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TREND WATCH: WORK/LIFE EFFORTS ON THE LEADING EDGE

Financial seminars spur greater employee savings

Hospital's focus on worker education helps cut turnover rate almost in half over 2 years

There was a time when Children's Hospital of Pittsburgh couldn't give its money away.

The 3,500-employee hospital offers to chip in up to 2 percent of any employee's salary to match what the worker contributes to a tax-sheltered annuity plan—a supplemental retirement savings account. Yet nearly 800 eligible employees were foregoing the gift because they weren't contributing to the fund themselves.

"They didn't see a need for that," says Carlo Oliverio, vice president and chief human resources officer.

Oliverio discovered the reason for the short-sightedness: "Employees don't understand their pensions. Unfortunately, most employees in most companies truly believe—because they've never been told otherwise—that they're going to be able to retire and live off of their Social Security and their company-based pension. They don't recognize that that doesn't anywhere near cover the costs ... if they want to be even reasonably comfortable."

Two years ago, Oliverio set out to tell them otherwise. With help from a financial education vendor, the hospital began teaching employees how to plan for their financial futures.

Twelve people showed up for the first seminar. Eighty attended the second.

The vendor, Financial Finesse, conducts on-site classroom sessions that mix information about the hospital's retirement plan, which automatically covers all employees, with its optional, tax-sheltered annuity plan.

Afterward, employees may call a toll-free phone number to ask specific questions, a service the hospital pays about \$16,000 a year for so it can offer it to employees for free.

Financial Finesse also refers employees to local counselors who can work with them in depth. Employees pay around \$80 an hour for that counseling—a fee that reflects a \$20- to \$40-an-hour discount arranged for by the vendor.

Today, Oliverio says, fewer employees pass up the hospital's 2 percent matching funds. And turnover at the hospital has dropped from 21 percent to 12 percent since the program, part of a broader effort to offer educational opportunities to employees, began two years ago.

Children's Hospital also has hosted 18 local colleges for an adult education fair that allows employees to meet with admissions officers, and has started a mandatory leadership development program for managers and executives.

"We believe it's our responsibility to make sure our employees are educated to what's available to them," says Oliverio, "but it's also part of our retention strategy."

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