



Center for Social Development

GEORGE WARREN BROWN
SCHOOL OF SOCIAL WORK

 Washington University in St. Louis

Workplace Financial Wellness Programs: Who Wants to Offer Them, Who Wants to Participate in Them, and Why

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Center for Social Development

The Center for Social Development, a research center at the Brown School of Social Work at Washington University in St. Louis, seeks to create and study innovations in policy and practices that enable individuals, families and communities to formulate and achieve life goals, and contribute to the economy and society.



Presentation Outline

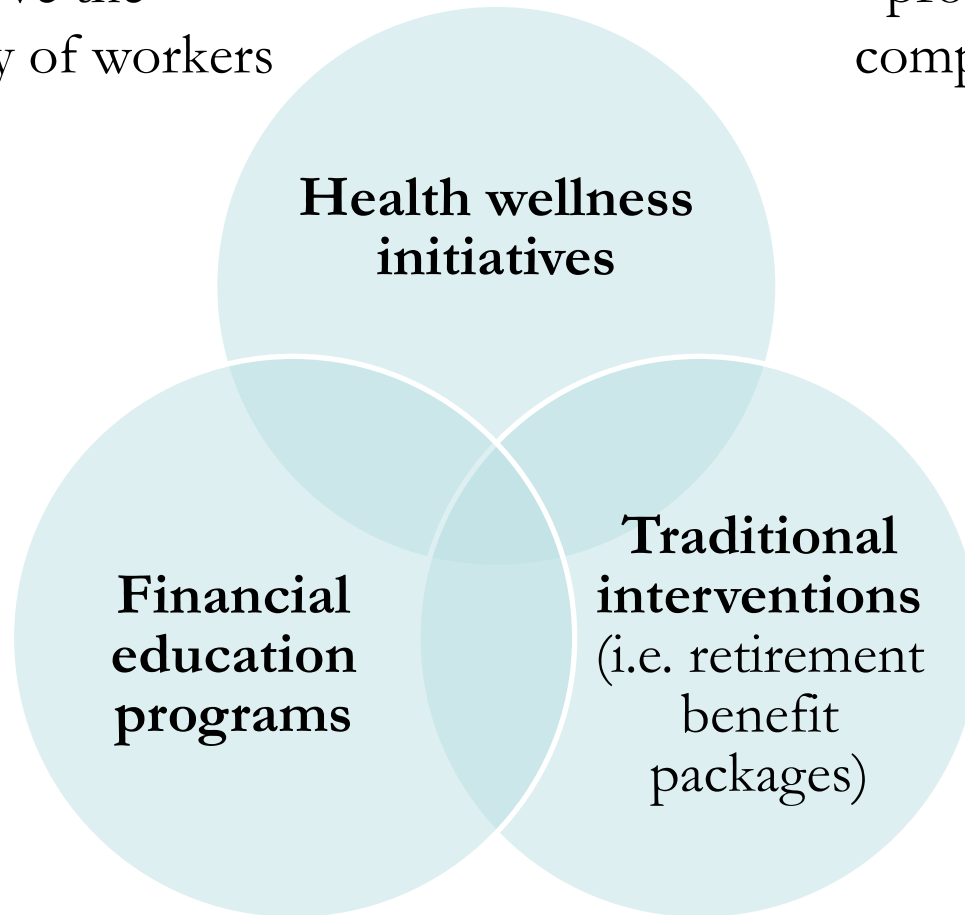
- Setting the workplace financial wellness stage
- Analyzing existing workplace financial wellness programs
- Discussing the Employer-based Financial Wellness Programs (EFWP) Project



