

Financial Education in the Workplace



Understanding what makes
an effective financial well-
being program

Why offer financial education in the workplace?

87%
of employees want
financial
education

Many people don't know who to turn to when it comes to getting help with their finances.

There are many books and hundreds of websites that provide an awful lot of information but the majority of people turn away from them due to a lack of understanding of where they should begin.

Personal finance is scary and can be complicated for many people. It is made up of many different components that are all linked. And to make matters worse, people lack the time and expertise to make effective financial decisions and as a result aren't achieving the outcomes they want.

If employees don't know who to turn to, then they aren't getting any advice – only 43% of employees say they are in control of their finances

The transformational technology and principles used by Harmonics practised during financial education within the workplace, not only support financial success but they also translate into success for every other aspect of people's lives. In other words it, financial education provides the double benefit of working towards financial success whilst achieving personal success at the same time.

As your financial situation improves and grows, so too will other aspects of your life as well.

Clients frequently tell us how financial support has improved relationships with family and friends, better health, lost weight and much more.

People who are in receipt of financial support report greater life fulfilment. Achieving monetary wealth is only one part of that equation, it's about living a complete, fulfilling and happy life.

When employees get financial education that matters to them they are 60% more likely to implement that advice than those who receive broad financial information.

In addition, employees want financial education in their workplace

- 87% of employees want financial education
- 85% said it would improve their financial situation

1 hour/day

Financially distressed employees spend 13% of their workday (1 hour) dealing with money issues



New Approach

‘We are the educators and protagonist but the employee is the decision maker and action taker.’

Harmonics is pioneering a new approach to financial education based on three key pillars

Educational Foundation - You are not going to be able to achieve and execute your financial goals without access to the necessary educational resources. That’s why financial support has an educational process and its core.

We focus on financial intelligence so our clients can build wealth and achieve the outcomes they want to achieve. Employees who have access to Harmonics receive private access to unique resources and insights where we guide them to what is relevant to them so they don’t fall into the trap of information overload. They are mentored by us and receive the benefit of our years of experience and knowledge.

Practical Implementation - It doesn’t do anybody any good if they learn from us but don’t put it to good use by taking action.

We regularly schedule calls and meetings with employees at a time of their choosing to help them take effective action and implement specific strategies. We know the busyness of life can get in the way and often puts financial plans on hold. So, we are always there to support, encourage and guide people to make progress towards their financial goals, helping them produce the results they always wanted.

Transformational Growth - This is what separates financial education from any other comparable discipline and is the catalyst for breakthrough results.

The reason this is so important to us, is because when you build new financial habits, inevitably you will run into obstacles, personal gremlins and limiting beliefs that will stop your progress. Some people can overcome them whereas most people get derailed by them.

With financial education employees have the support and insights available from Harmonics that will help them break through those barriers and move to new levels of achievement. They stop repeating old, destructive patterns by replacing them with new, productive patterns that take them towards their goals.

Financial education provides accountability, insights, practical experience, support focused on timeless, proven financial building principles.

We do the heavy lifting by providing the education and insights but the employee is responsible for the results produced.

We are the educators and protagonist but the employee is the decision maker and action taker.



Your employees will love you for it

‘Improving the financial wellbeing of your workforce is good for your company and good for the employee.’



What happens to employees who become financially educated through employer sponsored programmes?

