

## Mortgage and Real Estate: The New Employee Benefit

To remain competitive, today's businesses are redefining their relationships with employees. Many employers have a much more diverse range of employee relationships which has changed the way compensation and benefits are offered. But it is still true that rewarding and retaining valuable, productive workers is key to success.

As bad news continues to mount about the economy, driven by the real estate slump, more businesses are taking a proactive approach to help their employees better manage personal finances. Leading experts say that this relatively small investment from employers pays big dividends.

More and more employers have to contend with poorer employee health, unnecessary absences, lower pay satisfaction, and poor workplace morale, not to mention more accidents. Substantial portions of employees have reasons for their growing concerns about personal finances, and the negative news about mortgages and a declining housing market is almost unavoidable. Today's economic conditions are pushing employees to take a more active roll in planning for their financial future. It's these new worries that mean more stress, less productivity and potentially higher medical costs. According to the Employee Assistance Program juggernaut ComPsych's new research, 92% of employees are loosing sleep due to financial worries.

Those employers that can support their workers in taking action are more likely to keep their most talented workers, particularly as benefits prove to be an even more important factor in employee loyalty and retention than ever before. In fact, Eighty-three percent of 450 HR professionals surveyed said their organizations will consider providing employees with financial educational literature and/or workshops by investment specialists, according to findings released November 2008 from a Society for Human Resource Management (SHRM) online poll. Additional research shows "If the situation persists through 2009, we may see the percentage of employers offering financial education programs increase as they try to help their employees deal with the crisis," said Julie Stitch, a spokesperson for the [International Foundation of Employee Benefit Plans](#) (IFEBP).

Employers have a timely opportunity to help employees manage the responsibility for their financial security. Companies can help employees take actions by offering quality benefits programs and educating their workers on how to use these benefits effectively. This is particularly important because **the workplace has become the primary source for obtaining financial products and health benefits for an employee's entire family.** Met-Life's 7<sup>th</sup> Annual Survey of Trends in Employee Benefits states that, "More than half (51%) of employees obtain the majority of their financial products and advice through the workplace, up from 46% of employees a year ago.

Most times an employee taking action begins when they consult with a financial professional to help them assess their current situation and set goals for the future. The scope of a benefit plan designed to encourage financial (mortgage and real estate)

planning need be nothing more than providing employees with access to professionals that can provide the guidance and / or products that help the employee achieve his or her goals or it can be as comprehensive as arranging on-site seminars and group rates for services. Either way it's a win / win with low costs and huge upside for employer and employee

A company's best workers are typically those who are in control of their personal finances. Control in that aspect of their lives translates into increased employee productivity.

Several years ago, Pepsi Bottling Group (PBG), based in Somers, N.Y., took a bold step toward enhancing employees' knowledge of personal finance by launching HealthyMoney, a combination of group workshops, one-on-one counseling sessions, online resources, and other outreach and education.

The initiative, part of an overall health and wellness strategy, has the goals of boosting recruitment, retention and job satisfaction, according to David Kasiaz, vice president of compensation, benefits and risk management, who says, "Employers need to think beyond traditional employer-employee relationships and offer compelling benefits that differentiate them."

Home Depot elected to launch a basic financial education program for its workforce. "We wanted to provide them with information that they could apply immediately and that could make differences in their lives," states Thome. The company partnered with the Fannie Mae Foundation and the Consumer Credit Counseling Service (CCCS) to develop the curriculum.

As the program progresses, the company plans to add two more modules: retirement planning and home buying. "Our goal is to reach at least 25 percent of our associates with our program," says Layne Thome, director of associate services.

### **Indicators Show Need For Financial Education**

In a weekly online survey conducted Jan. 8, 2008, Society for Human Resource Management researchers asked a sample of 329 members about personal finance issues among their employees and their companies' financial management education programs. About 28 percent of respondents indicated that their companies offer or plan to offer education about preparing for college education expenses. The least common offering involved preparation to purchase a home. Another 2% of those sampled had planned to add some form of homebuyer education.

Small businesses-those with two to 50 employees-may receive tax credit for providing financial literacy if the **Employers Financial Literacy Act** passes. Introduced May 5, 2008, by Rep. Eddie Johnson, D-Texas, HR 5965 proposes offering small businesses a credit against income tax to cover a portion of the costs of providing financial education

to employees. Businesses and corporations that provide such education would receive preferential status when applying for federal contracts, loans and other assistance. So with all this in mind, why aren't more mortgage loan originators and real estate professionals making themselves available for employee benefit plans? It stands to reason that serving the employees of a local business with mortgage consulting / planning and / or real estate services fill a valuable need for the all parties:

- Employers who need more productive employees with their financial "house" in order.
- An increase in the percentage of employers offering financial education and literacy programs is expected (according to SHRM, 44% of employees are asking their employer for more voluntary benefit programs).
- Employees need guidance in uncertain times (consider the 2009 Buck Consultants national survey that discovered a special need for mortgage guidance citing 45% of employers are increasing their wellness communications to highlight services that can help employees get through the economic downturn).
- The Mortgage and / or Real Estate Professionals who needs an audience to apply his or her skills to.

Go out and offer your mortgage and / or real estate services to an employer as an employee benefit...odds are in your favor they will say "yes" ...allowing you to become the preferred benefit provider to hundreds, maybe thousands of local employees!

**Your (successful) future in the mortgage and / or real estate business may depend on it!**

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