Traditional Approach vs. the Wellness Approach

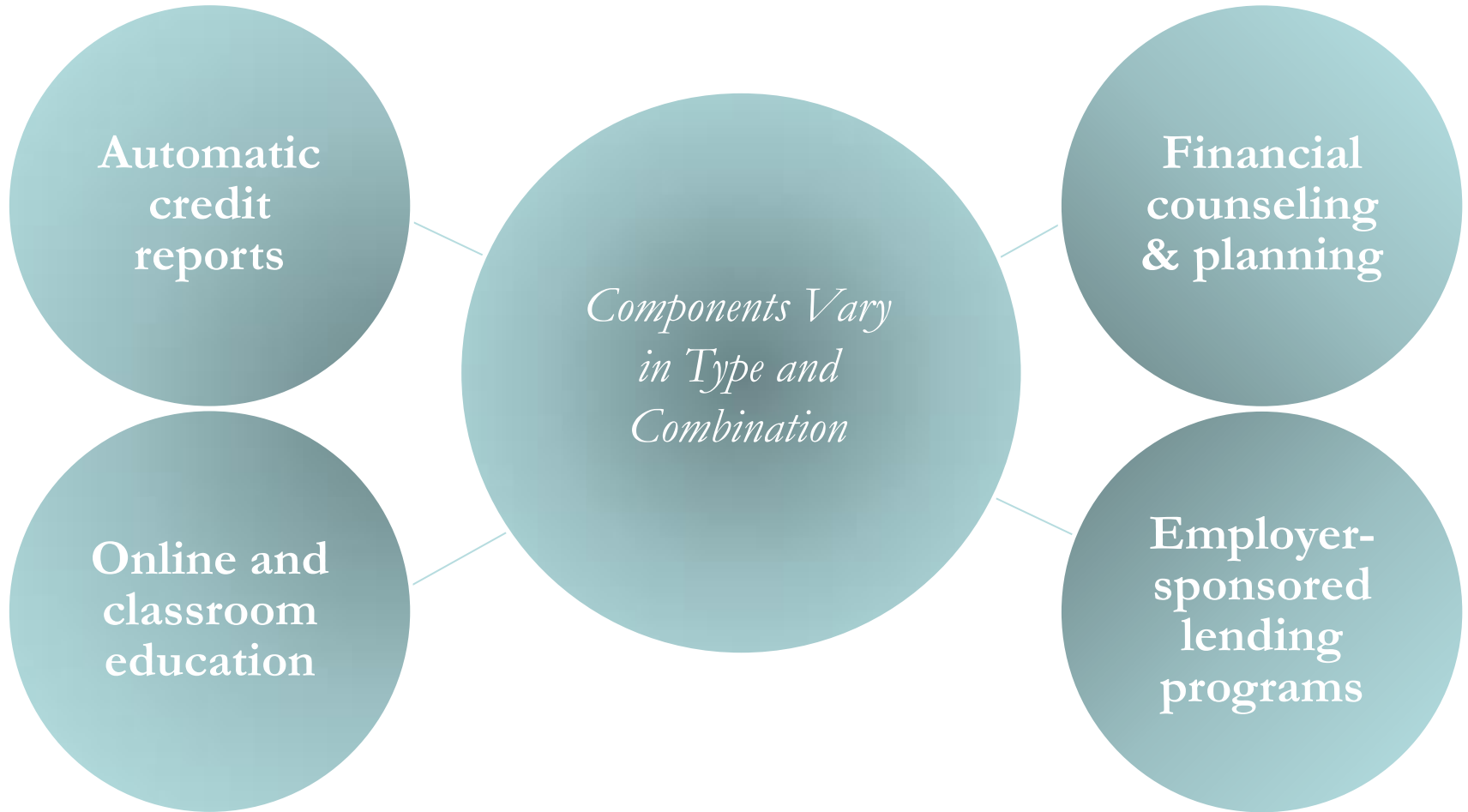
Draws on several existing methods to improve the financial capability of workers

Blended, comprehensive programs to support the complete financial picture of employees





Common Components of Employer-Based Financial Wellness Programs (EFWPs)





Existing Best Practices

Components often based on best practices of financial education programs

➤ well-studied but have mixed results of effectiveness

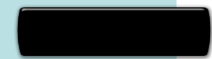
- Retirement seminars
- Credit counseling
- Just-in-time interventions
- Needs-driven programs

Most Empirical Support



- Print media
- Generalized curriculum
- 1-time interventions

Less Empirical Support





Benefits of EFWPs

Employer Benefits

- Reduced absenteeism
- Increased productivity
- Reduced distractions
- Improved engagement
- Organizational engagement

Employee Benefits

- Reduced financial stress
- Personal well-being
- Improved financial management
- Decision-making
- Higher credit scores
- Increased job stability
- Work satisfaction
- Short and long-term investments
- Decreased debt



Criticisms

Relies on self-report

Unrepresentative samples

Confounds

Inadequate methods for control

Irregular measures of financial literacy, knowledge, and behavior

Findings suggestive of bias

Low statistical significance

Limited value of reported effects

Barriers to better methods of data collection, research design, measurement and interpretation

Only small effects

Effects diminish greatly over time



Opportunities

Natural Environment to Employ Financial Skills

- Direct deposit
- Payroll deduction
- Benefits
- Relationships with banking institutions

Opportunity to Scale

- Lower costs of financial products for employees

Employer Advantages

- Recruitment
- Talent management
- Brand building



Obstacles

Entry Barriers

- Perceptions of value
- Limited interest
- Available resources
- High start-up costs
- Competition with other benefits

Implementation Challenges

- Lack of clarity
- Complicated enrollment procedures
- Accessibility



Preliminary Recommendations

Personalize
interventions

Programs
Self-directed
Accessible
Ongoing

Features
Interactive
Timely
Relevant

Focus on
prevention
over response



Factors Limiting Progress in the Field

Lack of clear definition

Research is inconsistent

Limited evaluation capacity

- determining efficacy
- demonstrating Return on Investment

Difficulty in making recommendations

Limits progress in the field

=

*Hard Data
Blind-Spot*



Recommendations for Future Research



Create a set of preliminary best practices



Identify and quantify potential benefits to employers



Develop wellness milestones



Analyze how demographic and life stage differences may affect efficacy



Partner with employers to measure outcomes



Employer-based Financial Wellness Programs (EFWP) Project

Objective

To provide evidence-based research using mixed methods to understand the characteristics, conditions of, and motivations for workplace financial wellness program participation for the both the employer and employee.



Employer-based Financial Wellness Programs (EFWP) Project

Research Questions

1. To what extent does access to employer-sponsored financial wellness programs (FWP) improve the perception of financial wellness of employees?
2. What is the level of demand, and perceived value, for employers offering a FWP to employees?
3. What is the level of demand for, and use of, FWPs by employees, particularly by LMI and military and veteran employees?



Methodology

- Employer survey
 - N=100
- Employee survey
 - N=16,500
- Employee administrative data
- Interviews with employers
- Case studies



What do we hope to learn?

- All of the types of FWPs offered in the workplace;
- Attractive product and service design features;
- The likelihood of and barriers to uptake among low- to moderate- income (LMI) workers;
- The value of these programs from the perspectives of both employers and employees; and,
- What factors affect an employer's decision to offer a FWP.



How is this different from other studies on workplace financial wellness?

- Objectivity
- Mixed methods
- Evidence-based research
- Focus on LMI employees



Next Steps

- Various publications
- Phase 2: quasi-experiment or randomized controlled trial