

FINANCIAL ADVISOR

Debt Problems Top Priority Among Workers

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Repeated studies show workers are not wisely investing the money they have to prepare for retirement—giving rise to investment education in the workplace.

One of the companies providing such services, however, says that there's another issue on the minds of workers: the money they owe.

Financial Finesse, a third-party provider of financial planning and investment education, says the telephone hotline service it runs for clients spends more than a third of its time answering questions about debt.

"Debt is always the number one topic," says Liz Davidson, founder and CEO of the company, which is based in Manhattan Beach, Calif. "The topic will often be credit card debt, student loans or questions about filing for bankruptcy."

About 37% of the calls received by the hotline pertain to debt. By comparison, 16% of the calls are about budget and saving, 14% about taxes and only 10% about retirement planning.

The hotline receives between 500 and 750 calls a quarter, Davidson says.

Overall, Davidson says, the demand for workplace education programs is on the rise—for various reasons. Some companies, for example, are instituting education programs as they phase out defined benefit programs. Companies are also concerned about low worker participation in 401(k) plans, Davidson says, as well as worker retention.

She cites hospitals as one industry where education services are in most demand, partly because of a nursing shortage that has forced medical centers to make their employee benefits more attractive.

Manufacturing companies are also wrestling with the problem of low 401(k) participation rates and poor investment management among those who do participate, she adds.

Financial Finesse, which was founded in 1999, now has a client list of 500 companies comprising a total of 500,000 employees. In addition to the hotline, the company's services include seminars, individual counseling and online educational services at its Web site, www.financialfinesse.com.

The company, Davidson adds, is looking for more CFP's to create educational content and to interact with clients and their employees. The company's CFP's work as full-time employees, she adds, with a starting annual salary of \$80,000 and incentives that typically push the amount to six figures.

"It's a job for planners who are passionate about educating, but don't enjoy the prospecting and selling," Davidson says.

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