

Nefe Digest

September/October 2011

Empowering HR Managers and Employees

Toolkit Helps Companies Increase
Retirement Plan Participation

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NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Human resource managers know that an employer-sponsored retirement savings plan is one of the most effective ways their organizations can help employees save for, and alleviate worries about, their futures. But convincing some employees to withhold part of their paychecks for retirement when they could be using that money for immediate needs can be challenging for those same managers.

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Sara, a sales manager, discusses her hopes for retirement in a “Just Like Me” video from *Retirement TLC*. These videos were proven to increase retirement plan participation in a NEFE study. View the videos at www.retirementtlc.org/videos.

“We say, ‘Oh, it’s only \$50 a month,’” said a Colorado-based HR manager during a focus group commissioned by the National Endowment for Financial Education (NEFE) this May. “But people need that, especially [those from] low-income or single-income homes right now.”

Employee resistance is just one of many barriers standing in the way of HR managers charged with promoting retirement plan participation at their companies. Many of them also lack the time and resources to educate employees on their own and must rely on literature from their plan providers, which can be ineffective or unappealing.

“The HR managers we talked to expressed concerns about using a product designed to sell employees something,” says Clair Diones, director of marketing for NEFE. “They trust organizations that are more neutral and independent.”

To help, NEFE offers *Retirement TLC*, a new workplace education toolkit designed to help HR managers increase their employees’ participation in retirement plans.

Research-Backed Resource

Retirement TLC originated from research NEFE funded at Dartmouth College from 2006 to 2008. The study targeted recently hired, low-income and female employees—individuals who were least likely to participate in Dartmouth’s employer-sponsored retirement plan. The researchers then developed and tested successful strategies and tactics for increasing participation in these employee groups, effectively creating a blueprint for NEFE’s new toolkit.

“*Retirement TLC* contains all the steps, materials, and tools to relieve HR managers from having to start their own education program from scratch,” says Diones. “The toolkit also

offers options for different levels of involvement to accommodate organizations of all sizes.”

TLC = Target, Listen, Create

Retirement TLC starts by encouraging HR managers to pinpoint employee groups that are underrepresented in their company savings plans, an approach that has proven more successful than a one-size-fits-all solution. It then provides HR managers with ideas and tools for understanding the employee group’s concerns and attitudes toward savings plans, tactics such as:

- conducting focus groups
- sitting down for one-on-one interviews
- administering employee surveys

Finally, the toolkit contains customizable resources for making retirement plan enrollment easier and more appealing to employees. These include:

- an enrollment guide that breaks down the enrollment process into clear and easy steps
- a flyer showing the impact of even minimum contributions to a retirement plan
- tips for finding extra money for savings
- “Just Like Me” videos that feature real people talking about their retirement hopes and strategies

“Greater participation in retirement savings plans helps ensure a more focused and productive workforce.”

— Clair Diones

According to the Dartmouth research, HR managers who gave employees enrollment guides saw their savings plan election rates increase 21 percent after a 30-day period and 44 percent in a 60-day period. Including the “Just Like Me” videos with the guide boosted election rates 56 percent after 30 days and 26.6 percent after 60 days.

“Greater participation in retirement savings plans helps ensure a more focused and productive workforce,” says Diones. “*Retirement TLC* can help companies of all types and sizes cultivate greater financial stability in their employees.”

Access and download *Retirement TLC* at www.retirementtlc.org.



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Take Our Survey

NEFE would like to continue to make the *NEFE Digest* relevant, interesting, and enjoyable to read. So we need your feedback! Please take our short reader survey at www.nefe.org/digestsurvey.

Attend Our Webinars

- Three years and one financial crisis later, how are college students handling their finances? Find out by attending a Sept. 14 webinar on Wave 2.0 of NEFE’s longitudinal study, *Arizona Pathways to Life Success in University Students*. Visit www.nefe.org/aplus to sign up.
- Learn how to use NEFE’s Financial Education Evaluation Toolkit® with a webinar on Oct. 11 or 13. Visit <http://toolkit.nefe.org> to sign up.

