

Improving Financial Literacy and Capability: What Works?

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Evaluating Workforce Financial Education and Encouraging New Hires to Save for Retirement

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A joint center of the RAND Corporation, Dartmouth College,

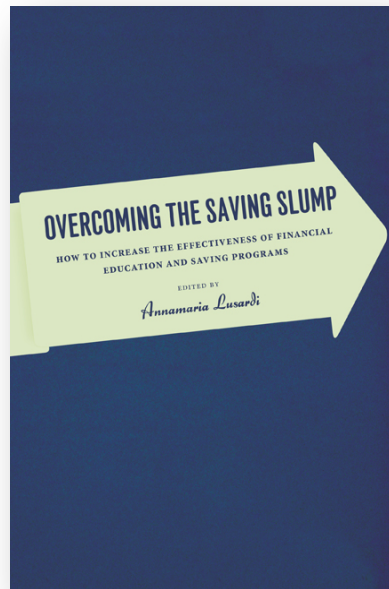
Our approach to workplace fin education

- Identify who's not well-equipped to make key financial decisions
- Demonstrate how financial literacy enhances retirement security
- Develop tools to enhance financial literacy & planning
- Show how to deliver financial literacy most effectively and how

Workplace fin educ: Helping new hires

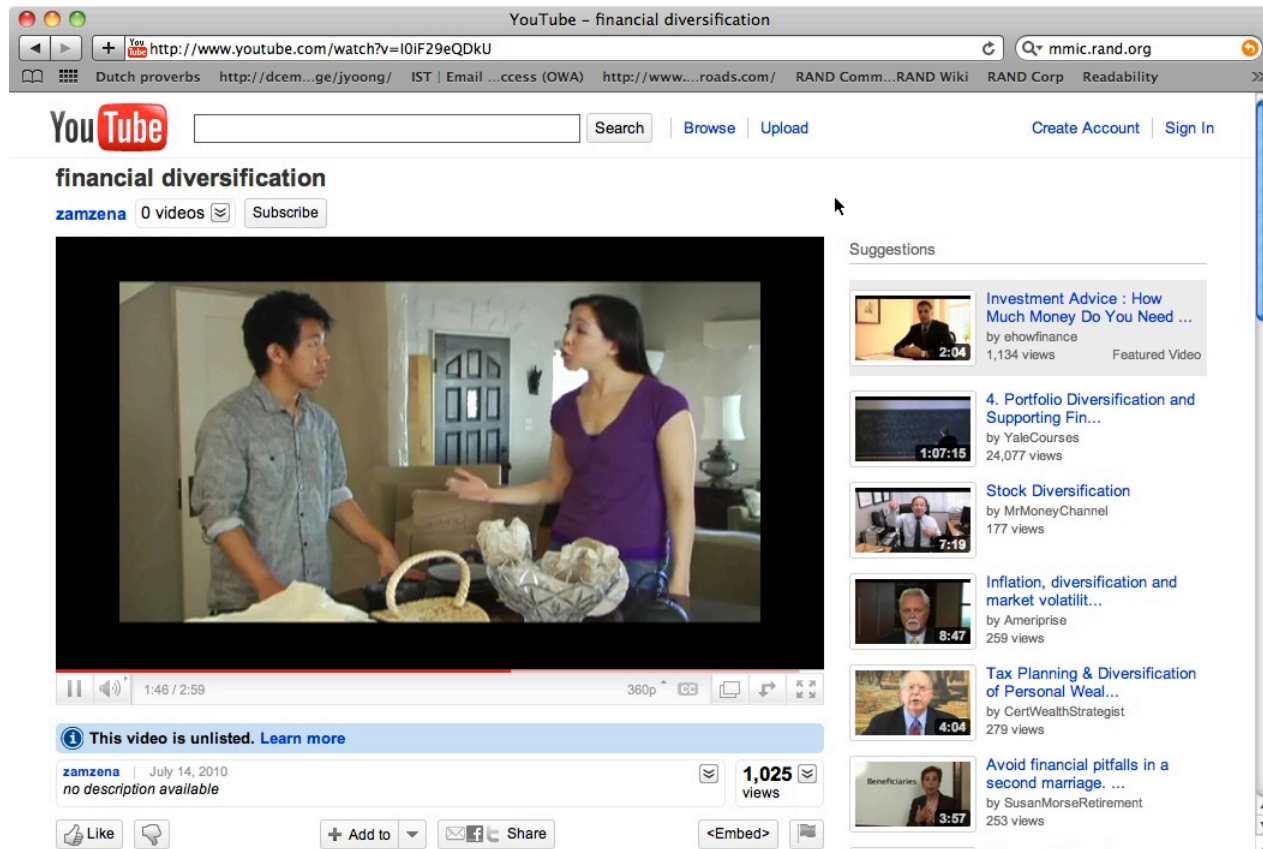
- The Dartmouth Project

- Supported by NEFE
- Motivated a book on how to improve fin. education



Helping Young Workers: Five Steps to Planning Success

- Risk diversification = don't put all your eggs in one basket

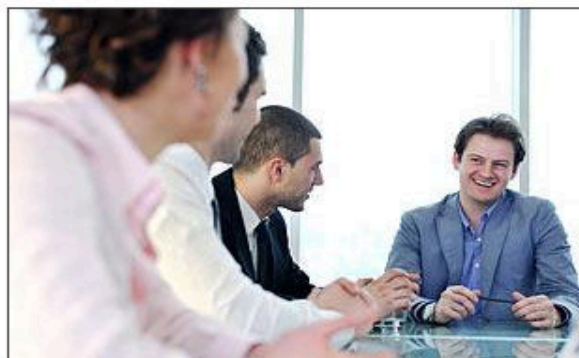


A deeper look

- Evaluating workplace education in six big firms



Your Team's Financial Fitness Kit



The Employer Checklist

Ten key steps to financial fitness, divided into basic, intermediate and advanced stages

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The recent financial crisis has taught us many things. Chief among the lessons learned is that financial illiteracy is widespread and that the consequences of making poor financial decisions are severe. Decisions about how much to save to secure a comfortable retirement, how to invest, and how to protect wealth are overly complex. Without guidance, employees may end up without the financial fitness necessary to meet short- and long-term goals.

EMPLOYEE CORNER



Employee Checklist

This toolkit allows individuals to customize a financial plan to suit their needs. [MORE](#)



