taking the next step. With online programs, consider posting links to additional sources of information or, better yet, provide an opportunity for confidential e-mail correspondence between the participant and educator.

## Providers

While some organizations will have staff members with sufficient knowledge of personal finance and teaching strategies to conduct an education program, others will rely on one of the many external providers that offer workplace programs. The costs and quality of these outside providers will vary. Costs depend on factors such as the educational goods and services provided and the number of program participants. Fortunately, many external providers are affordable and do not require a big investment of staff time on the part of program sponsors, and some programs are free.

External providers generally fall into one of four categories:

1. **Vendors.** Benefit providers, financial advisors, investment professionals, insurance agents, attorneys and other vendor representatives often will provide free seminars, classes or one-on-one sessions for workers. Local banks and credit unions frequently have representatives who will do likewise. While these programs can be worthwhile and offer useful information on a specific topic, they are rarely comprehensive. It's also important to be sure vendors aren't masquerading as educators to prospect for clients or sell products or other educational programs. Many EAPs now offer some type of money management assistance—often a referral to another organization such as a consumer credit counseling agency.
2. **Nonprofits.** Many nonprofits and community organizations offer free or low-cost financial education. Workers can be referred to one of these programs in a specific situation—for example, a nonprofit credit counseling service to help those with debt problems create a credit management plan or a local organization to help low-income households complete tax forms.
3. **Government.** Various government and quasi-government organizations offer programs and materials. Federal agencies in both Canada and the U.S. offer programs and materials online. State and county offices of the U.S. Cooperative Extension System offer a mix of in-person and online financial education programs and materials that are free or inexpensive. Staff offering cooperative extension programs have had university training in both the subject matter they teach and how to teach it. Examples of free programs available from government sources are described in Exhibit 8 on page 21.
4. **Financial education service providers.** A growing number of businesses focus on providing broad-based financial education, typically through some combination of personal finance risk assessments, in-person workshops, webinars, online courses and personal coaching. Most have been established by professionals from a field with a natural link to personal finance—for example, investment brokers, accountants and financial advisors. Their experience as educators is mixed, and the quality of the programs they have created reflect this diversity. For practical advice when choosing a financial education provider, see Exhibit 10 on page 25.

A special caution about financial gurus in the media. When an individual or firm is selected as a source of information and education in the workplace, there is an implied endorsement by the organization sponsoring the program. Workers who don't know where to turn when they need other information are likely to reach out to this same source. The result may be the sale of inappropriate products and services as well as potential liability for the sponsoring organization. Some celebrity “experts” have endorsement contracts that reflect the willingness of local advisors to pay referral fees—not an assessment of the advisor's credentials.

## Exhibit 10 | Choosing a Financial Education Provider

Cost isn't the only factor to consider when seeking an outside provider for a financial education program. The provider should:

- **Have no divided loyalties.** A provider's compensation should not be based on selling financial goods and services, offering high-interest loans, etc. Asking financial advisors to accept fiduciary responsibility for the education they provide may be appropriate.
- **Have training and experience.** Just because a person works in banking, investing or another financial field does not mean he or she will succeed as a personal finance educator. Look for educators who have training and experience in both the subject matter they teach and how to teach it.
- **Offer something for everyone.** Provider strategies and resources should serve the diverse demographics, learning styles and financial concerns of the target audience.
- **Be engaging.** Program educators and other resources should hold the attention of program participants. A fun, dynamic program increases participation and effectiveness.
- **Focus on behavioral changes.** A program must be more than an information session, brochure or website tools. Just giving people facts isn't enough to drive behavioral change.<sup>45</sup>
- **Have proven results.** There should be evidence the program and materials are effective with the target audience.

