

## Instructor's Tutelage

Success and prosperity are often defined in different ways by different people. Yet, most individuals will consider money and finances as a large portion of their recipe for success. Thus, learning and understanding practical and easy ways to digest money concepts can move people toward achieving their dreams of success. Those who take a financial literacy course gain the advantage of this financial knowledge. Most individuals never receive a proper personal finance

education so, no matter their current education level, course participants will leave knowing much more than the majority of those around them. Putting their newfound financial knowledge to work will not only help their current financial situation but can also help with productivity in other areas of their life. The Heartland Institute financial education courses cover topics such as budgeting, investments, tax planning, personal growth and much more.



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## Addressing a Need for Wellness Within a Firm

PFEFF, Sept. 2016

Across the United States, the need for better financial responsibility is well documented. On average, Americans spend too much, save too little and experience a great deal of stress over money. This stress negatively impacts family, performance at work, and nearly every other aspect of day-to-day life.

While there is a push for schools to better educate children on the basics of finances, those who are out of school and in the workforce have historically been left behind. However, in recent years, businesses have begun to step in to fill this need for their employees. Many times these financial programs are coupled with existing personal wellness measures creating enormous

benefit for those who participate.

One incredibly successful program is run by Meredith Corp., a media and marketing corporation headquartered in Des Moines, Iowa. Known best to consumers for its popular magazine Better Homes and Gardens, Meredith Corp. has over 4,500 employees across 21 different locations. In 2008, Chairman and CEO Steve Lacy launched the Meredith Wellness Program with the primary goal to "help our employees enjoy a long and healthy life, right now and during retirement."

The Meredith Wellness Program (MWP) has a dynamic approach to improving employees' lives. Physically, the program offers classes on nutrition, health care

## Addressing a Need for Wellness Within a Firm (cont.)

and lifestyle, as well as sponsoring activity tracking and exercise events. On top of this, the MWP includes a targeted set of financial classes and testing to see where you stand financially. The aim of this approach is to reduce financial stress in the short term and prepare employees for the long term.

Another innovative part of the MWP is its focus on education. Classes such as “Your Money in the Year Ahead and Tips for Taxes,” “Holiday Budgeting,” or “Credit and Debt Management” are all offered free to employees and their spouses. Also, the instructors are brought in solely to teach; they have no products or services to sell. Both the focus and the lack of products remove any conflict of interest for those teaching, leading to a better experience for participants.

At the heart of the financial arm of this program is the Personal Financial Wellness (PFW) checkup. Designed for Meredith by the Personal Finance Employee

Education Foundation (PFEF), this eight-question checkup “benchmarks cash flow stress, rate of savings, level of understanding of employee benefits, and overall level of financial well-being.” Scored on a scale of 1 to 10, this survey provides invaluable data and insight into the financial education needs of employees and has allowed Meredith to tailor its offerings each year to maximize the benefit from its program.

This focus on tracking results extends across the entire program, not just the financial side. Through its own website, developed specifically for the MWP, Meredith confidentially tracked participation and progress, and offered incentives for completing certain events and challenges. These incentives included “Well-Bucks,” which can be redeemed for prizes; reimbursement programs; and increased company contributions to health care premiums.

While the program itself is impressive, the results are even better. Participation in the company 401(k) program increased 10 percent in just one year; 87 percent of employees reduced debt or were debt free by 2013; and the percentage of people with high financial stress was reduced from 22 percent to 8 percent in three years.

On top of the employee gains, Meredith has also benefitted. While it has spent over \$2 million on its wellness program, the estimated financial savings from health care costs, sick leave and stress-related illness are over \$10 million. My hope is that more companies will be able to duplicate Meredith’s success and increase investment in physical and financial wellness programs.



## How Financial Wellness Efforts Can Boost Retirement Readiness

By Joe DeSilva

ebn, Employee Benefit News

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The economy appears to be strengthening, yet American workers are increasingly worried about retirement. On the face of it, this seems counterintuitive.

But consider this: Unemployment hovers around 5%, the lowest it’s been since 2008, and wages have grown consistently since 2014. Yet, research by Brightwork Partners shows that over the past 12 months, 38% of workers have considered delaying retirement beyond the original age they intended. And 52% of respondents say they will delay retirement because they “need to save more.”

There are a few forces influencing this trend. One reason is simple demographics. People are living longer and, therefore, working longer. The average life expectancy currently is 78.8 years according to the CDC. The percentage of workers age 55 years and older is expected to be 24.8% in 2024, up from 11.3% in 1994, per the Bureau of Labor Statistics. And, according to Gallup, the average age at which U.S. workers predict they will retire is 66, up from 60 in 1995.