Spendsters Get Reality Check

Contest Helps Americans Learn from Spending Slipups

Cindy Spry didn't realize how out of control her clothes-buying habit had become until she emptied out three dressers and an entire closet full of stuff she never wears. The 45-year-old Michigan woman says she is pretty good about using coupons for buying groceries and household items, but when it comes to shoes and clothes, she overspends.

"If it's on sale at [the store] or toward the end of the season when they're practically giving it away, I can't pass it up," says Spry. "I buy things even if they don't fit in hopes that I'll lose weight and fit into them, but that never happens."

Spry says with all the money she has spent on new clothes, she could have bought the new washer and dryer her family needs. Fortunately for Spry, her ironic tale placed second among 89 revelations shared in the Reality Check Challenge video contest, entering her to win a payback for her penance.

Taking the Challenge

Hosted on Spendster, NEFE's video-sharing website, the Reality Check Challenge encouraged people to give their spending a reality check—from wasteful habits that have gotten out of control to past purchases that, in reality, they never use. From April 27 to May 25, entrants who created a video showing their regretful purchases qualified themselves to win one of 53 prizes, ranging from \$100 to \$1,000.

"We wanted Americans to scrutinize and admit to past purchases that were wastes of money or spending habits that were draining their wallets," says Paul Golden, NEFE's media relations manager. "We offered rewards so people who admitted to their behavior could have an opportunity to make a smarter purchase next time."

Learning From Shared Mistakes

Entries ranged from overspending on collectibles such as rocks, trains, and "The Simpsons" memorabilia to purchases



HOLIDAY CLOSINGS
NEFE will be closed on Sept. 5 for Labor Day.



▲ Grand prize winner Kelli Johnson shows viewers her closet crammed with impulse purchases.



◀ Second prize winner Cindy Spry stacks up the clothes she has bought but never worn.



◀ Third prize winner Jill Kathan reveals the hair accessories she has spent hundreds on.

made for entrants' pets, homes, and children. Also, many high school and college students teamed up to share spending habits as a group or give each other flak for embarrassing purchases one-on-one.

Third prize winner Jill Kathan admitted to spending approximately \$500 on bows, headbands, and other accessories for her 4-year-old daughter, Kelsey.

"We have to have matching accessories for every outfit; if it doesn't match, Kelsey won't wear it," says Kathan, a 34-year-old stay-at-home mom from Michigan, whose husband has encouraged her to start watching the show "Hoarders." "When I saw the entries, I realized other people have crazy obsessions, too, so I wouldn't look so crazy sharing mine."

Grand prize winner Kelli Johnson says making her video made her realize that she needs to be more careful when she frequents the mall, because the 15-year-old ends up spending birthday money on shiny or trendy clothes that ultimately land at the bottom of her closet.

"I have friends who I go shopping with that are like, 'Buy it, you'll definitely wear it!' And then I have other friends who are more reasonable asking, 'Will you really wear it?'" says Johnson. "I've learned to pick the friends who I shop with wisely."



View entries from the Reality Check Challenge at www.spendster.org/contests.



Faces behind NEFE: Greta Zwickey Grants Manager

For the past two years, Greta Zwickey has been the woman behind the scenes of many of NEFE's thought leadership gatherings and research projects. Zwickey joined NEFE's grants program as an associate in 2009 after working for the Children's Diabetes Foundation, another Denver-based nonprofit.

"My work at NEFE has given me a great combination of things I had been looking for," says Zwickey. "Working for a nonprofit, managing events, and furthering the body of knowledge on financial education."

In her new role as grants manager, Zwickey will ensure NEFE continues to support behavioral research initiatives that advance the field.

If you were to describe your job to a fifth grader, what would you say?

Zwickey: When people are interested in finding out new things about how Americans act with their finances, such as how they spend their money and why they save, they need money to be able to do that research. NEFE gives researchers money to help them help us learn more, and I take care of that whole process.

