# Workplace Financial Wellness Program Evaluation

Submitted to:
The Finance Authority of Maine

**PREPARED BY:**

The Financial Literacy Group

*Knowledge is Power*

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For many years the workplace has been an underutilized venue for enhancing adult financial literacy despite holding potential as the most effective channel to empower adults with financial knowledge and equip them to improve their lives. Once young adults leave the formal education system, reaching them in a substantive and impactful manner on financial topics becomes exceedingly difficult. Books, tools, websites and financial planners can give some people what they need, but for most these resources might be too time consuming or complex, insufficiently engaging or potentially biased toward selling financial products and services. By contrast the workplace can uniquely fill this gap. It is a place where people regularly come to focus on complex tasks and where they generally trust their employers to offer them benefits that will improve their well-being.

This is why the decision of the management of the Financial Authority of Maine ("FAME") to make financial well-being a high priority for its employees was a good and important decision. However, a strong decision will only have the impact that the implementation of that decision allows. There are numerous examples of workplace financial education campaigns that have fallen short. Perhaps those executing the program do not fully understand the subject matter or the financial lives of their audience or both. In other cases, these efforts can suffer from a lack of resources or the misallocation of those resources.

The purpose of this analysis was to determine through qualitative analysis if the FAME financial wellness program was able to realize the promise of financial literacy and positively impact the members of its workforce by empowering them to improve their financial lives.

We commend FAME for implementing this program and for showing the commitment necessary to determine the program's quality and impact. We appreciate the opportunity to be part of this important research.

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## Program, Objective and Methodology

### A. Financial Wellness Program

FAME has been offering a financial wellness program to its employees since 2019 consisting of four main elements.

First, FAME provided a monthly workplace financial literacy seminar called, Money in the Mornings Financial Workshop Series (also called “Money Mornings”). Each month the hour-long seminar addressed a different financial issue that employees might be presently facing or might face in the future. Each session was offered twice during the month to increase accessibility to staff. The sessions were voluntary, but well attended, regularly attracting roughly half of FAME staff.

Second, if employees elected to participate in the program, they were given free access to a professional financial coach. The coaching process consisted of one initial one hour session and two 30-minute in-person follow-up sessions at three and six months. To qualify for participation in the counseling part of the program a FAME associate had to attend a minimum of three workshops or complete six online modules (20-30 minutes each) through Enrich. This totaled to three hours of financial skill building.

Third, participants were required to take part in a confidential and anonymous program research and evaluation process conducted by FAME. Upon successful completion of the Employee Financial Wellness Program requirements, employees were able to request up to $250 in financial wellness incentive funds for the following eligible purposes:

- Purchase of tax preparation software or professional tax preparation services
- Financial coaching, advising or certified financial planning services
- Professional and/or legal services for will and/or estate planning
- Personal finance programs, DVDs, videos, books, and/or program memberships
- Savings match: the $250 incentive was also available as a match saving contribution for employees who make regular, consecutive contributions by payroll deduction into a designated savings account.

Lastly, employees had free access to Enrich learning modules. Enrich offers a set of online learning modules for employers that teach various aspects of financial literacy in 20-to-30-minute classes.

## B. Objective

The purpose of our research was to discover from a qualitative perspective if the FAME financial wellness program had an impact on participating employees and the nature of that impact. Once that determination is made, we could better advise FAME on what elements of the program should be retained, which should be enhanced and what other organizations can learn from FAME's experience.

## C. Methodology

From June through August of 2021, our Financial Literacy Group team took a number of steps as part of this research in furtherance of achieving the objectives above. Those steps included:

1) Informal discussions with the program leader of the financial wellness program
2) Review of the materials that were part of the program
3) Semi-structured interviews with key executives who were overseeing, staffing or participating in the program.
4) Focus group of staff level participants in the program
5) Focus group supervisory level participants in the program

It is important to note that since this analysis was carried out entirely in 2021, our researched focused on the program as it was offered in 2019 and 2020, and does not reflect any program changes made in 2021.

