



## Organic Meals And A Financial Coach

by [Steve Brown](#)

Fortune's "100 Best Companies to Work For" list reads like a treasure trove of goodies. Google has been #1 on the list for several years and offers its employees: 3 organic meals per day, unlimited snacks, artisan coffees, on-site vehicle oil changes, a spa truck, nap pods, on-site laundry facilities and more. Yet another of the 100 Best, Acuity Insurance, organizes Selfie Days and Beach Bashes for its favorite employees. Finally, Wegman's Food Market offers yoga sessions and cooking classes.

Wellness perks for employees are increasingly popular, because they build teamwork, are not used by all employees all the time (so cost less than giving raises) and can help differentiate one company from another. Many companies for instance include gym memberships, personal fitness classes and yoga in such packages. However, less known and even absent from the usual perks publicized in the Fortune ranking is financial fitness. Like other wellness programs, offers of financial fitness are comprised of regular meetings with personal trainers to improve the state of employees' finances. Such programs can be offered by banks and can help educate employees, make them more financially well off and allow for better customer communication on financial matters for banks.

Consider that several well known companies have embarked on this adventure. Staples, Pepsico and media and marketing company Meredith Corporation are aficionados. They believe that employees under financial stress will call in sick more often, be less focused and will delay retirement and there may be something more to this.

In fact, according to a Financial Fitness Group survey of thousands of employees, financial counseling is badly needed. About 54% feel overwhelmed by their current financial condition, 48% find themselves living paycheck to paycheck and 26% don't think they could find at least \$1,000 to pay for an emergency. Further, about 80% of employees say they suffer from moderate or high level of financial stress.

The Financial Finesse Think Tank studied workers' vulnerabilities, surveying close to 70,000 people during the period from 2011 to 2015. It found retirement was the elephant in the room. For example, only 16% of millennials are on track to attain their retirement goals. The lack of emergency funds is another big issue even among 65 and older employee age groups - 25% of which admit that they don't even have an emergency fund. Still others surveyed admit that they live beyond their means and that they neglect to pay off their credit cards every month.

To address these issues, bankers could invite professionals such as financial planners or other specialists to educate employees. Presenters should teach employees about financial calculators to run different retirement projections and discuss opportunities and risks. You can't go overboard here as there are many regulations around such things, but taking steps can really help employees find a better comfort zone and plan.

The bottom line is that such innovative financial fitness programs are of mutual benefit to employees and banks so they may be worth exploring. Doing so can help reduce employee stress, cut employee

absenteeism, boost teamwork and enhance employee interactions with customers.

# BANK NEWS

## **Video Banking**

Research by Efma and Vidvo finds 10% of banks expect to use video for banking services this year, climbing to 50% by 2017 and 80% by 2018. Meanwhile, 93% of banks say they believe using high quality video improves customer satisfaction levels. Further, the research found 70% video banking on mobile devices and desktops vs. a branch or on ATMs and 60% said video is best suited for private banking, wealth management, mortgage and loan services.

## **Oil Exposure**

Wells Fargo has downgraded 38% of its energy loans and set aside \$1.2B to cover potential losses, according to company filings.

## **Pea Shooter**

In an effort to reduce a high level of bad loans on the books of Italian banks, Italy launched a privately funded investment vehicle to recapitalize weaker lenders. The fund has about \$5B to address a problem that reportedly is well above \$400B in size.

## **GDP Projections**

The New York Fed has joined the Atlanta Fed in publishing its own weekly national GDP estimate. The key problem here for bankers is that they are wildly different, with New York currently expecting Q1 GDP growth of 1.1% vs. 0.1% for Atlanta.

## **Rate Hike**

Dallas Fed President Kaplan said he is "very open-minded" to a mid June interest rate increase provided the economic headwinds subside by then and the information between now and then supports doing so. Meanwhile, Fed San Francisco President Williams said he expects 2 or 3 additional rate hikes this year.

## **Rate Movement**

JPMorgan projects Apr is too early for a Fed rate hike, but that Jun is possible but probably too close to the UK "Brexit" vote so probably too risky and that July is therefore the most likely scenario for the next increase. If they don't move then, JP expects the next most likely move to be in Dec. We will have to wait and see but hope this helps with your planning.

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