

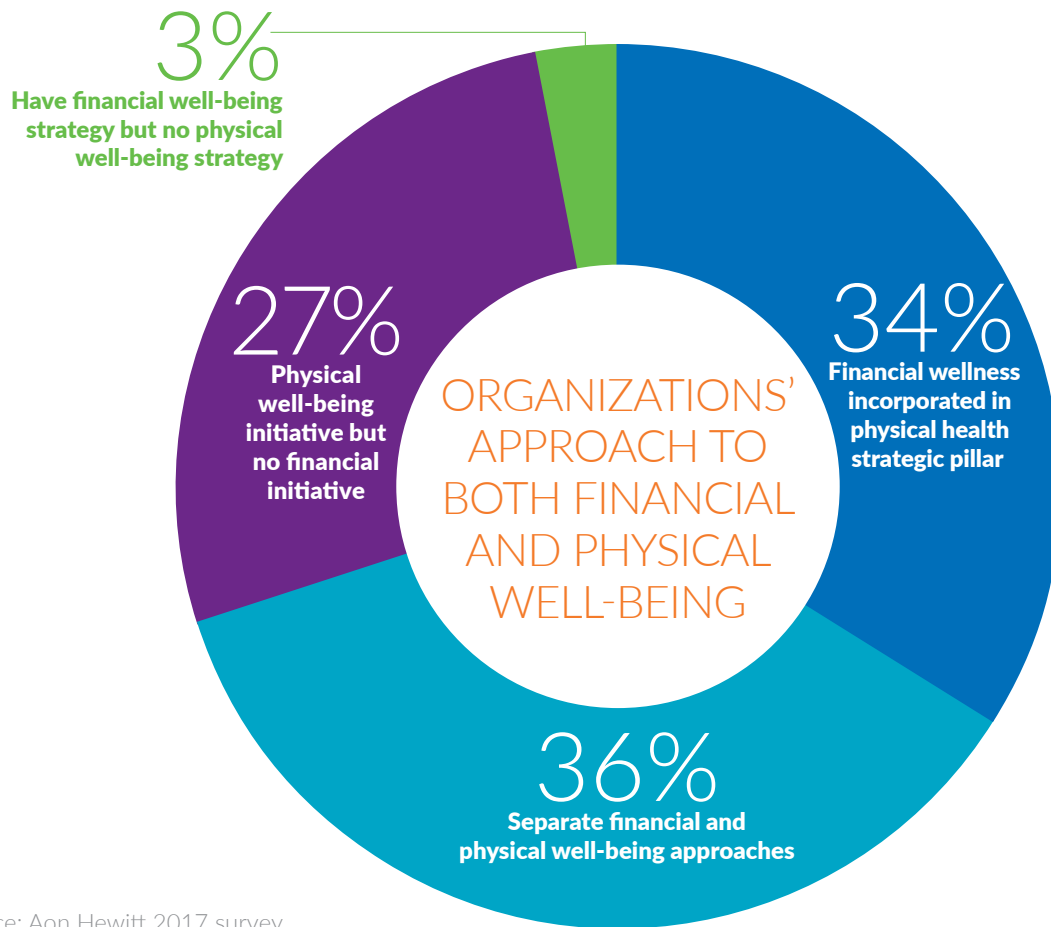
# IMPROVING EMPLOYEE ENGAGEMENT THROUGH FINANCIAL WELLNESS

WHITE PAPER



**HEALTHCARE  
ASSOCIATES  
CREDIT UNION**

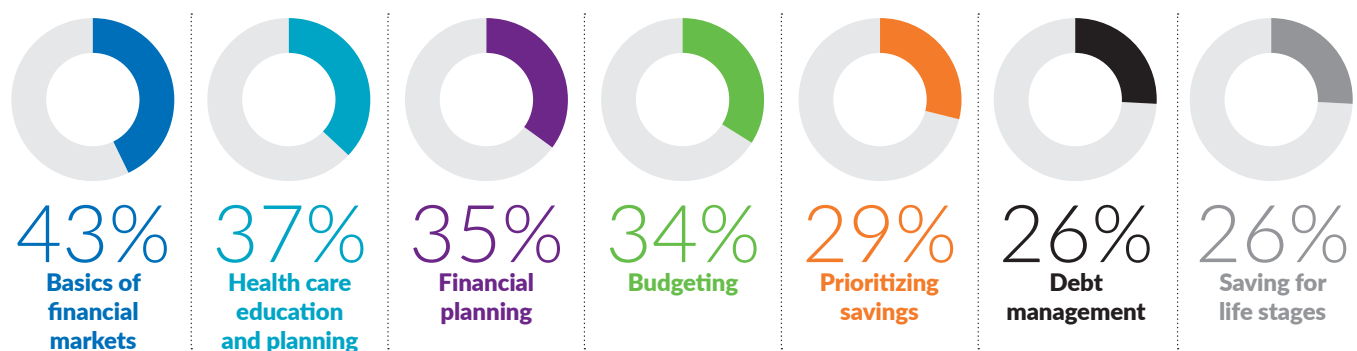
The healthy way to bank®



Source: Aon Hewitt 2017 survey

## WHAT KINDS OF FINANCIAL WELLNESS SERVICES ARE THEY OFFERING?

Source: Aon Hewitt 2017 survey



## FINANCES, STRESS AND WORK

**7/10**

Seven of 10 American workers say their most common cause of stress is financial

Source: "Stress in America: Are Teens Adopting Adults' Stress Habits?" American Psychological Association, (2014)

**28%**

of employees say that personal finances have been a distraction at work

**37%**

of millennial workers say their personal finances are a distraction at work

**46%**

of those who are distracted by their finances at work say they spend three hours or more each week thinking about or dealing with financial issues

Source: PWC employee financial wellness survey, 2016 results

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# WHAT IS FINANCIAL WELLNESS?



## Helping workers manage their personal finances and plan their fiscal future

Employers are accustomed to offering benefit packages designed to help their workers stay healthy, including health insurance and wellness programs. And they've traditionally provided support for their retirement, either through pensions or access to a 401(k) plan. But a new, fast-growing concept of financial wellness brings those concepts together, helping workers manage their personal finances and plan their fiscal future.



## Helping workers budget their money, grow everyday savings and better manage their credit

The idea has taken off in recent years, with 59 percent of employers surveyed by Aon Hewitt saying they are likely to focus on the financial well-being of their workers in 2017; that's almost twice as many as said they would in 2014 (30 percent). For these employers, financial wellness goes beyond helping with strategies to save for retirement. They're helping workers budget their money, grow everyday savings and better manage their credit.



