



EXECUTIVE SUMMARY

“SHOULD YOU OFFER YOUR EMPLOYEES BASIC FINANCIAL LITERACY TRAINING?”

In this period of economic stress and company benefit cutting, it's becoming more difficult for employers to retain valued employees, as well as maintain and stimulate employee productivity. One solution gaining traction in companies across America is to offer financial literacy courses that help employees gain greater skill and confidence in handling their personal finances.

Financial literacy is the ability to understand money and make informed, effective judgments about how to use it. And the lack of financial literacy among America's employees has been called “the most glossed over and ignored worker issue today.”¹

Financial illiteracy plus economic hard times can lead to unbearable financial stress, which diminishes employee productivity. Financial stress is a way of life for many Americans. In fact, eight out of 10 Americans cite money (or, rather, the lack of it) to be a significant source of stress in their lives² and, regardless of income, 77% of Americans now live paycheck to paycheck.³ Distress over financial matters is causing more than 52% of Americans to experience irritability, anger, fatigue and sleeplessness, according to USA Today.⁴ And, unfortunately, many employers have seen this financial stress play out in terms of decreased job performance and satisfaction, physical illness and greater absenteeism, less commitment to the company, as well as higher turnover.

Although 45% of employers state that financial advice and guidance programs can be effective at improving employee productivity, only 8% have actually made it a top benefits objective, perhaps due to economic pressures and a primary focus on containing health care costs.⁵

Yet, some companies have experienced a substantial ROI by providing financial literacy training, even with a limited budget.

Is financial literacy training a panacea? Obviously not, given today's harsh economic realities. But there are indications that such training can be a great help in building employee confidence and skills in money matters. And 57% of employers have seen an increase in demand for financial literacy training in the workplace during the last two years.⁶



Nevertheless, not all employers (or employees) are keen to jump on the financial literacy bandwagon or avail themselves of this training.

To help employers evaluate whether financial literacy training is right for their organization, Alliant Credit Union researched the topic, interviewed company HR managers and conducted surveys of both employers and employees. Alliant's findings are contained in the white paper, "Should you offer your employees basic financial literacy training?" Download the full white paper for free at www.alliantatwork.com to get sense of whether financial literacy training is appropriate for your company – and how to go about implementing it.

1. "Employers Pay a High Price For Productivity Losses Caused by the Poor Personal Financial Behaviors of Employees," E. Thomas Garman and Irene E Leech, 1996
2. American Psychological Association, "Managing Your Stress in Tough Economic Times," 2008
3. CareerBuilder, "One-in-five workers have trouble making ends meet as more indicate they live paycheck to paycheck, reveals new CareerBuilder survey," September 1, 2010
4. USA Today, "Health takes a hit as economy creates more stress," October 7, 2008
5. MetLife, "8th Annual Study of Employee Benefit Trends," 2010
6. Alliant Credit Union survey of employers, June 2011