What has been an accomplishment you're most proud of from your time at NEFE?

Zwickey: The research colloquium we hosted last summer was a first for the financial education community. It was great to gather experts and talk about where we are and where

we need to go as a community. What NEFE learned from this event will be extremely beneficial to us moving forward, both for NEFE's grants program and for others in the financial education community.

What would you say you would most like to achieve while at NEFE?

Zwickey: I would like to streamline our grants process and continue to improve our relations with grantees. We want to be an open forum of information for the financial education community and the first place people turn to for pertinent, timely, and complete research.

What personally drove you toward financial education nonprofit work or nonprofit work in general?

Zwickey: When the recession hit, I was amazed at how many of my peers were unprepared. Because we were already in a period of transition from college to adulthood, many people made huge mistakes that will affect them for the rest of their lives. That's why NEFE's work with emerging households and young adults interested me. Also, I came from a nonprofit that served people who struggled daily with finances and health care, and I really wanted to be involved with helping underserved populations learn to balance their needs.

Can you describe one special memory that you have from your work with NEFE?

Zwickey: During the spring 2011 NEFE board meeting, NEFE staff joined the board members at a Colorado Rockies baseball game. Although it was snowing, we had a great time, and it was a unique and fun way to interact with and get to know our board members.

Electronic NEFE Digest

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Learn more about NEFE's grants program at www.nefe.org/grantmaking.

America Rises to Challenge

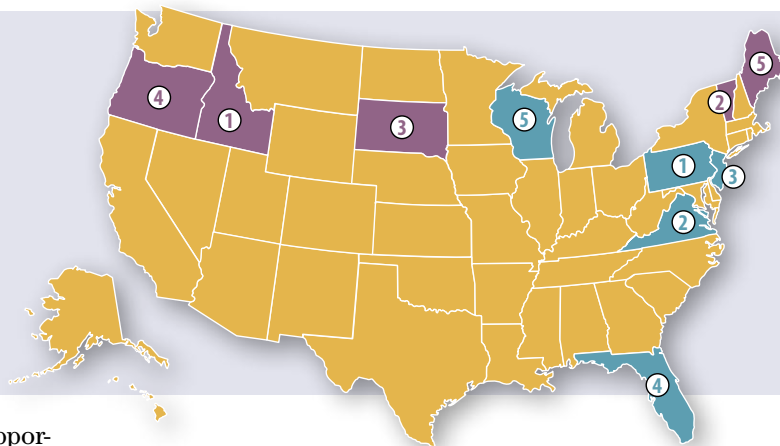
In the March/April *NEFE Digest*, we encouraged you to educate young adults in your community by participating in the U.S. Department of the Treasury's National Financial Capability Challenge. The free program provides teachers with lesson plans on core competencies for financial education and an online exam to test students on what they learned. How did you and the rest of America do?

Participation:

- 84,372 students
- 2,517 teachers
- 2,162 schools, after-school programs, youth groups, home schools
- States with highest participation: (1) Pennsylvania, (2) Virginia, (3) New Jersey, (4) Florida, (5) Wisconsin

Performance:

- 69 percent national average exam score
- States with highest average scores: (1) Idaho, (2) Vermont, (3) South Dakota, (4) Oregon, (5) Maine



If you missed the Challenge, you still have plenty of opportunities to educate high school students in your community:

- Use the Challenge educator toolkit at www.challenge.treas.gov/educator_toolkit.
- Learn more about NEFE's free High School Financial Planning Program® (HSFPP), which provided lesson plans to the Challenge, at <http://hsfpp.nefe.org>.

- Visit CashCourse Prep, NEFE's free online resource for preparing high school students for the financial aspects of going to college, at www.cashcourse.org/prep.

Learn more about the Challenge and see how students in your state did at www.challenge.treas.gov.

