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CRAIN COMMUNICATIONS

Managers boost financial wellness to ease stress, support productivity

Programs developed around employees' diverse needs during their lives, careers

By CARYL ANNE FRANCIA

Money — it's what drives activity in a money manager, but it's not necessarily something employees are fully prepared to manage in their personal lives.

Current macroeconomic headwinds include rising costs for essential goods, services and housing, higher interest rates and growing consumer debt, and employees across different industries are feeling stressed about their financial situation now and in the future.

In its most recent annual report on workplace benefits, Bank of America said only 42% of people surveyed felt financially well, hitting "an all-time low."

Managers recognized in the 2023 Best Places to Work in Money Management program said employees have voiced their financial concerns and are seeking help on ways to improve their personal situations. In turn, firms are helping all employees — regardless of what stage they're at in their careers and lives — feel a sense of control over their financial future by enhancing their benefits packages with financial wellness tools and services.

"We feel that it's our responsibility to make sure that employees are not only equipped to handle what happens in their day-to-day lives at work but that we provide the resources and the support necessary for them to be able to do what they need to do in their day-to-day lives outside of work," said Tia Warren, head of total rewards at First Eagle Investments.

First Eagle, which managed \$128 billion in assets as of Sept. 30, is a newcomer this year in the Best Places program.

The New York-based firm is among many winners that bolster financial education

through informational meetings, in which topics are determined based on what employees have asked via anonymous surveys or word of mouth. While these programs aren't cheap, the cost is worth it, managers say when it comes to reducing employees' financial stress and keeping productivity high.

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FIRST EAGLE INVESTMENTS'
TIA WARREN

For early career people, managers focus on teaching them ways they can save in the present, handle college loans from the past and invest for later. To help these young employees get a head start on retirement, some firms will introduce them to tools and services they can use for financial planning and vehicles to grow their savings, such as target-date funds and Roth 401(k)s.

BPTW winners tend to turn to vendors to lead employee educational sessions, such as Fidelity Investments or the Vanguard Group. But at some money management firms, these sessions are taught by in-house staff.

Annual lunch-and-learn sessions at Angeles Investment Advisors are led by CEO Howard Perlow. Topics vary year to year, but

for 2023, he focused on the subject of retirement benefits. Everyone at the firm was welcome to attend, but he noted how attendance is crucial for early career people, who have not had a lot of "financial training in school and life." "A lot of young people don't understand and realize how important it is to start thinking about retirement at a younger age and that it's really their responsibility to save for retirement," Perlow said.

He added these employees have the benefit of having their retirement accounts set up with the assistance of the Angeles' investment officers. The Santa Monica, Calif.-based firm, which managed \$6.02 billion in assets as of Sept. 30, was first named a Best Places winner in 2023.

Then, for older employees who've saved their money, worked long and intend to stop soon, managers may dive into retirement distribution options and address questions on subjects such as Medicare and Social Security.

For employees in the "sandwich generation" — those who are raising children and taking care of older relatives — Best Places winners may provide 529 college savings accounts or cover expenses for daycare and eldercare. Capital Group also subsidizes costs for tutoring and career-coaching services for employees' family members in middle school and high school, said Kathleen Kelly, vice president of human resources and benefits at the firm.

"The well-being of our associates is at the heart of our decision-making," she added. "We want all associates to feel heard, included and supported, which is why we offer diverse programs to meet associates where they are in their life journey."

Capital Group, which ranked No. 5 among employers with 1,000 or more employees, has been a Best Places winner six times, including in 2023. The money manager reported \$2.4 trillion in assets under management as of June 30.

Other enhanced benefits that cut across firms' employee bases have emerged since the onset of the COVID-19 pandemic.

In 2020, Angeles started reimbursing employees \$50 per month since they were using their personal phones to contact each other, said Chief Administrative Officer Sandra Kridel. Perlow added that the firm sent home two computer monitors, a docking station, a keyboard and a mouse to every employee so they have the same in-office setup when working from home and can be “as productive as possible.”

With identity-theft crimes climbing during the pandemic, First Eagle began providing free identity-theft protection coverage for employees, said benefits manager Marisa Bernstein. The firm also added family-planning benefits for employees and their partners to assist with processes that typically cost thousands, such as egg freezing and storage.

When considering what benefits they provide, Best Places winners said they welcome employee input through anonymous surveys and conversations with leadership. Financial wellness offerings continue to evolve as employees’ needs change.

