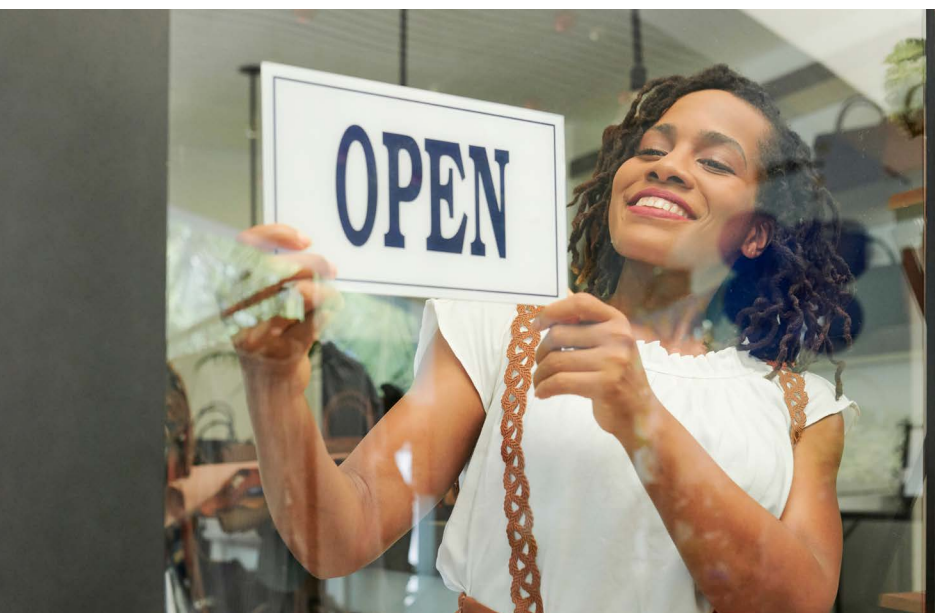
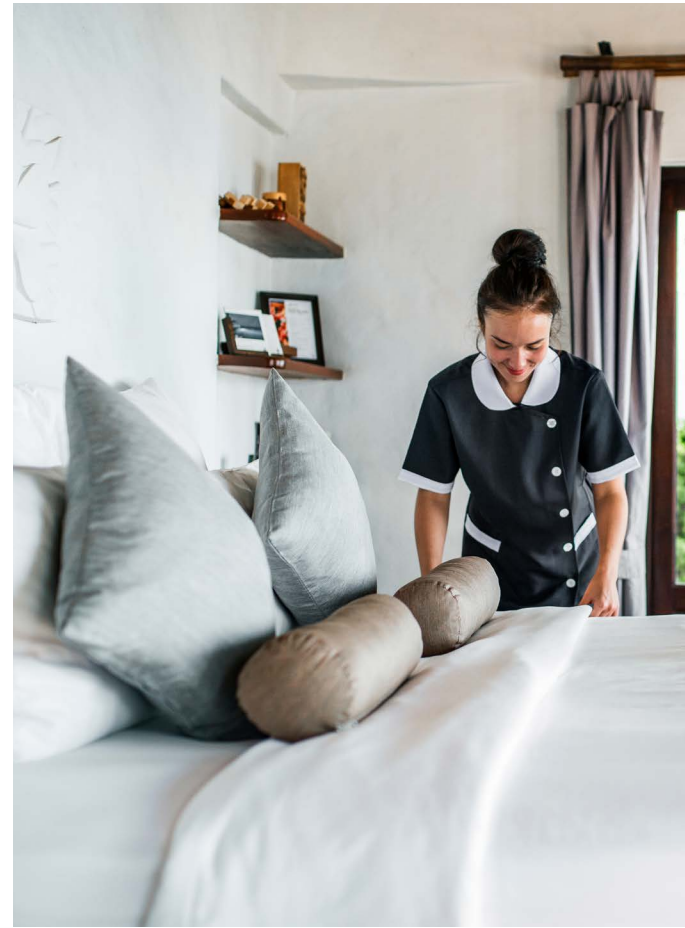




# Financial Empowerment for the Workplace

Practical Options for Helping Employees Take Control of Their Financial Lives



**Developed for:**

U.S. Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Division of Community Discretionary and Demonstration Programs



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**



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## Introduction

The financial well-being of employees matters to employers. Employers and researchers alike are discovering that helping employees to become financially empowered—having the knowledge and the skills to make informed financial decisions—makes a difference for both employees and their employers. Employers that offer financial empowerment to their employees either directly or through referrals can improve workers' job performance, make contributions to the health of the wider community, and benefit in other ways.

Employers are offering a wide variety of services and referrals to help employees become financially empowered. Those offerings are highly customizable, and they include low- and no-cost options. Each employer can select its own strategy or set of strategies, based on the needs and interests of the organization, its employees, and the wider community. **Figure 1** lists just a few of the industries where forward-looking employers are connecting their employees to financial empowerment supports.

This guide introduces employers to financial empowerment offerings that may work for their organizations. The tools in this guide can help employers take practical steps toward bringing financial empowerment to employees.

**Figure 1. Workplace Financial Empowerment Spans Industries**



## Financial Well-Being and Financial Empowerment

According to the Consumer Financial Protection Bureau, financial well-being is when you are able to fully meet current and ongoing financial obligations, feel secure in your financial future, and make choices that allow enjoyment of life. (See <https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale>.)

**Financial empowerment** leads to financial well-being. Financial empowerment is having the knowledge, skills, and confidence to make money choices that help you reach your personal and financial goals.

The financial empowerment options presented in this guide are diverse, but they have something important in common: They put power in the hands of employees to take control of their financial lives and pursue financial well-being.

# Benefits of Workplace Financial Empowerment to Employers

When employees are financially empowered, employers benefit, too.

## IMPROVED EMPLOYEE PERFORMANCE



Employers report that financial stress can lead to an inability to focus at work, increased absences, decreased on-the-job morale, and physical health issues.<sup>i</sup> Indeed, research shows that the experience of scarcity—not having enough money, food, or other resources—can negatively affect memory, attention, perception, and decision making.<sup>ii</sup> The flip side is that **employees with higher levels of financial well-being perform better**. They are able to focus on the tasks at hand, be productive, make good decisions, and avoid mistakes.

## IMPROVED EMPLOYEE SATISFACTION



**Employees who are financially empowered have higher satisfaction with their employer and pay.**<sup>iii,iv</sup> Many financial empowerment offerings cost little or nothing for employers to implement, but they provide high return, because they show that employers are committed to investing in their employees for the long term. This makes employees feel valued.

## BENEFITS THAT ATTRACT TALENT



Because workers value benefits that help them become financially empowered,<sup>v</sup> **financial empowerment offerings can be an element of employers' recruitment strategies.**

## LONGER EMPLOYEE RETENTION



**A variety of factors can contribute to longer retention for financially empowered employees:**

- Better performance on the job
- Lower absenteeism
- Higher job satisfaction

In addition, financially empowered employees can better weather financial shocks that affect their access to transportation, childcare, assistive technologies, and other resources that help them perform at their best at work. When a negative event like a car breakdown occurs, employees can use their financial skills and resources to cope and make it to work.

## A FUNDRAISING EDGE



For employers that utilize federal grant funds or other subsidies that support job creation, **offering financial empowerment can provide a competitive edge.** For example, the Administration for Children and Families' Community Economic Development Program funds projects that create jobs and offers bonus points to grant applicants that promote financial empowerment.

## CONTRIBUTIONS TO THE FINANCIAL HEALTH OF THE WIDER COMMUNITY



**The benefits of financial empowerment have a ripple effect.** Individual employees who are financially stable contribute their earnings back into the local economy, are self-sufficient, and acquire long-term assets like homes that give communities stronger roots. See *Ripple Effect: Individual Financial Empowerment and the Wider Community* on the next page.

## COMMUNITY GOODWILL

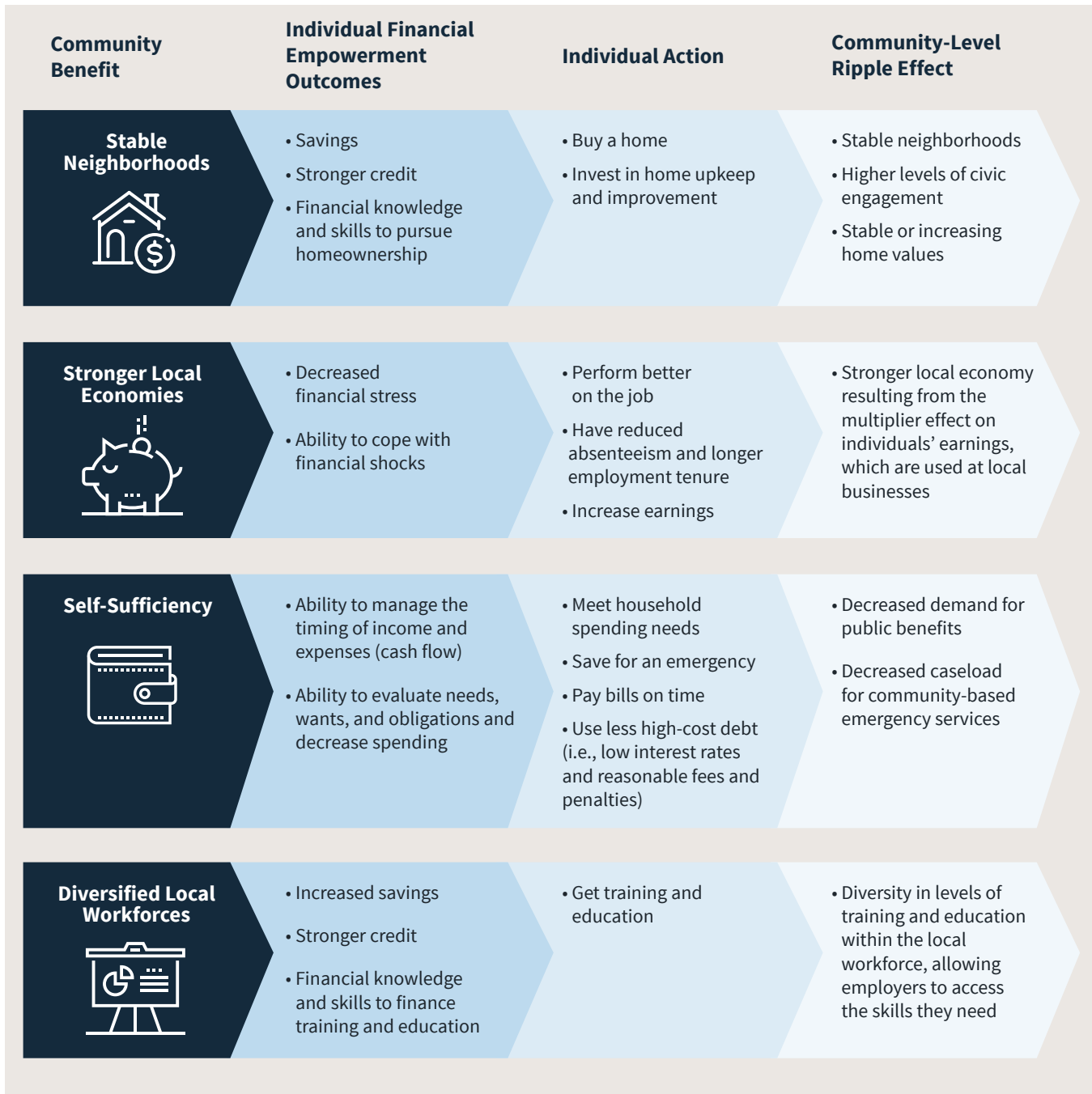


Employers care about their communities and incorporate giving back as part of their mission. And how they are perceived by the public can affect the bottom line. **Financial empowerment offerings are opportunities for companies to earn recognition for doing good.** Services offered in partnership with local community-based organizations can be especially effective in generating community goodwill.

