

# Helping Gen Y Achieve Long-Term Financial Security



At a symposium hosted by the TIAA-CREF Institute in September 2013, a range of experts discussed financial issues concerning Gen Y. This publication, which is part of a series, presents HR's perspective on what employers can do to help Gen Y succeed financially.

**Employers are uniquely positioned to encourage positive financial behaviors in their early career workers, say human resources leaders at three universities.**

## A Multi-Varied Approach Gets Results.

"By leveraging the full range of the institution's resources," says Laurita Thomas, associate vice president for human resources at the University of Michigan (U-M), "employers can create the right climate to promote Gen Y's financial wellbeing." Here are some of the ways, according to Thomas, that employers can set early career workers up for success:

**Boost employees' financial literacy.** Throughout the year U-M provides benefits updates and financial-planning information. It also sponsors workshops and forums with experts on saving, budgeting, retirement planning and other topics relevant to Gen Y.

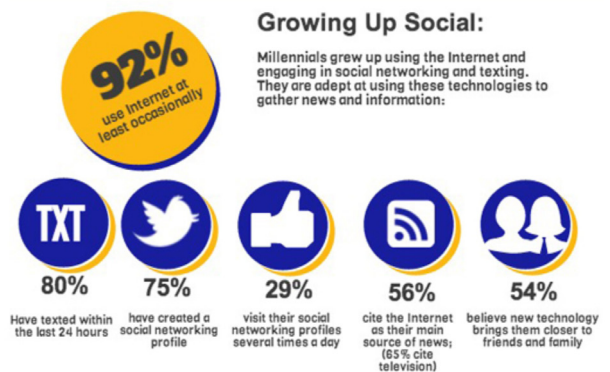
**Collaborate with other organizations.** U-M has partnered with the TIAA-CREF Institute, investment firms and a local bank to provide financial products and education. Plus, it shares with employees financial research conducted by the school's Institute for Social Research.

**Ask target groups for advice.** For ideas on financial resources and communications, U-M turns to Gen Y. Among the lessons learned: Infographics are a good way to convey information, and older faculty and staff can exert a powerful influence on young workers' attitudes.

Lastly, Thomas recommends using social media to advance an employer's goals: "Social media sites are key to reaching Gen Y. We've used Twitter and TweetChats, Google Plus, Google Hangouts, and Facebook to educate and engage faculty and staff."

## Simplicity Creates Clarity

Katherine Sauer, financial education program director at the University of Colorado (CU), says that when creating benefits and financial communications for Gen Y, success hinges on providing user-friendly information. "Dense blocks of text are hard to digest and generally ineffective, particularly with a younger audience. So in our communications we strive to reduce jargon, highlight key points and use graphical elements to show relationships," she says.



Source: University of Michigan, Pew Research Center, Forbes



Here's an example of how CU used a graphical approach to convey retirement plan eligibility. Previously, the school communicated this information in straight text—and found that many employees were confused by the plan rules.

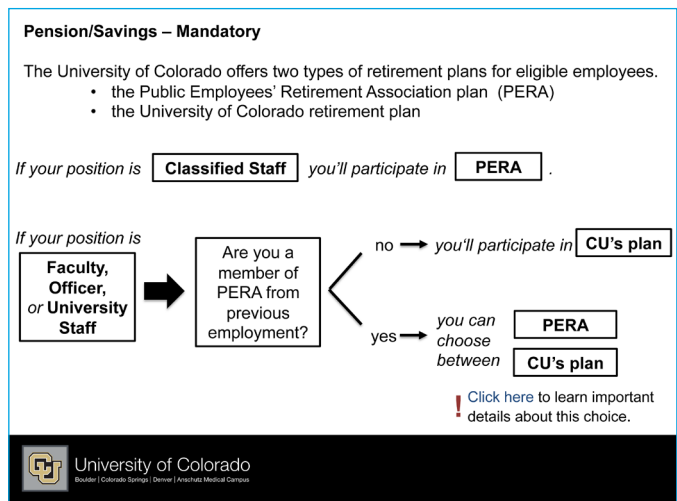
Sauer also believes that while employers should provide tools and guidance to help young people succeed, the responsibility ultimately rests with the individual. And she offers one note of caution: “Gen Y is prone to believe that if something is optional—like purchasing additional life insurance or making discretionary contributions to a retirement plan—it’s not important. You need to continually combat this notion.”

### Catch Them Early

To help new hires make good financial choices, Indiana University (IU) leverages the period after someone accepts a job but before the start date to provide financial guidance and facilitate benefit plan enrollment, including 24x7 access to videos, calculators, presentations and webinars. “Our onboarding process is conducted entirely online,” says Daniel Rives, associate vice president of university human resource services, “which is how Gen Y prefers to handle such matters.”

Rives notes that enrolling new hires, particularly young people, in the school’s retirement plan can be a challenge, since retirement might be a long way off and other financial demands can appear more urgent. So IU automatically enrolls new employees into lifecycle funds in both its base and supplemental retirement plans. “Participants can opt out or change their elections if they want to, but most don’t,” he says.

IU has also begun a personal finance program for graduate assistants and post-docs, many of whom report having received little instruction in financial management during their educational careers. This initiative includes seminars on debt management, savings, retirement planning and other personal finance topics. If the program proves effective, over time the school plans to extend it to all IU graduate students.



### Indiana University's onboarding checklist for new hires

- Pre-employment communications
- Web-based tools for benefits enrollment
- On-demand financial education (videos, tools, webinars)
- Debt-management programming
- Centralized support for inquiries from employees and spouses

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