

## Employee benefits firm offers employee money management program

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An employee with personal financial problems spends an average of 20 work hours per month dealing with them, according to Personal Finance Employee Education Foundation, a financial literacy nonprofit organization.

And according to the Center for Responsible Lending, more than 50 percent of Americans live paycheck-to-paycheck, with no savings set aside for emergencies.

FEI Behavioral Health, an employee assistance program (EAP), wellness and crisis management provider based in Milwaukee, is helping employers address these problems with a new financial wellness program launched in August. The service is administered as an employee benefit through a partnership with Emerge Workplace Solutions.

Personal financial emergencies can lead employees to take out payday loans that provide quick cash but often charge up to 400 percent in long-term interest. These rates can encourage a repetitive churning effect, in which an individual has to take out another loan to recover from paying back the last one, said Ted Uezen, president of FEI.

FEI's financial wellness program offers short-term loans of up to \$2,400 to enrollees with a 9 to 19 percent interest rate and eight months to repay the loan. The employee fills out a five-minute application, goes through a typical loan approval process, and if approved, has access to the funds within 24 hours.

"While 19 percent may sound a bit high, it's not anywhere near any of the other types of quick loans," Uezen said. The loan is set up in a way that encourages future savings and allows for easy funds transfer.

"When you go through the loan application process, you're also actually setting up a savings account with the institution that you would be taking the loan from," Uezen said.

The loan is deposited into the account, and repayments are made through direct deposits from the employee's paychecks. The loan recipient can choose to leave those direct deposits in place even after the loan is repaid, to build up savings.

In addition to emergency loans, FEI provides employees with the tools to better manage their finances and prevent a similar situation from happening in the future.

This new program is aimed at the most basic level of money management, Uezen said.

"We're not talking about financial investment advice. We're talking about the basics of managing money and scenarios that challenge your expenses," Uezen said.

A website includes calculators, budgeting tools and even educational games that can help an individual work out a savings and spending plan.

On the Emerge benefit website, an enrollee can calculate whether to use a chunk of money for investment or to prepay a mortgage, or take an online course on refinancing a home. It includes plenty of explanatory material about money decisions and even a soccer game that tests players' financial management skills before they can move down the field.

In addition, the user can answer a series of financial history questions to receive a personalized plan that can guide them through financial decisions. Employees also have the option to work one-on-one with a financial counselor.

Employees who use the site will hopefully gain some new skills that will help them avoid emergency funding situations and save for future goals, Uezen said.

"It's a great way to help people stop the cycle," he said. "You can put yourself in a position where you hopefully don't need to take a loan when you have some of these short-term issues."

Employers can benefit from the FEI/Emerge financial wellness program through return on investment, he said. Financial problems can lead to health problems and absenteeism from employees, which reduces productivity and affects an employer's bottom line, he said.

"Everything from stress, depression, challenges in the home life often can be tied back to financial problems," Uezen said.

According to Emerge, for a company with 6,000 employees at an average salary of \$42,000, the financial wellness program would cost \$5.04 per employee, per year, or about \$30,000 total. Emerge projects the potential savings on turnover, reduced absenteeism, job performance and other factors such as increased employee morale and loyalty would add up to more than \$800,000. The return on investment would be about 28 percent.

The financial wellness program can be administered either as a standalone benefit or through a larger employee assistance program. It aims to help improve employee financial resiliency and overall job performance, Uezen said.

"Our goal is to remove that burden, help people with what creates some of the biggest stresses," he said. "If people are not financially sound and they're struggling, in addition to not being able to be at the office and be present, sometimes they're not able to hold onto the job."