## Caring for workers' physical and mental well-being

Financial wellness often fits into an employer's larger strategic goals around its workforce's physical and mental well-being. That's the case for Silver Cross Hospital in New Lenox, Illinois, whose leadership adopted "people strategies" during its annual strategic planning process to elevate the issue of attracting and retaining workers during a period of extraordinary expansion since opening a new hospital five years ago. "We continue to hone in on ways to use all tools necessary to recruit and retain the best talent. Our employees are the key to us meeting our strategic goals," says Human Resources Director Tracy Ardis.

# EMPLOYERS ARE ADDING FINANCIAL WELLNESS AS A BENEFIT; HERE'S WHY



“Even business savvy individuals may not know the financial basics of budgeting, credit or what factors affect a credit score.”

**Joe Kregul,**  
**President and CEO,**  
**HealthCare Associates**  
**Credit Union**

Employers are recognizing that financial stress is a problem for many Americans, and that stress can get in the way of their workdays. Helping their employees deal with their day-to-day finances as well as planning for the future can also build loyalty with the employer, according to the 2017 version of an annual survey conducted by Aon Hewitt.

“When packaged appropriately, offering these services means a lot to people,” says Joanna Farrere, Group Vice President for Human Resources of the Illinois Health and Hospital Association. “A lot of our member hospitals maintain funds to care for staff members in a tight situation. Maybe they need to pay for diapers. Maybe a person is going through a home foreclosure or has a family death and doesn’t have the money to bury their loved one. How can someone possibly come to work and care for patients when they have this burden?”

