



Updated Wednesday, October 7, 2015 as of 12:11 PM ET

# Financial education the foundation for improved employee productivity



By [Nick Otto](#)

October 2, 2015

A solid financial wellness program needs to focus on three big ideas: big data, behavioral science and technology, industry experts said Thursday at *EBN's* Benefits Forum & Expo in Orlando, Fla.

And the need for a financially savvy workforce is more important than ever, said Joe Saari, chairman and founder of the Financial Fitness Group, as financial stress costs, on average, \$2,000 per employee in lost productivity.

Employees with high financial stress can increase employer costs through high turnover, absenteeism and payroll expenses, while lowering profits through lost productivity, low engagement and low employee satisfaction, said Saari.

In addition to productivity costs, he noted, financial stresses is a leading contributor to unhealthy behaviors such as smoking, drug/alcohol abuse and weight gain.

"It's not an easy task [for employers]" said Ted Goldman, managing director at Buck Consultants. "We're in an environment with different employees who require different care and feeding."

He emphasized that employers need to better understand how employees make their decisions, which will allow for a more creative and tailored approach to building and communicating financial wellness programs.

"We have to understand what motivates [employees] to make decisions and move the needle forward," Goldman said.

Employers, he said, can learn from what has worked in the realm of physical wellness – incentives, for example – and apply those same principles to financial wellness. "The twist is putting those [financial] incentives into the employee's 401(k)," he said.

Jake Flaitz, director of benefits at Paychex, added that it helps if employers change their mindset from one of providing financial benefits to one of offering financial well-being.

“Benefits is passive and well-being is a much more interactive, two-way interaction that I think is required [of the employer],” Flaitz said.

As employees assess their financial well-being and get some education, there can be a big drop in stress, Saari said. “Just knowing there is a path forward can help us feel a little bit better about our money,” he said.