



Your Money: For financial stress ills, try education cure
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By Toddi Gutner

NEW YORK (Reuters) - Stomach hurting? Feeling a migraine coming on? It might not be a virus or allergies; it might be your finances.

Some 60 percent of illness is caused by financial stress, according to a Financial Finesse Inc compilation of 200 studies on the correlation between money and healthcare costs.

The remedy, it seems, is a little knowledge. Financial education can save as much as \$2,000 per employee annually through increased productivity, reduced healthcare costs and better utilization of employee benefits, according to the Personal Finance Employee Education Foundation (PFEEF).

And so in this recovery from the recession, employers now have a new-found love for financial wellness programs.

"The trend is toward programs rolled into a financial wellness benefit," says Liz Davidson, chief executive officer of Financial Finesse, based in El Segundo, California.

Of course, employee-sponsored personal finance seminars have been in full-force since the rise of the 401(k) in the early 1980s. But something has changed in the years leading up to and since the financial debacle of 2008 and the subsequent Great Recession.

And some programs are better than others. Companies can save time, money and headaches by picking the most-appropriate services.

FINANCIAL WELLNESS

Avoid conflict of interest.

As more companies offer financial wellness programs, many are partnering with 401(k) third-party administrators and banks. These partnerships can be fraught with conflicts of interest as products are often pitched during these sessions.

"The people who do our education sessions can't place product with our folks," says Philip White, Director of Racker Rewards, a benefits program at San Antonio-based Rackspace Hosting Inc. "I want to remove the conflict of interest."

Provide one-on-one training.

Larger seminars give terrific overviews but behavior change really happens at the one-to-one level.

Prudential countered this by hiring a money coach who offers four-hour phone sessions to help employees get their finances in order. This professional also does monthly budget booster webinars.



"He is a budget coach ? not a financial services provider," says Ken Dolan Del Vecchio, vice president of health and wellness at Prudential.

Sheryl Oeftering, a manager in Prudential's mutual funds marketing department worked with the coach and was able to pay off her debt, and save to purchase a second home.

"I could not be happier with the results," says Oeftering.

Offer many ways to get information.

Make the content available to all employees through webcasts, workshops, phone-based or video coaching or company radio stations. Customizing the program and marketing it to your workforce gives you a better chance of institutionalizing overall financial wellness in your culture, says Davidson.

PROOF IN RESULTS

Susie Gilden, an account director at RBB PR, a Miami-based marketing and public relations firm, took full advantage of her company's offer of 30-minute financial seminar and a one-on-one meeting with a certified financial planner.

The financial adviser helped Gilden and her husband, who live in Davie, Florida, rethink their original decision not to buy life insurance and advised them on policy amounts. The CFP also directed the couple to a college savings plan and a monthly budget.

"It is really eye-opening and I was really proud of us," says Gilden.

(The author is a Reuters contributor.)

(Editing by Beth Pinsker Gladstone and Chelsea Emery)

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