## Logistics

Choices need to be made for each component of a financial education program. Planners should ask:

- **Who will be invited to participate?** Will spouses be invited? What about adult children still living in workers' homes? Household spending decisions rarely are made by one person. In some cases, partners are more receptive to financial education than the workers.
- **How much time will be involved?** Will the program require an hour of participants' time? Five hours? Twenty hours? The longer the program, the more likely higher-level objectives will be achieved. This must be balanced with participant willingness to commit the time, and longer programs may require more effort to keep learners engaged.
- **How often will the program be offered?** The first month a person is hired or when a person reaches a specific age? Once or twice a year? Or will elements be available to workers whenever they want to participate?
- **When will the program be offered? Before, during or after work?** Is the lunch hour an option? If it's offered during work hours, will workers be paid for these hours? Should the program be scheduled so that it is more convenient for spouses? Could a blended learning approach work—perhaps an online video viewed at home along with a weekly class at work?
- **Where will in-person programs be held?** At work-sites for convenience or, perhaps, away from work to protect worker privacy?
- **How will technology-based programs be made available?** Will participants be able to access the program via computers, mobile devices or both? Will apps, interactive worksheets or websites supplement the basic content? Will there be a special web page for calculators and other virtual tools or links to additional sources providing vetted information?
- **Will the program be mandatory or voluntary?** Mandating participation guarantees the largest number of participants but can create ill will toward the program and the sponsor—especially when the program is not a good fit for some who must attend.

- **Will participants be expected to share in the cost of the program?** If so, how much will they have to pay? Having some “skin in the game” may motivate those who sign up for a program to finish it. Some organizations require a nominal payment up front that is returned upon completion of the program. If participants are to be reimbursed, what proof do they need and who must they give it to?
- **Are there other things that can increase program participation?** Should food or child care/entertainment be provided so that workers with young children can participate when a program is in person? For participation incentives, see the section on marketing that follows.
- **How will workers sign up for the program?** Will registration be handled by staff or a third-party provider? Will it be a paper form or online? Is there a method that workers generally prefer when signing up for a program? Sign-up should be as easy as possible.
- **How will participation be tracked?** Must workers sign in when they attend a group program, or must they get a form signed each time they participate? With a computer-based program, is there a way to track when a user finishes a learning module?

### Marketing

Potential participants must be told (1) how they can access a financial education program and (2) how the program will benefit them. How this is accomplished depends on organization culture, workforce demographics and program objectives.

An organization may find it valuable to position financial education as a benefit versus a service or even a program. Some organizations want to tell why they have made a commitment to sponsoring the program. Remind workers this is their program, based on the needs and wants they expressed in survey responses.

**Program Titles.** When choosing the title for a financial education (or wellness) program, use terms workers can relate to and that they view as positive. For example, people tend to respond better to the phrase *financial security* than *financial freedom*.

Promising “Ten Ways to Save Money Even When It Feels Impossible” may generate more participation than “Achieving Retirement Security,” even though both have the same ultimate goal.

**Incentives.** To encourage participation, an organization may want to provide a free meal or other incentive such as:

- A cash gift card
- A discount or reimbursement for money management software and/or financial planning services
- Points toward the organization’s wellness program that can be redeemed for gifts or cash
- An entry into a prize drawing for work tools, an iPad, a flat-screen television or other popular items.

**Competition.** Besides promoting a program and the benefits of participation, a marketing campaign is an opportunity to inject an element of fun. Some organizations are using gamification and other forms of competition to engage employees. Consider having a contest to name a new financial education program with the winner given a cash award or other prize. Recognition might also be given to the person (or group) that:

- Completes the most financial education program hours
- Gets the highest score (or aggregate score) on a quiz after taking part in a program.

The ultimate goal of an educational program is to promote behavioral change. Consider competitions that recognize the group with:

- The largest debt reduction in a one-year period
- The most members checking their credit reports during the year
- The most members using an online tool to calculate their retirement savings needs.

Planned correctly, competitions remove the stigma some persons fear if they participate in a program. For more insight on participant privacy and overcoming the stigma that may be associated with participation in a financial education program, see Exhibit 11.