- 1. Results** – Having a plan is easy. Moving consistently towards the desired target is the other key to success. The support provided by Harmonics maintains focus so that procrastination is eliminated and life distractions no longer get in the way. You get things done and achieve consistent results.
- 2. Mistakes are reduced** – The advice and insights Harmonics give, help you avoid mistakes on difficult issues that can cost you big time. With an experienced, qualified financial advisor by your side as your partner, you benefit not only from their own personal experience, but also the experience of hundreds of clients that walked that before. Why learn from your own mistakes when there is a better way?
- 3. Lasting change** – Financial education works from the inside out revealing the root cause of financial problems thus providing lasting change. Temporarily making someone feel good is a temporary fix that we don't engage in. We work at a deeper level if needs be to produce change that benefits people long after the support and advice ends.
- 4. Confidence** – One to one financial sessions provide a confidential forum where employees have access to a financial expert dedicated exclusively to the employee's agenda. They enjoy private, non-judgemental conversations that challenge them to think smarter without telling them directly what to do. We know from experience that employees find these appointments sacrosanct because it is the only time where they work exclusively on their vision and their goals without any distractions or conflicting interests.
- 5. Greater happiness and balance** – There is no separating how you do the small things from how you do the big things. For that reason financial advice works on financial goals whilst also positively impacting on your whole life, including relationships, health and much more. The result is increased self-awareness that integrates all aspects of your life into a balanced, cohesive plan. This reduces conflict and increases happiness.
- 6. Growth** – Everything is either growing or dying – there are no exceptions. You want access to financial education because you want to change and change means growth. Financial education provides a supportive environment for accelerated growth where risk is carefully managed to help you stretch to your greatest ability – without any additional stress!

Your employees will love you for it

10. **Improved financial habits** – We know that your health, wealth and happiness are a result of habits. We know improving financial habits positively affects other aspect of people's lives.
11. **Thrive instead of survive** – With financial education, we help people develop plans that will help them take action and convert their income into wealth. The goal is to stop just surviving and start thriving – every day, every month every year. But financial education isn't just about becoming wealthier it is about accelerated consistent progress toward a goal, whatever that happens to be for you.
12. **Access to specialised resources** – Financial education helps you access the hard to find knowledge and resources you need. You can spend countless hours sifting through mountains of information, or you can have an expert to hand who knows exactly what to give you.
13. **Convenience** – All advice from our experts can take place over the telephone, email, skype or from the convenience of your office or home. And there is no need to take time off work either because we work at your speed and schedule appointments that best suit you and your partner.

7. **Makes the complex easy** – Trying to improve your financial situation can become overwhelming – it's a big elephant to swallow, and this complexity does reduce success and causes stress. Financial education provides a step by step road map that breaks down what needs to be done into manageable, actionable tasks whilst also providing a structure and process so that your risk and fear are reduced.
8. **You become your own financial expert** – We show people through financial education how to independently choose an investment for example without having to rely or be dependent on other people's advice or opinions. We provide the tools, resources and confidence to help people make more effective, independent decisions. This increased confidence and mastery is the essence of financial independence.
9. **Stronger personal foundation** – The height of the Empire State Building is limited by the strength of its foundations. That is why whenever a skyscraper is being constructed huge pits and massive pilings are sunk deep into the ground. Your financial life and by



Modern life has become increasingly complex.....

9 days
are lost per year
due to personal
finances.

- There's too much information to be an expert at anything
- There is no time available to get everything done
- The more we try to accomplish the less time we have for connecting with our primary relationships
- Technology was promised to free up our time, but instead it feels like another thing added to an already over busy to do list

The sense of frustration has become epidemic and nowhere are these problems more prevalent than with personal finance.

As numerous studies have proven, when people are faced with financial burdens, their workplace performance suffers.

- Employees waste 15 days while at work (presenteeism) with 5 of those days used to deal with personal finance issues
- At any given time, 20%-30% of the workforce are financially stressed
- Financially stressed employees spend 13% of their day (1 hour) dealing with their finances

A 2003 study reported that “employees who are suffering from stress at work are less likely to be productive” and another study conducted in 2014 found that “financial issues are the greatest source of stress in people’s lives (49%).” A growing body of research is now citing that personal finance issues are the main contributor to the rise in mental health issues.

And employees are more stressed out than you think, and their personal life doesn't switch off during business hours. What is happening in their homes and outside the company walls directly affects their job productivity and the company's bottom line.

