

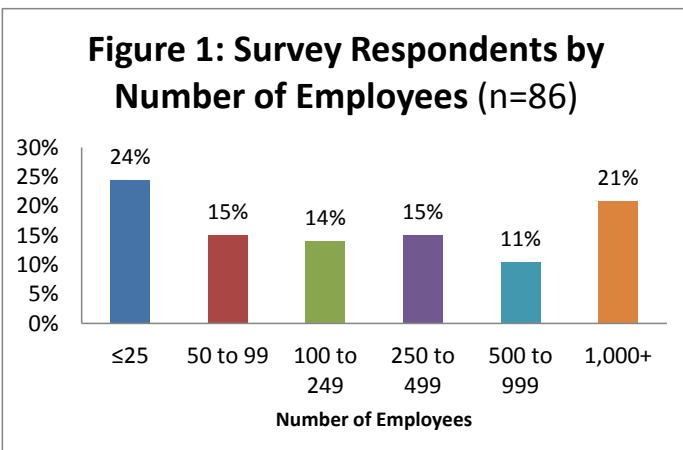
Employer-based Financial Education in Wisconsin – Survey Findings

Survey Background

In late 2012, the Wisconsin Department of Financial Institutions (DFI), on behalf of the Workplace Financial Literacy Committee of the Governor's Council on Financial Literacy, surveyed Wisconsin employers to learn more about employer-provided financial education in the State. Chaired by Kristine Hackbarth-Horn, the Education Committee and DFI developed and administered the online survey via SurveyMonkey. The survey was emailed to public and private firms on a mailing list developed by DFI and the Governor's Council on Financial Literacy. The survey contained 12 questions about employers' behavior and opinions related to financial education for their employees. A full list of the survey questions can be found at the end of this brief (Appendix A).

The survey was sent to employers of varying sizes and industries. One hundred twenty-one employers replied to the survey. The survey utilized skip-logic (e.g., employers that do not offer financial education automatically skipped certain questions), and a significant percentage of employers voluntarily skipped questions. Therefore, the number of responses to individual questions can be well below 121.

Figure 1 displays the distribution of respondents by the number of people they employ. Nearly one quarter of the



Key Findings

- 59% of respondents currently offer financial education to their employees.
- Large companies are much more likely than small firms to offer financial education.
- The vast majority (86%) of firms that offer financial education have done so for more than 1 year.
- Companies use a variety of delivery methods and offer information on a range of topics.
- Companies that do not provide financial education are less likely to agree that it should be offered on paid time. Smaller companies also report that financial education should be offered less often and for less time in one setting.
- A majority of both providers and non-providers are interested in learning more about other employers' efforts in this area.

respondents (24%) employ fewer than 25 people, and slightly more than one in five (21%) employ more than 1,000 individuals. The number of employees at the remaining firms is distributed close to evenly across the 50-99, 100-249, 250-499, and 500-999 categories. None of the respondents reported employing between 26 and 49 employees.

Respondents were asked to classify which industry best describes the nature of their business. Table 1 (page 2) displays the percentage of responses across each sector. Respondents represented a wide variety of industries. The services (accounting/legal/financial/etc.) sector represented the largest industry (33% of respondents), and manufacturing was second with 23%. Table 1 also displays the percentage of firms within each industry that provide financial education to their employees. These findings are discussed in the next section.

Table 1: Respondents by Industry (n=88)

Industry	% of Survey Respondents	% that Provide Financial Education to Employees
Agricultural	1%	0%
Construction	2%	100%
Healthcare	8%	67%
Manufacturing	23%	38%
Retail	5%	100%
Service (accounting, law, financial, etc.)	33%	69%
Education	5%	75%
Government	9%	38%
Other	15%	31%

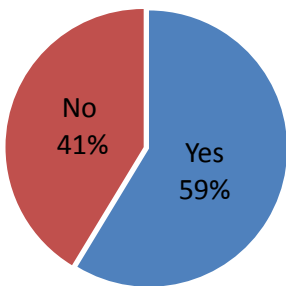
Results

The survey results are broken into four sections: extent of employer-based financial education, delivery methods and topics, incorporating financial education into the workday, and reasons for not providing financial education and interest in learning more.

