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## Coaching versus classes: how to package financial education

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Almost everyone agrees that employees need to learn more about how to save for retirement, but there is little consensus about how to package financial education to make it compelling for them.

Some say employers should use multiple methods - workshops, phone-based counseling, one-on-one consultations, print material and the Internet - to create an individualized "coaching" approach. Others worry that coaching borders on giving advice and can open employers up to legal liability. They suggest employers stick to the classroom.

This debate was addressed in some of the financial education sessions held at BMF&E.

"Education is a process, not an event," argues Financial Finesse CEO Liz Davidson. "Coaching is about developing a relationship with employees that lasts and will change their behavior." Financial Finesse has more than 300 clients.

Lyndsay Mills, CEO and founder of Financial Knowledge, says employers are hungry for education, not coaching. Financial Knowledge offers classes to employers in more than 152 cities.

"The classroom doesn't have to be boring. People want education," says Mills. "There are several things employers can do to make classes appealing to employees."

Mills recommends motivating classes with activities that compel participants to take immediate action, including workbook exercises, games, quizzes and role-playing.

**Financial education as a benefit**

With financial education - like any product or service - marketing matters. Mills and Davidson agree that positioning financial education as a benefit is the best way to ensure success.

"Most people worry about money. Employers can address one of the biggest anxieties of their employees through financial education," Davidson observes. "It's a real benefit for them, not just a way to improve enrollment in retirement plans."

Planning a financial education program and not launching one in an ad hoc matter will help the effort reach more employees, Mills notes.

"Employers need to think about what they want to accomplish with their programs. We've seen some just go out and start a brown-bag lunch series about personal finance without a lot of thought about what they want the employees to learn," she says.

Effectively promoting the classes also boosts participation, Mills notes. Using brochures, e-mail messages, company Web sites, internal newsletters and flyers are useful, but the best and cheapest form of promotion is word-of-mouth, she says.

With most employers focused on the bottom line, benefit managers must be cost conscious. There are numerous ways organizations can pay for the cost of designing course materials and providing classes, Mills notes. Many organizations absorb the entire cost internally and provide classes at no charge to the participants. Some have members share a portion of the cost. Other charge a course fee then reimburse employees.

"Employers should keep in mind that charging for classes involves another element of administration and record keeping," Mills says.

When considering the cost of financial education programs, benefit managers should also factor in how those programs may reduce legal liabilities, Davidson argues. She says financial education ensures adequate education and communication of benefit plans and increases appreciation and understanding of the benefits. Financial education also can reduce the number of questions HR managers have to field from employees.

For example, Financial Finesse helped educate employees at the Children's Hospital of Pittsburgh as they switched from a defined benefit plan to a defined contribution program. Due to having the right financial education, the hospital received no complaints from employees about the changes, says Carlo Oliverio, chief of human resources at Children's Hospital of Pittsburgh.

"Because of financial education we were handled a delicate situation without it resulting in a lawsuit," Davidson says. - T.A.