## Ripple Effect: Individual Financial Empowerment and the Wider Community

Promoting financial empowerment at the individual level may have a ripple effect, promoting economic development within the local area (Figure 2).

Figure 2. Individual Financial Empowerment Outcomes Lead to Positive Effects for the Wider Community



## Employment Money Moments

Work is not only where people earn money but also where they make decisions about how to receive their pay, how much to withhold for taxes, how to allocate their pay among various benefits and tax advantaged retirement savings accounts, and more. That puts employers in a great position to serve as a gateway to financial knowledge and skills.

And particular events in a person's employment lifecycle are important "**money moments**," which are times when financial knowledge and skills are directly relevant to employees' situations.

Onboarding is a good example of a money moment. For newly hired employees, relevant financial topics include:

- Reading a pay statement
- Setting up income tax withholding using Internal Revenue Service (IRS) Form W-4
- Making choices regarding ways to get paid, such as direct deposit
- Managing debt incurred prior to finding employment

Employers can offer financial empowerment supports—financial education lessons, consultations with a financial coach or counselor—to new hires on these specific issues.

There are other money moments, too: Positive events, such as promotions, and negative events, such as cuts in hours, could be opportunities for highly relevant financial empowerment offerings.

## Getting Started




- Use the *Money Moment Map* to identify which money topics are relevant at different points in the employment lifecycle for your business or organization.
- Use *Surveying the Financial Empowerment Landscape* to learn what services are already available in your community. What you learn will inform the array of financial empowerment offerings you want to provide and how you may be able to do so through partnerships.
- Use *Vetting Potential Service Providers* when exploring whether to partner with or hire a particular organization to provide financial empowerment services to your employees. This tool will help you partner with organizations that provide unbiased information and services.
- Use the *Financial Empowerment Referral Guide* to map the trusted sources of financial empowerment services in your community. Distribute the completed referral guide to your human resources professionals and managers.

## Tool: Money Moment Map



For a career lifecycle event, check the financial topics that may be relevant to your employees. Use the blank spaces to add additional financial topics. Your completed *Money Moment Map* will be a useful tool later in the process of selecting and designing your financial empowerment offerings.

### Idea:

Using a survey, anonymously gather input from employees about what money topics matter most to them.


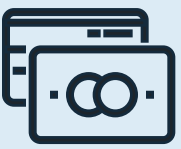
Career Lifecycle Event	Relevant Financial Topics
<p><b>Onboarding</b></p> 	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reading a pay statement</li> <li><input type="checkbox"/> Setting up income tax withholding using IRS Form W-4</li> <li><input type="checkbox"/> Making decisions regarding ways to get paid, including direct deposit</li> <li><input type="checkbox"/> Selecting employee benefits (e.g., health insurance, paid leave, flexible scheduling, retirement account)</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Within the First Year of Employment</b></p> 	<ul style="list-style-type: none"> <li><input type="checkbox"/> Managing debt incurred prior to finding employment</li> <li><input type="checkbox"/> Setting and achieving savings goals</li> <li><input type="checkbox"/> Building emergency savings and managing income volatility</li> <li><input type="checkbox"/> Budgeting and managing cash flow to use earnings strategically</li> <li><input type="checkbox"/> Saving for retirement and related employee benefits</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Promotion/Increase in Income Due to Increased Hours</b></p> 	<ul style="list-style-type: none"> <li><input type="checkbox"/> Adjusting household budgeting to changes in income</li> <li><input type="checkbox"/> Building long-term assets</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>









Career Lifecycle Event	Relevant Financial Topics
<p><b>Pursuing More Education or Training While Remaining Employed</b></p> 	<ul style="list-style-type: none"> <li><input type="checkbox"/> Choosing among options for paying for education and training</li> <li><input type="checkbox"/> Implementing savings strategies</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Deciding to Retire</b></p> 	<ul style="list-style-type: none"> <li><input type="checkbox"/> Estimating living expenses in retirement</li> <li><input type="checkbox"/> Accessing Social Security</li> <li><input type="checkbox"/> Budgeting on a fixed income</li> <li><input type="checkbox"/> Making housing decisions in retirement</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Other:</b></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Other:</b></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>
<p><b>Other:</b></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> <li><input type="checkbox"/> _____</li> </ul>

## Tool: Surveying the Financial Empowerment Landscape

Even before you begin identifying what financial empowerment services you want to offer employees, start by surveying the local financial empowerment “landscape” within your community. You will likely find opportunities to partner with or hire high-quality service providers. Use the *Notes* column to keep track of the people and programs you find that may be relevant resources to bring to employees. Use the *Other* rows at the bottom to record information on additional potential partners or vendors.

Place to Look	Description	Notes
<p><b>Community-Based Coalitions</b></p> 	<p>Community-based coalitions bring together nonprofit organizations, financial institutions, and others to promote financial empowerment. For example, more than 80 communities nationwide have Bank On coalitions (<a href="http://joinbankon.org/coalitionmap">http://joinbankon.org/coalitionmap</a>). Other communities have Alliances for Economic Inclusion (<a href="https://www.fdic.gov/consumers/community/AEI/index.html">https://www.fdic.gov/consumers/community/AEI/index.html</a>) or asset-building coalitions. Reach out to your local coalition, if there is one, to get an overview of the types of resources and services that are already available.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Nonprofit Credit and Debt Counseling Services</b></p> 	<p>A large network of providers delivers individualized support on credit and debt issues. Visit the National Foundation for Credit Counseling® at <a href="https://www.nfcc.org/agency-locator">https://www.nfcc.org/agency-locator</a> for a listing of local providers.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>

Place to Look	Description	Notes
<p><b>Individual Development Account (IDA) Programs</b></p> 	<p>IDA programs provide matched savings accounts and related financial empowerment services to income-eligible individuals. View a map of IDA programs at <a href="https://www.prosperitynow.org/map">https://www.prosperitynow.org/map</a>.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Extension Professionals</b></p> 	<p>Based at universities nationwide, extension professionals provide financial education and a variety of other services to their surrounding communities. Find a listing at <a href="https://impact.extension.org/current">https://impact.extension.org/current</a>.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Social Services Providers</b></p> 	<p>A wide variety of organizations offer financial education, financial coaching, and an assortment of other services. Start by reaching out to a local community action agency (CAA), which provide a diverse array of services that may include financial empowerment. CAAs also may be aware of other organizations providing those services in the service areas. Visit <a href="https://communityactionpartnership.com/find-a-cap">https://communityactionpartnership.com/find-a-cap</a> to find a CAA near you. Also consider contacting your community's 211 resource and referral line. United Way Worldwide (<a href="https://www.unitedway.org">https://www.unitedway.org</a>) provides this free service in many communities across the country, and the 211 operator may have useful information about financial empowerment services.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>

Place to Look	Description	Notes
<p><b>HUD-Approved Housing Counselors</b></p> 	<p>Housing counselors throughout the country can provide advice on buying a home, renting, and addressing defaults, foreclosures, and credit issues. The counseling agencies listed at <a href="https://www.hud.gov/findacounselor">https://www.hud.gov/findacounselor</a> are approved by the U.S. Department of Housing and Urban Development (HUD) and can offer independent advice, often at little or no cost to the consumer.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Legal Aid Resources</b></p> 	<p>Legal aid attorneys provide free legal services to low-income individuals and families, including on financial matters. Legal aid locators are available at <a href="https://www.lawhelp.org">https://www.lawhelp.org</a> and <a href="https://www.lsc.gov/what-legal-aid/find-legal-aid">https://www.lsc.gov/what-legal-aid/find-legal-aid</a>.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Free Tax Preparation Assistance Programs</b></p> 	<p>Free tax preparation assistance programs, such as Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE), help low-income employees prepare and file their taxes for free. As part of that tax preparation assistance, these programs ensure that taxpayers claim valuable tax credits, such as the Earned Income Tax Credit (EITC). Find VITA/TCE sites in your community using the IRS locator: <a href="https://www.irs.gov/individuals/find-a-location-for-free-tax-prep">https://www.irs.gov/individuals/find-a-location-for-free-tax-prep</a>.</p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>

Place to Look	Notes
<p><b>Other:</b></p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Other:</b></p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>
<p><b>Other:</b></p>	<p><b>Potential partner or vendor:</b></p> <hr/> <p>Contact information:</p> <hr/> <hr/> <hr/> <p>Notes on services:</p> <hr/>

*Make copies of this page as needed to include additional service providers in your community referral guide.*

## Tool: Vetting Potential Service Providers

This tool is adapted from the Consumer Financial Protection Bureau’s Using Your Money, Your Goals.<sup>vi</sup>

It is important that the service providers you partner with or hire to help employees are able to provide unbiased, accurate, and up-to-date information. Unbiased individuals and organizations (1) do not try to sell products and services to the people you refer for assistance, (2) do not ask for payment upfront, and (3) are able to show people the impact the actions they take may have on their financial situation.

Complete this questionnaire for each potential service provider to identify potential bias.

**Potential Partner or Vendor:** \_\_\_\_\_

Key Questions About Referral Sources	Response
1. Does the individual, organization, or business earn revenue by selling financial products or services?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “yes,” you may wish to request that it refrain from offering products and services in its meetings with the people you refer.
2. Does it require cash upfront from people who use its services?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “yes,” you may want to consider finding a different referral source.
3. Has the state Attorney General’s Office, Better Business Bureau, or another entity taken action against it?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “yes,” you may want to consider finding a different referral source.
4. Can the individual, organization, or business provide references?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “no,” you may want to consider a different referral partner for the people you serve.
5. Will the individual, organization, or business agree to provide unbiased information and not try to sell its financial products or services as it meets with the people you refer?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “no,” you may want to consider a different referral partner for the people you serve.
6. Do you personally know anyone whom it has helped?	<input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is “no,” you may want to consider a different referral partner for the people you serve.

## Tool: Financial Empowerment Referral Guide

Use this tool to list the trusted sources of financial empowerment services in your community, giving human resources professionals, managers, and others guidance on where to refer employees for specialized assistance. Before completing this tool, use *Surveying the Financial Empowerment Landscape* to identify service providers. Also use *Vetting Potential Service Providers* to identify service providers you may want to avoid due to concerns that they may offer biased advice.

Distribute the completed *Referral Guide* to your human resources professionals, managers, and others who will be referring employees to financial empowerment services.

