

## Financial Education Showcase – Designing and Delivering Large-scale Programmes and Public Outreach

### Concurrent Session B: Increasing Financial Fitness through the Workplace

#### Summary:

The workplace presents a significant opportunity to introduce financial education programmes to large groups of people in a relatively homogenous environment. Experts review specific workplace programmes, contrast the content and delivery methods against other types of financial education, and discuss the steps that need to be taken to optimise their impact and encourage more employers to start these programmes.

#### Key takeaways:

- Financial education programmes in the workplace need to be tailored to suit their target audience (for example, programmes should take into account the language and numeracy skills of staff)
- Partnerships are important in the effective development and delivery of financial education programmes
- External facilitators are a critical part of successfully delivering workplace programmes so that there is no 'conflict'. Employees are less likely to share personal information with employers.
- Workplace programmes should not offer commercial advice or be viewed as an opportunity to market products. Workplace programmes should be designed to enable participating employees to make their own choices which suit their specific circumstances
- Colleagues with similar backgrounds and experiences can play a valuable role through support networks
- Clever marketing helps get employer attention and recognition for the need for workplace financial education programmes

#### Presentation synopsis:

Moderated by **Nelson Thackery, Head of Strategic Business Unit & Capital Markets, Regional Treasury, Citi Asia Pacific**

**Lyn Morris, National Financial Education Director, Young Enterprise Trust, New Zealand**

The Financial Literacy in Our Workplace (FLOW) program came about when a supermarket employer gave his staff a bonus which resulted in his staff not turning up to work for one week. When questioned, staff indicated that they did not need to work that week because they had already earned enough through the bonus. They spent what they earned with no thought about their future. As a result of this, he asked a friend to help develop a programme for his staff.

A four session programme was developed for low income workers and took into account their language and numeracy skills. Programme topics included:

- Keep out of debt – basic needs, wants, the price of debt
- Understand where your money goes – 'net worth', budgeting
- Savings – why important, introduction to the income triangle (70% expenditure, 20% short-term savings, 10% long-term savings), successful savings tips
- Where to from here – extending vision to the future

The initial programme model was based on a partnership between the organiser (NZ Shareholders Association), the content provider/trainers (Young Enterprise Trust) and workplace trainers/facilitators (Skills4Work)

Programme features include:

- Face to face delivery – trainers need to be friendly and beneficiaries must feel they are involved
- External facilitator – employees must not feel they were disclosing personal information to their employer, and there were no conflicts of interest
- No commercial advice – participants must be enabled to make their own choices related to their own circumstances
- Cultural relevance – programs must be culturally relevant. Within the New Zealand context for example, most Polynesians like to share things with friends therefore the workplace programme was very interactive, with a lot of work in pairs etc.
- Programme design – programme content needs to be developed with the target audience in mind; information should be presented in an easy to understand way

The programme was implemented in three different workplaces benefiting three different groups.

Lessons learned:

- The programme should be focused and not aim to cover too much
- The four sessions were condensed into two sessions as the time between each session was too long
- Specialists should be brought in to answer specific questions
- Do not use workplace financial education courses to market products – one of the workplaces (a bank) did this with the end result that employees got into further debt

**Howard Gannaway, Research Fellow in Financial Education, National Institute of Adult Continuing Education (NIACE), UK**

NIACE is a membership based not-for-profit organisation focused on promoting adult learning. Its primary purpose is advocacy but it also engages in research.

Financial learning in the workplace is important because:

- Trust – the workplace is the ‘new community’ – in the past, people were more integrated into their communities, now with the dissipation of community, the workplace represents a new version of community and there is a high level of trust between employers/employees
- Mental connection – there is a logical link between earning and spending
- Finance-related stress can affect work
- Workplace financial issues – e.g. pensions, life and health insurance
- Financial skills in the workplace – better financial skills can translate into better skills in the workplace, better ability to manage own work etc

The Successful Retirement Project was developed as a result of a Department of Work and Pensions initiative. The Department wanted small companies to get their employees to start thinking about retirement/pensions etc. In order to do this, the Department created a fund for projects by voluntary/third sector organizations which helped employees start thinking about their retirement.

NIACE partnered with the Trade Unions and employer organisations to develop a programme to recruit and train pension champions in the workplace. The champion would keep the issue 'alive' within the workplace and be a resource for co-workers. The Project targeted small print companies based in Yorkshire. The majority of these were director-controlled with a highly skilled workforce.

The Project looked at ways to successfully market the programme and get employers attention. Techniques included sending carriage clocks (traditional retirement gifts) in the post alongside a note saying "is this all they will get when they retire?" as well as retirement cards with messages from 'co-workers' wishing individuals for a happy retirement. The back of the card asked questions such as "What if they haven't made any financial provision for retirement?" and gave information on the NIACE programme (offering free of charge training). Many called up on receiving the retirement cards.

The Project also developed a clever way to present information to the printers by using a printer's swatch. A swatch is a palette of colours used by printers as a colour guide. In this case, the swatch contained a series of financial planning tips which could be easily referenced.

The next phase of the programme involves setting up a Pensions Education Network, and following the Champions to find out how the cascading of information went and how Champions can best be supported.

#### **Session Q&A:**

##### ***What were the reactions of labour unions to the workplace financial education strategy? Did the FLOW programme deal with contract or full time workers?***

- Lyn Morris responded that labour unions were not involved in the development of the FLOW program given the informal nature of how this programme initially developed. Unlike the UK, the role of the labour union in New Zealand has changed and they are less involved. However, in terms of rolling out the programme more broadly, then labour unions will have an important role to play in this since unions have broadened their traditional role to cover member benefits. The New Zealand programme was designed to benefit full-time/permanent employees

##### ***How will programmes be sustained?***

- Howard Gannaway indicated that the Department of Pensions has made some additional funding available for follow-up research. In addition, they have set up a website with up to date information. However, all of this is not good enough to sustain this program fully, and this is partly due to unrealistic expectations on how the programme was to be sustained at the start.

##### ***Have you conducted any pre- and post-assessments and what are the processes? How have you used feedback to feed into the design of the programmes?***

- Lyn Morris indicated that pre- and post-tests were done by hand and the information (collated by hand) demonstrated a shift in thinking/behaviour and attitudes. It would be great to use computers to collect and analyse results, however, this would not affect the results/findings

##### ***What were some of the challenges to finding appropriate champions or external facilitators?***

- Lyn Morris indicated that some of the challenges to finding external facilitators related to their availability and the timing of their preparation

- Howard Gannaway stated that there was no one system to help identify champions. This was largely dependent on NIACE's entry point (e.g. through direct marketing or through a trade union contact) and what was going on in individual companies at the time