

# Change Management Easier With Financial Education

Although not much different from recent years, the situation was less than ideal. Employees were lured away with promises of more pay or better benefits. The recruitment machine chugged along at full capacity. There was constant training for new hires.

The medical sector faces many challenges, among them constant shortages of trained, qualified personnel. Companies raid one another for top employees, so retention is of utmost importance. Children's Hospital of Pittsburgh (CHP), with its reputation as an innovative medical facility and a generous employer, still found themselves facing these issues. What, they wondered, could be done to improve the situation?

As the benefits package was reviewed, certain problems became obvious. Employees had the ability to participate in three different retirement plans, but few employees actually did. The three plans had originally been created with the goals of not only helping employees achieve a secure retirement, but also to attract and retain top employees. From the review, it was obvious that in spite of good intentions, employees simply did not understand the differences between the plans and how they could work together. Participation in the 403(b) plan was an abysmal 20%. And fewer than one-third of employees contributed to the defined contribution plan, in spite of

the company's generous match.

The bottom line: The plans were working against the company's goals and were potentially sabotaging employee retirement security. Change was necessary.

### Revamping Retirement Plans

CHP tackled the challenges head-on through a companywide initiative to revamp the retirement program. The goal was to reengage employees in their retirement, helping them to see the importance of preplanning and taking advantage of the company's offerings. Step one: streamline the retirement plan offerings. Over 6 months, the hospital phased out its defined benefit plan and simplified its defined contribution plans so employees could better understand their options. Realizing that employees would need more information to clearly understand their best retirement strategies, CHP decided to implement an educational program.

CHP chose Financial Finesse ([http:// www.financialfinesse.com](http://www.financialfinesse.com)), experts in financial education. When a defined benefit plan is eliminated, says Liz Davidson, president of Financial Finesse, there is obviously a level of concern among employees. "Ideally, the hospital wanted employees to transition into the defined contribution plans at their own behest," she says. "That can be a very stressful thing, when your retirement is effectively being subsidized for you, and then you're asked to begin investing yourself. That required some change management. We all wanted to do this in such a way that CHP would

not lose employees."

Education was the answer, Davidson says. "CHP gave every single employee a voucher, which we designed for them. It was like a gift certificate for a free personal financial consultation with one of Financial Finesse's experts. Those who took advantage of it went through a personal financial consultation, which included a lot of online resources they could use, like different financial modeling tools, financial planning guides, self-assessment tools, and a personalized action plan. It was very personalized and was the employee's roadmap."

*Financial Finesse is the leading provider of a full suite of financial education, coaching, and counseling programs to over 350 organizations. It works with corporations to design company-specific financial education programs that address a variety of business and human resources needs. Contact: [www.financialfinesse.com](http://www.financialfinesse.com) or 866-733-2677*

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