## Semi-Structured Interviews of Key Executives

We spoke with three individuals for this analysis using a semi-structured interview format.

**A. FAME Financial Education Programs Manager**

During our interview, the manager explained the origin of the program and answered our questions. While many topics were covered, those most germane to this analysis are the following:

- **Highly Collaborative Development Process:** The wellness program was developed with participation across the organization. In some organizations financial wellness program can be perceived as something the human resources department does *to* or *for* the rest of the organization. At FAME, the program was done *with* management and staff.

  The manager described an inclusive process which attracted important feedback and ultimately helped the program to be well received with strong employee participation once launched. Seemingly mundane details of the program were carefully planned to positive effect. For instance, Money in the Mornings Financial Workshop sessions were scheduled far in advance, usually occurring at the same time, included breakfast (prior to COVID) and were available through video archive after the sessions ended. The manager believed these, and other factors contributed to the sessions' popularity among staff.

- **Trust was Cultivated:** One of the natural advantages of offering financial education in the workplace is that most people trust their employers. However, an employee's trust in financial professionals with something to sell is much less.

  The manager explained that she structured the Money in the Mornings Financial Workshop sessions as a sales-free environment. While the program relied on financial professionals to run a number of its sessions, guest speakers were cautioned against selling financial products or services. She noted that she permitted the speakers to leave a business card for those employees interested in pursuing a professional relationship with the speaker, but this would be entirely employee driven.

- **Considering the Intangibles in Staffing the Program:** In attempting to unpack the successful elements of the program, it appears that those chosen to interact with employees was key. Frequently, financial experts are chosen for financial education programs primarily because of resume factors such as years of experience and credentials. Ms. Dyer revealed that finding experts who could communicate well, keep participants engaged and inspired trust were important factors she considered in staffing the program. According to participants, this was a common theme across most of the Money in the Mornings Financial Workshop sessions and was especially true in the selection of the financial counselor selected to deliver coaching to employees. The manager commented that the finance coach selected for the program "had the perfect coaching personality."

- **Importance of Accountability:** As part of the coaching sessions, the employee was asked to gather data, have discussions with a partner and develop financial goals or take other actions. Some of these steps are time-consuming and are typically not taken by consumers who are not working with a financial planner or similar professional. However, the presence of a coach in the

FAME program and the occurrence of scheduled meetings, may have been a motivator to participants to take the steps necessary to fully benefit from the program.

In assessing which of two factors – gaining new technical knowledge or being accountable to another person - was more important to the success of the program, the manager said that, while both elements were significant, the accountability piece likely did more to help employees begin to improve their finances.

- **Ongoing Challenges:** Particularly noted were two ways in which she believed the program could be enhanced. First, baseline data was not collected at the beginning of the program which limits the ability to show progress precisely and persuasively. While progress could be tracked relative to employee-designated financial plans, more objective measures were not available. Second, she noted a low level of participation among higher salary employees.

### B. FAME Customer Service Department Manager

We interviewed the manager of the Customer Service Department which consists of nine people. She was recommended to our study for an interview because of the high participation rate of her department and because she could share a supervisor’s perspective on the FAME financial wellbeing program. Below are what we determined to be the most salient responses to our interview questions.

- **Scheduling Critical to Participation of a Customer-Facing Unit:** Several times each month the manager emphasized to her staff the importance of attending a Money in the Mornings Financial Workshop session. The availability of two occurrence of each workshop permitted her to coordinate coverage of her office’s call center obligations to support a portion of her staff to attend each session.

- **Financial Coach Provided Customized, Practical and Unbiased Advice:** The manager offered that the financial coach helped determine her household’s top financial planning priorities and was instrumental in addressing each of them. For example, Ms. Lanphear stated that the coach equipped her and her spouse with questions to ask lawyers as they changed their will, engaged in estate planning and dealt with the financial affairs of her elderly parents. Ms. Lanphear observed that this advice was particularly helpful because there was no selling involved on the part of the coach, which indicated to her that the coach’s advice was unbiased and not motivated by the possibility of fee-generation.

