

## Employers providing financial education to employees? Priceless

86% of Australians want further financial education and are interested in learning more about planning for the long term. A recent survey by AC Nielson found that 62% of employees would like to receive financial education through their employer.

I believe this represents a fantastic opportunity for employers to review the benefits or arrangements they provide their employees and ensure their offerings create a sense of financial wellbeing.

Traditionally, employers have used financial planners and super fund providers in an attempt to educate their staff on important financial matters. In current times an effective employee financial education program should be unbiased. Employees are cautious, and appropriately so. They do not want workshops that are merely sales presentations for insurance or investment programs. We have found many employers have an arrangement of sorts with a financial planning or superannuation organisation, however there seems to have been limited take up.

This is not surprising; a recent Roy Morgan survey found that only 25% of people trust a financial planner. So where an employer believes they have a solution, this solution does not appeal to 75% of the workforce. Of the 25% that do trust financial planners, there will be employees who use their own financial planner and will not use the employer's arrangement. So this type of arrangement is hardly an organisation-wide benefit. This does not mean that employees don't want to learn more about how to make better decisions with their money; rather, research shows that the majority want to learn more. Employers that provide innovative and progressive solutions to their employees are looking for alternatives to provide for this need.

The GFC has meant that more people than ever before are taking an interest in their finances. The employer carries risk where financial advice is given to employees from a recommended organisation. I feel that if the advice or the outcome has been detrimental for the employee, the relationship with the employer may be damaged. With the numerous fallouts and failures over the last two years, the risk to an employer of taking this approach has become more evident.

There are many benefits to the employer of a financially fit workforce, including greater productivity, lower employee financial stress, increased engagement, improved retention and attraction, more effective communication and a strengthening of the values of the organisation.

Importantly, not all people are necessarily interested in the technical areas of managing money. People like to learn about themselves and the human behavioural aspects of how they interact with their money, their spouse, their work mates and their advisers. The human behavioural aspects of money are just as important as the technical aspects. It's great to have technical knowledge, however, if you don't know what you are about or why you do the things you do, the technical knowledge won't be as powerful.

I believe strongly in bringing independent financial education to employees. Such a program is for organisations that demonstrate best practice and go beyond just providing pay packets to employees. Independence is vital, and there should be no strings attached. No investment products, no super products, no lending products, no large organisations using it as a lead to sell something different.

With technology, employee financial education can now be delivered consistently and cost effectively.

Put simply, increasing the financial knowledge and financial confidence of employees is a powerful way to enhance their life, relationships and firmly position you as an 'employer of choice'.

### Giveaway!

*Human Capital* has arranged 50 copies of innergi's ebook on the research and benefits of having financially fit employees in your workplace, for the first 50 people to email [info@innergi.com.au](mailto:info@innergi.com.au) with 'Human Capital' in the subject line. Alternatively, you can call innergi on 1300 883 522.

### About the author

*Robert Skinner is a director of innergi, an independent provider of financial education. innergi combines the traditional and technical areas such as investing, superannuation and budgeting, with innovative areas such as money personality, money beliefs and much more. innergi uses quizzes and calculators, questionnaires and competitions to help people relate to and engage in the advancement of their financial knowledge and in turn confidence*