Extent of Employer-based Financial Education

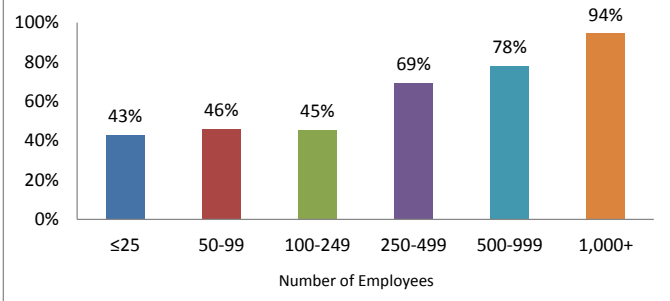
The majority of employers (59%) report providing some form of financial education to their employees (see Figure 2 below). Based on Table 1, the percentage of employers that offer financial education appears to vary across sectors, but these differences are difficult to interpret given the small sample sizes for individual industries. The lone agricultural respondent did not provide financial education to its employees, but otherwise every sector had at least one respondent that reported providing some form of financial education to employees.

Figure 2: Do you provide any type of financial education to your employees? (n=121)



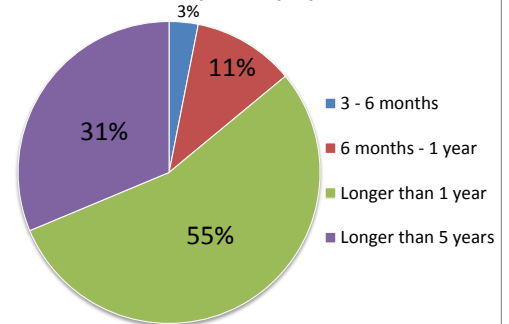
The number of individuals that a firm employs appears to be a key factor in determining whether financial education is offered in the workplace, as shown in Figure 3. Employers with fewer than 25 employees are least likely to provide financial education (43%). In contrast, 94% of respondents with more than 1,000 employees offer some form of financial education. Between these two extremes, the propensity of an employer to offer financial education tends to increase with the size of the company. The coefficient of this correlation is 0.39, which suggests a moderately strong relationship between firm size and employer-provided financial education.

Figure 3: Percent of Employers Offering Financial Education Activities by Firm Size (n=85)



Among employers that offer financial education, many have engaged in these efforts for an extended period, as shown in Figure 4. Nearly all employers that provide financial education have done so for more than a year (86%), including 16 of the 17 respondents with more than 1,000 employees. Nearly one-third (31%) of employers that offer financial education have done so for more than five years.

Figure 4: How long have you been providing some type of financial education to your employees? (n=64)



Overall, these findings suggest that smaller employers in particular may need additional assistance or encouragement in order to provide financial education to their employees. Smaller firms may be less likely to provide financial education for several reasons. They

may be less likely to offer certain employee benefits such as 401(k) plans that often come with financial education outreach efforts, or they may have fewer resources to devote to such a specialized activity. Too few respondents answered Question 8, which asked why they do not offer financial education, to break the responses down by firm size. Regardless, many smaller firms do provide some form of financial education, so exploring efforts within those firms may point the way to expanding financial education across similarly sized organizations. In terms of larger businesses, most but not all provide financial education. The marginal cost of providing financial education in larger firms may be lower than for smaller firms, so it is also worth exploring how financial education can be expanded at major employers. The high percentage of businesses that have offered financial education for more than one year provides suggestive but not causal evidence that once financial education efforts are in place, they are sustainable.

Delivery Methods and Topics

The survey data show that employers deliver financial education through a variety of means. The survey listed eight ways of delivering financial education, and respondents selected all that applied to their organization. Handouts are the most popular, with 70% of the 67 respondents identifying them as a way they communicate financial information. The next most popular methods were internal seminars (58%), external seminars (46%), intranet sites (45%), and web

programs/e-learning (40%). The top-five methods are similar across firms of different sizes (see Table 2). Handouts ranked the most-utilized method for four of the six different groups and the second most common choice for the other two groups.

Employers reported supplying their employees with information on a variety of financial education topics. The survey listed nine financial education areas, and the average number of responses selected was 4.3 (not including 15 education providers that did not select any of the topics). The most frequently-offered topics include saving for retirement (87%), understanding benefits (71%), basic investing (62%), understanding healthcare (60%), and basic money management (56%). Fewer than 20% of respondents offer education about insurance (16%) or homeownership (15%) to their employees.

Incorporating Financial Education into the Workday

The survey asked, “If you offer [financial education] training, or you would like to in the future, do you/ would you allow it on paid time?” Because the question applies differently to firms that currently offer financial education than to those that do not, it is necessary to break responses down on those lines. Interestingly, employers that already offer financial education are more likely than employers that do not to agree that these efforts should take place while employees are “on the clock.”

Eighty-three percent of employers that already provide financial education agree that it should be offered on paid time. In contrast, 58% of employers that do not currently provide financial education agree it should be available on paid time.

