

Financial Management Tools for Employees of Every Generation

By Teri Cettina; April 9, 2015

As a small business owner, you already know that physical wellness is key to having a productive and cost-effective workforce. After all, the Centers for Disease Control find that healthy employees tend to take fewer sick days and use less of your company health plan benefits (which can help keep your plan premiums down).

But have you considered that your employee's financial wellness is a key part of the overall healthy-employee package?

"I regularly tell employers that their workers' financial health is just as important as their physical health," says Bruce Elliott, manager of compensation and benefits for the Society for Human Resource Management (SHRM). Why? Employees who are dealing with the financial stress of paying off student loans or determining whether they're saving enough for retirement may be distracted at work, says Elliott. These employees may miss work to deal with bankers or creditors. And if their money stress gets severe enough, these employees may become ill and miss even more work, notes Elliott.

"However, it's important to remember that the financial challenges each of your employees face may differ greatly, depending on their age and stage of life," says Elliott. While Millennials may need to learn more about basic budgeting and building credit, for instance, Baby Boomers might be focused on how to pay for their kids' college education. What business owners can do to help, says Elliott: Provide flexible benefits packages that address the needs of multiple generations of employees, and offer access to customized financial education tools. Here are some tips on how to accomplish this:

Consider your demographics Don't make the rookie mistake of offering generic financial benefits or educational tools. Look carefully at the ages of your employees. If you have a large contingent of older workers, retirement benefits and education on different investment options might be the important offerings. On the other hand, if you hire a lot of younger workers, an employee discount on first-time mortgages might be an attractive benefit. This group might also appreciate educational information on how to improve their credit. If you're not sure what benefits and info to offer, ask your employees. "A quick SurveyMonkey survey is free, and can make employees feel empowered and part of the process," says Elliott.

Customize information delivery According to a Society for Human Resource Management (SHRM) "Financial Wellness in the Workplace" survey, most employees prefer to get financial education via outside speakers who present seminars at their workplace during work hours. However, Elliott says some employees and particularly Millennials may prefer to watch webinars on their own schedule or read information online. Try to offer information in multiple formats.

Tap into financial partners: You don't have to pay an arm and a leg for employee financial seminars. Your retirement plan provider may offer onsite or online seminars on topics ranging from retirement planning, to the benefits of a 529 college savings plan, to basic budgeting. The local bank that handles your business accounts may be willing to offer employees free classes on affording a first home or paying off debt. "They may try to encourage your workers to open an account with them, but that sales pitch is no big deal if the trade is a lot of valuable education," notes Elliott. Again, though, the key is to cover a wide range of financial education topics that apply to employees of all ages.

Offer one-on-one counseling, if you can afford it: Because your multi-generational employees may all be facing different financial issues-how to afford childcare versus how to pay for eldercare for aging parents-individualized counseling can be a valuable benefit, says Elliott. Many financial planners will work with your employees one-on-one-either in person or by phone/Skype-to create a one-time, detailed financial plan that addresses their unique financial needs. "This type of service often isn't cheap, but it can be an attractive benefit when you're recruiting new employees of all ages," stresses Elliott.

Don't forget your EAP: If your company is large enough to have an employee assistance program (EAP), it can be very helpful. The EAP can connect counselors to employees who are facing financial emergencies (collections calls from creditors, bankruptcy, etc.). However, many EAPs also offer concierge-type financial services. For instance, they can help workers find attorneys and offer referrals for affordable childcare or eldercare services. "Anything these services can do to help reduce your workers' financial stress and help them focus on their work is a great thing for your business," notes Elliott.

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