

Suggested Marketing Messages to Employers From Quality Providers of Workplace Financial Programs

The following messages¹ are important in communicating to employers why they should contract with your organization to provide quality financial programs to employees. Each message utilized must be adapted to fit the culture of your organization, marketing approach, and the products and services you provide.

1. ***“Your fiduciary responsibility will be reduced.”*** The employer fiduciary responsibility as a plan sponsor is reduced when employees’ personal finances and their adequacy of saving for retirement are in order. The courts will end up sorting out responsibility and it is going to come down to this key question: “Did what the employer provide in the form of employee financial education have a high likelihood of connecting with the people at different levels?” The CFO who wakes up after a market downturn does not want to say: “You never told me these lawsuits could happen.” A quality provider helps the company avoid this CFO nightmare.
2. ***“Your executives will be able to contribute the maximum to the company retirement plan.”*** Most of the employer’s executives are highly compensated and by law they may not contribute the maximum possible to their qualified retirement program unless a high proportion of those earning lower incomes also are participating in the plan. A quality provider increases participation thus allowing maximum contributions for the management team.
3. ***“Your ROI will be 3:1 or better.”*** The projected return-on-investment (ROI) for a quality financial program is 3:1. Employers offering employees easy access to a quality basic financial education program are likely to achieve a minimum ROI of 3:1 annually, suggests the Personal Finance Employee Education Foundation (www.PersonalFinanceFoundation.org). For example, the employer/employee who spends \$250 on a quality financial program should result in a gain of \$750 in improved productivity. The PFEED provides generic ROI projections for employers.
4. ***“You will be contracting for a value-based financial program that improves your bottom line.”*** Quality providers of workplace financial programs offer “value-based plans.” The initial investment in a high-value financial program can be compared to the gains in less employee work time spent dealing with personal financial concerns, improvements in job productivity, improved health, reduced absenteeism, and positive changes in other employer cost factors. Employer-specific ROI calculations can be provided by the Personal Finance Employee Education Foundation.

¹ Some of these suggestions are adapted from *Delivering Financial Literacy Instruction to Adults* (2008), by E. Thomas Garman and Alan J. Gappinger, 330 pages (Heartland Institute of Financial Education [<http://heartlandfinancialeducation.org>]), and include ideas in Chapter 3 of William J. Arnone. ISBN#978-9-9792115-0-8; \$60 plus shipping; to order call Heartland at 303-597-0197. See table of contents at <http://www.personalfinancefoundation.org/resources/TOC%20Delivering%20Financial%20Literacy%20Instruction%20to%20Adults.doc>.

5. ***“Your employee’s more informed benefits selections will save the employer cash money.”*** Informed employee selections among health care plans as well as flexible and voluntary benefit programs can help both the employees’ financial wellbeing as well as the employer’s bottom line. Wise employee benefit choices definitely reduce employer FICA taxes. In addition, employees who select a high-deductible health care plan rather than continuing to participate in a traditional program save because they pay lower premiums and such action also save the employer \$800 or more. All of these examples are “cash money” that the employer does not have to pay out to government.
6. ***“Your best competitors are getting ahead of you on this issue.”*** Industry peers are profitably implementing basic financial education for employees. For years employers have “known” that employees who experience high financial distress negatively impact the bottom line. Today, leading employers—large and small—are reaping profits by providing employees easy access to no-cost and low-cost financial programs. A quality workplace financial program provides employees on-going, year-round access to help with their overall financial fitness at every stage of their careers. This helps employees live better financial lives as well as maximize savings for retirement.
7. ***“Your financially healthy employees are going to love their employer.”*** A quality financial literacy program strengthens the inseparability of employer and employee interests. It is designed to help people practice good financial behaviors that over time result in positive changes in their financial lives. The changes include increases in assets, decreases in liabilities, increases in net worth, decreases in financial distress, increases in financial wellbeing, being on track for a financially successful retirement, and being prepared to legally transfer assets to beneficiaries. Employees who enjoy high financial wellness are engaged in their work responsibilities and are advocates for their employer.
8. ***“You will retain your best employees.”*** A quality financial program helps human resources attract, motivate, reward, and retain the right employees. A quality financial program enhances employee financial wellness that contributes to work/life balance and total employee wellbeing.
9. ***“You know we cannot effectively address the myriad of financial problems and challenges of your employees, however we want to tell you that we and our partners can honestly do it all.”*** Employers need an excellent mix of quality financial programs because no single financial literacy program can do everything. There are a number of vital parts to a comprehensive quality financial program. The best mix includes information on benefit choices provided through human resources. In addition, employees at points in their careers may need access to financial services provided by a credit union, non-profit credit counseling company, Cooperative Extension, and a financial advisor. Partnering with quality providers of non-competing services and promoting those organizations as part of a more

comprehensive menu of financial services helps convince employers of the value of your organization's services.

10. You will sleep better at night knowing that you are doing the right thing for your employees as a steward of employee wellbeing. Quality financial programs change the financial lives of employees for the better. They live on their incomes and save for the future. Doing what is right for your employees is old-fashioned idealism and altruism.

If you believe there are additional messages that might be used to help convince employers to provide basic financial education to employees, please e-mail your suggestions to info@pfeefl@org. Thanks.