- **Positive Staff Reception of Program:** The manager believes the mix of information, accountability and incentive structure worked together to make this program deeply popular with her staff. She was amazed at the level of consistent participation of her team. She accounts for this with the quality of the program and the financial incentive offered by FAME. She said she believes the net effect of this program was a higher likelihood of retention of her staff and may improve FAME’s efforts to recruit new employees.

## C. Financial Coach

The financial coach contracted by FAME to provide the coaching services for program participants had been coaching for about five years with 20 years of prior experience as a CPA.

By the second year of the program, employees were given an hour meeting and then two follow-up meetings. In our interview, the coach reflected on the program and FAME employees' responses to it. Key insights gained from that interview are:

- **Broad Range of Issues:** The coach described the broad range of issues addressed with employees. From basic money management to debt and credit issues, to retirement issues, they focused on a number of topics. Many employees had questions with tax implications. Some employees would raise issues that might need the assistance of other professionals and a referral was provided.

- **Differing Perspectives:** When asked to choose between the acquisition of technical knowledge or the accountability of working with someone as the most impactful element of the coaching, The coach thought the technical knowledge provided was more important. Interestingly, most FAME employees held the opposite view. In other words, the strong majority of program participants we spoke to, although they valued the technical knowledge, felt the accountability of did more to change their financial behavior than the financial expertise offered by the coach.

- **Spouse / Partner Involvement:** The coach noted that financial decisions were made more efficiently for the employees who directly involved their spouses or partners in the process. Some employees even included their spouses or partners in the coaching sessions. This became easier, of course, when sessions were virtual. The coach said that financial conversations that occurred were productive and reached a clear conclusion allowing steps to be taken. This was contrasted to the delay an employee might experience in attempting to bring up a financial topic with a spouse or partner between coaching sessions. Frequently the conversation with the spouse or partner would not happen, or, if the matter was discussed, a conclusion was not reached. This made progress at the sessions more challenging.

- **Difference Maker:** The coach noted a different perspective on the part of people attending a coaching session through the FAME financial wellness program versus those that sought coaching on their own. It was noted that FAME clients would be more likely to think that they were managing their finances optimally without the assistance of a professional. However, over the course of the sessions FAME employees recognized mistakes and became much more purposeful with their money. Program participants would change habits and use money according to their plans, not their guesses, whims or inertia.

## Focus Groups

Two focus groups were conducted. The first was with FAME staff level employees who participated in the Financial Wellbeing program and the second group consisted of supervisory level employees who participated in the program. The findings of each focus group are analyzed below.

### A. Staff Level Participants

While the focus group covered a wide range of topics, participants showed the most interest and enthusiasm for the topics below, so we probed each to learn details that were of value to our analysis.

- **Accountability to a Coach Promotes Action:** Several employees commented that working with a coach permitted them to not only set goals but to feel some urgency to executing each step on the path toward those goals. Looking back, most felt that without a focused, supportive expert to report back to, they would not have followed through on their plans. For instance, the goals might have been becoming debt free, increasing saving to fund a major purchase or just tracking one's purchases.

  They valued the coach's expertise but cited accountability to another person as the most valuable part of the relationship. Another participant mentioned that she did not want to "disappoint" the coach by having to explain that she had not carried out the agreed-upon plan. One employee said the embarrassment of admitting bad money decisions in front of the coach was so jarring that it spurred him to make a commitment to change.

- **How Financial Enrichment is Offered Matters:** We discovered some interesting opinions about the logistics of the program and what that meant to participants. First, we heard a few positive opinions on the in-person Money in the Mornings Financial Workshop sessions, but many more about offering them virtually. Second, someone noted the value of having the sessions archived for later viewing or for viewing them again. Third, a participant said that she liked that all pay grades were participating because it made her feel good about the open culture at FAME. Finally, another employee valued the access to the Enrich modules and said it informed her work with customers.

