

Employee Financial Wellness Programs: *Tips for Employers*

BACKGROUND

There are several types of Employee Financial Wellness Programs (EFWPs), such as workplace financial counseling, workplace credit building, and employer-sponsored small dollar loans. Each program benefits the company and its employees in different ways.

The Social Policy Institute at Washington University in St. Louis, with generous support from the W. K. Kellogg Foundation, studied the implementation of EFWPs at several diverse organizations, including a nonprofit in the Midwest and several supply chain locations of a national retailer, to understand the impact. As a result, we've identified four ways in which organizations can maximize the benefits of EFWPs and avoid pitfalls along the way.

OVERVIEW

1. Be transparent

2. Say it in person

3. Create structure

4. Be intentional

1

EFWPs are most successful when they are one part of a larger commitment to employee well-being and employees are more receptive to the program when they feel their employers care about their overall job quality.

BE TRANSPARENT

Some employees we talked to were initially skeptical about the introduction of EFWPs, fearing the program would replace increased wages or benefits. Clearly communicate that EFWPs supplement other benefits to help avoid this type of reaction from employees. Employers should also explain why the EFWPs are being implemented to demonstrate that the roll-out process is being made with intentionality and with employees in mind.

2

If possible, introduce new EFWPs in person – at a training day or in-service, for example. Make sure that supervisors know about the program and feel comfortable sharing it with their employees.

SAY IT IN PERSON

Many employees we talked to said they learned about EFWPs at an in-person training day. This format works well because employees have the chance to ask questions and become comfortable with providers in-person. An additional financial literacy workshop may benefit some employees who need general information about finances but are not interested in full participation with the EFWP.



3

Once the program is rolled out, develop a structure for ongoing support. Employees have the most positive outcomes when follow-up and ongoing participation with the EFWP is possible.

CREATE STRUCTURE

We found that employees with access to financial counseling benefitted from on-going contact with their financial counselors. For example, employees with more than one contact with their EFWP provider completed at least one financial recommendation at a much higher rate. Contact with their financial counselor resulted in better financial outcomes. On-going contact allows employees to check-in with providers when they are considering making decisions to improve their financial well-being, and counselors can offer encouragement, support, and information.

4

A needs assessment and evaluation can provide useful information about whether the EFWP is addressing employees' needs or not.

BE INTENTIONAL

Needs assessments and evaluations are important components of a successful EFWP process. EFWP programs can provide a variety of benefits, such as positive credit score changes, reductions in accounts in collections, assistance with opening bank accounts, and advice about moving towards goals such as home ownership. It is important to conduct a needs assessment with employees before introducing an EFWP to match their financial needs to services that meet their goals.

Some employees may have little knowledge about the financial system, and others may have extensive knowledge. It is important to maximize the benefits to employees by making sure that providers can address different needs. Follow-up evaluations are also necessary to assess credit and financial outcomes, satisfaction with the program, feelings about financial circumstances, and employment-related outcomes.

CONCLUSION

EFWPs can provide important benefits to employees, such positive financial outcomes, reduced stress, a greater sense of emotional security, and a favorable opinion of their employer. Providing these benefits could strengthen workplace culture and make employees feel more valued. Following these tips can improve the EFWP implementation process and maximize benefits.

For more information about the research used to create these tips, please visit: socialpolicyinstitute.wustl.edu/items/employee-financial-wellness-programs/

Suggested Citation: *Wolter, S., Hampton, J., Fox-Dichter, S., & Frank-Miller, E. (2020). Employee financial wellness programs: Tips for employers. (SPI Practice Brief No. 20-01). Social Policy Institute at Washington University in St. Louis.*