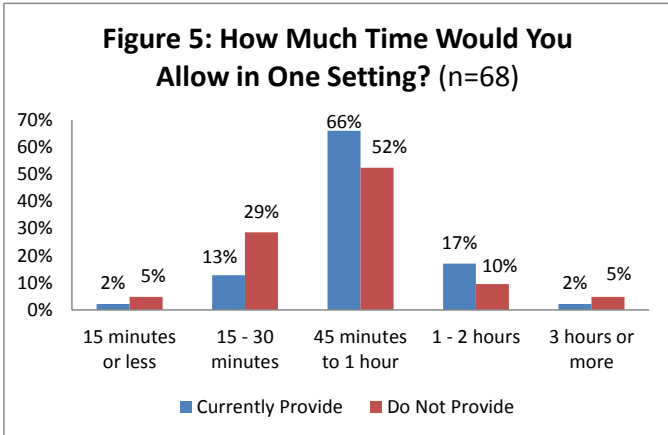
The reasons for this gap are unknown, but once employers start offering financial education, more may come to agree that it is valuable enough to offer on paid time.

In terms of the amount of time in one setting employers would allow their employees to spend, employers that do not currently provide financial education consistently reported lower time allowances than those that already offer financial education to employees (with the exception of “3 hours or more,” which very few employers selected). Figure 5 displays time

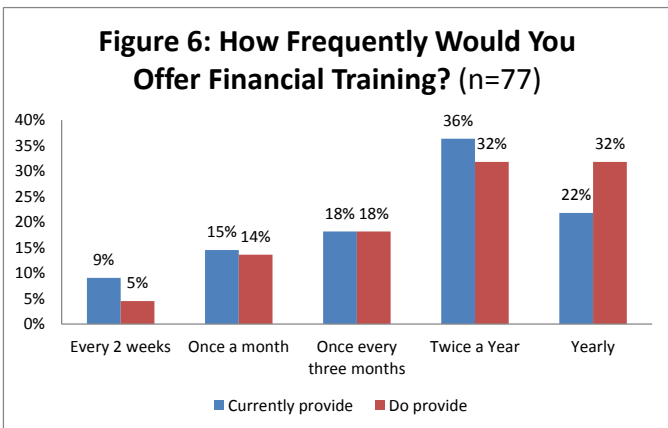
Table 2: Top Education Delivery Methods by Number of Employees (n=67)

	<25	50-99	100-249
	Handouts	Handouts	External seminar
	E-learning	Internal seminar	Handouts
	Intranet	Posters	Intranet
	Internal seminar	External seminar	Posters
	External seminar	Intranet	Pamphlets
	250-249	500-999	1,000+
	Internal seminar	Handouts	Handouts
	Handouts	Internal seminar	Internal seminar
	E-learning	External seminar	External seminar
	Intranet	Pamphlets	Intranet
	External seminar	E-learning	E-learning

allowances broken down by current providers of financial education versus non-providers. Fully one-third of non-providers would allow 30 minutes or less for one session, whereas only 15% of current providers gave the same timeframe. In contrast, 85% of current providers reported that they would allow at least 45 minutes for one setting, versus 67% of non-providers. This finding is broadly consistent with the gap in allowing financial education on paid time.



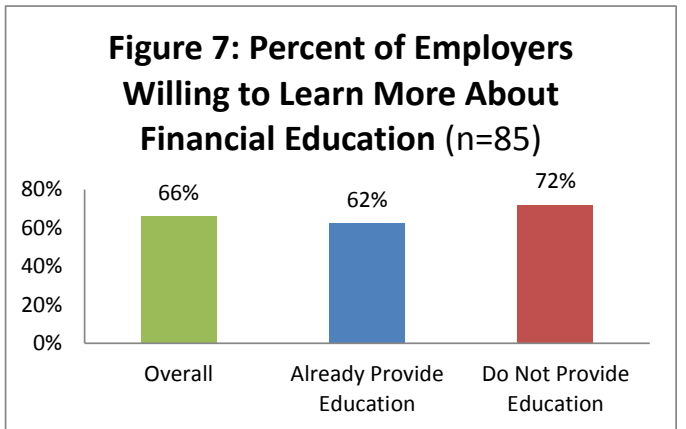
In addition, employers that do not currently offer financial education believe trainings would need to be offered less frequently, compared to employers that already offer financial education (see Figure 6). Fourteen of the 22 non-providers (64%) responded that financial education sessions would need to occur either twice a year or yearly, while 58% of current providers responded as offering it that often. Nearly one quarter of current providers (23%) allow financial trainings every two weeks or once a month, while 18% of non-providers would provide it that often.