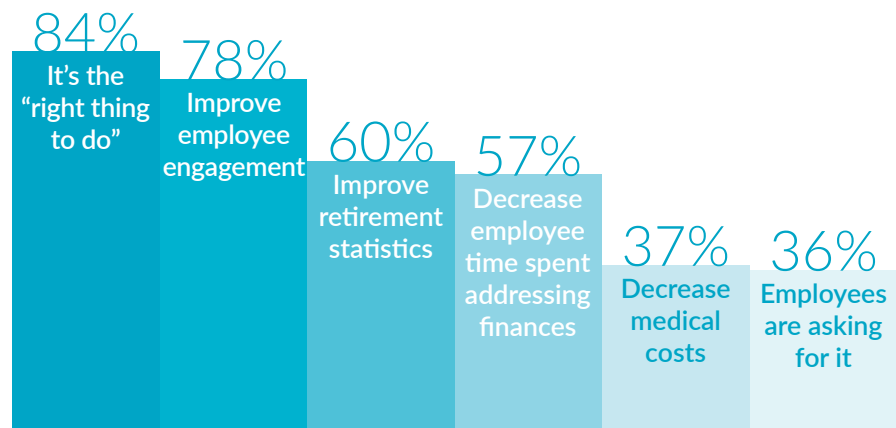
HealthCare Associates Credit Union (HACU) started its financial wellness services for member organizations about 15 years ago after

seeing research suggesting a need for financial literacy and recognizing the workplace was a good place to provide it. HACU partners with many hospital HR departments to give them, at no cost, an award winning platform for financial literacy that can be tailored for life events, age and goals.

With millennials joining the workforce in droves to fill health care jobs, HR departments are keeping a keen focus on how their employees see the world. Young people encounter their finances on a smart phone screen but don’t necessarily understand the depth behind the numbers, which tends to distance them from the realities of dollars and cents, says Joe Kregul, HACU President and CEO. “Recent graduates of high school and college bound students will get approved for a credit card and don’t truly comprehend the complexities or impact of using it. Sometimes they don’t understand that its essentially a loan,” Kregul says. “Even business savvy individuals may not know the financial basics of budgeting, credit or what factors affect a credit score.”

Why are employers interested in workers’ financial wellness?

Source: Aon Hewitt 2017 survey



## CASE STUDY

# Advocate Health Care, Chicago area

With a multigenerational workforce that includes 50 percent over the age of 50, Advocate Health Care near Chicago looks for ways to repay loyalty from its longer tenured associates. That's one reason Advocate remains among the minority of employers that still provide a defined benefit plan that offers each individual a lump sum or monthly benefit when he or she retires.

Advocate's concern for its associates' financial well-being also motivated its choice to develop an extensive and creative financial wellness program that serves not just tenured associates concerned about retirement, but also its growing population of millennial workers whose money concerns are quite different. "We set up this program to support not only our associates approaching retirement but all generations," explains Kim Dwyer, Vice President of Benefit Services in Advocate's human resources department.

The introduction of a financial wellness program was part of Advocate's wholistic approach, which melded its overall wellness strategy into its medical and retirement plans. The strategy intertwines financial goals with managing risks for better health, with a message to associates to "bring your best health into retirement."

Advocate's financial wellness program goes beyond retirement to help associates reduce stress around their finances and tackle issues such as debt management, household spending and college loan debt. Lessening those worries not only is the right thing to do for associates, Dwyer says, but also pays dividends in a happier workforce that can be more productive.

"A person with less stress who enjoys coming to work will provide better patient care," she explains.

Advocate offers a variety of workshops and tools for associates on financial topics—all of it unbiased advice, which is valuable for people who might find it challenging to locate a financial adviser without ties to a particular broker or insurance company. Advocate also sponsors retirement fairs twice a year where vendors present their retirement products such as dental or vision and discuss options with associates and their families one-on-one. Representatives from Social Security and Medicare are also there to answer questions.

Like other employers providing benefits to a wide range of ages, Advocate's team must pull itself in multiple directions to meet divergent needs. The workforce overall is getting younger, with many more millennials who may not be as focused on retirement savings as say, student loan debt, and there's no guarantee they will stay with Advocate for their entire careers, Dwyer says. So benefits staff at Advocate try to stay creative; each January the company holds a "rollover party" where new associates can consolidate money accumulated with a previous employer with their Advocate-sponsored accounts. "The mind-set is that even if you're not going to be with us long term, you're saving for retirement long term," Dwyer says. "We want our younger associates to develop a financial strategy for retirement, even if they don't stay with us."

