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## Financial Finesse Releases Third Quarter Research on Employee Financial Issues for 2011

*The report found employees continue to show strong resilience amidst a troubled economy*

El Segundo, CA—[Financial Finesse](#), the leading provider of unbiased workplace financial education programs in the U.S., has released the latest trends in employee financial issues from its [third quarter research report](#) for 2011.

The report reinforced a trend seen early in 2010 with employees continuing to put more emphasis on retirement and long-term planning as they continue to weather a tough economy and sluggish job and real estate markets.

Some of the most significant findings from the report were:

- **Employees in Q3 demonstrated they are aware that their financial futures are in their own hands, with less help from government and employer-sponsored benefits.** Questions on retirement planning have increased from 26% in Q3 2010 to 34% in Q3 2011, which coupled with retirement plan participation rates self-reported at 91% year to date, offer evidence that employees have increased awareness of their need to be more self-reliant when it comes to saving for retirement.
- **Employees are remaining calm about their investment strategies, despite recent drops in the stock market.** The percent of questions Financial Finesse received about investing only increased slightly (from 12% in Q2 to 14% in Q3) in comparison to the recent 14.3% decline in the S&P 500 and an overall tumultuous quarter.
- **Employees' financial stress is decreasing as employees continue to improve their cash management skills.** The number of employees reporting high or overwhelming financial stress is down from just over 32% last year to just under 21% year to date 2011. In addition, just under 16% of employees report having no financial stress, up from about 3% of employees in 2010. Financial Finesse believes this is due primarily to significant improvements employees have made over the last year in their cash management to better manage their cash flow, reduce debts, and build an emergency savings fund.

Liz Davidson, CEO and Founder of Financial Finesse says these and other findings from the report indicate that employees have shown a high level of resilience in the face of a difficult economy.

“Employees are not burying their heads in the sand,” she says. “They have accepted that this is the “new normal,” and they’re persevering through it. I’m really impressed with how they are

rising to the occasion. They're seeking education and continuing to take the right steps to improve their finances rather than giving up."

Davidson warns, however, that U.S. employee retirement preparedness remains dismally low, with just 15% of employees year to date reporting they are on track to replace 80% of their income (or their goal) in retirement.

"While employees are definitely moving in the right direction, the landscape is shifting at a faster rate than employees are compensating for," she says. "All the dynamics of rising inflation, higher tax rates, fewer companies providing monthly pension income to retirees, and depleted home values are coming together in a perfect storm that will require even more from employees than what they're doing now in order to have a secure financial future."

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### **About Financial Finesse**

Financial Finesse is an unbiased financial education company providing personalized and innovative financial education and counseling programs to over 500,000 employees at over 400 organizations. Financial Finesse partners with organizations to reach goals such as reducing fiduciary liability, increasing plan participation, decreasing stress, and increasing productivity through its unique approach to financial education. Financial Finesse does not sell products nor manage assets. For more information, visit [www.financialfinesse.com](http://www.financialfinesse.com).