### Referrals are voluntary and confidential:

**Emphasize with employees that referrals to in-house and community-based services are voluntary and confidential, and they do not influence management or human resources decisions. Make referrals by describing the services available and providing contact information for referral partners. Make sure employees know it is their choice whether they contact the referral partner to receive confidential assistance.**

# Financial Empowerment Referral Guide

Your Organization: \_\_\_\_\_

Last Updated: \_\_\_\_\_

Contact for Questions About Financial Empowerment Referrals: \_\_\_\_\_

**Special Referral Policies (if any):**

Service Provider	Can Help With...	Service Offerings	Notes
<p><b>Organization:</b> <i>Example:</i> Your-Town Community Action Agency</p> <hr/> <p><b>Contact Name:</b> Jane Doe</p> <hr/> <p><b>Phone:</b> 555-555-5555</p> <hr/> <p><b>Email:</b> jane.doe@exampleemail.org</p> <hr/>	<input checked="" type="checkbox"/> Setting Financial Goals <input checked="" type="checkbox"/> Cash Flow/Paying Bills <input type="checkbox"/> Tax Preparation <input checked="" type="checkbox"/> Managing Debt <input checked="" type="checkbox"/> Managing Credit <input checked="" type="checkbox"/> Selecting Financial Products or Services <input checked="" type="checkbox"/> Consumer Protection <input type="checkbox"/> Housing/ Homeownership <input type="checkbox"/> Saving for Emergencies and Goals <input type="checkbox"/> Retirement Planning <input type="checkbox"/> Other: <hr/>	<input checked="" type="checkbox"/> Financial Education <input checked="" type="checkbox"/> Financial Coaching <input type="checkbox"/> Financial Counseling <input type="checkbox"/> Housing Counseling <input type="checkbox"/> Small Dollar Loans <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Legal Services <input type="checkbox"/> Individual Development Accounts <input type="checkbox"/> Safe and Affordable Financial Products and Services <input type="checkbox"/> Other: <hr/> <input type="checkbox"/> Other: <hr/>	<p><i>Financial education is offered over six weekly sessions. Online registration at <a href="#">[Insert URL]</a>.</i></p> <p><i>Services are free to income-eligible individuals.</i></p>



Make multiple copies of this page to list all service providers that you wish to include.

Service Provider	Can Help With...	Service Offerings	Notes
<b>Organization:</b> <hr/> <b>Contact Name:</b> <hr/> <b>Phone:</b> <hr/> <b>Email:</b> <hr/>	<input type="checkbox"/> Setting Financial Goals <input type="checkbox"/> Cash Flow/Paying Bills <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Managing Debt <input type="checkbox"/> Managing Credit <input type="checkbox"/> Selecting Financial Products or Services <input type="checkbox"/> Consumer Protection <input type="checkbox"/> Housing/ Homeownership <input type="checkbox"/> Saving for Emergencies and Goals <input type="checkbox"/> Retirement Planning <input type="checkbox"/> Other: <hr/>	<input type="checkbox"/> Financial Education <input type="checkbox"/> Financial Coaching <input type="checkbox"/> Financial Counseling <input type="checkbox"/> Housing Counseling <input type="checkbox"/> Small Dollar Loans <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Legal Services <input type="checkbox"/> Individual Development Accounts <input type="checkbox"/> Safe and Affordable Financial Products and Services <input type="checkbox"/> Other: <hr/> <input type="checkbox"/> Other: <hr/>	

<b>Organization:</b> <hr/> <b>Contact Name:</b> <hr/> <b>Phone:</b> <hr/> <b>Email:</b> <hr/>	<input type="checkbox"/> Setting Financial Goals <input type="checkbox"/> Cash Flow/Paying Bills <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Managing Debt <input type="checkbox"/> Managing Credit <input type="checkbox"/> Selecting Financial Products or Services <input type="checkbox"/> Consumer Protection <input type="checkbox"/> Housing/ Homeownership <input type="checkbox"/> Saving for Emergencies and Goals <input type="checkbox"/> Retirement Planning <input type="checkbox"/> Other: <hr/>	<input type="checkbox"/> Financial Education <input type="checkbox"/> Financial Coaching <input type="checkbox"/> Financial Counseling <input type="checkbox"/> Housing Counseling <input type="checkbox"/> Small Dollar Loans <input type="checkbox"/> Tax Preparation <input type="checkbox"/> Legal Services <input type="checkbox"/> Individual Development Accounts <input type="checkbox"/> Safe and Affordable Financial Products and Services <input type="checkbox"/> Other: <hr/> <input type="checkbox"/> Other: <hr/>	
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# Financial Empowerment Offerings

A variety of financial empowerment offerings can help employees gain the knowledge and skill to make the right financial decisions for them. You can select the offering or set of offerings that work best based on the needs and interests of your organization and your employees.

This section introduces a range of financial empowerment offerings that employers can consider offering on their own or by partnering with or hiring service providers. Start by reading through the offerings to become familiar with each one. Then, use *Selecting Offerings* on page 40 to consider which strategies make sense for your organization and employees.



## Financial Education

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## Just-in-Time Financial Information and Referrals

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## Financial Coaching and Financial Counseling

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## Housing Counseling

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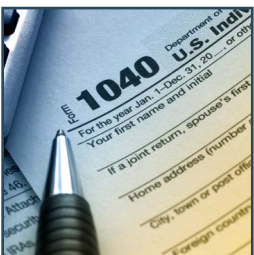
## Employee Loans and Employer-Sponsored Small Dollar Loans

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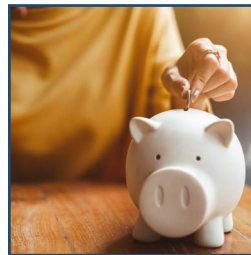
## Help Getting Banked

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## Free Tax Preparation

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## Saving for Emergencies and Goals

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## Saving for Retirement

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## Tool: Privacy, Confidentiality, Choice, and Equal Access

While employers have a role to play in helping employees become financially empowered, information about employees' personal financial situations or participation in services must not influence—or even appear to influence—management and human resources decisions.

Follow these guidelines and share them with the human resources personnel, managers, and others who will help you implement financial empowerment offerings:

- **Maintain privacy.** Avoid collecting data on employees' personal financial situations. You can offer information, tools, and referrals to individuals in response to information they share with you in the course of your work together. But, also make financial empowerment resources generally available for employees to participate in on a voluntary basis.
- **Maintain confidentiality.** Avoid sharing personal information that you already have about employees or using information in ways that go beyond your original purpose for collecting it.
- **Require referral partners to maintain privacy and confidentiality.** Work with your referral partners to ensure that they maintain privacy and work with employees on a confidential basis, as well. They should not share individual-level information about employees with your organization.
- **Make participation voluntary.** Emphasize with employees that both in-house and community-based services are voluntary. Make referrals by describing the services available and providing either a sign-up sheet or contact information for referral partners. Make sure employees know it is their choice whether they participate and that participation is not linked to human resources or management decisions.
- **Provide equal access.** Make sure your offerings are available to everyone, rather than provided to a subset of employees. When offerings are marketed to everyone on a voluntary basis, employees will self-select, accessing the services that make sense for their goals and needs.

## Financial Education

Financial education encompasses workshops on financial topics, offered in a series or as standalone sessions. Financial education is a useful offering when your employees have common needs related to financial knowledge and skills.

Financial education is an efficient way to support the financial empowerment of several employees at once. Because it is delivered in a group environment, there are limits to how much financial educators can address individuals' personal financial situations. For that reason, employers may choose to also connect employees to a form of individualized support, such as financial coaching.

### Making It Relevant:

Financial education is most effective when it is relevant to the lives of participants. Start identifying the financial topics that are relevant to employees at different stages of the career lifecycle using the *Money Moment Map*. You may be able to build relevant financial education into your standard training for new employees, for example.

For standalone financial education that is not built into your organization's existing training for employees, make sure your offerings are available to everyone. When offerings are marketed to everyone on a voluntary basis, employees will self-select, accessing the services that make sense for their goals and needs.

## Models

Financial education can be delivered to your employees in many ways, such as:

- **Offering a series of financial education workshops.** Depending on how many topics you wish to cover, offer financial education as a single standalone session or as a series of workshops.
- **Integrating financial education into other meetings and trainings.** In the workplace setting this can take several forms, such as short (10 minute) lessons or discussions on financial topics that are offered as part of regular staff meetings.
- **Providing access to online financial education courses.** Building financial knowledge and skills through online lessons and games can make learning fun and let people go at their own pace. Online resources can be accessed on demand, making this a convenient option for people who may find it difficult to attend in-person workshops that are not held during work hours. Online financial education resources are available from a variety of organizations, some of them free of charge.

You may wish to provide financial education using your own staff resources, with one of your own employees in the role of financial educator. Many financial education curricula come with robust materials to help people who are not financial professionals build the knowledge and confidence needed to lead workshops.

Alternatively, you can partner with or hire another organization to provide the training. Financial education is a well-established and widely available service. Explore:

- **Nonprofit providers.** Local nonprofits with experience in providing financial education may be willing to provide financial education to your employees at little or no cost, especially if your employees are part of the population that they serve.

When approaching nonprofit providers, be prepared to discuss how providing financial education to your employees aligns with the missions of their organizations. See *Surveying the Financial Education Landscape* for more information on the social services organizations, community-based coalitions, extension professionals, and others that may provide financial education in your area.

- **For-profit providers.** Private sector providers of financial education offer financial education for a fee. Some companies specialize in providing financial education in the workplace and may combine that service with other human resources and employee benefits functions.

## Getting Started

- Complete the *Money Moment Map* to start identifying the financial topics that are relevant to employees at different stages of the career lifecycle.
- Use *Designing a Workplace-Relevant Financial Education Experience* to clarify what relevant financial education could look like for a given group of employees. Select a curriculum and explore potential financial education trainers.
- Read *Special Feature: Money Smart for Adults* to consider whether you wish to use that curriculum for your financial education offering, either on its own or in combination with other resources.

## Tool: Designing Your Financial Education Experience Offering

A number of decisions and resources come together in the delivery of high-quality and relevant financial education. Use the information and worksheets in this tool to put together the pieces for your financial education program.

### Piece 1: Participants and Priority Financial Topics

Identifying the group of employees you plan to target is a critical first step that will have an effect on other decisions you make in the process of designing your financial education offering.

Complete the *Money Moment Map* to start identifying the financial topics that are relevant to employees at different stages of the career lifecycle. You can also gather input from employees using a survey or informal discussion about the money topics that matter most to them.

Write down your conclusions in the fields provided.

**Participants.** Describe the employees you plan to target with financial education. You may choose to provide your financial education offering to all of your employees. If you want to offer financial education that is more targeted to a subset of employees, write down relevant details of their shared career stage or financial goal.

**Priority Financial Topics.** List the financial topics you want to feature in your financial education offering.

## Piece 2: Curriculum

Numerous financial education curricula are available for free or for a fee. The curriculum you select will likely help you make other critical choices, such as whether to deliver financial education in a single workshop or as a series.

Consider using this set of tables to rate curricula that you are considering. If you are considering more than three curricula, make additional copies of the blank tables. The curriculum with the highest total score may be the best choice for your organization.