Financial stress costs everyone inside and outside the company from:

- Other employees
- Customers and clients
- Vendors
- Shareholders and owners

With work related stress on the rise, and much of it stemming from personal finance issues, it is important that employers offer financial education in the workplace because studies have shown that when financial problems are reduced, engagement and productivity rises.

Financially educated employees strengthen the competitiveness of an organisation, leading to a 22% higher shareholder return than average

Engaged employees are 50% more productive than those who are not



Financial issues plaguing employees

49%
of workers cite money problems as their leading cause of stress.

There is a lot your employees are worrying about.

Absentee rates and higher incidences of stress have a lot to do with how employees are feeling at home and in the office.

Finances and work life are cited as the two biggest sources of anxiety for the majority of Irish employees.

67% of Irish employees believe that their employers should play a role in helping them manage stress.

Money

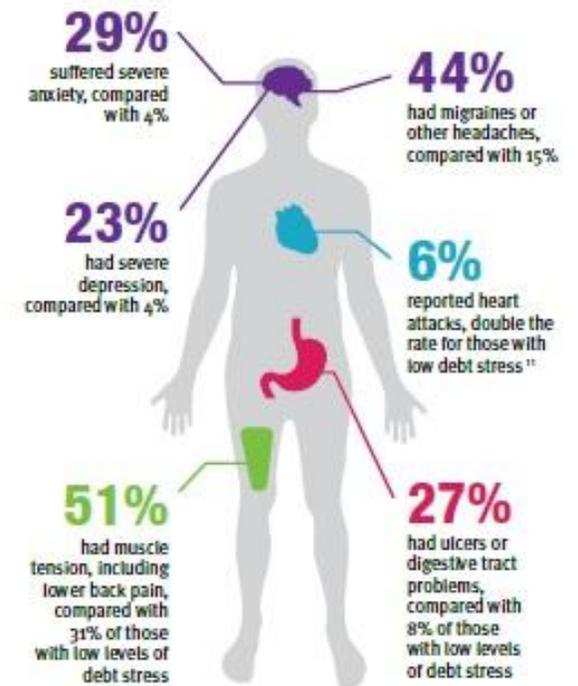
- 49% of workers cite money problems as their leading cause of stress
- 36% say that their levels of debt threaten to overwhelm them
- 57% say they do not feel in control of their finances
- 40% of employees say they are living pay cheque to pay cheque

When employees worry about money and job security, productivity and engagement at work suffer.

Top three work time use statements:

- 9% of employees took time out to handle personal finance matters
- 22% spent their time worrying about personal finances
- 17% talked with a co-worker about money issues

People with high stress because of money issues also face many health related problems:



Poor financial knowledge leads to health problems

71%
of people thought
it was their lack of
personal financial
education that led
to their high levels
of debt.

Over the past decade researchers have studied the relationship between financial stress and health. And consistently found that those who report greater financial stress also report poorer health.

In a study carried out by Amarch Research commissioned by My|Money, 39% cited money as their number 1 stresser.

A recent survey carried out indicated that distress over financial matters is contributing to irritability, anger, fatigue, and sleeplessness for more than 52% of the population.

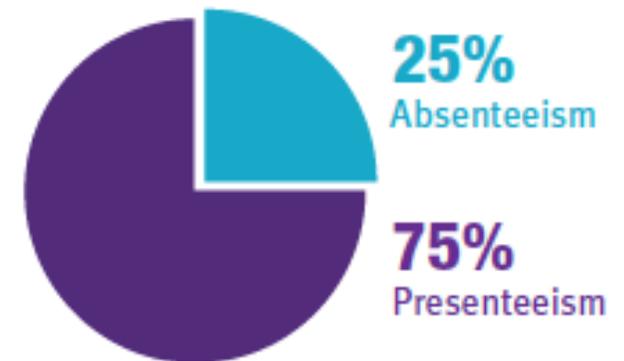
People who report high stress are also more likely to have trouble concentrating and sleeping and were prone to getting upset for no good reason.