**Champions.** Winners of competitions, and other program participants, are great candidates to be program “champions”—helping get the rest of the workforce excited about and participating in financial education programs. Seek positive testimonials from people who are willing to share their stories with other workers—for example, how they paid off their debts, how they can now help pay for their kids’ college, how they have started saving for retirement or why there is less stress in their lives.

**More Strategies.** Other ways to let workers know about a new program and to create a positive buzz might be:

- A statement from a respected leader within the organization
- Articles and advertisements in organization newsletters
- Brochures, fliers and/or e-mails
- Posters
- Postcards sent to worker homes to reach spouses and reinforce the program’s family impact.

**Ongoing Promotion.** Marketing a financial education program must be more than a kickoff event. Given the lifelong nature of the education process, workers who had no need for a program at one point in their lives may later be prime candidates for instruction. It is wise to conduct an ongoing, year-round campaign to remind workers of the program’s availability.

### *Program Evaluation*

See **Monitor and Measure Results** on page 28.

### *Budget*

How much an organization will spend on a financial education program is something that must be considered throughout each stage of planning. Creating and implementing a successful program requires balancing worker wants and needs, effective delivery and affordability. Common budget items include:

- Educational materials (e.g., workbooks, handouts, course fees)
- Facilities (e.g., room rentals)
- Technology (e.g., program development, broadcast fees)
- Marketing efforts (e.g., brochures, posters, participation incentives)
- Fees for any third-party providers (e.g., consultant expenses, graphics, printing)
- Internal staff time to develop, facilitate and market the program.

## Exhibit 11 | Protecting Privacy and Overcoming Stigmas

Finances are highly personal. Employee reaction to a personal finance education program—in fact, any element of a financial wellness program—may be mixed. Employees who most need financial education often are experiencing financial difficulties. They might think that by attending such a program, they will reveal they are having problems.

An organization must stress that the goal of a financial education initiative is not to look into the personal lives of workers but to provide opportunities and resources workers can use to reduce stress and feel more secure financially. Workers must know that any information they or their family members provide, along with program participation, is confidential. If vendors are involved, participants must also be assured that no one will be trying to sell them something. Additional tactics to consider to address this issue include:

- Emphasizing the need for financial education for all employees and providing a program that has something for everyone
- Conducting in-person events at a site separate from work and/or through a third party that serves other individuals not affiliated with the workplace
- Offering information, education and tools in an online format so employees can maintain their privacy
- Providing one-on-one counseling opportunities with professionals who are knowledgeable regarding debt reduction, retirement planning, etc.

## Monitor and Measure Results

Evaluation should be an integral part of planning for and implementing almost any educational program. Measuring program outcomes reveals a program's strengths, weaknesses and areas for improvement. It is also a means to identify successful strategies that might be used elsewhere and evidence that investment in the program was justified. Many of the same tools identified in Exhibit 5 on page 13 to help assess the financial well-being of workers can also be used to measure program results.

### *Program Usage, Satisfaction and Suggestions for Improvement*

Measuring program usage, participant satisfaction and suggestions for program improvement can be accomplished during and after completion of program elements. It should include feedback concerning the program's content, method(s) of delivery, educators/facilitators (if any), ease of access and the overall program. This information is generally the easiest to gather. Unfortunately, it is not a particularly good indicator of program effectiveness.

### *Participant Impact*

The impact of a financial education program on participants should reflect program objectives. The higher the level of impact, the stronger the justification for the program and the more difficult it is to measure the results. Questions to measure changes in participant knowledge, attitudes, skills and aspirations (KASA) can usually be asked at the beginning and end of a program. Higher level changes in participant behavior and socioeconomic conditions tend to occur over a longer period of time that extends beyond completion of an educational program. Measuring these higher level changes requires a commitment to evaluation on a long-term basis. A rule of thumb is to document the highest possible impact with the available resources for evaluation.<sup>46</sup>

### *Demographics*

Data on participants' age, income, education, family status, race, ethnicity, etc., helps determine who is being reached by the program and its effectiveness with different audiences.