Curriculum: \_\_\_\_\_

Factor*	Rating From 1 (lowest) to 10 (highest)
<b>Content.</b> Does the curriculum cover the core knowledge and skills that you wish to emphasize in your training?	
<b>Utility.</b> Does the curriculum support effective financial education? “Effective” means not only clear and easy to understand, but also interactive and memorable.	
<b>Quality.</b> Is the curriculum accurate and well-presented?	
<b>Efficacy.</b> Is the curriculum practical, providing knowledge and skills that participants can act on?	
<b>Affordability.</b> Given the cost of the curriculum to your organization, is this curriculum very affordable (a rating of 10), unaffordable (a rating of 1), or somewhere in between?	
<b>TOTAL</b>	

Curriculum: \_\_\_\_\_

Factor*	Rating From 1 (lowest) to 10 (highest)
<b>Content.</b> Does the curriculum cover the core knowledge and skills that you wish to emphasize in your training?	
<b>Utility.</b> Does the curriculum support effective financial education? “Effective” means not only clear and easy to understand, but also interactive and memorable.	
<b>Quality.</b> Is the curriculum accurate and well-presented?	
<b>Efficacy.</b> Is the curriculum practical, providing knowledge and skills that participants can act on?	
<b>Affordability.</b> Given the cost of the curriculum to your organization, is this curriculum very affordable (a rating of 10), unaffordable (a rating of 1), or somewhere in between?	
<b>TOTAL</b>	

\* Source: Consumer Financial Protection Bureau. (2015). Youth Financial Education Curriculum Review. See [https://files.consumerfinance.gov/f/201509\\_cfpb\\_youth-financialeducation-curriculum-review.pdf](https://files.consumerfinance.gov/f/201509_cfpb_youth-financialeducation-curriculum-review.pdf). The content, utility, quality, and efficacy factors have been adapted for relevance to adult curricula.

## Curriculum:

Factor*	Rating From 1 (lowest) to 10 (highest)
<b>Content.</b> Does the curriculum cover the core knowledge and skills that you wish to emphasize in your training?	
<b>Utility.</b> Does the curriculum support effective financial education? “Effective” means not only clear and easy to understand, but also interactive and memorable.	
<b>Quality.</b> Is the curriculum accurate and well-presented?	
<b>Efficacy.</b> Is the curriculum practical, providing knowledge and skills that participants can act on?	
<b>Affordability.</b> Given the cost of the curriculum to your organization, is this curriculum very affordable (a rating of 10), unaffordable (a rating of 1), or somewhere in between?	
<b>TOTAL</b>	

\* Source: Consumer Financial Protection Bureau. (2015). Youth Financial Education Curriculum Review. See [https://files.consumerfinance.gov/f/201509\\_cfpb\\_youth-financialeducation-curriculum-review.pdf](https://files.consumerfinance.gov/f/201509_cfpb_youth-financialeducation-curriculum-review.pdf). The content, utility, quality, and efficacy factors have been adapted for relevance to adult curricula.

### Piece 3: Financial Educator

Your financial educator (also sometimes called “trainer” or “instructor”) does not need to be a financial professional. Many financial education curricula are designed to be delivered by anyone with an interest in helping others become financially empowered and require a modest amount of preparation time.

Review the following characteristics of strong financial educators as you consider potential trainers within your organization, such as human resources professionals or others with strong training skills. If you plan to partner with or hire a financial education provider, these characteristics can help you articulate what you are looking for in a trainer.

- Experience providing participatory training for adults.** Look for an individual that has experience leading group discussions, leading groups through activities, and presenting information in a way that is engaging. These training skills are highly transferrable to delivering financial education.
- Financial knowledge or interest.** A strong financial educator does not need to be a financial expert, and their own financial life does not need to be perfect. However, the individual should be willing to invest the time necessary to learn the content in advance of the training.
- Familiarity with the general financial situations of participants.** Being familiar with common financial goals, challenges, and participant resources will help the financial educator make the content relevant to their lives. The more the financial educator can relate to the financial goals and situations of participants, the better.
- Cultural and linguistic competence.** Familiarity with the cultural norms and attitudes of participants will help the financial educator discuss the important ways that culture shapes people’s financial behavior. That cultural competence will not only enhance the financial educator’s communication

with participants, but also will help the financial educator work with participants to examine those cultural influences. Of course, the financial educator must be fluent in the language that will be used in the financial education workshop.

- Availability.** If you select a financial educator from within your organization, ensure that the individual has enough “bandwidth” to organize, prepare for, and deliver the workshop(s).

#### Piece 4: Logistical Resources

The curriculum you select will likely specify the supplies and other resources you will need for your training. Those may include:

#### Teaming Up:

Using a team of financial educators can reduce the burden on any one individual when it comes to preparing for financial education workshops. In addition, a “tag team” approach to training can be a great way to keep the energy level high during delivery of the workshops.

- Meeting space.** Select a space large enough to accommodate your participants and the chairs and tables you will need. Also consider whether the workshop’s activities will require additional space. Rooms without pillars or other obstructions will best ensure that participants can see and hear the financial educator and each other. Finally, consider accessibility, ensuring that participants with disabilities can enter, navigate, and exit the space comfortably.
- Visual aids.** You may need a projector and a screen or wall to project slides. A whiteboard or flipchart (with markers) is also useful in trainings, especially for documenting key points from group discussions.
- Participant workbooks or worksheets.** Depending on the curriculum you select, you may need to produce and distribute workbooks or worksheets as well as pens or pencils. Calculators and blank paper for taking notes are also common supplies.

## Building Skills for Effective Financial Education Delivery

In addition to equipping your financial educator with the curriculum you choose, share information on delivering effective financial education. The Federal Deposit Insurance Corporation’s (FDIC) *Guide to Presenting Money Smart for Adults* includes a section on *Delivering the Training* that covers:

- Presentation strategies
- Training methods
- Techniques for facilitating discussion
- Tips for managing group dynamics

While the *Guide* is part of the *Money Smart for Adults* curriculum, the information in the *Delivering the Training* section will be useful even if you select a different curriculum.



## Piece 5: Marketing

Your emails, flyers, and other communications about the financial education offering do not need to be long, but they do need to cover these fundamentals:

- The name of the financial education offering
- A concise description of topics to be covered and how the offering will benefit participants
- The date(s), time(s), and location(s)
- Who is eligible to attend the training
- The cost of the financial education, which is most often provided free of charge
- Information on how to register and the deadline for registration
- How to request a reasonable accommodation for a disability

Maintaining a simple registration list helps you plan for the size of your group. Depending on your needs, the list can be a simple paper sign-up sheet, an online survey, or something in between.

## Reasonable Accommodations

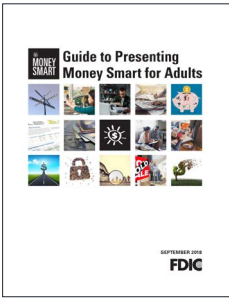
Reasonable accommodations enable participants to have equal access to financial education workshops. Here is language that the FDIC recommends for registration materials. You may wish to consider customizing this language to meet the needs of your organization for registration emails, forms, flyers, and other announcements.

*If you require a reasonable accommodation to participate in this [training/meeting/event], please contact [include the name of the person to contact] at [include the person's email address and phone number] by [include a date] to allow for adequate time to coordinate your request. However, you can make a reasonable accommodation request at any time.*

If you are asked to provide a reasonable accommodation and are unsure how to proceed, you can contact an Americans with Disabilities Act (ADA) Center. Go to <https://adata.org/find-your-region> and click on your state to find the ADA Center in your region. They may be able to connect you to local resources.

Source: Federal Deposit Insurance Corporation. (2018). Guide to Presenting Money Smart for Adults. See <https://www.fdic.gov/consumers/consumer/moneysmart/adult.html>.

## Special Feature: *Money Smart for Adults*



The FDIC's *Money Smart for Adults* curriculum provides participants with practical knowledge, skills-building opportunities, and resources they can use to manage their finances with confidence. Instructors can use the curriculum to deliver unbiased, relevant, and accurate financial education whether they are new to training or experienced trainers.

The curriculum consists of 14 modules that cover basic financial topics. Each module guides instructors on what to say, ask, and do to deliver effective training. The materials are available for immediate download, or you may order them on DVD from <https://www.fdic.gov>.

- *Module 1: Your Money, Values, and Influences*
- *Module 2: You Can Bank On It*
- *Module 3: Your Income and Expenses*
- *Module 4: Your Spending and Saving Plan*
- *Module 5: Your Savings*
- *Module 6: Credit Reports and Scores*
- *Module 7: Borrowing Basics*
- *Module 8: Managing Debt*
- *Module 9: Using Credit Cards*
- *Module 10: Building Your Financial Future*
- *Module 11: Protecting Your Identity and Other Assets*
- *Module 12: Making Housing Decisions*
- *Module 13: Buying a Home*
- *Module 14: Disasters – Financial Preparation and Recovery*

## You will find that *Money Smart for Adults* has:

- **Information that's updated, relevant, and informed by research.** For example, the curriculum features information and scenarios relevant to people with disabilities.
- **Segments that offer you options to make training relevant.** The 14 modules each focus on an important financial topic, subdivided into sections. Instructors can present the modules in any order or combination, depending on an audience's interests and knowledge.
- **Realistic scenarios.** Short scenarios featuring consumers in a variety of financial situations provide opportunities to practice using financial knowledge and skills with confidence.
- **An expanded array of practical tools and resources.** "Try It" activities give participants opportunities to practice what they learned in a variety of contexts. "Apply It" activities help participants apply what they have learned to their own lives, either during or after the training.
- **Key takeaways.** A key takeaway sums up the most important message from each section.
- **A structure that makes it easy to select relevant materials.** The 14 modules each focus on an important financial topic. The modules are subdivided into sections. Instructors can present the modules, and sections within modules, in any order or combination, depending on an audience's interests and knowledge. The *Guide to Presenting Money Smart for Adults* includes roadmaps to help select relevant topics.

***Money Smart for Adults* includes tools to help you plan your training.** The curriculum's *Guide to Presenting Money Smart for Adults* includes practical tips for planning, marketing, and delivering training.

## Just-in-Time Financial Information and Referrals

With the right resources, people who have relationships of trust with employees can be sources of financial empowerment information, tools, and referrals. This offering equips human resources personnel and managers to provide the right resources at the right time, even without being financial experts.