In a report entitled the Money sickness syndrome carried out by Axa, it showed that financial stress among employees has risen significantly in recent years. The number affected has doubled since the syndrome was first identified in 2006 by GP and mental health specialist Dr Roger Henderson.

The research found 7 in 10 people suffer financial stress all the time, 1 in 4 frequently and 1 in 3 sometimes. Staff in managerial and supervisory jobs, are showing the biggest rise in financial stress.

According to the same report, financial stress in the workplace often shows itself through higher absence and attrition rates.

Employers are recognising that, at a time when financial stress is likely to increase, having more financially educated employee's makes business sense, as well as being socially responsible.



Poor financial problems lead to poor work habits

‘Employees with money problems are like sharks swimming around the workplace taking bites out of the bottom line’.
Dr. Thomas Garman

We have found that issues arising because of employees lacking in financial education and those suffering financial distress spill over into the workplace, contributing to such work related occurrences as:

Personal Finance Work Conflict – A number of studies have examined the relationship between financial distress and workplace outcomes. And it has been found that financial distress contributes to increased personal finance work conflict, a situation described as personal finance issues interfering with one’s job. Examples of this include the inability to get to work on time, unable to complete daily work tasks, irritability with other staff members, anxious and not engaged in work.

Commitment – Financial distress also has been studied in the context of its contribution to workers commitment to the company that employs them. Such commitment includes things like pride in the company and feelings about whether this is a good place to work. It has been found that employees with more financial distress displayed less commitment to their organisation.

Pay Satisfaction – Another variable that has been studied in conjunction with financial distress is pay satisfaction, which includes such concepts as fairness of pay for the work being done, adequacy of pay rises, and perceptions of being appreciated by the employer. It has been found that those with greater financial distress are less satisfied with their pay, regardless of the amount of money they make.

Presenteeism – According to the Integrated Benefits Institute, presenteeism accounts for 3 times the amount of work time lost than absenteeism. So, if an employee is absent 5 days, their work time lost is actually 20 days with presenteeism accounting for 15 days of no productive work time.

Employees with financial distress spend 13% of their work time dealing with financial issues, which is between 12 and 20 hours per month.

Absenteeism – Employees with financial stress are absent from work more often – FACT. Financial stress is actually one of the strongest predictors for illness related absence from work. Employees who are absent from work clearly are unable to effectively contribute to productivity in the workplace if they are not there.

Health – Those with greater financial distress are more likely to be in poorer health – fact. The quantity and quality of work produced by employees who experience poorer health may be decreased and unhealthy workers are likely to be more absent from work more often.

Job Productivity – Considering the economic challenges facing employers today, it is important that they realise workers suffering financial stress reduce profits. Financial stress compromises job productivity. Employees with financial woes lack initiative and exhibit signs that they are distracted and anxious. These are not characteristics of productive employees.



Financial education can reduce the costs of stress

52% of HR Managers feel that a comprehensive financial programme would improve the company's bottom line.



One of the reasons companies offer financial education is because it can reduce costs associated with workplace stress.

Employers are losing billions of Euro to workplace stress each year:

- Financial stress costs Irish companies €4 billion each year
- Work time lost to financial stress costs €3 billion per year
- Absenteeism in the workplace costs €1 billion a year

Financially stressed employees are worrying about things like collection calls from debtors, the fact a child is going to college on three years and they have saved no money, wanting to buy a property but not having a sufficient deposit and not knowing how to begin saving, and worrying whether they have made the right investment decision or not.

64% of people said financial issues are impacting on their ability to do their work.

HR Managers were asked in a survey carried out by the University of Limerick, "Do you think a comprehensive financial programme could reduce employee stress?" 75% though it could.

When asked "Do you think a comprehensive financial programme would improve the company's bottom line?" 52% said YES.

The return on investment for employers who offer employees easy access to quality financial programmes is at least 3:1 and that doesn't even include the value of increased goodwill that is brought about providing such a programme.



Improving the bottom line may provide strong motivation for offering financial education in the workplace, but profits should not be the only reason to do so. A more important reason is that it is the right thing to do.