Reasons for not Providing Financial Education and Interest in Learning More

When asked to list the reasons why they do not offer financial education to employees, the greatest percentage (31%) said they do not see it as a benefit for the employee. This was followed by 28% that believed they did not have enough time to provide financial education activities. Only 18% cited their budget as an inhibitor to providing financial education to their employees, and 15% did not know where to find materials or resources.

Both providers and non-providers of employer-based financial education are interested in learning more about what other employers are doing in this space. Overall, 66% of respondents would be interested in learning about their peers’ activities. Breaking this down between respondents that currently offer financial education and those that do not, a greater percentage of the latter group would be interested in learning more about what others are doing around financial education (Figure 7). This group is primarily comprised of smaller employers. Of the 23 respondents that do not currently offer financial education to employees but are interested in learning more, six employ fewer than 25 people (26%) and 16 employ fewer than 250 individuals (70%).



Implications

The survey findings lend themselves to several implications and next steps:

- A first step may be creating more avenues for current providers of employer-based financial

education to share their experiences with firms that want to learn more, especially smaller businesses. The survey documents widespread interest in learning more about what others are doing in this space, and companies are engaged in a diverse array of practices. Therefore, firms stand to benefit from learning about what others are doing.

- Although a majority of employers offer some form of financial education, a significant percentage do not. Thus, another step is helping non-providers understand the importance of facilitating ways for employees to engage in financial education. From the survey, it appears that some non-providers may exhibit resistance in terms of offering financial education on paid time and how often and long these efforts take place.
- More evidence is needed on what strategies are most attractive to and effective for employees. Handouts are the most-used medium, but are they the most effective? Employers would likely benefit from greater access to materials, and at the same time it is important to make sure these materials are evidence-based to the extent possible given gaps in existing research.
- Similarly, it would be helpful to determine whether the topics that current trainings focus on are the most beneficial to employees, or whether other topics could be more helpful.

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Appendix A: Survey Questions

1. Do you provide any type of financial education to your employees?
 - a. Yes
 - b. No
2. If you do provide financial education, please check all that apply
 - a. Pamphlets
 - b. Posters
 - c. Education materials, handouts
 - d. Posting of education material to intranet site
 - e. DVD or other media
 - f. Internal seminars/speakers
 - g. External seminars/speakers
 - h. Web-based programming/e-learning modules
3. How long have you been providing some type of financial education to your employees?
 - a. 3-6 months

- b. 6 months – 1 year
 - c. Longer than 1 year
 - d. Longer than 5 years
- 4. What types of topics are covered in your financial literacy program for your employees?**
- a. Basic money management/budgeting
 - b. Credit and credit reports/scores
 - c. Homeownership
 - d. Saving for continual education
 - e. Saving for retirement
 - f. Basic Investing
 - g. Understanding Healthcare
 - h. Understanding your overall benefit package
 - i. Understanding insurance
 - j. Other (please specify)
- 5. If you offer training, or you would like to in the future, do you/would you allow it on paid time?**
- a. Yes
 - b. No
- 6. How much time in one setting would you allow people to spend?**
- a. 15 minutes or less
 - b. 15-30 minutes
 - c. 45 minutes to 1 hour
 - d. 1-2 hours
 - e. 3 hours or more
- 7. What frequency would you allow such training?**
- a. Every two weeks
 - b. Once a month
 - c. Once every three months
 - d. Twice a year
 - e. Yearly
- 8. If you do not offer financial education to your employees, please check the reasons below**
- a. We do not see it as an employee benefit
 - b. We are not sure where to find materials or resources
 - c. Budget constraints
 - d. Time constraints
 - e. Other (please specify)
- 9. Would you be interested in learning more about why and what other employers are doing to help educate their workforce on financial education?**
- a. Yes
 - b. No
- 10. What category best describes the nature of your business?**
- a. Agricultural
 - b. Construction
 - c. Healthcare
 - d. Manufacturing
 - e. Restaurant
 - f. Retail
 - g. Service (accounting, law, financial, etc.)
 - h. Service (electrical, plumbing, home repairs, etc.)
 - i. Education
 - j. Government
 - k. Tourism
 - l. Other (please specify)
- 11. How many employees do you have?**
- a. 25 or less
 - b. 26-49
 - c. 50-99
 - d. 100-249
 - e. 250-499
 - f. 500-999
 - g. 1,000 or more
- 12. If you would like to receive additional information or resources regarding financial education in the workplace, please enter the following**
- a. Name
 - b. Employer
 - c. Title
 - d. Email