CashCourse Adds Interactive Learning Tools

One week, a college student might be concerned about finding a job; the next week, he or she is worried about running out of money. With the new interactive Welcome Screen on CashCourse®, students can find answers to their most pressing questions of the moment. This feature is just one of several new interactive pieces NEFE added to its online financial literacy resource for colleges and universities this summer.

"We wanted to enhance the user experience on our site to increase the effectiveness of the program," says Amy Hartenstine, director of CashCourse. "So, we added new features that will benefit both schools and their students."

Pointing Students in the Right Direction

When students visit CashCourse, the Welcome Screen directs them to share:

- what financial issues they are most concerned about
- what they want to learn more about
- what they would like to plan for in their future

The tool then points students to sections of the site where they can address their individual questions, interests, and goals. One of those sections might be the new E-Learning Center,

where CashCourse has aggregated all of its interactive learning tools such as the Budget Wizard, financial calculators, quizzes, and worksheets. Other students might be directed to one of 12 testimonial videos from students who used CashCourse to address a personal financial challenge.

Tracking Progress

For schools, CashCourse added a new Coursework feature that allows them to assess and enhance students' knowledge of various financial topics.

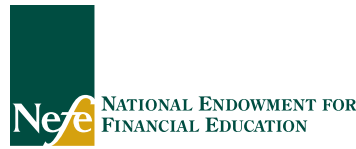
"Colleges and universities have long expressed a desire to track students' use of CashCourse," says Hartenstine. "The Coursework function gives them a tool for teaching and testing students in the classroom."

The first course, available in the E-Learning Center, focuses on credit, a popular subject on CashCourse because of the profound effect it can have on students' financial lives. The course allows schools to:

- gauge students' base knowledge of credit with a pretest
- teach students about credit with 17 information slides
- measure what students learned with a posttest

CashCourse plans to add more courses to the website in the near future. To view all of the new interactive features, visit www.cashcourse.org/sample. Learn more about CashCourse at www.cashcourse.org.

NEFE Rings in Financial Literacy Month



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NEFE traditionally spends Financial Literacy Month promoting financial education on Capitol Hill and speaking with educators, journalists, and leaders in the field about ways we can increase the financial capability of our audiences. This year, NEFE added the New York Stock Exchange (NYSE Euronext) to its outreach, joining in the ringing of The Opening BellSM on April 12.

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The event, a part of NYSE Euronext's Financial Literacy Week, highlighted a new resource called the Workplace Financial Fitness Toolkit. NEFE provided input and content to the resource during its development. Created by the RAND Financial Literacy Center and the Tuck School of Business at Dartmouth College and funded by the NYSE Euronext Foundation, the Web-based toolkit provides employers with practical, ready-to-implement tools to build or improve workplace financial fitness programs.

"Getting financial education into more workplaces benefits employers as well as employees," says Ted Beck, president and CEO of NEFE. "It is an integral part of increasing the financial capability of all Americans."

Learn more about the Workplace Financial Fitness Toolkit at <http://nyse.nyx.com/financial-fitness-kit>.

Stop by our booth or look for us at the following conferences:



Financial Planning Association (FPA) Conference

Sept. 15 – 18 San Diego, Calif.

Online News Association (ONA) Conference

Sept. 22 – 24 Boston, Mass.

Council for Opportunity in Education (COE) Conference

Sept. 25 – 28 Washington, D.C.

Radio Television Digital News Association (RTDNA) and Society of Professional Journalists (SPJ) Excellence in Journalism Conference

Sept. 25 – 27 New Orleans, La.

Employee Benefits News Benefits Forum and Expo

Sept. 25 – 27 Dallas, Texas

National Extension Association of Family and Consumer Sciences Conference

Sept. 26 – 30 Albuquerque, N.M.

Society of American Business Editors and Writers (SABEW) Fall Conference

Oct. 13 – 14 New York, N.Y.

Independent Sector Annual Conference

Oct. 30 – Nov. 1 Chicago, Ill.

American Association for Adult and Continuing Education (AAACE) Conference

Oct. 30 – Nov. 4 Indianapolis, Ind.

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