

Employers Add Financial Components to Wellness Programs

Wellness programs and financial education aren't new to the workplace. But in recent years, companies have been marrying these two concepts.

By **Jessica Marquez** | *May 2009*

Last summer, as gas prices rose and housing prices came crashing down, Maia Lucier started hearing more requests from employees who wanted to work from home because they needed to save money. Overall, more employees were coming to her and her team complaining that they were worried about their finances.

"People were talking about their personal finance pressures more and more," says Lucier, director of compensation and benefits at Dimension Data Americas, a technology company with dual headquarters in New York and Charlotte, North Carolina. "You could feel the tension."

Dimension Data had an outside financial advisor that often put out communications to the company's 750 employees, but Lucier and her team felt they had to do more to reach everyone.

Rather than do a one-off financial educational session, Lucier and her team decided to host a monthly financial wellness seminar and regularly distribute materials that would all fall under the firm's 2-year-old wellness campaign, Think Wellness.

"The point of wellness programs is to get employees to feel good," Lucier says. "And when we looked at the different things that might cause employees to not be productive, stress over personal financial situations was a cause."

Wellness programs and financial education aren't new to the workplace. But just over the past couple of years, a growing number of companies have been marrying these two concepts, experts say.

"There has been a push to focus on personal health and wealth as a way of managing your personal overall well-being," says Steve Cyboran, vice presi-

dent and consulting actuary at Sibson Consulting, a division of the Segal Co. "Certainly I think this is exacerbated by the current economic situation."

Bringing the concept of financial health into a wellness campaign can help employers reduce health care costs—which is often one of the primary goals of these initiatives, consultants say.

For example, smokers might not be interested in attending a smoking cessation program because they aren't ready to quit, says Sander Domaszewicz, a principal at Mercer. "But if that person attends a program on their financial health that discusses the costs of cigarettes and the potential health care costs associated with smoking, that might get them to participate in a smoking cessation program," he says.

Also, by integrating financial education with wellness programs, employers can help employees make better decisions about how they spend their health care dollars, Domaszewicz says. For example, more employees may realize that it makes sense to invest more of their paychecks into their flexible spending accounts.

Dimension Data recently ran a feature in its employee newsletter on how employees could save money on their health care bills. In the article, the company noted that employees who get drugs by mail order receive a discount.

The company also highlighted a service it offers, through a partnership with Health Advocate, a Plymouth Meeting, Pennsylvania-based company, that assists employees in resolving health care claims issues and correcting bills that might contain incorrect charges. "We want them to use this service so that they don't blindly pay their bills," Lucier says.

The University of Iowa began adding a financial component to its wellness program, LiveWell, over the past two years. For several years, the university has offered a referral for a free financial consultant, but decided to increase its focus on financial wellness as part of its LiveWell campaign in response to employee demand, says Joni Troester, assistant HR director.

“Particularly in the past year we have been getting more requests relative to the economy,” Troester says.

Through the program, the university’s internal employee assistance provider offers seminars on financial topics for the 15,000 benefits-eligible employees. The university also promotes the financial counseling through its health fair events as well as in newsletters, Troester says.

“We see this as part of lifestyle management,” she says. “Financial stress can impede people from having an overall healthy lifestyle.”

One major challenge that many employers face in adding financial education to their wellness programs is that in many instances these two initiatives are handled by separate vendors, Domaszewicz says.

“Often these vendors don’t interact with each other,” he says. Employers need to make sure that the

vendors communicate with one another and that their messaging is consistent.

Another challenge that employers are facing today is that while they see the need for financial wellness programs, they don’t have the budgets for them. That’s the case for Dimension Data Americas, Lucier says.

“We just don’t have the resources to offer as much as our employees would like,” she says.

Tracking the return on investment of incorporating a financial aspect to a wellness program can also be challenging, experts say.

However, there are many studies that show that stress leads to poor health, Cyboran says. And it’s a good assumption that many employees are feeling financial stress these days, he says.

“Taking this more holistic approach to wellness is catching on at many companies, but hasn’t quite hit the mainstream yet,” Domaszewicz says

“The most forward-thinking companies are doing it,” he says.

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