- **Lessened Anxiety:** An employee observed that the program had the effect of lessening her overall anxiety about money and let her better focus on her job. Several other employees quickly agreed with that statement, and each elaborated on it with their own similar story.

- **Spouse/Partner Participation in Coaching Beneficial:** A few program participants highlighted the option of having a spouse or partner share in the coaching as a positive feature of the program. They cited the coach's ability to moderate money discussions, narrow topics and develop and focus on a list of next steps. They said this made it easier to work together at home on household financial objectives.

- **My Employer Cares:** On a few occasions employees mentioned and came back to the idea that they were and are impressed that their employer would take the step of implementing a program that helped them with their personal financial matters. They likened it to traditional company benefits that would help retain them and that might help recruit new employees. The program also had a symbolic value for several participants, as they said it gave them a general sense that FAME "will holistically provide for you."

### B. Supervisory Level Participants

A summary of the supervisory level focus group key findings were:

- **Encouragement to Attend:** In some workplaces where financial seminars are offered on company time, employees are allowed to attend, but some employees feel managerial pressure to stay at their desks and work during the seminars. However, our research revealed that at FAME supervisors actively encouraged their teammates to attend. They would do this by bringing up a session to a colleague whom they thought might need the particular type of financial expertise featured in a certain session. They would also make sure not to schedule meetings that conflicted with the workshop sessions. Frequently supervisors would encourage their direct reports to attend by attending themselves.

- **Scheduled Predictably:** By holding the Money in the Mornings Financial Workshop sessions at the same time, FAME enabled supervisors to schedule other office work around those times and permit regular attendance. Having the second occurrence of the same sessions occur at a variable time each month was also helpful.

- **Accountability to Coach:** As with the employee focus group, supervisors credited the feeling of obligation they had to the coach to follow through with commitments for helping them overcome the inertia of past financial behavior. They surmised that the coach's non-judgmental approach made them more likely to reveal unflattering financial conduct. This, as it turned out, was the first step in changing that conduct.

- **Referrals:** One supervisor stated that one of the most valuable things about the coaching sessions was the referrals to financial professionals the coach made. A few other supervisors echoed that statement. Specifically, they thought the coach was good at pairing program participants with professionals who were not just reputable, but who were most compatible with the personality type and approach they were looking for.

- **Other Organizations Should Do This:** During this part of the focus group we put the questions out there and then hung back because the supervisors were very spirited and took command of the conversation. They were having to wait to take turns to offer examples of why this program was beneficial to their staffs and why other organizations should do this. A few supervisors related how employees had stated that this program made them feel like FAME is committed to them and cares about their well-being. This, they said, would make them think twice about leaving FAME. Another supervisor conveyed that there was a "head-in-the-sand" feeling prior to this program among her staff, and that now her team felt relieved and less stressed since they had gained an understanding of their household finances. Still another supervisor said he believed morale had improved on his team as people took control of their money and encountered fewer financial emergencies. He went on to say that he likes to think that the preparation his team received in the financial wellbeing program helped them get through the worst of the pandemic lockdown when some employees had spouses or partners who lost their jobs.

## Conclusions

This qualitative analysis describes an investment in human capital that has paid off. Through its financial wellness program, FAME, has assembled a number of programmatic elements in a highly effective configuration that benefit its employees individually and the organization as a whole. Drawing from our background research on the program, three interviews, two focus groups and many years of experience in this space, we offer what we deem to be the program's success factors below. These are the components of the program that other employers might emulate if they would like to replicate FAME's positive results. We have also included opportunities for the program to improve.

**A. Seven Success Factors:**

1) **Engaging:** The topics and speakers of the Money in the Mornings Workshops are well selected and hold the interest of attendees.

2) **Support and Accountability, but Not Judgment:** The coach chosen for this program possessed a personality that inspired candor and action in the participants.

3) **Assistance Balanced with Autonomy:** The financial wellness program provided the resources and opportunity for associates to take control of their finances, but permitted the associate himself or herself to actually take the lead and make decisions. For instance, associates were required to attend coaching sessions to qualify for the financial incentive, but the goals they developed with the coach were all their own. Likewise, the program permitted a wide range of options as to how associates could spend their financial incentive. In short, the program provided not a *shove*, but a gentle *nudge* to rethink one's finances.

