

Today's Workforce Never Learned How to Handle Personal Finances

It's up to business owners to make up for employees' lack of education and teach them how to properly handle their financial well-being.



A bill was recently proposed in the South Carolina state legislature to require all students to take a half credit personal finance course and pass a test by the end of the year in order to graduate.

This proposed legislation could prove to be a breakthrough idea because frankly, much of the high school-educated—or even college-educated—workforce has never had a formal education on how to take care of their personal finances, pay off their student loans, open an appropriate retirement account, select an insurance provider or generally prepare for personal financial success.

Without taking these now-required personal finance classes in high school, how is the current workforce expected to learn how to stay afloat and become financially stable?

For those in other states or for individuals who are past high school, the most logical solution for solving this problem is to put the onus on employers and business owners to teach their employees how to properly handle their financial well-being.

Having a staff full of financially prepared employees is in any businesses' own interest, and there are statistics to show it. Numerous research studies have proven that

companies with robust employee financial wellness programs are more productive because employees don't have to spend company time handling personal financial problems. This results in an average three-to-one return for the organization on their financial wellness investment, according to studies from the Cambridge Credit Counseling Corp.

Employees who practice good financial wellness are also proven to stay with the company longer, be more engaged at work, less stressed and healthier—all of which add significant dollars to a company's bottom line.

While understanding that HR, executives and accounting have little time to spend teaching lessons in the workplace, how does a company go about offering financial wellness information to their employees?

There are several options available to companies when it comes to financial wellness. One of the most sought-after benefits in recent years is online financial wellness platforms that digitize the financial education process. This allows for employees to work on their financial education on their own time from the privacy of their home computer, using a friendly and simple interface. And benefits solutions providers have access to a number of these resources – all companies need to do is inquire with their provider.

It is important to remember that not all financial wellness platforms are created equal in what they offer. Depending on the specific needs of an organization, they should assess the offerings available through each service provider to ensure they receive the program they intend to offer to their employees. Most platforms offer partial solutions and tools that could include financial assessments, game-based education, budgeting apps, student loan assistance, insurance options, savings programs and even credit resources to help those who don't have money saved to afford an emergency cost.

Not everyone goes to school to learn accounting, so we can't assume that everyone knows what they are doing when it comes to personal finances. South Carolina is taking a major and important step towards improving their citizen's futures by suggesting everyone take a personal finance course in high school. This could have a massive and positive effect on the economy in the future.

Finding a financial wellness solution that checks most, if not all, of these boxes will enable employees to take the initiative to either continue what they've learned (in the case of South Carolina students) or start down the path of gaining financial independence. Implementing a complete financial wellness toolset to give employees the ability to prepare for financial success is a huge step towards significantly increasing productivity.

As an engaged employer who cares about the well-being of their employees, it is important to offer as many resources as possible to encourage employees to stay financially well, decrease stress, and increase productivity in the workplace.

By David Kilby