### *Organization Impact*

In addition to how a program is impacting the financial well-being of workers, the sponsoring organization may want to measure the impact on its bottom line. It can collect data from before and after the program on:

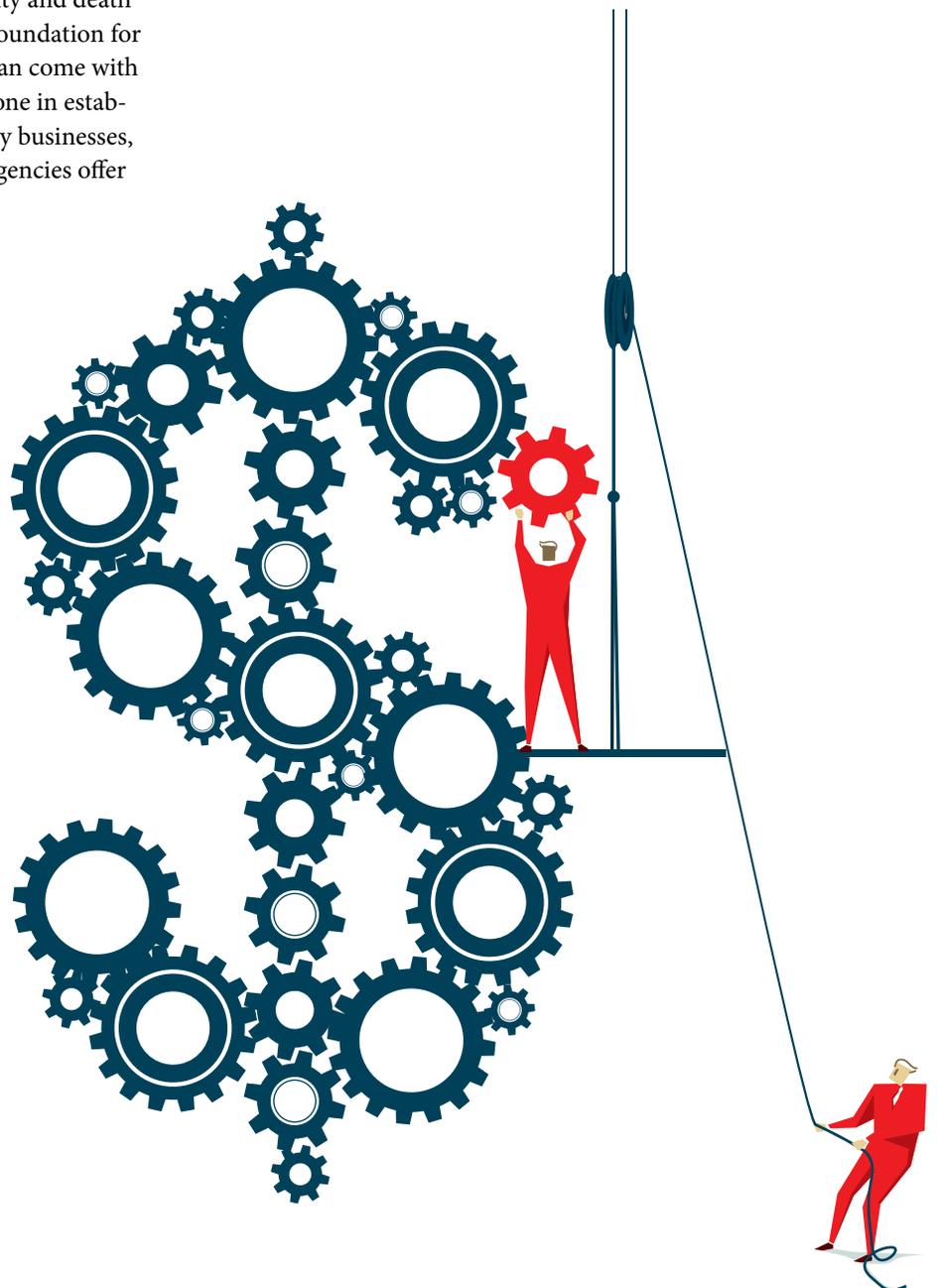
- Absenteeism
- Payroll advances
- Garnishments
- Health care costs
- Turnover
- Productivity.