4) **Trust was Maintained:** Care was taken to insulate the program from any selling by any of the financial professionals involved. This allowed the trust participants already had in their employer to be extended to the program.

5) **Participation-Compatible:** Scheduling, archiving and use of virtual workshops removed common barriers to broad employee participation.

6) **Not Just Permission, but Encouragement:** Employees received financial incentives as well as encouragement from supervisors to embrace the program. Supervisors supported the program not only with their team's time, but with their own. This showed associates that educating yourself on financial matters bears no stigma as some sort of remedial exercise. The point of the program was not to "fix" but to improve. Management's participation also served to lessen perceived divisions by pay grade. Staff level associates felt that, by attending, their supervisors acknowledged that they too could do better with their money, just like those that report to them. Shared experiences like these lead to a more cohesive organizational culture.

7) **Institutionalizing Program Impacts Retention and Recruitment:** By keeping and building on its present financial wellness program, FAME may begin to see long term benefits in employee retention, as associates wondered out loud why they would think about leaving an organization that is this committed to improving the lives they live after five o'clock. Likewise, if characterized persuasively, the program can function as a unique and attractive company benefit which can

bolster recruitment efforts in a competitive market for talent.

***Limiting Factors:*** *The above factors characterize the success of the FAME program and can be instructive to executives in other organizations contemplating a financial wellness program for their workplaces. However, there are important factors that must be considered that make FAME's situation unique. This is not to suggest that other employers cannot achieve, or even exceed, the level of success FAME has enjoyed with its program, just that the approach would need to be customized to take note of the particular characteristics of another employer and its workforce.*

*First, FAME made a significant financial commitment to this program when viewed on a per employee basis. Second, FAME dedicated a great deal of workplace time to the program, permitting associates to participate in all facets of the program on work time. Third, with a workforce under 60 people, FAME was able to move nimbly and avoid some issues larger organizations might encounter. Fourth, given the nature of the work at FAME, the average associate has a higher level of education and more comfort with financial matters than many workforces. Fifth, the financial coach chosen for the program had skills and an approach not common to all financial coaches.*

**B. Possible Improvements:**

As the financial wellness program continues, it would be worthwhile to consider a few potential enhancements we formulated as a result of our conversations and other research.

**Baseline / Comparative Data Collection:** Any employee that is new to the financial wellness program should provide baseline data which can be compared to data after he or she completes the program. This may be someone who is new to FAME or just never participated in earlier opportunities.

Additionally, it is worth exploring the possibility of getting historical data on those who have already completed the program to approximate a baseline. For instance, how many garnishments did FAME's human resources department process before the program and after? What were the levels of employee retirement plan contributions before and after the program? So long as all privacy protections are maintained and all proper authorizations are obtained, it might be possible to uncover useful historical data on past program participants, in an effort to better gauge program impact.

Finally, it might be worth surveying participants versus non-participants to look for difference in financial knowledge, attitude or behavior. One would need to control for other factors, but this offers an opportunity to make some valid inferences about the relative benefits of the program.

**Confidentiality Agreement:** While the coach noted that participants signed a hold harmless agreement, she suggested a confidentiality agreement would add another layer of protection to the relationship.

**Actively Encourage Partner/Spouse Involvement:** While a few associates took advantage of the option of bringing their spouses or partners to the coaching sessions, it was unclear how much this was actively encouraged. One way of promoting this would be to arrange sessions with the coach at an hour that allows spouses/partners to easily attend or to continue to make available virtual sessions.

**Takeaway Document:** Some participants in Money in the Morning Financial Workshops observed that it would have been helpful for speakers to provide a one-page document at the end of each session which summarized key learnings and next steps for participants. It was suggested this would permit attendees to better focus on the presentation instead of taking notes and would promote employee follow up on actions steps recommended during the workshop.



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