### Just-in-Time Financial Information and Referrals in Action

Think about the interactions you have with employees. Are there conversations that could be opportunities to share financial knowledge, tools, or referrals? Consider these typical workplace conversations:

**Employee:** *Thanks for sending my W-4 tax form. I got it in the mail yesterday. Where do you get your taxes prepared?*

**Financial Empowerment Response:** *I do mine myself, but if you want assistance in preparing and filing your return, you might be able to visit a VITA site. At a VITA site, IRS-certified volunteers can help you make sure you get all the tax credits you're entitled to, prepare and file your taxes, and make a plan for putting your refund to good use. And it's free! Let me print out a copy of the flyer.*

**Employee:** *I'm sorry that debt collector keeps calling me here.*

**Financial Empowerment Response:** *Did you know that they can't contact you at work if you tell them you're not allowed to get calls here? You have other rights, too. I can give you more information, including the name of a local nonprofit that might be able to help you with your situation.*

**Employee:** *I can't believe I made that mistake again. I'm really stressed out. The bills have started to come in from my emergency situation two months ago. I just don't have the money to pay them.*

**Financial Empowerment Response:** *If you just can't pay them all right now, you need to prioritize. I have a tool that helps you identify the consequences of missed payments on certain bills. Based on that, you can figure out how to pay what you can and minimize the negative consequences. And I can give you contact information for a nonprofit debt counselor for help with a longer term plan to manage what you owe.*

## Models

The Consumer Financial Protection Bureau (CFPB) pioneered Just-in-Time Financial Information and Referrals with its *Your Money, Your Goals* set of materials. Once trained on the contents of the materials, human resources personnel and managers are able to share the right resources at the right time in their day-to-day interactions with employees.

Organizations that choose to offer just-in-time financial information and referrals will want to develop a referral guide. A referral guide lists the organizations and programs that can help employees with financial issues that require ongoing or specialized assistance. Human resources personnel and managers can use the referral guide to send employees to trusted sources of support within the community. Use the *Financial Empowerment Referral Guide* format provided in this guide or another format.

### **Adapting *Your Money, Your Goals* to the Workplace Setting:**

*Your Money, Your Goals* was developed primarily for social service providers to use in their work with economically vulnerable people. The social services setting sometimes has different boundaries when it comes to conversations about peoples' personal financial situations. As you implement this offering you will want to maintain the privacy and confidentiality limits outlined in the *Privacy, Confidentiality, Choice, and Equal Access* tool found on page 16 of this guide.

## Getting Started

- **Select a set of financial empowerment materials.** *Your Money, Your Goals* is designed for just-in-time financial information and referrals. Read the special feature on *Your Money, Your Goals* to consider whether that set of materials would work well for your organization.
- **Develop a referral guide.** Complete the *Financial Empowerment Referral Guide*.
- **Train your human resources personnel and managers on the materials.** *Your Money, Your Goals* includes slides and trainer notes for this purpose.
- **Follow up.** Without follow-up, busy human resources personnel and managers might not take action on providing just-in-time financial information and referrals. Signal the importance of this activity by holding follow-up meetings for people to share their experience using the materials with employees. Consider measuring the extent to which human resources personnel and managers are sharing information, sharing tools, and making referrals.

## Tool: Tips and Scripts

These suggestions and short scripts will help you overcome common objections and challenges that your human resources personnel and managers may have when it comes to offering just-in-time financial information and referrals.

### **“This isn’t part of my job.”**

Human resources personnel and managers might not think that financial empowerment is part of their role and may be hesitant to offer employees financial information and referrals for that reason. But the connection between financial stress and on-the-job performance is too important to ignore. By helping employees become financially empowered, human resources personnel and managers are also increasing employees’ ability to perform on the job. Share this perspective with human resources personnel and managers and encourage them to share it with employees:

*We all benefit when our employees can increase their financial well-being. Financial stress can make it hard to focus, stay healthy, and do the best job possible. That’s why, as an employer, we want to connect employees with the resources to build financial knowledge and skills.*

### **“I’m not a financial expert.”/“I have my own financial issues.”**

Human resources personnel and managers might not feel confident with their own financial knowledge and situations. But you don’t need to be a financial expert to be a source of financial information, tools, and referrals. Encourage them to use the materials and referral guide you provide to be confident that they are giving accurate, trustworthy, and useful resources to employees. When they engage employees on financial topics, they can say:

*I have some useful information and tools to share. And I can get you connected with a [financial coach / financial counselor / financial education workshop / other] to help you go deeper on this topic.*

### **“I don’t know where to start.”**

Human resources personnel and managers might find it difficult to have conversations that touch on money topics. Encourage them to listen for opportunities. They can make connections between what they hear employees say in normal conversation and the resources they can offer:

**“These fees for cashing my paycheck are really taking a bite out of what I take home.”**

**“Have you thought about other ways to receive your pay? You have options like direct deposit into a bank account.”**

**“I’m still paying bills from my emergency room visit two years ago. One of them is wrong, but the debt collector won’t listen.”**

**“You may qualify for free legal assistance from a legal aid office.”**

**“Every month I get hit with late fees because my bills all hit the week before I get paid.”**

**“If you map out your monthly cash flow with help from a financial coach, you might find ways to make the timing of your income and expenses work.”**

## Special Feature: *Your Money, Your Goals*

*Your Money, Your Goals* is a set of financial empowerment materials for organizations that help people meet their financial goals by increasing their knowledge, skills, and resources.

Designed for non-experts, the *Your Money, Your Goals* set of materials provides information and easy-to-use tools on a wide range of financial topics, including managing cash flow, consumer protections, credit, debt, and financial products and services.

The resources can help human resources personnel and managers provide smart referrals and practical tools on a just-in-time basis. Because *Your Money, Your Goals* is designed as a toolkit rather than a curriculum, human resources personnel and managers provide just the information, tools, and referrals that match the individual's current needs.

Download or order hard copies of these materials by visiting the CFPB website at <https://www.consumerfinance.gov>:

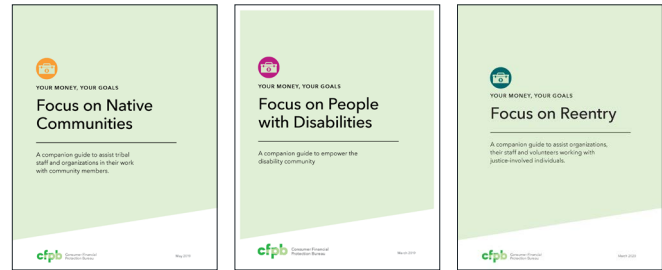
***Your Money, Your Goals* toolkit.** The toolkit includes information and tools on a broad array of financial topics. Resources in the toolkit can help people:

- Make spending decisions that can help them reach their goals
- Order and fix credit reports
- Make decisions about repaying debts and taking on new debt
- Keep track of their income and bills
- And much more



**Companion guides.** Companion guides supplement the toolkit with tools and information that address the unique needs of specific populations. Currently available companion guides include:

- *Focus on Native Communities*
- *Focus on People with Disabilities*
- *Focus on Reentry*



**Issue-specific booklets.** These colorful, compact booklets include selections of simplified tools from the *Your Money, Your Goals* toolkit—all focused on a common financial stressor.

- *Behind on bills?*
- *Debt getting in your way?*
- *Want credit to work for you?*
- *Building your savings?*

*Your Money, Your Goals* also includes robust training materials to help you train your human resources personnel and managers not only on the financial content but also on having meaningful conversations with employees about money.



## Financial Coaching and Financial Counseling

Financial coaching and financial counseling provide individualized support on financial topics. In contrast to just-in-time information and referrals, these offerings are intensive. Financial coaches and financial counselors work closely with clients on their personal financial goals and situations. Financial coaching and financial counseling differ in important ways:<sup>vii</sup>

- **Financial coaching.** Financial coaches place clients in control of defining their financial goals. The role of the financial coach is to use active listening and carefully directed questions to guide self-reflection and help clients formulate those goals. Financial coaches then support clients as they make plans and take action.

While coaches may provide financial information and tools that are relevant to clients' goals, they focus on motivating clients through encouragement and accountability. Financial coaching engagements take place over multiple sessions, with clearly defined actions for clients to take in between sessions. Generally, financial coaches work with clients who are stable but are seeking improvement in their financial situation.

Financial coaching often focuses on helping clients with financial goal-setting and planning, money management, savings, spending, and credit.

- **Financial counseling.** Financial counselors often work with clients in crisis. The goals for financial counseling are defined by the counselor and often relate to responding to the crisis situation.

Counselors' work with clients is more directive in contrast to the more open dialogue that characterizes financial coaching. Counselors sometimes take action on behalf of their clients.

Financial counseling often focuses on helping clients with money management, savings, spending, credit, planning, and legal and tax issues.

### Credit Counseling:

**Credit counseling is a type of financial counseling focused on credit. Many credit counselors take an exam to become a certified credit counselor, which is a requirement for nonprofit credit counseling agencies to maintain membership with the National Foundation for Credit Counseling.<sup>®</sup>**

These two models for individualized support are not mutually exclusive. In fact, a person may benefit from both financial coaching and financial counseling at different points in his or her life.

### Models

Employers most often **connect employees to financial coaching and financial counseling via referral**, rather than providing these services in-house. Employers can establish one-on-one partnerships with nonprofit providers of financial coaching and financial counseling.

To connect employees with these offerings, employers can make **individual referrals**. Employers can also **post information**—on posters in break rooms, flyers, and employee newsletters—enabling employees to independently seek these services.

In Delaware, a private/public collaboration called Stand By Me has established a statewide financial coaching network that has served more than 110,000 Delawareans since 2011. Participating employers represent a range of industries, from agriculture to hospitality to healthcare. Visit <https://standbyme.org> to learn more.

# When to Make Referrals to Financial Coaching and Financial Counseling

Consider making a referral to financial coaching when:

- The employee is financially stable but wants to improve their financial situation
- The employee is interested in receiving help with financial goal-setting and planning, money management, savings, spending, or credit

Consider making a referral to financial counseling when:

- The employee is in crisis
- The employee needs help with money management, savings, spending, credit, planning, or legal and tax issues

## Getting Started

- **Find local providers of financial coaching and financial counseling.** Use the tools for *Surveying the Financial Empowerment Landscape* and *Vetting Potential Service Providers* to identify unbiased and trustworthy providers of these services in your community. Incorporate them into your *Financial Empowerment Referral Guide*.
- **Invite the service providers you select to make a presentation about their services to your human resources personnel and managers.** The more your human resources personnel and managers understand the financial coaching and financial counseling offerings, the more comfortable they will feel connecting employees to these services.
- **Follow up.** Without follow-up, busy human resources personnel and managers might not take action on connecting employees to financial coaching and financial counseling. Consider measuring the extent to which they connect employees with these coaches and counselors. Also work with partners to measure usage of these services by employees, while maintaining the anonymity, privacy, and confidentiality of individual employees.



## Housing Counseling

U.S. Department of Housing and Urban Development (HUD)-approved housing counselors provide advice on buying a home. They provide assistance at any stage of the home buying process, and contacting them early may help people get connected to down payment assistance and other resources.

### Models

Employers can **refer employees to HUD-approved housing counseling** in one-on-one conversations and in group meetings and workshops. In addition, **posting information**—on posters in break rooms, flyers, and employee newsletters—enables employees to independently seek these services.

### Getting Started

- **Find local providers.** Visit <https://www.hud.gov/findacounselor> or call 1-800-569-4287 to locate housing counseling agencies that serve your community.
- **Invite a housing counseling agency to make a presentation about their services to your human resources personnel and managers.** The more your human resources personnel and managers understand the housing counseling offering, the more comfortable they will feel connecting employees to these services.
- **Follow up.** Without follow-up, busy human resources personnel and managers might not take action on referrals to housing counseling. Consider measuring the extent to which they refer employees to housing counseling. Also work with housing counseling partners to measure usage of these services by employees, while maintaining the anonymity, privacy, and confidentiality of individual employees.