## Conclusion

Increasingly, employers, labor organizations and benefit plan administrators are realizing that workplace wellness programs must focus on more than physical health. A worker's money management skills and financial decision making play an important role in improving his or her quality of life. Financially healthy workers have fewer absences, higher productivity, lower medical claims, etc.

When considering how to get started with a financial wellness program, many organizations discover they already have some program elements in place; for example, providing workers access to health, disability and death benefits helps them build a firm financial foundation for dealing with the financial challenges that can come with life events. Organizations need not go it alone in establishing a financial wellness program—Many businesses, nonprofit organizations and government agencies offer help with program components.

An important part of a workplace financial wellness initiative is financial education. No one financial education program offers a one-size-fits-all solution; a program that considers the specific needs and interests of workers has the most potential for success. To be effective, the program must also be based on best practices and take advantage of “teachable moments” when workers are motivated to learn.



# Endnotes

- For example:
  - Financial Consumer Agency of Canada, *Managing Money and Planning for the Future: Key Findings from the 2014 Canadian Financial Capability Survey—Final Report* (November 24, 2015).
  - The National Foundation for Credit Counseling, *2015 Consumer Financial Literacy Survey* (2015).
  - FINRA Investor Education Foundation, *Financial Capability in the United States: Report of Findings from the 2012 National Financial Capability Study* (2013).
  - Task Force on Financial Literacy, *Canadians and Their Money: Building a Brighter Financial Future* (December 2010).
  - Lewis Mandell, *The Financial Literacy of Young American Adults: Results of the 2008 National JumpStart Coalition Survey of High School Seniors and College Students* (2008).
- Financial Planning Standards Council (FPSC), “Canadians Cite Money Worries as Greatest Source of Stress,” *Alerts and Updates* (November 13, 2014).
- American Psychological Association, *Stress in America: Paying With Our Health* (February 4, 2015), pp. 2-3.
- Sun Life. *Sun Life Canadian Health Index*, (2014), p. 8.
- Supra note 3.
- General Social Survey (GSS) as reported by Susan Crompton, *What’s Stressing the Stressed? Main Sources of Stress among Workers* (Statistics Canada, October 13, 2011); and American Psychological Association, *Stress in America: Paying With Our Health* (February 4, 2015).
- Ravi Tangri, *Stress Costs, Stress Cures* (2003), p. 7, at [www.secretsellingtips.com/Vault/StressCostsStressCures.pdf](http://www.secretsellingtips.com/Vault/StressCostsStressCures.pdf).
- Stephen Moser, *The Impact of Financial Stress on Workforce Productivity*, Pension Consultants, Inc. (February 27, 2014).
- E. Thomas Garman, Personal Finance Employee Education Foundation press release, *Employers Waste \$750 to \$2,000 Annually on Each Employee’s Poor Money Management Behaviors* (June 21, 2006).
- Supra note 3, p. 8.
- Koen Ponnet, “Financial Stress, Parent Functioning and Adolescent Problem Behavior: An Actor-Partner Interdependence Approach to Family Stress Processes in Low-, Middle-, and High-Income Families,” *Journal of Youth and Adolescence*, Vol. 43 (2014), pp. 1752-1769.
- Michael L. Benson and Greer Litton Fox, *Economic Distress, Community Context and Intimate Violence: An Application and Extension of Social Disorganization Theory, Final Report*, Department of Justice, NCJ 1993434 (2002).
- California Council on Problem Gambling, *Why Do Some People Have Gambling Problems*, at [www.calpg.org/why-do-some-people-have-gambling-problems](http://www.calpg.org/why-do-some-people-have-gambling-problems).
- PsychGuides.com, *Shopping Addiction Symptoms, Causes and Effects*, at [www.psychguides.com/guides/shopping-addiction-symptoms-causes-and-effects](http://www.psychguides.com/guides/shopping-addiction-symptoms-causes-and-effects).
