



Employees' Financial Fluency Requires Ongoing Communication

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Have you ever attended a meeting to learn how to do something, only to leave not knowing where to begin? Unfortunately, such experiences aren't unusual. Much of what is promoted as education is really one-way communication. Such sessions are presentations, not educational encounters, and the speaker gives a monologue rather than establishing a dialogue with the audience.

Education, on the other hand, involves interaction between the speaker and the audience. The speaker becomes an instructor whose aim is not to entertain or dictate, but rather to teach a concept or idea. As a student, you are asked to respond to questions and contribute to the discussion. If you have ever attended a session like this, you know that when you leave, you have a plan of action.

Let's say you want to learn a foreign language. You decide a class might be useful. You arrive at the class only to have the presenter run through the alphabet and a few key phrases. However, your goal is to understand and learn the language, to attain fluency. You have questions about vocabulary, grammar and pronunciation. Imagine how much more helpful it would be to interact with the teacher and your fellow students, to practice concepts and structure, over a period of time. Fluency doesn't happen in one session.

Certainly, some people can follow verbal instructions and simply absorb information without needing to ask any questions. However, for most people, the ability to ask questions, review examples and discuss specifics are the optimal ways to learn a new subject or task. Learning about finances is very much like learning a new language—it takes time and opportunities to actively engage with an expert, a teacher. Just like learning a foreign language, financial fluency requires more than just passive, one-way communication—individuals need an active financial education.

For many people, finances can be a confusing and often overwhelming topic. From developing and following a budget to planning for retirement, the options and choices can be a foreign language. Given the research about the negative impact of financial worries on employees, investing in a comprehensive financial education program is in your company's best interest. The research shows that financial worries and the associated stresses adversely affect health care costs and usage, workplace accidents, and employee productivity.

If you want your employees to attain financial fluency and take control of their finances, they need a comprehensive financial education program. It will require more than a brochure and occasional presentations to be fluent in the language of finances. An effective financial education program provides ongoing opportunities for people to learn. By offering a comprehensive financial education program, you are empowering your employees and thus ensuring a healthier, more productive workforce, which brings great value to your business.

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Goodmoneyhabits.com, for employers who want to help employees make informed decisions about their personal finances. Windham may be reached at 800-942-2777.