The Financial Health Quiz

Loren ipsum dolor sit amet consectetur elit adipiscing et vivendum vitae nulla quam. [MORE](#)

ABOUT THE PROGRAM



The Experts

Punam Anand Keller and **Annamaria Lusardi** bring an impressive amount of research and experience to help you

boost your team's financial fitness. [MORE](#)



About the Program

Two toolkits—one for employers and one for employees—designed to empower employees to understand and meet their financial goals.

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Bells were introduced on the NYSE when continuous trading was instituted in the 1870s. Originally a Chinese Gong was used, but brass bells

have been used since the Exchange moved to its current location in 1903. Visit our history page to learn more fascinating facts. [MORE](#)



The Employer Checklist

Ten key steps to financial fitness, divided into three stages and designed to help employees meet their financial goals.

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The success of employee benefit programs depends on employee participation rates! Nearly four in five employees claim they would benefit from financial advice and answers to everyday questions. Improve employee participation rates, employee welfare and your company's bottom line by using our customizable employer and employee financial fitness toolkits.



THE BASICS

Automatic Enrollment

Participation soars when employees are automatically enrolled.

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Automatic Escalation

Scheduled increases make the most of automatic enrollment.

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Lifecycle Asset Allocation

Give employees the chance to grow their retirement savings.

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Did You Know?



