

# PROMOTING FINANCIAL WELLNESS SOLUTIONS IN THE WORKPLACE

## A RESEARCH BRIEF

### INTRODUCTION

Local United Ways and other community-based organizations across the country are successfully partnering with employers to use the workplace as a platform for providing financial education and related services for low- to moderate-income wage earners. Many of these programs have demonstrated tangible results in helping employees improve their financial wellness.

As part of the *Financial Wellness at Work* initiative, United Way Worldwide and the FINRA Investor Education Foundation sponsored independent research to increase understanding about the best ways to identify and engage corporate partners to provide workplace financial wellness programs. The research also tested communications strategies to encourage employee participation in these programs.

# FINANCIAL WELLNESS AT WORK



## RESEARCH OBJECTIVES AND METHODS

The goal of the research was to gain insight into how local nonprofit organizations can effectively segment and engage employers as partners in providing financial education and related services, and communicate with employees about financial wellness programs. Further, the research sought to understand the impact of United Way sponsorship of these efforts.

To achieve these objectives, researchers conducted:

- In-depth interviews with 17 corporate executives,
- A survey of corporate executives with influence over employee training (n=280), stratified by company size, and
- An online Virtual Community Forum, conducted over 5 days, with 26 employees. Nearly all the participants (22) were low- to moderate-income wage earners—representing the priority target audience for most community-based financial wellness programs.

## THE NEED AND OPPORTUNITY

The research identified a significant opportunity for local United Ways and other nonprofit providers to offer financial wellness programs in the workplace. **FEW EMPLOYERS CURRENTLY OFFER PERSONAL FINANCE EDUCATION, BUT HALF THINK IT'S IMPORTANT TO DO SO.** Among employers surveyed, 21% said they currently offer some kind of workplace financial wellness training, while half (51%) said it is extremely or very important for employers to offer such training.<sup>1</sup>

### WHAT IS A FINANCIAL WELLNESS PROGRAM?

Because corporate financial wellness programs have varying components, researchers asked employers to define an employee training program as:

*Workshops designed to help employees learn how to stretch their dollars. Specific topics could include budgeting, debt management, setting financial goals, saving, credit counseling, understanding financial services, (such as the problems with check cashing services, how to get a mortgage, or ways to get low cost checking accounts), making full use of employee benefits, public benefits, free tax preparation and so on.*

After considering this detailed program description, nearly all employers (97%) responded that the program described would be “a good idea” (including 30% who thought it was “a very good idea”), and only 26% said their company currently offers anything like that. Assuming that the “very good idea” response represents realistic employer interest, the unmet need comes into focus (see figure at right).

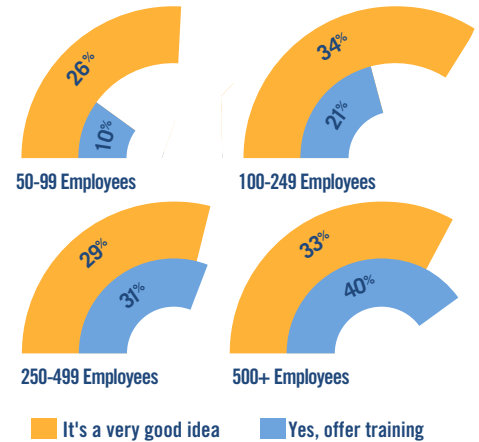
**SMALL AND MID-SIZED COMPANIES ARE THE MOST LIKELY TO HAVE AN UNMET NEED FOR EMPLOYEE FINANCIAL WELLNESS PROGRAMS.** Companies that employ between 50 and 250 people are less likely than larger companies to have a financial wellness program in place, while a significant percentage of their corporate leaders think it is a very good idea to offer such training.

**EVIDENCE SUGGESTS THAT EMPLOYEES VALUE THE AVAILABILITY OF WORKPLACE FINANCIAL WELLNESS PROGRAMS.** Among a list of 9 possible employer-provided training opportunities presented to an online forum (n=26), financial wellness training was the topic with the largest gap between current availability and the training that most employees said they wanted to attend. Of 26 research participants, just 5 said their company offers such training, but 17 would attend if it were offered.

<sup>1</sup> Training on 401(k) and other employee benefits was presented as a separate category.

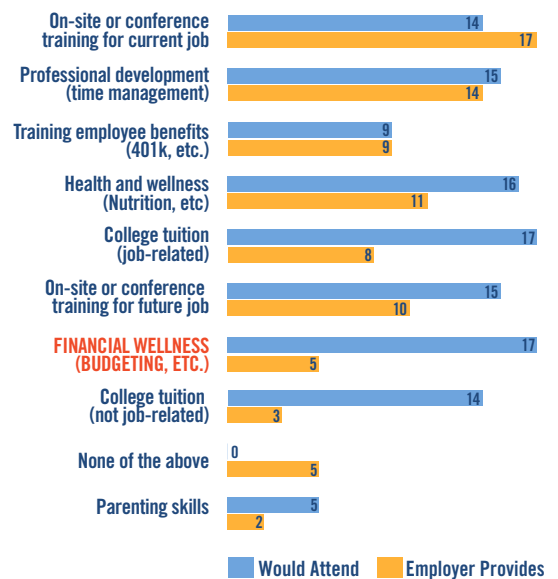
## THE UNMET NEED

By company size



## EMPLOYER CURRENTLY PROVIDES / I WOULD ATTEND

Employees in online forum, N=26, multiple responses allowed



## NAMING AND FRAMING

The way local United Ways and other nonprofit providers communicate about workplace personal finance training makes a significant difference in employer engagement and employee participation.

