

# More than Just Advice:

## The Important Responsibility Financial Advisors Have as Educators

*Glen Eagle Advisors, LLC, a financial advisory firm headquartered in New Jersey is going above and beyond in their commitment to educating their clients. Founder and CEO Susan Michel and her team have actively expanded their roles past that of a traditional advisor. In this article, Christina Rancan, a Glen Eagle intern, touches upon Glen Eagle's emerging position as a financial literacy educator. A junior at The Wharton School of the University of Pennsylvania, Christina has been with the firm for the past three years and has witnessed first-hand how the responsibilities of Glen Eagle have grown and become more complex. Read all about the importance of developing informed customers and how to ensure that your clients are coming away with invaluable knowledge and understanding.*

The financial world is constantly changing, becoming more complex and less straightforward. With responsibilities including budgeting, paying off debt, creating an emergency fund and saving for retirement, it doesn't come as much of a surprise that financial literacy plays a big role in one's financial well-being.

What may be surprising, and certainly concerning, is the extent to which Americans lack such important money management skills. According to a 2017 study conducted by the National Endowment for Financial Literacy, only 24% of millennials demonstrate basic financial literacy. As this generation is continuing to enter the workforce and near major life events such as buying a house, getting married and having children, financial literacy is only becoming more imperative.

Why is it more important than ever before to be financially literate? For one



thing, the shift from traditional company-sponsored defined benefit pension plans to a wide variety of complex 401(k) options have forced employees to undertake much more responsibility when it comes to their retirement savings. On top of that, the combination of an aging Baby Boomer population, a weakened Social Security program and increased life spans mean that understanding how to maximize one's retirement savings is a necessity, now more than ever before.

Being financially literate can have a big impact on the financial health of consumers. A recent study by Teachers Insurance and Annuity Association of America (TIAA) found that those with a higher level of financial literacy are more likely to save for retirement, essentially having double the wealth of those who don't properly prepare. Those who lack financial literacy are more likely to buy on credit with the inability to pay off the debt each month and as a result, pay





much more in interest. Those who are lacking sound financial knowledge also tend to pay much more in unnecessary financial product fees.

It's fairly obvious that financial skills are extremely important. What is less obvious, however, is how to teach those skills. Recently, high schools have started to offer more financial literacy courses, some even requiring them to graduate. Hopefully, this will help increase the financial literacy levels of the next generation, but what about those who didn't get that exposure in high school? That's where financial advisors can, and should, step up.

As an intern working at Glen Eagle for the past three years, I have witnessed first-hand how financial services firms can use technology and creativity to empower and educate people about finance. One new way that Glen Eagle is delivering education is through a branded platform called alooola ([www.alooola.com](http://www.alooola.com)). Designed specifically for millennials, alooola's aim is to grow the wealth of its clients while empowering them to make sound financial decisions.

When someone becomes a client of alooola they go through a questionnaire

which includes educational content to help alooola start the process of building a financial plan. The website is designed to introduce new investors to investing and financial planning.

As there are many different ways that people learn and absorb information, alooola mixes written content with video and access to financial advisors by phone and video chat. alooola has developed a video series titled "Financial Literacy Demystified" which is accessible on its website. The series starts with easy to understand educational videos on topics such as budgeting and investing, eventually covering the finances behind specific life events, such as buying a house or saving for retirement.

While many clients will come to alooola via the internet the alooola team also has an active outreach program. For example, in August, alooola presented to students at the University of Pennsylvania Perelman School of Medicine on how to handle personal finance, specifically as future members of the medical field. This was only the first presentation in what alooola hopes will become a series of informational seminars for students, many of whom

are about to enter the workforce with a significant amount of student debt.

The role of empowering and educating is not limited to Glen Eagle's fresh new platform. Susan Michel, the CEO and founder of the firm, is a former teacher and encourages the firm's financial advisors to be active financial educators. The firm publishes a bi-weekly podcast called *Women's Wealth The Middle Way*, actively posts educational content and links in its social media, and sponsors local educational seminars.

While the main goal of these initiatives is to create a more informed and financially stable public and client base, increasing financial literacy also has benefits for the firm itself. The most obvious of these benefits is an increased awareness of the company. When done correctly, working to increase financial literacy levels not only educates people on how to handle their money but also exposes Glen Eagle to potential new clients and new ways to meet their evolving needs. Some may believe that increasing financial literacy levels will make an advisor's role seem less necessary. In reality, empowering people to become financially literate not only helps them become better suited to handle financial decisions but also helps establish Glen Eagle as an open partner in providing the educational foundation as well as guidance for clients to be successful in all aspects of their financial lives.

Regardless of the type of business, providing the public with reliable and useful information is a great way to build trust. ●



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.