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# Focus on Teaching First, Then Finance

Here's how an understanding of employee learning autonomy can enhance retirement engagement.

BY BRIAN KALLBACK

“

*went to the woods because I wished to live deliberately, to front only the essential facts of life, and see if I could not learn what it had to teach, and not, when I came to die, discover that I had not lived.”*

— Henry David Thoreau

In *Walden*, Thoreau described his life of deliberate living as he lived “simply” in the woods around Walden Pond. Many of his anecdotes and aphorisms speak loudly today in our busy and interconnected world. However, it can be very difficult to make *Walden* relevant to a group of high school juniors. Yet, here I was, a new teacher fresh out of college staring down a classroom of 29 high school juniors who were more interested in their iPhones and a Friday night football game. In order to help the students enjoy *Walden*, I had to prepare discussions, activities and lectures that allowed the students to choose to *want* to learn the material.

The situation is no different with a retirement plan education meeting. At one early morning session, I was looking into the eyes of 64 manufacturing employees. I had spent time preparing a presentation full of slides, statistics and calculations. *Walden* was not on the agenda, but I did discuss compound interest, the importance of consistent savings and asset allocation. Afterwards, I felt like I had delivered an outstanding presentation. Yet, in looking at the post-meeting analytics, the needle barely moved. I realized I did not create the right conditions

for employees to choose to become engaged. The lessons I learned during my time in front of a classroom came back to mind.

When conducting an education meeting, we must view ourselves as teachers first and financial professionals second. We must look at our engagement strategies through the lens of adult learning techniques.

Behavioral finance has been an outstanding addition to retirement academia. Auto features, such as enrollment, escalation and rebalancing, allow employers to combat employee inertia. Yet, we need to understand the dynamics of adult learning so we can create sustained self-directed employee engagement.

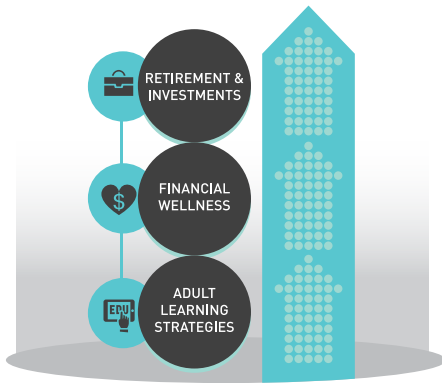
Some plan providers have decided to solely utilize auto features rather than develop their education teams. A focus on adult learning strategies is not a departure or replacement for behavioral finance applications or auto features. By coaching your education team to use relevant adult learning techniques, you will find the results include becoming a stronger, more effective presenter — and

more employees who choose to take action regarding their retirement.

Learning begins when an employee chooses to become engaged in their education and selects a learning method. Traditional training in the retirement industry is instructor-led, with employees passively listening at desks or tables with chairs. In this environment, employees are dependent on educators to direct their knowledge and content.

The alternative dynamic is where employees choose to

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A foundation of adult learning strategies will help your team more effectively instruct on financial wellness, retirement and investments.

be the drivers of their learning while the educator serves as a facilitator or consultant. For instance, employees could decide they want to study asset allocation (self-direction), but prefer to attend a group meeting rather than use the website (dependency). If I use the Khan Academy to research advanced mathematics, I am making a choice to learn in a self-directed manner. The freedom to initiate learning and choose a method is the most critical aspect of the learning strategy process.

If an employee is required to attend a retirement plan group meeting and sits passively during a presentation, there is no self-direction involved. That employee is dependent on the educator to pour forth knowledge and, more importantly, create motivation to learn. We must understand the responsibility this puts on us and adjust our teaching strategies to meet the needs of many diverse adult learners.

In our efforts to differentiate our participant education services, we apply a few practical applications to help employees make a conscious decision to learn. Every interaction with an employee — whether within a group, individual, or virtual setting — should include answers to the following questions:

- Do the employees *know why* they need to learn this material? An audience of employees is constantly balancing the benefits of learning new material versus the negative

consequences of not learning it. An effective educator spends time crafting an introduction that immediately gets the employees' attention and consistently returns to the "why" throughout the presentation.

- Does your presentation relate to what the employees likely have *experienced in their lives*? Whether it is your information, personality or appearance, employees are consistently measuring you against their past experience. How many times have you heard about an investment strategy an employee's friend/relative/distant cousin/etc. shared with them? When you start to discuss investments, do employees' stories begin with "I remember how much I lost in 2008...?"
- Do you have a way to get the audience *engaged*? Many of the financial presentations I observe involve a static presenter (usually safely behind a podium) speaking while the audience sits silently. When we are in the midst of a conversation with a potential client, I love to see their financial advisor come in, talk about the economy and the markets for a while, and then tell everyone to save for retirement. This may allow the advisor to claim he or she completed the education program, but it is rarely effective at creating employee engagement and personal autonomy. When you create a foundation through teaching, employees can be better served.

Innovative teaching strategies that utilize relevant adult learning theories are measured with metrics similar to other education initiatives. Participation rates, web traffic and appropriate asset allocation should improve. The number of those who are on track to reach their retirement goals should also increase. Yet, analogous to the education industry, standardized metrics and testing often do not tell the entire story. Analytics from education sessions generally

present a place to begin the discussion rather than a way to define it.

When the Department of Labor releases the final version of its proposed fiduciary rule, the dependent learners in our audience may be the most affected. These are the employees who count on the educator for guidance and direction. They may be unmotivated to learn new material and become ready to learn what the educator tells them they should know. The self-directed employee will find ways to learn no matter the regulations set forth. However, it is the dependent employee who is most reliant on the intentions and abilities of the educator.

An educator's responsibility — whether standing before a secondary education classroom or a group of employees — is to understand the audience well enough to ensure that the intended learning is delivered to most attendees. If the learning is not received, then the educator did not accomplish the purpose of the presentation — no matter how nice his or her suit looks or how polished the marketing materials are.

As Thoreau says in *Walden*, "things do not change; we change." By beginning to view your educators as teachers and focusing on relevant adult learning strategies, you can "deliberately" differentiate your education services and "simplify" the lives of employees. **PC**



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