“We want to hear from employees because if something’s not working, we want to change it,” Bernstein said. “We don’t want to do it because we’ve always done it. As our population changes, that’s why we’re moving along. Our employees are not shy in telling us what they like and what they don’t like.”

Some money management firms have partnered with financial wellness services providers to give employees resources at no cost.

Through firms such as Ayco, FinFit, Villyge and WellCents, employees have access to financial planners who they can meet with to discuss their individual situations. These providers may also offer their own financial planning tool app available on smart devices so employees can track their investments as well as the movement of money in and out of their bank accounts.

Polen Capital adopted WellCents’ services in 2021 to improve its benefits offerings for employees’ financial wellness. Since then, the Boca Raton, Fla.-based asset manager has seen “quite a big uptick” in participation with 68 out of about 250 employees using it, said Rachel Trock, chief people officer at Polen.

Ranked No. 1 among firms with between 100 and 499 employees, Polen has been a BPTW winner eight times. The firm advised on \$64 billion in assets as of June 30.

For the convenience of employees who

miss workshops on financial wellness, money managers record these sessions and upload them to their intranet, among other resources that can be accessed at any time, managers said.

Shared on Adams Street Partners’ homepage is the Chicago-based firm’s employee handbook, a resource that comes up during the open enrollment period and is given to employees before their first day of work. But while the handbook can provide answers, the firm encourages employees to turn to their peers, who can provide a wealth of information and mentorship, said Carolyn Flanagan, partner and head of human resources at Adams Street.

“That goes without saying because that’s just the culture of the firm,” she added. “Investment professionals are very accessible and eager to share any insights they have with non-investment professionals, whether it be about Adams Street specifically or just being curious about the investment space.”

Adams Street has been a BPTW winner six times, including in 2023. The firm managed \$58 billion in assets as of June 30.

Student loan debt persists as an issue for college alumni in the U.S., with the national total standing at \$1.6 trillion for the third quarter of 2023, according to the Federal Reserve Bank in New York.

Although a rare perk in benefits packages, a few BPTW winners are addressing the issue, including Capital Group.

The firm offers assistance with student loan debt through partnership with SoFi Technologies Inc.

As soon as they are hired and enrolled, employees can receive \$200 per month, but the benefit is capped at a lifetime maximum of \$12,000, said Capital Group’s Kelly.

More common with other firms is support for employees seeking ways to reduce costs for obtaining certification relevant to their role, such as CFA designation. Most managers will cover at least the first exam given the costly nature of some programs.

Dana Investment Advisors will split the cost with an employee for certification programs that are more costly but make sure the outlay on them “isn’t overly burdensome,” Executive Vice President Mike Stewart said. When the employee attains certification, the money manager will fully reimburse all related expenses for the employee. For less costly programs, Dana Investment will cover

the full cost for employees.

The Waukesha, Wis.-based firm, which managed \$6.4 billion in assets as of Sept. 30, has been a Best Places winner every year since the program began in 2012, ranking No. 3 this year among firms with between 50-99 employees.

BPTW winners use a variety of channels of communication to make sure employees know about and use their financial wellness benefits. Managers may opt to use email as a fast and convenient approach, but many of them have taken creative approaches to spread the word about their offerings.

In addition to receiving emails, new employees at Schroder Investment Management North America meet with the human resources team for one-on-one benefits discussions to “understand what their choices are best to meet their personalized needs,” said Racheal Hanifan, head of human resources for the Americas at Schroders. The New York-based money manager, which had AUM of \$101.6 billion as of June 30, has been a BPTW winner six times, including in 2023.

During the pandemic, First Eagle sent out a mailer with information with financial benefits to employees’ homes. Bernstein said the move received positive feedback, especially from spouses, who are typically impacted by benefits decisions but may not be aware of what is offered.

“We don’t want to assume that everyone knows everything, so we definitely try our best to make sure everyone is educated,” she added.

In addition to digital means, Capital Group communicates its benefits by periodically mailing newsletters and postcards to homes. Postcards may focus on a specific campaign, but newsletters highlight the firm’s benefits through personal experiences shared by employees, Kelly said.

Adams Street’s Flanagan said that mentorship from peers is still the “most valuable mode of communication,” and one that is meaningful.

“They’re participating in a comprehensive conversation about somebody who knows them, cares about them, sees the potential in them and is guiding them firsthand into how they can best leverage our benefits to be successful both personally and professionally,” Flanagan added. “That high touch is really what we emphasize as a cultural priority.” ■