## Employee Loans and Employer-Sponsored Small Dollar Loans

Being in a cash crunch is a common challenge, especially when people experience an economic shock that decreases household income or increases expenses. To make ends meet, people sometimes turn to high-cost debt, such as payday loans, vehicle title loans, and pawn shop loans.

Some employers offer employees alternatives to high-cost debt as a way to relieve the financial stress that can affect the employee's productivity and retention.

### Models

Models include:

- **Offering employee loans.** Employee loans are loans made to employees by an employer. They can take the form of short-term pay advances or longer-term loans. The terms are negotiated between the employer and employee, although the employer can choose to set standard rules and policies to ensure that employee loans are offered fairly and consistently.
- **Partnering with a financial institution to offer employer-sponsored small dollar loans.** Employer-sponsored small dollar loans are offered by financial institutions in partnership with employers. Participating employers pay a fee to offset the costs of administering the program. Employers also agree to market the program through company channels, confirm applicant eligibility, set up payroll deductions, and inform the lender if a borrower is separating from the company. In exchange, the financial institution makes loans to employees according to the rules of the loan program. Employers do not underwrite the loans and bear no responsibility for defaulted loans.<sup>viii</sup>

### Getting Started

- **Decide whether to offer employee loans or employer-sponsored small dollar loans.** Start by exploring whether financial institutions in your area have employee-sponsored small dollar loan offerings. If so, that may be the simplest way to offer your employees an alternative to high-cost debt with minimal administrative burden on your organization.
- **Once you have an offering in place, make sure employees are aware of it.** Discuss within your organization which channels you will use to communicate with employees about these offerings.

## Fintech Solutions for Employee Loans

Financial technology (Fintech) is an emerging field that is pioneering new solutions to meet consumers' financial needs. In the area of small dollar lending, Fintech companies now offer mobile apps that help employees get advances on their paychecks. For example, mobile apps can track workers' hours and let them cash out a portion of the money they have earned before payday. Other Fintech companies partner with employers to offer small dollar loans to employees on terms that may compare favorably to payday loans and other high-cost debt.

This is a dynamic area in the financial services industry, and Fintech companies are experimenting with different services. Employers can explore the solutions that are available in the marketplace to see what meets their needs and the needs of their employees.

# Feasibility Study of Employer-Sponsored Small Dollar Loans

An 18-month feasibility study of employer-sponsored small dollar loans conducted by the Filene Research Institute included 13 financial institutions working with 48 employers. More than 1,000 loans were generated for a total volume of \$1.2 million. Surveys of employees and employers suggested that employer-sponsored small dollar loans met important needs, especially in helping employees manage emergencies. The loans performed better than projected and were easily integrated into financial institutions' operations, making them a viable product.<sup>ix</sup>

An implementation guide and marketing template are available, along with the feasibility study report, at <https://filene.org/do-something/programs/employer-sponsored-small-dollar-loans>.

## Help Getting Banked

According to the FDIC, more than a quarter of Americans are:

- Unbanked – without a checking or savings account, or
- Underbanked – with a checking or savings account but also using high-cost services and other financial products and services outside of the banking system<sup>x</sup>

Accounts with financial institutions—banks and credit unions—offer a number of benefits, including:

- Safety and security from federal deposit insurance
- Ability to receive pay via direct deposit
- Interest on the employee's money, depending on the account
- Convenience in paying bills or paying for routine transactions, such as buying groceries
- Ability to build a relationship with a financial institution that may be useful when the employee needs to borrow money
- Important consumer protections, such as those that protect the employee in the event of unauthorized transactions from his or her account

## Models

While employees should make their own choices about which financial products and services to use, **employers can provide information and tools** that help employees choose safe and low-cost accounts that best meet their needs.

## Getting Started

- **Connect to community-based coalitions** that bring together nonprofit organizations, financial institutions, and others to promote financial empowerment. For example, more than 80 communities nationwide have Bank On coalitions (<http://joinbankon.org/coalitionmap>). Other communities have Alliances for Economic Inclusion (<https://www.fdic.gov/consumers/community/AEI/index.html>) or asset-building coalitions. Financial institutions, as part of their participation in local coalitions, often offer accounts that meet standards for safety and low cost.
- **Refer employees to financial institutions offering accounts that meet the FDIC Safe Account standards or other standards for safety and low cost.** As needed, provide the FDIC's *My Banking Checklist* to help employees search for an account that meets their needs.

## Tool: My Banking Checklist<sup>xi</sup>

This tool is adapted from the FDIC’s *Money Smart for Adults* curriculum.

You can use this checklist to compare financial institutions and accounts. Use a separate piece of paper if you need more space.

### Financial Institution Name and Account Type

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

1. My Needs and Access	Financial Institution		
	1	2	3
Is the institution insured by the FDIC (for banks and savings associations) or NCUA (for credit unions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If the institution is a credit union, am I eligible to join?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do I feel welcome and valued as a potential customer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the institution offer products and services I might need? (mobile app, personal loans, vehicle loans, mortgages, credit cards, savings products, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the products and services described in terms and language I can understand?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is staff available to answer my questions at times that work for my schedule? (in person, by phone, through online chat, secure email, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I access my account information how and when I need it? (phone, paper, online, mobile, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I access my money how and when I need it? (convenient ATM, branches, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there special accounts for students, older adults, or other groups I’m part of? What benefits are there to these accounts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other:			

2. Checking Accounts, Reloadable Prepaid Cards, and Other Transactional Accounts	Financial Institution		
	1	2	3
Minimum opening deposit?	\$	\$	\$
Minimum monthly balance?	\$	\$	\$
Will my money earn interest? If yes, what is the Annual Percentage Yield (APY)? What balance do I have to maintain to earn interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
How can I deposit money? (branch, ATM, online, mobile app, other)			
If I plan to deposit checks, how soon will the funds generally be available to me?			
Is there an online or mobile bill payment feature? How does it work?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I set up alerts, such as for low balances? If yes, can I choose how they are sent? (email, text, phone, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees might I have to pay every month? What other fees are there? (Ask for a fee schedule)			
Other:			

3. Savings Accounts			
Minimum opening deposit?	\$	\$	\$
Minimum monthly balance?	\$	\$	\$
What is the Annual Percentage Yield (APY)? What balance do I have to maintain to earn interest?			
What fees might I have to pay every month? What other fees are there? (Ask for a fee schedule)			
Other:			

4. Debit Cards and ATM (Automated Teller Machine) Cards	Financial Institution		
	1	2	3
Will I get a debit card or an ATM card?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are there rebates, bonuses, or other rewards for using a debit card?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Can I set up alerts, such as for when the card is used? If yes, can I choose how to receive them? (email, text, phone, other)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees might the card have? (Ask for a fee schedule)			
Other:			

5. Overdrafts and Overdraft Fees			
<i>An overdraft occurs when a transaction goes through, but there is not enough money in the account to cover that transaction.</i>			
What are the overdraft practices that come with the account?			
Will the institution authorize and pay overdrafts caused by checks, other transactions using my account number, and automatic bill payments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If I opt in to an overdraft program, will the institution authorize and pay overdrafts caused by using ATMs and making everyday debit card transactions?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
What fees does the institution charge related to overdrafts? (Ask for the overdraft disclosure and fee schedule)			
Can the institution link my savings account to my checking account to avoid an overdraft? If yes, are there fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other:			

6. Other Available Services	Financial Institution		
	1	2	3
<p><i>“Person-to-Person” (P2P) Payments</i></p> <p>Can I transfer money directly to another person? How does the service work and how quickly will the recipient receive my payment? (Ask for a fee schedule)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>Money Orders</i></p> <p>Can I purchase money orders? (Ask for a fee schedule)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>Remittance Transfers</i></p> <p>Can I send money to a person or business in another country? (Ask about a specific country if one is important to you, and ask for a fee schedule)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>Safe Deposit Boxes</i></p> <p>Can I rent a safe deposit box? Do I have choices for box size? (Ask for a fee schedule)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>Third-Party Access</i></p> <p>If someone helps manage my banking relationship, what information can they receive on my behalf? How do I authorize them to receive this information?</p>			
Other:			

Overall Comparison			
Based on the above information, which one do you think will work better for you?	This one	This one	This one
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Free Tax Preparation

Free tax preparation assistance programs, such as Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE), help low-income employees prepare and file their taxes for free. As part of that tax preparation assistance, these programs ensure that taxpayers claim valuable tax credits, such as the Earned Income Tax Credit (EITC).

The EITC is the federal government's largest benefit for workers. Nationwide during 2018, 25 million eligible workers and families received about \$63 billion in EITC. The EITC and the child tax credit lifted an estimated 9.4 million people out of poverty, with 5 million, or more than half, of them children.<sup>xii</sup>

In addition to getting tax preparation for free, employees who visit VITA sites may get help on using their tax refund to best support their financial goals. Further, the community-based organizations that offer free tax preparation often use that service as a gateway to additional programs that promote financial empowerment, such as financial education or coaching.

## Models

Employers can **refer employees to local VITA/TCE sites**. In addition to individual referrals, the broad appeal of this service makes it appropriate for spreading the word via posters in break rooms, flyers, and employee newsletters.

## Getting Started

- **Find VITA/TCE sites in your community** using the Internal Revenue Service's locator: <https://www.irs.gov/individuals/find-a-location-for-free-tax-prep>.
- **Spread the word about this service among employees in advance of tax time and during tax season.** Once you have identified one or more local VITA/TCE sites, strategize with them on the best way to market their services to your employees. Often, VITA/TCE sites have existing marketing materials that clearly communicate how

to access their services, who is eligible for free tax preparation, and what documents employees should bring to the tax site. Also consider including a small flyer about VITA/TCE tax preparation when you mail employees their tax forms.

## Saving for Emergencies and Goals

Research suggests that, when people make saving automatic, they save more.<sup>xiii</sup> Setting money aside automatically means that they don't have to remember and decide to save each time they do it. And having even a modest amount in savings for emergencies and other goals can make a big difference. Saving \$400 or even \$200 can mean covering the costs of a minor emergency without having to incur debt.

## Models

As an employer, you can encourage employees to save automatically by:

- **Supporting goal-setting.** Use tools to help employees set goals for saving. Information and tools related to goal setting are available free of charge in the CFPB's *Your Money, Your Goals* toolkit (<https://www.consumerfinance.gov>), the FDIC's *Money Smart for Adults* curriculum (<https://www.fdic.gov>), and other resources.
- **Sharing ideas and information for making saving automatic.** Employees can make savings an automatic process in a variety of ways.<sup>xiv</sup> Share these ideas with employees.
  - » Pay yourself first. Determine how much you can set aside for savings every pay period and put the money in the bank before you pay your other bills.



- » Directly deposit a portion of your paycheck into a savings account and keep it there.
- » Set up automated transfers from your checking account to your savings account.
- » Contribute a percentage of your pay to your retirement plan (if applicable).

Onboarding may be an especially good time to share these ideas with new employees, when they are making choices about how to receive their pay.