- For example, see National Institute of Mental Health, *Fact Sheet on Stress*, at [www.nimh.nih.gov/health/publications/stress/index.shtml/index.shtml](http://www.nimh.nih.gov/health/publications/stress/index.shtml/index.shtml).
- National Institute of Mental Health, *Adult Stress—Frequently Asked Questions*, Fact Sheet.
- For example, see Supra note 3, p. 4 and National Center for Health Statistics, Centers for Disease Control and Prevention, *Strategies Used by Adults to Reduce Their Prescription Drug Costs: U.S.* (2013), NCHS Data Brief No. 184 (January 2015).
- Figures from the American Institute of Stress as cited by The Herman Group, *The Herman Trend Alert* (May 2003).
- For example:
  - Dorothy C. Bagwell and Jinhee Kim, “Financial Stress, Health Status, and Absenteeism in Credit Counseling Clients,” *Journal of Consumer Education*, Vol. 21 (2003), pp. 50-58.
  - Jinhee Kim and E. Thomas Garman. “Financial Stress and Absenteeism: An Empirically Derived Model,” *Financial Counseling and Planning*, Vol. 14, No. 1 (2003), pp. 31-42.
- G. T. Adams. *Preventive Law Trends and Compensation Payments for Stress-Disabled Workers* (1987).
- The American Society of Safety Engineers, *Impact of Accident Costs on Businesses*, at [www.asse.org/professionalaaffairs/career-res/impact-of-accident-costs-on-businesses](http://www.asse.org/professionalaaffairs/career-res/impact-of-accident-costs-on-businesses).
- PwC, *Employee Financial Wellness Survey: 2015 Results* (April 2015), p. 11.
- Rebecca Maxon, “Stress in the Workplace: A Costly Epidemic,” *FDU Magazine* (Fairleigh Dickinson University, Summer 1999).
- National Retail Federation, *Retailers Estimate Shoplifting, Incidents of Fraud Cost \$44 Billion in 2014* (June 23, 2015).
- Jinhee Kim and E. Thomas Garman, “Financial Stress, Pay Satisfaction and Workplace Performance,” *Compensation & Benefits Review*, Vol. 36, No. 1 (January 2004), pp. 69-76; and Bank of America Merrill Lynch, *2013 Workplace Benefits Report: Employees’ Views on Achieving Financial Wellness* (2013), p. 8.
- R. Z. Goetzel, D. R. Anderson, R. W. Whitmer, R. J. Ozminkowski, R. L. Dunn, and J. Wasserman, “The Relationship Between Modifiable Health Risks and Health Care Expenditures: An Analysis of the Multi-Employer HERO Health Risk and Cost Database,” *Journal of Occupational and Environmental Medicine*, Vol. 40 (1998), pp. 843-854.
- Health Advocate, *Stress in the Workplace: Meeting the Challenge* (2009), p. 2.
- Employee Assistance Society of North America, *EASNA Survey Shows Increase in EAP Utilization*, Press release (December 8, 2008).
- Consumer Financial Protection Bureau, *Financial Well-Being: The Goal of Financial Education* (January 2015), p. 18.
- Ibid.
- Supra note 29, p. 19.
- Supra note 29, pp. 6-7, 25-46.
- A. Lusardi, *Financial Literacy and Financial Education: Review and Policy Implications*, NFI Policy Brief No. 2006-PB-11 (2006).
- Employee Benefits Security Administration, U.S. Department of Labor. *Report of the Working Group on Financial Literacy of Plan Participants and the Role of the Employer*. Advisory Council Report (2007), at [www.dol.gov/ebsa/publications/AC-1107a.html](http://www.dol.gov/ebsa/publications/AC-1107a.html).
- E. T. Garman, B. Sorhaindo, A. D. Prawitz, B. O’Neill, S. Osteen, J. Kim et al., “Development of and Norms for the InCharge Financial Distress/Financial Well-Being Scale: A Summary,” *Consumer Interest Annual*, Vol. 51 (2005), pp. 233-238.
- E. T. Garman, “The Business Case for Financial Education,” *Personal Finances and Worker Productivity: Proceedings of the Personal Finance Employee Education Best Practices and Collaborations Conference*, Vol. 2, No. 1 (Roanoke, VA: Virginia Polytechnic Institute and State University), (1999), pp. 81-93.
- National Endowment for Financial Education. *Financial Education Evaluation Manual* (2013), pp. 24-27.
- K. Rubenson, *Adult Learning and Education*, (St. Louis, MO: Academic Press, 2011), p. 49.
- Principal Financial Group. *Face-to-Face Education Drives Better Retirement Savings Behaviour*, Press release (July 11, 2012) at <https://pacificlifefinancial.com/about/news/2012/ris-personalized-education071112.htm>.