As stewards of the financial well-being of their employees, employers who provide high quality education programs in the workplace communicate a strong and very important message to employees "We care about you and your family, we want you to have a secure financial life so we will empower you to champion your own financial interests"

Financial education is much more than advice, information or how to instruction

Requests for financial education increases at twice the rate of other EAP services combined.

Pure knowledge in the form of facts and how-to information is not enough to produce results.

We all receive huge amounts of information everyday but we learn very little from it. It has been proven that passively delivered information through leaflets, brochures and company EAP intranet sites are largely ineffective.

How-to information in the hands of someone is like tools to a carpenter – they're important but not sufficient. A master craftsman can build a beautiful home with rudimentary tools, but somebody lacking carpentry skills can barely throw a shack together with the best tools. The key is not the tools, but the carpenter's skill.

The same is true with personal finance. We all have access to the same investment tools and how-to instruction; yet, some people become financial secure while others flounder. The difference is the person's skill (or financial intelligence).

Financial intelligence is the cause, and financial security is the effect, and how-to tools are just a mechanism for implementation. Unfortunately, most financial educators (EAP/Pension Providers) provide how-to instruction when it is not the critical factor to success.

You intuitively know this is true because the libraries and internet are filled with more personal finance how-to instruction data than you could implement in a lifetime – yet people are still not financial secure so it can't be from a lack of information. The missing skill is how to implement that information. You need to know how to integrate the information into your life so that you produce results. That's the key.

Financial "gurus" sell people how to or get rich seminars and financial advisers employed by banks and life assurance companies sell you investment products. Both are just tools. What you need is the transformational technology and advice to put those tools to good use.

Financial education is the only resource that helps you develop greater financial skills and intelligence so that you can apply the tools everybody else sells with greater effectiveness. This is the key money coaching advantage.

Most financial advice offered tells you how to do something – how to invest in the stock market, how to buy property, or how to save money. That is all fine and good, but it's not enough. Few people will achieve financial security with this type of how-to instruction. It's worth learning, but it's not what is necessary to transform your financial situation.



Financial education is much more than advice, information or how to instruction

‘Those who are financially educated are more likely to feel in control of their lives, including their working lives’.

Source: UK Financial Services Authority



Teaching you how to improve your financial well-being by showing you how to buy shares or property is like teaching overweight people how to lose weight by showing them how to eat less and exercise more. Anybody who wants to lose weight already knows what needs to be done, yet something is keeping them from doing it.

Everyone who wants to improve their financial situation already knows they should earn more, save more, and invest more wisely. It's not a big secret. In fact, it is obvious. The problem is not in knowing what to do: the problem is in implementation – actually getting it done in a strategic and efficient way. That is what will make or break your success.

Financial education and the support carried out by Harmonics bridges the gap between knowing what to do and actually getting it done. That's why it works.

So called “experts” sell you information but what you need is transformation.

They teach how-to information but never provide the transformational tools necessary for people to act on that information and produce results in their life. In short, they forgot the essential ingredient you need to succeed. They teach you everything except what you actually need to know.

The missing ingredient has nothing to do with “secrets of the rich” or the latest investment strategy. The missing ingredient is the catalyst that helps you bridge the gap between knowledge and effective action. The key is not just in knowing what to do, but in actually getting it done. That is how results are produced, and that is what we are all about.

Financial education can increase employee engagement

84% of the worlds most admired companies stated their efforts to engage employees had strengthened their customer relationships.

When employees are not worrying about their financial affairs, they become more engaged at work, companies grow faster, there is reduced turnover, higher customer satisfaction and much more.

Studies show that employers who offer financial education to their staff have higher engagement scores. And this is largely down to employees feeling more secure and confident about their finances which ties back to the education they received through their company programs.

Employees are less stressed and they know this is down to their company helping them. The result is a more energized employee who wants to return the favour and give even more to the company they work for.

