

## WORKPLACE COMMITTEE APPENDIX C

### Honor Roll Program

#### Committee Goal:

To develop a recognition program that is relevant and achievable for the workplace regardless of company size, industry, business model, resources and employee demographics.

#### Key Findings:

Source: Focus groups among Schwab 401(k) Plan Sponsors:

Employers agree that employees need help, based on the following evidence:

- the number of employees who contribute the minimum (or nothing) to their 401(k) plan
- the number of employees consulting EAPs
- the number of employees oblivious to the tax implications of stock grants/options
- increases in the numbers of hardship loans
- the number of employees overconcentrated in employee stock
- the number of employees who have all their 401(k) assets in low-performing default funds
- The reaction also varied widely about how much of a role employers should have and opinions correlated closely to corporate culture. Companies that have built a reputation as really caring about their employees see an Honor Roll concept as more appealing.
- Many agreed that every employer shouldn't be creating its own materials. They recommended that any model created by the Council should include curricula and clear guidance.
- Those in favor of an Honor Roll saw it as a positive recruitment tool.

Source: Society for Human Resource Management Weekly Online Member Poll

- In the past 12 months, SHRM members have seen:
  - a 26% increase in the number of employees having their wages garnished by collection agencies
  - 39% increase in employee requests for loans from 401(k)s.
  - 20% increase in employee requests for an advance on wages
  - 14% increase in employees reporting losing their home
- HR professionals would benefit from having a checklist of considerations that an employer should keep in mind when evaluating various financial education programs.
- SHRM members, particularly those from smaller organizations, highlight concerns about whether financial education could be provided at a low cost to employers.
- Employers would benefit from having access to a list of “effective practices” that have been used successfully in the workplace and that involve different

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levels of monetary investment and time commitment on the part of the employer. This information could be presented as part of a document highlighting existing successful practices used by small, medium and large employers.

- The vast majority of SHRM members report that their organizations offer retirement planning through their retirement plan provider. Many provide Employee Assistance Programs (EAO) that contain counseling and referrals for employee's seeking help with financial problems.

### **Recommendation:**

Create an Honor Roll Program that would:

- Recognize companies with innovative financial wellness policies and programs that have made a measurable difference in the lives of their employees.
- Promote a national culture of workplace commitment to the financial well-being of employees.

### **Marketing:**

- Announcement of the program would be posted on various websites, i.e. SHRM, State Websites, Trade Associations, etc.

### **Process:**

- Companies would complete an online application.
- Applications would be assessed on content of the program, delivery channels, marketing, commitment, innovation and results achieved.

### **Next Steps:**

- Subcommittee will finalize details for the program and will submit the proposal to the Council for approval.