- **Referring employees to local individual development account (IDA) programs.** IDAs are designed specifically to help participants save for and purchase an asset, such as a home, vehicle, small business, or postsecondary education. Usually run by community-based organizations, these programs match participants' deposits in their IDAs, allowing IDA holders to build savings faster. IDA holders commit to regular savings toward their chosen asset and often receive financial education as part of their participation in the programs.

## Getting Started

- **Select tools for goal-setting and automatic saving, and train human resources personnel and managers on how to use them with employees.**
- **Connect employees to IDA programs by:**
  - » Finding local providers. A map of IDA programs is available at <https://prosperitynow.org/map/idas>.
  - » Inviting an IDA program partner to make a presentation about the program's services to employees who may wish to participate. The presentation can also help human resources personnel and managers understand how the program works and become more comfortable recommending it to employees.

- » Following up. Work with IDA program partners to measure participation by employees, while maintaining anonymity, privacy, and confidentiality.

## Saving for Retirement

The U.S. Department of Labor (DOL) reports that, after health insurance, retirement plans are the most popular benefit that businesses offer their employees. DOL provides information for workers and employers on retirement savings at <https://www.savingmatters.dol.gov>. The site is a great place to start for employers that want to explore offering employee-sponsored retirement plans.

## Models

Employers can explore offering employee-sponsored retirement plans, which generally fall into two categories: defined benefit plans and defined contribution plans.<sup>xv</sup> Options include:

- **Offering a defined benefit plan.** A defined benefit plan promises employees a specified monthly benefit at retirement. The benefit may be a fixed dollar amount or may depend on a plan formula that considers factors such as salary and years of service. Defined benefit plans also are known as pension plans. Employers sponsor defined benefit plans and typically hire investment managers to make investment choices. The employer shoulders the investment risks.
- **Offering a defined contribution plan.** A defined contribution plan, such as a 401(k) plan, does not promise a specific payment upon retirement. In these plans, employees, employers, or both contribute to retirement accounts, sometimes at a set rate. In a defined contribution plan, the employee shoulders the investment risks, and the value of the account will change due to changes in the value of the investments.

# Rotating Savings and Credit Associations (ROSCAs)

A ROSCA is a group of people who get together regularly to contribute money into a savings fund. Each member places the money in the savings fund on a scheduled basis. These groups go by different names around the world, such as “lending circle,” “tanda,” or “hui.” The programs are all based on trust among group members.

ROSCAs almost always operate independent of an employer. They are voluntary and operate according to rules set by their members. However, employers can help employees interested in joining a ROSCA to find each other. For example, an employee newsletter or email bulletin could inform employees about an opportunity to join a ROSCA being organized by a local nonprofit or an individual employee.

ROSCAs work well for some people because they provide accountability for following through on savings goals. However, mismanagement or theft is possible, so it is important that an employer note that the ROSCA is an independent agreement among members, rather than a service being provided by the employer.

If you do not plan to offer an employee-sponsored retirement plan at this time, **you can encourage employees to open personal retirement savings accounts.** Specifically, employees can open Individual Retirement Accounts (IRAs) and other tax-advantaged savings opportunity programs that can help them achieve financial goals and save on taxes. There are two different types of IRAs, traditional and Roth IRAs, which offer different tax advantages. To learn more, employees should visit <https://www.savingmatters.dol.gov/employees.htm>.

## Getting Started

- **Promote saving for retirement in a way that is consistent with the retirement saving benefits you currently offer:**
  - » If you already offer an employer-sponsored retirement plan, make sure employees understand how it works and connect them to relevant retirement planning resources.

- » If you do not currently offer an employer-sponsored retirement plan and want to explore doing so, start by visiting <https://www.savingmatters.dol.gov> for more information on how and why to offer this important benefit to employees.
- » If you do not plan to offer an employee-sponsored retirement plan at this time, you can encourage employees to open IRAs using information found at <https://www.savingmatters.dol.gov>.

# Selecting Offerings and Forming Partnerships

The tools in this section will help you move forward with offering financial empowerment services to your employees.

**Start small by selecting one, two, or at most three offerings** to ensure your time, attention, and other resources are not spread too thin. Even offerings that rely heavily on referrals to community-based providers of financial empowerment services will require careful planning and communication within your organization. Strong implementation of a small number of offerings will provide a foundation on which to build in future years.

## Getting Started

- Use *Selecting Financial Empowerment Offerings* to choose from among the offerings outlined in the previous section.
- For offerings that involve partnering with other organizations, use *Laying the Groundwork for Partnerships* as a starting point.

## Tool: Selecting Financial Empowerment Offerings

Use this tool to identify the financial outcomes you want to help employees achieve and select the financial empowerment offerings that will help employees achieve those outcomes.

### Step 1: Identify the Financial Outcomes You Want to Help Employees Achieve

List the outcomes, or measures of success, your organization wants to help your employees achieve. Choose up to six of the most important outcomes. Base your selections on:

- *Your Money Moment Map*
- Input from employees via one-on-one conversations, focus groups, or surveys
- Your own observations about what personal financial challenges are getting in the way of employee productivity and work quality
- Appendix: Sample Financial Capability Outcomes on page 48

**List up to six financial outcomes that you want to help employees achieve:**

1.
2.
3.
4.
5.
6.

## Step 2: Consider the Impact and Effort of Financial Empowerment Offerings

Think of financial empowerment offerings in terms of impact and effort:

- **Impact:** The benefits—to both your organization and the employees themselves—result from helping employees achieve the financial empowerment outcomes that you identified above.
- **Effort:** The costs to your organization in time, effort, and resources.

**For each offering that you are considering, rate the impact and effort.** Rate the impact on a scale of 1–10, with 1 being very low impact and 10 being very high impact. Rate the effort on a scale of 1–10, with 1 being very low effort and 10 being very high effort. Keep in mind that partnering to provide an offering may reduce the effort required of your organization.

In the *Score* column, subtract the effort rating from the impact rating. (Some rows will have negative numbers.) The offerings with the highest numbers in the *Score* column may have the most benefit for the lowest cost.

Offering	Impact Rating	Effort Rating	Score (impact minus effort)
Financial Education			
Just-in-Time Financial Information and Referrals			
Financial Coaching and Financial Counseling			
Housing Counseling			
Employee Loans and Employer-Sponsored Small Dollar Loans			
Help Getting Banked			
Free Tax Preparation			
Saving for Emergencies and Goals			
Saving for Retirement			

## Step 3. Select Up to Three Financial Empowerment Offerings to Explore Further

Often, the offerings that are high impact and low effort are the ones organizations will want to start exploring further. However, some high impact/high effort and low impact/low effort offerings may be worthwhile.

**List three offerings you would like to explore further.** The *Score* column of Step 2 can help you narrow down which offerings to consider for your top three.

1.
2.
3.

## Tool: Laying the Groundwork for Partnerships

Many financial empowerment offerings involve connecting employees to services and products offered by community-based organizations and financial institutions. Use this worksheet to navigate the early stages of partnering.

**Potential Partner:** \_\_\_\_\_

- Find mission alignment.** Early in exploring a potential partnership, learn more about the organization's mission as stated on their website or other public-facing materials. Think about how their target population, geographic service area, and vision for positive change match your employees' financial goals and needs. Finding this common ground can be especially important as you have initial exploratory discussions with potential partners.

**Write down the areas where the potential partner's mission aligns with your employees' financial goals and needs:**

- Identify main points of contact.** Although a number of people may be involved in planning and implementing the financial empowerment service, it is important for your organization and the potential partner to each appoint a single individual as main contact. Doing so can prevent breakdowns in communication and clarify lines of responsibility.

Your Organization:	Potential Partner:
_____  Name:  _____  Contact Information:  _____  _____  _____	_____  Name:  _____  Contact Information:  _____  _____  _____

- Clarify roles and responsibilities.** As your discussions with a potential partner proceed, document the details related to who will do what. This will prevent assumptions and misunderstandings from causing problems later on.

**List the roles and responsibilities of your organization and the potential partner for each area of planning and implementation.**

	<b>Your Organization</b>	<b>Potential Partner</b>
<b>Development of Program Materials</b>		
<b>Ongoing Marketing to Employees</b>		
<b>Supplies, Materials, and Funding</b>		
<b>Financial Empowerment Services to Employees</b>		
<b>Measurement and Analysis of Employee Outcomes</b>		

- Establish ongoing communication.** Setting up regular meetings is an important way to make sure that the lines of communication stay open, even as your partnership enters “steady state” operations.

**List the regular and ad hoc ways in which your organizations will communicate.**

- Formalize a written agreement.** A memorandum of understanding or similar agreement should include much of what you have documented above, especially roles and responsibilities, points of contact, and communications protocols. The agreement should be signed by both parties. Periodically revisit the agreement with your partner organization and make updates as you adjust how your organizations work together.

# Measuring Performance of Your Financial Empowerment Offerings

Collecting data on your activities to help employees become financially empowered and also learning the results of those activities can help you:

- **Monitor follow-through on bringing financial empowerment offerings to employees.** For example, use data to determine whether human resources professionals and managers are referring employees to the services you have put in place in-house and through partnerships.
- **Improve your offerings.** Anonymous surveys of employees can shed light on demand for different types of services and information on specific topics. And anonymous participant evaluations completed after participation in an offering can shed light on what worked and what could work better.
- **Quantifying benefits to your organization.** While many factors may affect your organization's performance, financial empowerment offerings can have a positive impact. Examples may include increased productivity, longer employee retention, and strengthened employee recruitment. Consider comparing metrics of your organization's performance before and after implementing financial empowerment offerings to assess the benefits to your organization.

## Getting Started

- **Use the *Financial Empowerment Tally Sheet*** to track your organization's follow-through on connecting employees with services provided in-house and through partnerships.
- **Read the special feature on the CFPB's *Financial Well-Being Scale*** to explore putting that tool into the hands of partners or of employees, themselves. If you are considering using the Scale directly with employees, ensure that you maintain privacy and confidentiality.

## Maintaining Privacy and Confidentiality

Privacy concerns limit what information employers can and should collect on employees' financial situations. Take care to avoid collection of data that could influence, or even appear to influence, management and human resources decisions. And ensure that your partners maintain strong confidentiality, not sharing employees' personal financial information with your organization. In some cases, employees' participation in third-party financial empowerment services should be anonymous.



## Tool: Financial Empowerment Tally Sheet

Some financial empowerment offerings rely on human resources professionals and managers to engage with employees on money, connecting them with services provided in-house and through partnerships.

This simple tally sheet can help you monitor follow-through. Distribute it to human resources professionals and managers and collect it at the end of the month to monitor follow-through on bringing financial empowerment offerings to employees. The sheet protects employees' privacy by not collecting the names of employees who receive referrals or other assistance.

**Name:** \_\_\_\_\_

**Month:** \_\_\_\_\_ **Year:** \_\_\_\_\_

Use hash marks to track the number of times you connect employees with information or services related to financial empowerment.

### EXAMPLES

**Action:** Referral to Financial Coaching

||||

**Action:** Provide Just-in-Time Financial Information (*Your Money, Your Goals* tools)

|||||

**Action:** \_\_\_\_\_

**Action:** \_\_\_\_\_

**Action:** \_\_\_\_\_

**Action:** \_\_\_\_\_

## Special Feature: The *Financial Well-Being Scale*<sup>xvi</sup>

*Share this information with partners or consider ways of using it directly with employees in ways that respect their privacy and confidentiality.*

The CFPB's *Financial Well-Being Scale* measures something important that other traditional measures may not capture: How employees feel about their financial situation.