Companies with engaged employees see:

- A 22% higher shareholder return than average
- Employees going the extra mile, working with passion, and they will talk to an additional 800 customers each year
- Employees become more engaged, and are more likely to search out new ideas and techniques and transform innovative ideas
- Employees having no intention leaving the organisation.
- Employees performing better because growth and engagement go hand in hand where engaged employees are 50% more productive than those who are not
- Engaged employees help build the company image. They actively promote their organisation and become ambassadors where they talk about their company with pride
- Absenteeism rates are twice as les



The ripple effect of providing financial education

Employee financial education is taken home and helps to increase communication and foster better, stronger relationships between spouses.

As much as financial stress affects someone's work life, it can also make home life difficult as well.

According to one Citibank survey, 57% of divorced couples cited money problems as the primary reason for the demise of their marriage. Other studies cite numbers of 80% where money problems are directly or indirectly related to separation or divorce.

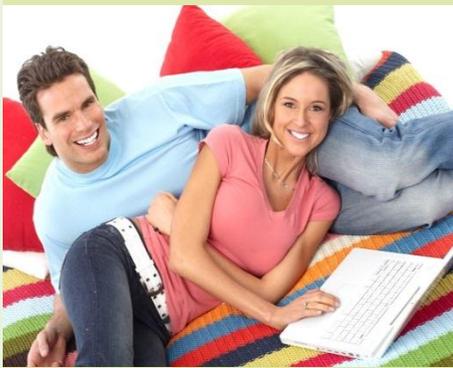
An unhappy home life outside of financial stress can have a significant impact on their ability to carry out their work to the best of their ability.

And divorce and the turmoil that leads up to separation can also ruin a person's financial health even further.

Employee financial education is taken home and helps to increase communication and foster better, stronger relationships between spouses. This compounds the benefit of financial education by creating happier home life and improving the overall mental and physical health of the employees.

Not only does offering financial education help staff deal with stress due to personal circumstances, but it also reduces the ripple effects that money related problems have on home life.

By addressing financial issues early, employees can be happier at home and therefore more satisfied at work.



There is more to finances than pensions and retirement

Those who seek financial advice see their assets grow by 1.5 to 2.73 times more than those who don't get help.

The majority of financial information that a company provides to its employees is based on pension and retirement planning.

Financial education should help employees with all aspects of their financial life starting with they can manage their money more effectively each month. Because we know that financial stress for example usually arises from employees who are unable to meet their monthly obligations and not from feeling they are investing too little into their pension plan.

Pensions are an important part of the discussion, but planning can't be done in isolation. Education needs to focus on making employees more financially self-sufficient and that is not happening right now.

It is important that employees don't perceive their company pension plan, to be their only retirement plan, as it used to be perceived in the past. As a duty of care employers need to help employees distinguish between the company's retirement plan and their own financial plans, and to help their employees build contingency plans in case they lose their jobs through downsizing, get sick, die or live too long.

Studies show that when people are given financial advice, their returns and participation levels increase. Those who seek financial advice see their assets grow by 1.58 to 2.73 times more than those who don't get help.

When employees receive comprehensive financial education, it helps them put all of life's financial aspects into context and empowers them to make better decisions and have a better quality of life.



Are employees ready to learn about finances?

The simple answer is YES, and employees want help from their employers.

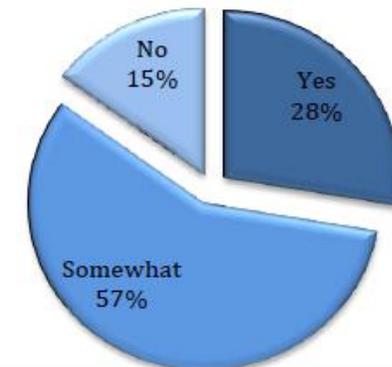
87% of employers want financial education in the workplace.

According to a survey carried out by the University of Limerick on behalf of My|Money, 85% said financial education would improve their financial situation.

