

# Do You Have a Financial Wellness Program?

*Companies are luring & retaining employees with this key perk.*

Provided by David H. Smith

**What do your retirement plan participants wish you would offer?** Besides the chance to save and invest part of their paychecks, that is?

**The answer could be “a little more help.”** Last year, Charles Schwab surveyed workers contributing to the 401(k) programs it provides, and 46% wanted help “calculating how much I need to save for retirement.” Forty-three percent wanted assistance in “determining at what age I can afford to retire,” and 39% listed “figuring out what my expenses will be in retirement” as an item on their financial to-do list. Others wanted help with day-to-day financial matters, such as debt management and budgeting.<sup>1</sup>

**Companies with 401(k), 403(b), and 457(b) plans are starting to respond.** At some firms, basic enrollment pep talks on consistent contribution and explanations of asset allocation have been supplemented by degrees of financial coaching. This year, 59% of employers responding to an Aon Hewitt survey on the topic said that they were very likely to offer workers some form of financial wellness program beyond basic retirement saving instruction. This is up from just 30% of employers in 2014.<sup>1</sup>

**Financial wellness programs can promote employee retention.** When workers have money issues in their lives, both their health and performance may suffer. They may try to find a higher-paying job, effectively reducing their commitment to their current one.

**Fundamentally, these programs teach financial literacy.** Most people need more of that, including high earners. Corporations such as Activision Blizzard, Havertys Furniture, Home Depot, and Waffle House have installed such programs, and made them free to employees wanting insight on everything from handling student loan debt to college planning to making long-term care insurance choices.<sup>1,2</sup>

**Small businesses are offering these programs, too.** Financial services professionals are coming forward to work with established and emerging companies seeking a perk to attract first-rate employees. This financial coaching can take many forms, from group education to highly individualized counseling with the financial consultants assuming a fiduciary duty. Businesses would do well to ask about it, as employee loyalty is priceless.

Plan sponsors may also potentially lower their fiduciary risk by putting such programs into place. If employees change their financial behaviors and believe that they are improving their personal finances as an effect of a financial wellness program, they may be less inclined to complain about a company’s retirement plan offering – or worse, initiate legal action on grounds that the plan sponsor failed to meet its fiduciary responsibility. No business wants that.

Does your company lack a financial wellness program? Consider establishing one in the near future. If your competitors have not yet taken that step, chances are they soon will.

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**Citations.**

1 - [tinyurl.com/yapwrg4d](http://tinyurl.com/yapwrg4d) [6/11/17]

2 - [marketplace.org/2017/07/11/business/companies-offering-financial-wellness-programs-perk-job](http://marketplace.org/2017/07/11/business/companies-offering-financial-wellness-programs-perk-job) [7/11/17]