### WHAT'S IN A NAME?

**AMONG A NUMBER OF POSSIBLE PROGRAM DESCRIPTORS, EMPLOYERS CHOSE “FINANCIAL WELLNESS” AS THE MOST APPEALING.** “Financial education” was also popular, but employers found it less engaging and less accurate for describing program content and a host of possible related services (for example, credit counseling and tax preparation).

### EFFECTIVE COMMUNICATIONS WITH EMPLOYERS

Nonprofit program providers may believe they have to supply employers with hard return on investment data to justify the launch of a workplace financial wellness program—especially if they ask an employer to allow employees to participate on paid time. However, the research showed that the most compelling case for employers is universal and values-based. **FINANCIAL WELLNESS PROGRAMS CAN MAKE A BIG DIFFERENCE FOR EVERYONE AND THEY SHOW THAT EMPLOYERS CARE.**

Often the way information is presented, or framed, causes different interpretations in the mind of the listener or the responder—even potentially moving a person from opposition to support. For example, at the outset of one in-depth employer interview, the owner of a small furniture manufacturing company (a United Way partner with under 100 employees) told researchers that he didn’t like the idea of a workplace financial wellness program because he thought it would mean “talking down to our employees.” He went on to say, “I don’t think I’d want someone working for me who couldn’t balance their own checkbook.”

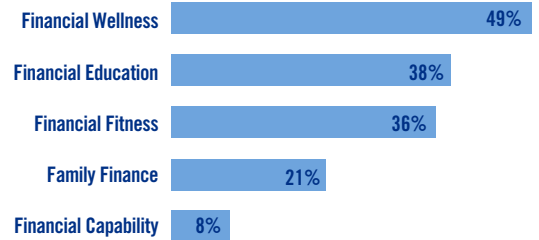
After further discussion about what a financial wellness program may include and the potential advantages for all employees, the executive reversed his position, saying, “Everybody has financial stress no matter what you earn. Financial education helps the happiness and stress level.”

Employers also told researchers that recruiting and engaging an internal company champion—usually someone in human resources or senior management—is necessary to start and sustain an employee wellness program. And, regardless of where the idea originates, a financial wellness program will almost certainly need the support of the company CEO.

Finally, few employers express serious reservations about offering financial wellness training. Employers value programs that are flexible and able to be adapted to their specific needs.

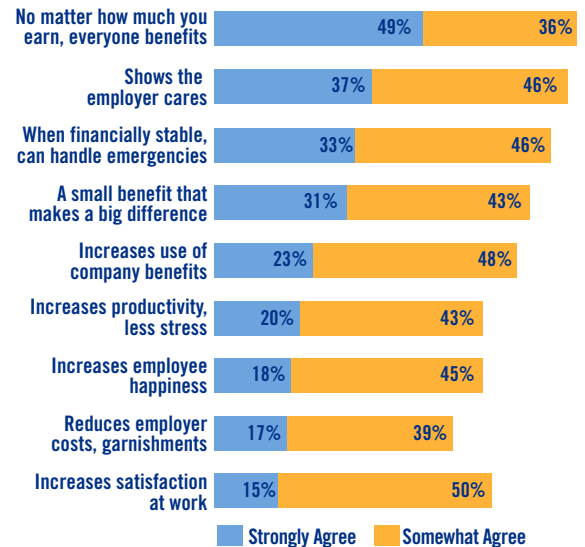
### MOST INTEREST

% interest, employers, multiple responses allowed  
If people at your company just saw a title, which one or two do you think would generate the most interest?



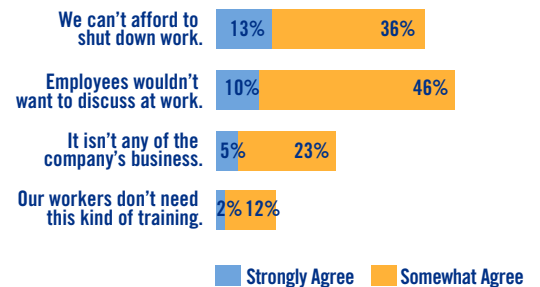
### REASONS TO OFFER FINANCIAL WELLNESS

% agree, employers



### REASONS TO NOT OFFER FINANCIAL WELLNESS

% agree, employers



## EFFECTIVE COMMUNICATIONS WITH EMPLOYEES

It would be easy for providers and employers to assume that a free financial wellness program offered in the workplace with the employer's endorsement would attract enthusiastic participation among employees. However, an online discussion forum with employees revealed a number of common communications mistakes that can easily (if inadvertently) stigmatize employee participation. Communicators should avoid implying that participants are not capable of managing their finances or singling out low-income workers by highlighting solutions like public assistance programs. Furthermore, many employees are suspicious that an "education" program is simply an effort to sell them something, or skeptical about whether they will learn something of value.