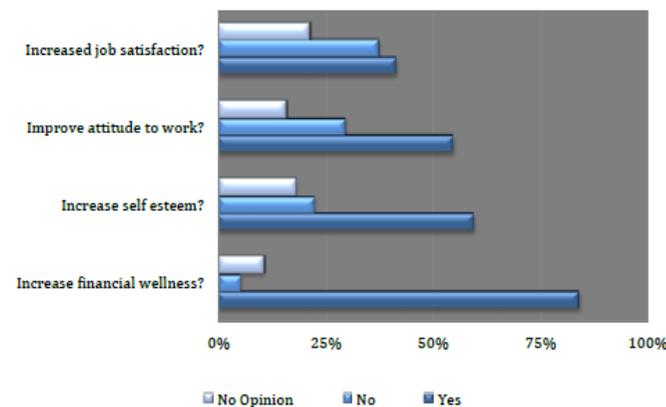
And in the same survey, employees said the benefits of financial education would lead to:

Employees want and value employer provided financial education and support. Those who participate in financial education programmes have been shown to have more respect for their employer and manage their money better.

Would financial education improve your financial situation?



Benefits of Financial Education



Educators must be qualified, experienced and unbiased

It's hard to make the right decision when you get the wrong information.

The company who delivers financial education is as important as the education being delivered.

Financial Education must be delivered without conflicts of interest.

Employee financial education programmes must be presented by experienced professionals who are unbiased in their advice and recommendations. Employees deserve and want solid, unbiased information and do not want advice or workshops that are merely sales presentations for insurance or investment companies.

To illustrate this point let us share with you a fun little story about a fictional character named Bob as he tries to build wealth and grow his financial intelligence...

Bob wanted to become financial independent. The only problem was he didn't know how to start or get the education he needed.

The obvious starting point was Bob's bank but all they wanted to do was sell him accounts and insurance. You see they don't get paid to educate Bob. They are in the business of investing the money Bob already has – not helping him make more money in the first place.

When Bob turned to the media he discovered the articles and programming were developed by professional writers – not experienced financial advisors – and they were written for entertainment/sensational value instead of usable, actionable advice.

When Bob turned to his friends and family he found they had a lot of advice to offer, but no practical experience or proven results to back up their opinions. They weren't financial experts and could not be relied upon.

Then Bob turned to proven experts where he found apparent knowledge but endless conflicts of interest. Well-known investors who tout their current investment positions in the media to try and boost demand and the prices they charge clients so they could make more money..

All Bob wanted to do was grow his financial intelligence so that he could build his wealth; yet, everywhere he looked for insights he found massive conflicts of interest. All of these sources were more interested in making themselves rich than helping Bob build his own finances.

The key point to this story is to demonstrate how nearly every source of financial information available is layered with conflicts of interest tainting the quality of advice you receive.

We live in a world of information overflow where much of it is best avoided because each provider has something to sell besides education thus creating a hidden conflict of interest.

With Harmonics we separate church and state by selling only financial education designed to help people's



Conclusion

Offering comprehensive financial education at work, taught by unbiased, experienced, qualified educators will help people get their financial house in order.

We know the best way to get people to learn and improve their financial situation with resources that are engaging, relevant, interactive and easy to understand. We get that, but what we do at Harmonics is to take this one step further by helping people integrate all of the instruction and advice we give them to their internal game – their thinking and habitual practices that convert all that knowledge into action so they produce tangible results. You will not find this combination assembled in a single package anywhere else.

Consider this....

- Top athletes use performance coaches to stay on top of their game
- Oscar winning actors use acting coaches
- Grammy winning singers use voice coaches

The reason is simple. Coaching provides a competitive advantage for professional athletes and business people alike, and the produce results.

If you goal is to become financial secure, you will never achieve this as long as you require somebody else's advice to make financial decisions.

Financial education is help employees develop skills to make informed decisions and to take action tom improve they and their families well-being. We achieve this through education and transformational learning that causes people to take concrete actions that produce tangible results.