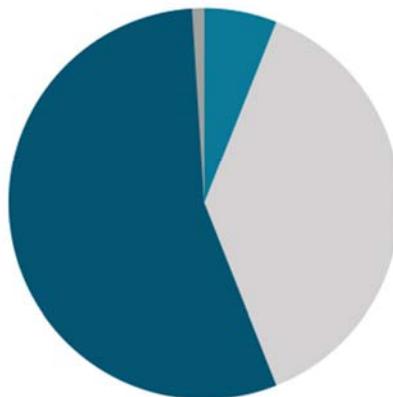
In addition, residual lessons from the recession are changing the state of retirement. Even if the United States is nearing full employment and wages are

## How Financial Wellness Efforts Can Boost Retirement Readiness (cont.)

### Education demand

Changes in demand for financial education over the past 5 years

- Increased significantly, 6%
- Increased somewhat, 38%
- No change, 55%
- Decreased somewhat, 1%



Source: IFEBP employer survey, 2016

rising, post-recession lessons are having an effect on the way Americans are thinking about retirement, especially millennials. The Brightwork Partners study revealed that the number of employees between 18 and 34 who are considering delaying retirement has increased 15% from 2010. Employees between the ages of 35 and 49 concerned about their retirement increased 7%. Interestingly, this trend is spread across income levels as well. Forty percent of respondents earning \$50,000 to \$100,000 expect to delay retirement, while 37% earning less than \$50,000 expect to delay, and 37% of those earning more than \$100,000 expect to do so.

Even though financial worries are a main reason to push back retirement, according to the study, certain age groups have different specific financial concerns. Those under 50 say current financial

obligations have them most concerned, while those over 50 are most concerned with retirement. The recession seems to have had an effect on each group, placing an undue burden on financial milestones they face in their respective life stages.

According to AICPA, 50% of U.S. adults say they delayed contributions to retirement accounts due to the burden of student loans, a 22% jump from 2013. Many younger workers were burdened with loans during the recovery and many others came to terms with reduced retirement savings. Those concerns will likely influence how people consider their savings moving forward.

So if employees are pushing off retirement, what effect does this have on benefits administrators and HR

departments?

The current trends show an increased concern over financial preparedness, both for short- and long-term objectives. Employer-sponsored benefits, like 401(k) plans and financial wellness programs, can help ease financial stress for those preparing for their retirement years. Financial wellness programs that teach about budgeting, debt management and financial goal-setting are a good complement to 401(k) plans. These programs can show how saving for retirement can be possible even with other financial obligations taking priority. Employers also can use the current shift to re-assess which retirement savings plans make the most sense for their employees and their business. Whether the classic 401(k), Profit Sharing plan or SIMPLE IRA, there are different options that employers can utilize.

It's a new age for benefits providers. Employees are increasingly concerned about retirement and they want to be proactive in saving for their futures. A recent ADP white paper notes that when employers put in place financial wellness programs, 73% of employers see increased retirement readiness. There's an opportunity here to not only help employees save more for retirement, but to boost financial wellness and increase overall financial literacy. That win-win scenario certainly seems worth considering.

**THE HEARTLAND INSTITUTE  
OF FINANCIAL EDUCATION**

8301 E Prentice Ave.  
Ste. 312  
Greenwood Village, CO 80111

Phone: (303) 597-0197

Fax: (303) 369-3900

Email: [info@hife-usa.org](mailto:info@hife-usa.org)  
[www.hife-usa.org](http://www.hife-usa.org)



## How Financial Wellness Efforts Can Boost Retirement Readiness (cont.)

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### HIFE Financial Wellness

The Heartland Institute partners with colleges and universities throughout the United States to provide financial education courses to businesses and their employees, organizations and their members, and even civic and community groups who desire this type of purely educational coursework and information. These courses are taught by CFE Certified Financial Educators® who have both instructional and practical business experience. Our team of certified Instructors work with organizations and their employees to outline financial training that best suits the organization and its needs.

The results of these non-solicitous classes have been amazing. Employees and private citizens who

would never take the time to attend a course in financial education are joining their colleagues for class at the community center, office or plant after work. As a further incentive, spouses/partners are invited to join the class for no additional cost.

Whether your employees need help with retirement planning, cash flow planning, debt management, investment planning or other important areas of financial education, we can help.

For more information, please visit our website at [www.hife-usa.org](http://www.hife-usa.org)