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used, but brass bells have been used since the Exchange moved to its current location in 1903. Visit our history page to learn more fascinating facts. [MORE](#)



Ask Our Experts a Question

INTERMEDIATE



Employee Toolkit

Increase participation rates by empowering employees to customize programs. [MORE](#)



Direct Deposit

Increase safety and lower administrative costs at the same time. [MORE](#)



Financial Planning and Tax Preparation

Employee satisfaction is as a competitive advantage. Create a culture of caring for employees. [MORE](#)



Credit Scores

Improved employee credit scores have direct and indirect benefits to employers. [MORE](#)

ADVANCED

Debt Management

Help with debt management can prevent an employee's loss of focus and performance.

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Health and Financial Fitness Assessment

Data enables employers to design an evidence-based benefit plan.

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Financial Planning Seminars

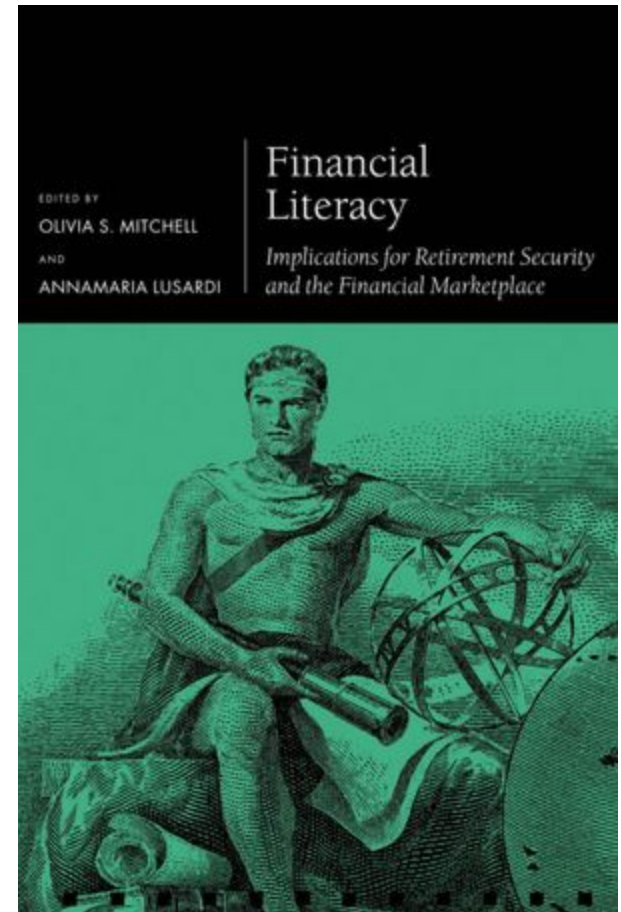
Educate your employees about the customized financial plans available to them.

[MORE](#)



New book

- *Financial Literacy: Implications for Retirement Security and the Financial Marketplace*



Newer projects on workplace fin education

- Writing a “Best Practice” manual for financial education
 - Supported in part by FINRA Investor Education Foundation
- Working with the Federal Reserve System to design and evaluate financial education programs for their employees
 - Supported by the Federal Reserve System’s HR Office

Best practice: 10 Recommendations

- Do not underestimate the importance of information about pensions
- Every employee is different
- Understand how employee debt profiles relate to saving needs and saving ability

Best practice: 10 Recommendations

- Think carefully about plan design
- Understand the power of auto enrollment
- Think carefully about default setting and default asset allocation

Best practice: 10 Recommendations

- Take steps to improve employees overall financial literacy
- Provide financial information and counseling
- Remind employees of the value of taking advantage of 401(k) plans
- Targeted programs will improve effectiveness and impact

Future work

- Enrich *Best Practice Manual* by incorporating more workplace fin education work
- Provide a ready-to-use package with material
- Continue working with existing firms to assess medium/long run impact
- Incorporate financial literacy games and other innovative programs in workplace fin education