At the same time, half the workforce is of an age where retirement is becoming more real. Advocate feels a responsibility to take care of loyal associates, particularly those with relatively low income such as food service or environmental services. "It has been our mission and philosophy as an organization to make sure that everyone who contributes to great patient care and makes a career at Advocate should be able to retire comfortably," Dwyer says. "If somebody works here and saves for 30 years, with a proper investment strategy, they should be able to do that."



"A person with less stress who enjoys coming to work will provide better patient care."

**Kim Dwyer,**  
**Vice President of Benefit Services,**  
**Human Resources,**  
**Advocate Health Care**

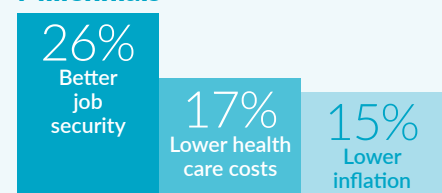
### How generations differ on financial concerns

What would most help you achieve your future financial goals?

#### Baby boomers



#### Millennials



Source: PWC employee financial wellness survey, 2016 results

# FINANCIAL WELLNESS FOR EMPLOYERS IN HEALTH CARE

“Younger physicians may be facing huge medical school debt and looking for the best way to manage it.”

**Vince Keenan,  
Executive Vice President,  
Illinois Academy of  
Family Physicians**

Health care employers that want to offer financial wellness services as a benefit need to be prepared to respond to a wide range of needs, ages and incomes.

For instance, younger physicians may be facing huge medical school debt and looking for the best way to manage it, notes Vince Keenan, Executive Vice President of the Illinois Academy of Family Physicians. Medical residents with modest incomes may be embarking on their first car loan.

Physicians who are more established in their careers and with higher incomes might be looking for help with long-term planning for investments and retirement.

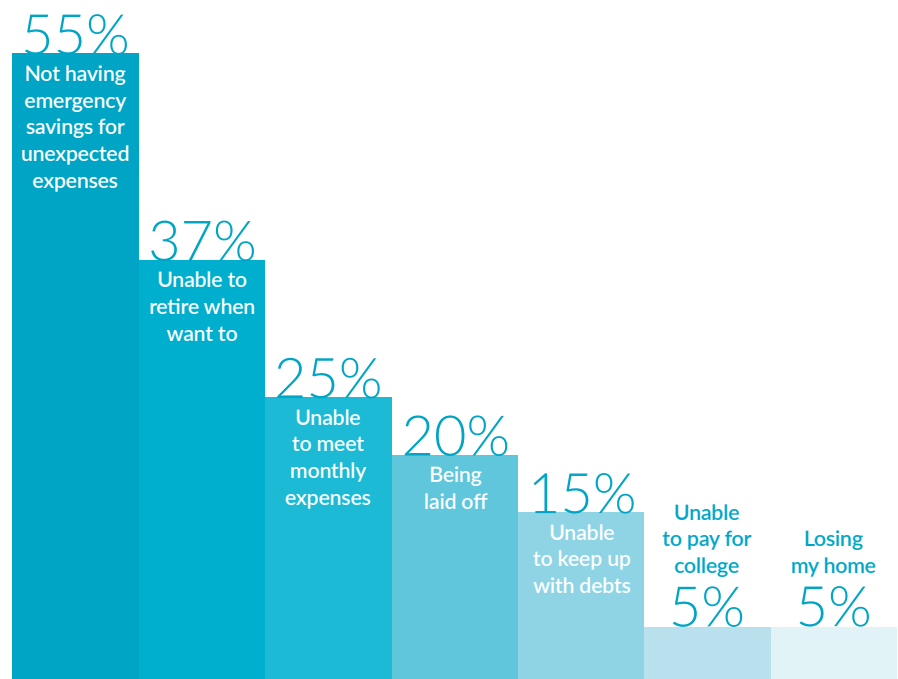
Employees of any income can encounter a financial crisis and need money fast. Sometimes they'll consider borrowing from a retirement fund, which is not ideal either

because of penalties and because of the prospect of setting back savings goals, says Farrere. “We have encouraged folks to consider [borrowing from] the credit union for that rather than robbing their retirement plan,” she says.

