

Building Employee Financial Resiliency

7 Steps for Success

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While the Covid-19 pandemic taught us many important lessons, one key learning was the need to be financially prepared. We all know that a distracted employee cannot do their best work. As an employer, you may find yourself asking “What can we, as a company, do to build the financial resiliency of our employees?” Presented here are seven actionable steps to help you answer that question:

1. Let your employees know you care about reducing their financial stress, improving their financial literacy, and most importantly, follow through with that statement. This messaging could be standalone email or even a simple mention at the next all-hands. Be clear to your employees that you are here to help them navigate financial uncertainty, especially during challenging times such as Covid.

2. Offer an unbiased education program. Even small to midsize companies can offer robust financial wellness programs that include workshops, virtual sessions, office hours, and digital resources. When evaluating a financial wellness partner, focus on the provider’s motives. Ask these questions:

- How are they compensated? (Employees will be adverse to salespeople who are using the guise of education to build their client list. Avoid providers who also sell investment



products or investment management.)

- How successful are their programs and what metrics will you track at your company to measure success? Top programs track Net Promoter Score and repeat employee engagement.
- Are the presenters professional educators AND financial professionals? (Be wary of “coaches” who have been through a simple 6-week training program.) Look for credentials such as CERTIFIED FINANCIAL PLANNER™ (CFP®) or Chartered Financial Analyst (CFA), and teaching experience.
- A good place to start is with your 401(k) provider. Many providers offer educational sessions free of charge. (Note: quality can vary greatly between providers and instructors.)
- What topics will be covered? Financial Wellness is more than just 401(k) education; it includes budgeting, student loan / debt management, fund selection, home buying education, and more. Ensure the program you select is comprehensive.

3. Leverage your employee affinity groups and networks (ERGs, Diversity Clubs, etc.) if your company is large enough to have them. Using this channel provides a value-add for them and the educational sessions can be tailored to the group’s specific needs. Encourage employees to include their spouses, partners, and family members. Sound financial planning is indeed a family affair! A great way to demonstrate you truly care about your employees is by including their loved ones.

4. Complete a 401(k) Tune-Up. How is your 401(k) participation? Does your company offer a competitive

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match and are employees taking full advantage of it? What are folks on Glassdoor & Brightscope saying about your 401(k) plan? Do you offer a Target Date Fund and broad-based index funds with expense ratios less than 0.25%? Do you offer a Roth 401(k) option? Take a moment to assess your other financial benefits as well. Perhaps your commuter benefit isn’t that helpful anymore due to Covid. Can you re-route those funds to provide a more robust health and wellness benefit for your employees?

5. Looking for an easy, low-cost option? Perhaps you have a small team and don’t want to stand up a full financial wellness program just yet. Here’s an idea: send/buy each employee a copy of a well-respected personal finance book (my favorites are *The Simple Path to Wealth* by JL Collins and *Playing With Fire* by Scott Rieckens). Show a talk (there’s a YouTube recording of a great fireside chat of JL Collins at Google.) *Playing With Fire* is also a 90-minute documentary which is very entertaining. Show the video(s) and host a virtual discussion. Offer to send lunch or dinner to those who participate or give employees an UberEats / Doordash credit. It’s very likely you already have a few personal finance buffs at your company, leverage them and see if they want to spearhead the event.

6. Implement a Charitable Benefit. Despite the financial stressors of Covid-19, most donors plan to maintain or even increase the amount they give to charity. (source: Fidelity Charitable). Encourage your employees to donate to charities of their choosing and make it easy by using platforms such as Benevity and Overflow.co. Benevity is a platform that makes corporate matching easy, while Overflow.co is a platform that makes donating appreciated securities extremely easy. This can be especially helpful for employees at publicly traded companies that compensate with RSU’s and/or employees with ESPP plans.

7. Take credit for your financial resiliency efforts! Let current AND prospective employees know about the programs you offer. Brief it up to senior management and highlight the results.

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