By using the scale, you can:

- Measure, track, and compare the financial well-being of people you serve.
- Facilitate conversations about financial concerns, challenges, and goals that may influence or reflect financial well-being.
- Evaluate and improve programs designed to enhance people's financial well-being.
- Use the scale with people you serve.

When you use the *Financial Well-Being Scale*, you get a holistic outcome metric that reflects success in consumers' own terms and allows for variation in individual preferences and goals.

### Measure well-being and progress

Some practitioners track people's scores and answers to each question over time to assess changes. Other practitioners compare scores for different groups of people. You can:

- Administer the scale at intake and at regular intervals throughout your sessions.
- Save individual responses and scores so that you can review changes over time and compare with others.
- Compare the scores of the people you serve to national data and benchmarks the Bureau created.

### Facilitate conversations

Financial empowerment professionals have found that the scale is a great conversation starter. Some practitioners find it helpful to talk with people about

their responses to specific questions, or about their overall financial well-being scores, as a way to broach possibly challenging conversations about their financial concerns, aspirations, and needs. In a group setting, reflecting on the questions that are part of the scale helps people engage with financial education material more deeply.

### Evaluate, compare, and improve programs

Practitioners often collect a range of data about the people they serve to understand their circumstances and progress. The *Financial Well-Being Scale* was designed to be a complement to, not a substitute for, other program metrics and outcome measures. It provides a measure that can be used as a common metric across very different types of financial capability programs and interventions.

Use financial well-being scores to:

- Report and share the scores of the people you serve with other programs and/or with funders (anonymously or de-identified).
- Discuss scores in peer networks to understand how the people you serve compare with those of other organizations providing similar services or working with similar populations.
- Compare scores and responses of people being served by different programs within an organization (such as participants at different workshops).
- Compare scores to survey data. The scale is increasingly being used by researchers to assess financial well-being in large national surveys.

### Get started

See *Getting Started with Measuring Financial Well-Being: A toolkit for financial educators* for integration ideas and case studies of organizations that are using the *Financial Well-Being Scale*. Visit [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-well-being\\_toolkit.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-well-being_toolkit.pdf).

# Appendix: Sample Financial Capability Outcomes<sup>xvii</sup>

Financial Capacity Topic	Financial Capacity Outcomes				
	Short-Term Outcomes			Medium-Term Outcomes	Long-Term Outcomes/Impacts
	Knowledge	Attitudes	Skills	Behaviors	Life Condition
<b>Money Management</b>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Know how to access their credit reports.</li> <li>✓ Know how to read and understand their credit reports.</li> <li>✓ Understand how to manage debt.</li> <li>✓ Understand compound interest.</li> <li>✓ Understand what Annual Percentage Yield (APY) is.</li> </ul>	<p>Participants are:</p> <ul style="list-style-type: none"> <li>✓ Confident in their ability to manage money.</li> <li>✓ Believe that they are in charge of their financial futures.</li> <li>✓ Confident in their financial security.</li> </ul>	<p>Participants are able to:</p> <ul style="list-style-type: none"> <li>✓ Establish financial goals.</li> <li>✓ Create a budget to manage monthly expenses.</li> <li>✓ Track income and expenses.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Regularly use a personal budget to manage finances.</li> <li>✓ Establish short-term and long-term financial goals.</li> <li>✓ Track spending.</li> <li>✓ Plan ahead financially.</li> <li>✓ Comparison shop before making purchases.</li> <li>✓ Put off discretionary spending.</li> </ul>	<p>Participants experience:</p> <ul style="list-style-type: none"> <li>✓ Progress toward meeting financial goals.</li> <li>✓ Improved credit scores.</li> <li>✓ Reduced levels of debt.</li> <li>✓ Fewer debts past due.</li> <li>✓ Increased savings.</li> </ul>
<b>Financial Products and Services</b>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Are aware of and understand available financial products and services.</li> <li>✓ Know where to find information on financial products.</li> <li>✓ Know the types of products and services provided by banks and credit unions.</li> <li>✓ Know how to acquire financial knowledge before signing up for a new financial product.</li> </ul>	<p>Participants are:</p> <ul style="list-style-type: none"> <li>✓ Comfortable using formal financial institutions (e.g., banks, credit unions).</li> </ul>	<p>Participants are able to:</p> <ul style="list-style-type: none"> <li>✓ Calculate the cost of financial products.</li> <li>✓ Select appropriate financial products for their needs.</li> <li>✓ Open a savings account.</li> <li>✓ Enroll in direct deposit.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Make regular deposits into a savings account.</li> <li>✓ Calculate the costs of using financial products regularly.</li> <li>✓ Avoid unnecessary transaction fees on a regular basis.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Spend less on financial services.</li> <li>✓ Experience increased ownership of formal financial products.</li> </ul>

**Table 1: Sample Financial Capability Outcomes by Financial Topics**

Financial Capacity Topic	Financial Capacity Outcomes				
	Short-Term Outcomes			Medium-Term Outcomes	Long-Term Outcomes/Impacts
	Knowledge	Attitudes	Skills	Behaviors	Life Condition
<b>Credit and Debt</b>	Participants: <ul style="list-style-type: none"> <li>✓ Know how to access their credit reports.</li> <li>✓ Know how to read and understand their credit reports.</li> <li>✓ Understand how to manage debt.</li> <li>✓ Understand compound interest.</li> <li>✓ Understand what Annual Percentage Yield (APY) is.</li> </ul>	Participants: <ul style="list-style-type: none"> <li>✓ Believe that building credit is important.</li> <li>✓ Are confident that they can reduce their debt.</li> <li>✓ Are not stressed about debt owed.</li> <li>✓ Are confident they can manage credit.</li> </ul>	Participants are able to: <ul style="list-style-type: none"> <li>✓ Access their credit reports.</li> <li>✓ Calculate their ability to repay a debt before acquiring a loan.</li> <li>✓ Improve their credit scores.</li> <li>✓ Select an appropriate loan from a range of credit products.</li> <li>✓ Compare APYs.</li> </ul>	Participants: <ul style="list-style-type: none"> <li>✓ Actively pay down debt on schedule.</li> <li>✓ Consistently use a cooling off period before taking on debt.</li> </ul>	Participants have: <ul style="list-style-type: none"> <li>✓ Improved credit scores.</li> <li>✓ Reduced levels of debt.</li> <li>✓ Established credit histories.</li> <li>✓ Increased access to credit.</li> <li>✓ Fewer debts past due.</li> <li>✓ Fewer accounts in collections.</li> </ul>
<b>Public Benefits and Tax Credits</b>	Participants: <ul style="list-style-type: none"> <li>✓ Are aware of available public benefits/tax credits.</li> <li>✓ Understand their eligibility for public benefits and tax credits.</li> <li>✓ Know about tax preparation options.</li> <li>✓ Understand how public benefits can help their financial situations.</li> </ul>	Participants: <ul style="list-style-type: none"> <li>✓ Are not anxious about filing taxes.</li> <li>✓ Feel comfortable using public benefits.</li> </ul>	Participants are able to: <ul style="list-style-type: none"> <li>✓ File their taxes for free.</li> <li>✓ Submit applications for public benefits.</li> </ul>	Participants: <ul style="list-style-type: none"> <li>✓ Regularly review public benefits and tax credits available to them.</li> </ul>	Participants experience: <ul style="list-style-type: none"> <li>✓ Decreased costs of tax filing.</li> <li>✓ Increased amount of tax credits received (e.g., Earned Income Tax Credit or Child Tax Credit).</li> <li>✓ Increased amount of tax refunds received.</li> <li>✓ Optimized public benefits portfolios.</li> </ul>

**Table 1: Sample Financial Capability Outcomes by Financial Topics**

Financial Capacity Topic	Financial Capacity Outcomes				
	Short-Term Outcomes			Medium-Term Outcomes	Long-Term Outcomes/Impacts
	Knowledge	Attitudes	Skills	Behaviors	Life Condition
<b>Save and Invest</b>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Know the difference between appreciating and depreciating assets.</li> <li>✓ Understand features of available savings products.</li> <li>✓ Know the difference between stocks and bonds and other financial products.</li> <li>✓ Understand how to open a retirement or brokerage account.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Are confident they can manage credit.</li> <li>✓ Are confident to ask questions when selecting credit products.</li> <li>✓ Are confident in their ability to save.</li> <li>✓ Have the discipline to save regularly.</li> <li>✓ Feel calm about their ability to save.</li> <li>✓ Believe that saving is important.</li> <li>✓ Are confident that they can weather a financial crisis.</li> </ul>	<p>Participants are able to:</p> <ul style="list-style-type: none"> <li>✓ Identify long-term savings goals.</li> <li>✓ Open a savings account.</li> <li>✓ Set savings goals.</li> <li>✓ Identify short-term savings goals.</li> <li>✓ Calculate regular savings amounts in order to reach savings goals.</li> <li>✓ Open a retirement or brokerage account.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Make regular deposits to savings accounts.</li> <li>✓ Save money for emergencies.</li> <li>✓ Have a short-term savings plan.</li> <li>✓ Have a long-term savings plan.</li> <li>✓ Evaluate asset goals annually.</li> <li>✓ Talk to a financial advisor.</li> <li>✓ Invest in a stock or a bond.</li> <li>✓ Track investment accounts.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Increase amounts saved.</li> <li>✓ Increase their net worth.</li> <li>✓ Have sufficient savings to cover at least three months of basic living expenses.</li> <li>✓ Have savings for a specific long-term savings goal.</li> <li>✓ Manage brokerage or retirement account.</li> </ul>
<b>Consumer Protection and Insurance</b>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Know where to find consumer information on financial products.</li> <li>✓ Know their consumer rights.</li> <li>✓ Know where to find information on insurance products.</li> <li>✓ Know the types of products and services provided by insurance providers.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Feel comfortable asking providers questions about their financial products.</li> <li>✓ Believe it is important to have insurance.</li> </ul>	<p>Participants are able to:</p> <ul style="list-style-type: none"> <li>✓ Research and evaluate consumer information on financial products before buying.</li> <li>✓ Purchase appropriate insurance coverage.</li> </ul>	<p>Participants:</p> <ul style="list-style-type: none"> <li>✓ Call a financial coach/counselor when worried about their finances.</li> <li>✓ Routinely seek information from credible sources on financial products.</li> <li>✓ Check terms and conditions before purchasing a financial product.</li> <li>✓ Report suspicious products to the Consumer Financial Protection Bureau.</li> </ul>	<p>Participants experience:</p> <ul style="list-style-type: none"> <li>✓ Increased amount of appropriate insurance coverage.</li> <li>✓ Increased ability to manage fluctuations in income.</li> <li>✓ Fewer costs due to fraud.</li> </ul>

# Endnotes

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- <sup>xi</sup> Federal Deposit Insurance Corporation. (2018). Money Smart for Adults, Module 2: You Can Bank On It, pp. 26-29.
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