40. M. S. Knowles, R. A. Swanson and E. F. Holton III, *The Adult Learner: The Definitive Classic in Adult Education and Human Resource Development*, 6th ed. (California: Elsevier Science and Technology Books, 2005).
41. Daniel Fernandes, John G. Lynch Jr., and Richard G. Netemeyer, "Financial Literacy, Financial Education and Downstream Financial Behaviors," *Management Science* (January 6, 2014).
42. Gibb, 1960 as quoted by Stephen Brookfield, *Understanding and Facilitating Adult Learning* (San Francisco: Jossey-Bass, 1986).
43. Dolores Fidishun, "Andragogy and Technology: Integrating Adult Learning Theory as We Teach With Technology," *Proceedings of the 2000 Mid-South Instructional Technology Conference* (Murfreesboro, TN: Middle Tennessee State University, April 2000).
44. Stephen Brookfield, *Understanding and Facilitating Adult Learning* (San Francisco: Jossey-Bass, 1986), as well as M. S. Knowles, R. A. Swanson and E. F. Holton III, *The Adult Learner: The Definitive Classic in Adult Education and Human Resource Development*, 6th ed. (California: Elsevier Science and Technology Books, 2005).
45. See:
  - I. Ajzen, N. Joyce, S. Sheikh and N. Gilbert-Cote, "Knowledge and the Prediction of Behavior: The Role of Information Accuracy in the Theory of Planned Behavior," *Basic and Applied Social Psychology*, Vol. 33 (2011), pp. 101-117.
  - Barbara Kiviat and Jonathan Morduch, *From Financial Literacy to Financial Action*, Financial Access Initiative: Robert F. Wagner Graduate School of Public Service, New York University and McGraw-Hill Research Foundation (2012), at [www.mhfigi.com/wp-content/uploads/2013/08/Financial\\_Literacy\\_WP.pdf](http://www.mhfigi.com/wp-content/uploads/2013/08/Financial_Literacy_WP.pdf).
  - Cliff A. Robb and Ann S. Woodyard, "Financial Knowledge and Best Practice Behavior," *Journal of Financial Counseling and Planning*, Vol. 22, No. 1 (2011), pp. 60-70.
  - Lewis Mandell and Linda Schmid Klein, "The Impact of Financial Literacy Education on Subsequent Financial Behavior," *Journal of Financial Counseling and Planning*, Vol. 20, No. 1 (2009) pp. 15-24.
  - Joyce Serido, Soyeon Shim and Chuanyi Tang, "A Developmental Model of Financial Capability: A Framework for Promoting a Successful Transition to Adulthood," *International Journal of Behavioral Development*, Vol. 37, No. 4 (2013), pp. 287-297.
46. National Endowment for Financial Education, *Financial Education Evaluation Manual* (2013).







18700 West Bluemound Road | Brookfield, WI 53045 | (262) 786-6700 | [www.ifebp.org](http://www.ifebp.org)