The researchers found that the most effective approaches incorporate three ideas:

**It's for everyone:** Potential program participants appreciate a universal message. *Marketing messages should highlight the idea that no matter what you earn, everyone can benefit from being smarter about money.*

**It's effective:** Before participants will dedicate time and energy to a financial wellness program, they want to know it will lead to lasting results. *Marketing messages should be specific about what participants will learn and include past participant success stories.*

**The provider is credible:** Potential participants are wary of training programs that mask a sales pitch. Programs provided or sponsored by United Way have increased credibility. *Marketing materials should provide assurances that workshops and other services are provided as an employee benefit.*

There are a number of ways to incorporate these research-based principles in communications. For example:

*No matter how much you earn, everyone benefits from getting smarter about money. At United Way's free workshops, learn to create a budget, improve credit scores, and find strategies to achieve goals like purchasing a home and saving for college and retirement. Quite simply, THIS WORKS. This training has a proven track record in helping people get the information they need to make their money work harder.*

*“No matter how much you make... This workshop is inclusive of everyone.”*

Employee

*“Results, results, results. Take this course, and here are the results.”*

Employee

*“As the workshops are sponsored by United Way, it makes me feel that these are not hokey seminars to try and get you to buy something, but legitimate information offered because United Way helps people in need.”*

Employee

## UNITED WAY BRAND VALUE

### UNITED WAY AFFILIATION WITH A COMMUNITY-BASED FINANCIAL WELLNESS PROGRAM PROVIDES BOTH EMPLOYERS AND EMPLOYEES WITH CONFIDENCE THAT WORKSHOPS WILL NOT INCLUDE A HIDDEN SALES PITCH.

The educational provider's motive is an important consideration for program participants. Since United Way has no self-interested motive, its sponsorship leads a majority of employers surveyed (54%) to feel more positively about the training and even more (58%) to feel more positively about United Way.

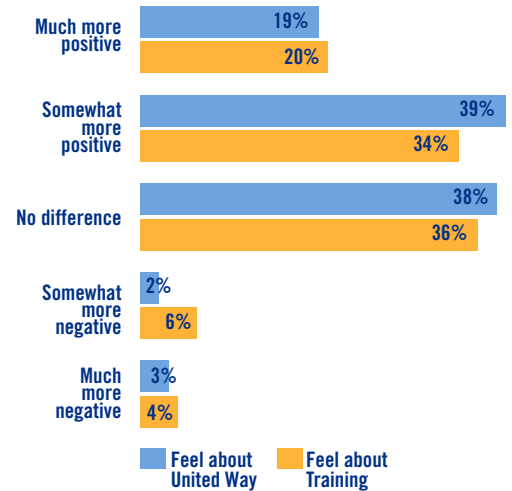
## CONCLUSION

United Ways and other community-based organizations with a mission to serve low- to moderate- income individuals and families have an opportunity to partner with employers to offer financial wellness programs in the workplace—particularly in small and mid-sized businesses. The most effective approach is to appeal to employers' desire to improve their workers' lives through a small, low-cost benefit that makes a big difference. Both employers and employees are persuaded by the idea that these programs can benefit everyone and are effective. Local programs sponsored or provided by United Way are viewed as highly credible.

## UNITED WAY SPONSORSHIP

% response, employers

Knowing the sponsor, how do you feel about the training?  
And how does it make you feel about United Way?



## ACKNOWLEDGMENTS

The research was conducted and this brief was prepared by Meg Bostrom, president of Public Knowledge, LLC. Bostrom has provided United Way Worldwide with strategic insights, research and training since 2007. She may be contacted at [megbostrom@public-knowledge.us](mailto:megbostrom@public-knowledge.us).

## FINANCIAL WELLNESS AT WORK

The FINRA Investor Education Foundation and United Way Worldwide's Financial Wellness at Work project is an effort to build on the success of community-based efforts to deliver financial education and related services in the workplace and help similar community-based organizations design, implement and evaluate the impact of workplace financial capability initiatives tailored to meet the needs of their own local communities.

## FINRA INVESTOR EDUCATION FOUNDATION

The FINRA Investor Education Foundation supports innovative research and educational projects that give underserved Americans the knowledge, skills and tools necessary for financial success throughout life. For details about grant programs and other FINRA Foundation initiatives, visit [www.FinraFoundation.org](http://www.FinraFoundation.org).

## UNITED WAY WORLDWIDE

With more than 2.2 million volunteers and 9.6 million donors worldwide, and more than \$5 billion raised every year, United Way is the world's largest privately-supported nonprofit. United Way is working in nearly 1,800 communities across 41 countries and territories to create community solutions that improve life for everyone. Across the world, United Way partners include global, national and local businesses, nonprofits, civic and faith organizations, as well as educators, labor, health organizations, government and more. For more information, visit [www.UnitedWay.org](http://www.UnitedWay.org).