

Technology Solutions to Address the Challenge of Financial Literacy

Glen Eagle Advisors, LLC, a financial advisory firm headquartered in New Jersey, is focused on using technology to increase financial literacy rates in America. Founder and CEO Susan Michel and her team are using an innovative approach to solve this challenge. In this article, Kirti Mitaliya, a Glen Eagle Intern and sophomore at the Rutgers Business School in New Brunswick, New Jersey, shares her unique perspective on this important topic.

BY KIRTI MITALIYA

Despite having the world's largest economy, Americans fall short when it comes to being financially literate. According to a survey conducted by *Investment News* in 2019, 78% of financial advisors strongly agree that financial literacy is a concern in the United States. Since so many Americans are unaware of the importance of financial literacy, they fail to plan for the future.

Part of the problem is the lack of education that school systems implement into their curriculums. Only 19 states require high school students to take a course in personal finance. This lack of financial education has proved detrimental to many students' financial planning as they graduate from college and join the workforce.

Without adequate knowledge, many college graduates feel overwhelmed at the prospect of paying off student debt, responsibly handling consumer credit, and investing for retirement. Since so many Americans begin their professional careers without financial guidance, it is increasingly important for companies to provide their employees and clients with sources of financial education.

Glen Eagle Advisors, a national wealth management firm headquartered in Kingston, New Jersey, has made it its mission to tackle the issue of financial literacy in America through its investment advisory platform, alooola. Designed specifically for millennials, alooola's aim is to grow the wealth of its clients while empowering them to make sound financial decisions through education with informative videos, webinars and articles. The alooola team also has an



outreach program where they visit universities and colleges, and give targeted presentations about investing, financial planning, and retirement saving. The goal of this outreach program is to help better prepare students as they graduate from higher education and become financially responsible for themselves.

While improving financial education at the high school and college level will help future employees manage their finances, many employers recognize the lack of financial literacy in their current employee base. CEOs and human resource professionals are recognizing that financial literacy programs benefit their employees by reducing stress and increasing productivity. Typically, these programs include important topics such as budgeting, money management, saving for family needs, paying off debt, and retirement planning.

While some HR managers are reluctant to offer educational training platforms because of the perceived cost, it is important to note that increased financial literacy rates among a firm's employees directly leads to increased long-term retention and employee engagement, which leads to enhanced profits. Therefore, it is in the best interest of companies to invest in their employees'

financial well-being, as this will lead to benefits for both parties.

Offering lunch-and-learn presentations, webinars, budgeting tools, financial counselors, and training seminars are just a few, relatively simple ways to invest in increasing educational rates among employees.

In 2012, around 43% of US companies provided their employees with financial literacy workshops. Today, about 66% of employers offer some form of financial education, with a quarter having a specified budget for it. While this is commendable progress, there is still a tremendous need for financial education platforms for workers. For example, less than half of all Americans have enough to cover a \$1,000 emergency, and 30% of Americans report being stressed about money "constantly," which means they are feeling this stress at work as well. These alarming statistics call for a real need for increased financial education at both workplaces and schools. Fruitful investments pay off in the long run; investing in financial literacy programs will undoubtedly provide everyone with returns for years to come. ☺



SUSAN MICHEL is founder and CEO of Glen Eagle, an award-winning financial services firm based in Kingston, NJ. Offering retirement planning to business owners and wealth management, Glen

Eagle takes an educational, holistic approach to meeting its clients' long-term goals. Susan is a member of the Enterprising Women Advisory Board and a past recipient of the Enterprising Women of the Year Award.