Hospitals also employ many people with much lower incomes, for whom a money crunch can be devastating. Careful management of dollars for those people is particularly important for their stability and ability to stay on the job, notes Farrere. “There's nothing more heart-wrenching than someone who is older and can't keep up physically and doesn't have the money to retire,” she says. “There's no benefit to the employer in having someone in that position.” Financial wellness programs can provide help with budgeting, saving and spending so they not only manage day-to-day but can also plan for retirement.

## What are employees stressed about?

Source: PWC employee financial wellness survey, 2016 results



## CASE STUDY

### Silver Cross Hospital, New Lenox, Illinois

Silver Cross Hospital did something new with its strategic planning in 2016. Along with the usual strategic pillars around quality and financials, the organization added people strategies that focus on ways the hospital will recruit and retain workforce talent.

The issue is urgent for a human resources department that hired over 500 people in 2016. After building a replacement hospital in 2012, Silver Cross has expanded from 1,800 to 2,700 employees. That growth has put a lot of pressure on the HR staff to keep benefit offerings as attractive as possible.

Financial wellness has been an important component of the overall wellness approach the hospital uses to make this a great place to work, explains HR Director Ardis. “It significantly impacts your day-to-day well-being when you’re worried about finances or you don’t have enough saved for future goals like retirement,” she explains. “Those things weigh on you. Easing the burden of decisions around finances is a way to give back to our employees, to at least have access to programs that make it possible to meet their goals. Wherever we can lift burdens helps to make happier, more productive employees.”

Silver Cross offers regular workshops and seminars from two main partners: HealthCare Associates Credit Union and Fidelity. The credit union seminars cover a variety of financial topics, including budgeting, credit scores and identity theft. Fidelity maintains retirement plans for Silver Cross employees and its educational programs focus more on saving for retirement.

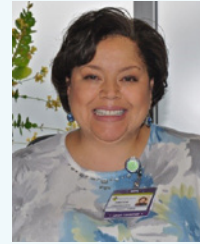
To make workshops accessible to all employees at a 24/7 hospital, the Human Resources department usually runs each program three times, at various times of day, to reach every shift. That usually means offering one at 7 a.m. to catch early morning starters and those getting off the night shift, another midday and a third during the early evening.

To encourage participation in the financial wellness education programs, Silver Cross has wrapped financial wellness into its overall wellness program, providing financial incentives for using online educational resources or attending workshops. The workshops are videotaped and posted on the Silver Cross Wellness Portal for on-demand access. Employees can accumulate points and earn a cash bonus at the end of the year of up to \$350.

This workforce has a wide range of knowledge, skills and abilities. Yet, Ardis says, the financial concerns employees deal with aren’t all that different. “Almost everybody wants to know the best way to budget their dollars, how to finance a mortgage or prepare for retirement.”

The hospital has five different generations of employees represented in the workforce and tries to cover topics important to each. Millennials may be concerned with paying off educational loans, while boomers want to ensure their retirement savings will be enough, she says.

“Silver Cross is working to intensify its focus on the needs of each generation,” Ardis says. “Our whole people strategy is designed to ensure we are offering the wellness, benefits, education and development they need to keep them all engaged and long-term employees.”



“Easing the burden of decisions around finances is a way to give back to our employees.”

**Tracy Ardis,**  
**Human Resources Director,**  
**Silver Cross Hospital**



HealthCare Associates Credit Union (HACU) is a full-service, not-for-profit financial cooperative serving Select Employee Groups with staff and members that serve or support healthcare. They provide low rates on loan products such as student loan financing and refinancing, personal loans, auto loans, credit cards, mortgages and much more. HACU also offers depository products such as savings, checking, money markets and CDs. They also offer commercial loans, lines of credit and equipment loans and access to an award winning financial literacy platform for their member hospitals, all at no cost to the hospital, employee or member. If you are interested in partnering with HealthCare Associates Credit Union and offering them as a no cost benefit to your employees or just want to learn more, please contact us via email at [busdev@hacu.org](mailto:busdev@hacu.org) or call us at [630-276-5771](tel:630-276-5771). To learn more you can also visit us at [www.hacu.org](http://www.hacu.org).