

IDEAS FOR GROWING YOUR BUSINESS STRATEGIES

A helping hand

More companies are offering financial education for employees during turbulent economic times

BY JIMMY DEBUTTS | STAFF

Forrest Cook saw desperation and fear in the faces of NCP Solutions employees.

Retirement funds had evaporated. Two income families were now struggling to live on one.

Employees needed help. It's been a common scene for Cook, NCP's vice president of human resources, over the past 18 months as millions across the country lost jobs and savings and 401(k) accounts plummeted.

Like many companies, NCP began offering financial assistance courses and retirement planning forums. The low-cost, and often free, services can help employees with simple budgeting and complex retirement investments.

Cook said NCP brings in financial experts to educate employees on managing their finances or 401(k)s. In addition, Cook said the biggest benefit is often just directing employees to the appropriate non-profit organizations that specialize in the assistance they need.

Easing financial-related stress among employees has tangible benefits for the company, Cook said.

"It's a nice thing to be able to offer," Cook said. "We all have a community responsibility with the financial literacy of the people. If they are worrying about their finances, they're not as productive as they should be."

Many banks will provide onsite financial literacy training for free, Cook said. For many employees, the recession has forced them to be more prudent budgeters and investors, according to Mayer Electric Supply Co. Inc.'s Director of Human Resources Melinda Carroll.

The days of stable job markets and easy credit gave many Americans the impression their 401(k)s and home values would always increase. The slap of reality has intensified stress and Mayer offers services to help ease the strain, Carroll said.

"We care very deeply about our associates and anything we can offer them to help in that area of their life, we have an obligation to do it," Carroll said. "We get a more knowledgeable workforce. If you're not worrying on your retirement you can concentrate on other things."

The worst economic downturn since the Great Depression has spawned a 35 percent increase in the number of companies whose employees are seeking financial education, according to a recent Society for Human Resources Management poll. Behavioral Health System Inc.'s Employee Assistance Program Director Judi Braswell said many companies provide lunch and learns where employees are given options for long-term saving and short-term budgeting.

Braswell said the average American wasn't prepared for the recession. But, she said businesses have a vested interest in their employees financial health.

They want employees concentrating on their work and not fretting over their weekly budget or how their 401(k) is performing. Americans have been hit with a severe wakeup call, she said.

Many employees think they can delay paying off credit or saving for retirement until later in their careers when their income is higher, Braswell said. She said double digit unemployment has been a game-changer.

"We are a spending nation, not a saving nation," Braswell said. "We have to change the mentality of spend all you can to one where we begin to save."

Companies that assist their employees find the right resource to meet their financial needs are rewarded with a more productive and happy workforce, Braswell said. She said financial literacy seminars is an inexpensive way for

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companies to provide valuable training while boosting morale.

Braswell said employees are wise to help their workers tackle financial problems before they snowball out of control. That might enable employees to avert a crisis and the firm ultimately benefits through fewer missed days, she said.

"Companies are only as healthy as their employees," Braswell said. "Their greatest asset is human capital. And, if their employees have the financial resources they need, maybe they're not taking time away from their job looking at their bank account and can spend that time doing what they are paid to do."

Regions Financial Corp. employees have access to online financial assistance and counseling through an independent firm, spokesman Tim Deighton said. Regions' online tools offer financial modeling and calculators to help employees "assess their financial health and track progress toward their financial goals," Deighton said.

Employees can review educational materials on cash flow, debt management, investments and estate planning on the Web site. They can also receive one-on-one counseling.

Companies have the ability to provide stability and reassurance to their employees by helping them sift through various financial assistance resources, NCP's Cook said. The recession has highlighted the need for sound financial planning and employees are clamoring for help, he said. Cook said businesses can assist in an advisory role.

"That's what people need right now," Cook said. "If there is a silver lining, maybe this downturn will help people get back to realistic budgeting."

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