

The HR Mixtape: Hosted by Shari Simpson with Guest Dr. Kevin Wright, Senior Racial Equity Facilitator and Consultant at the Center for Equity and Inclusion

Announcer:

You're listening to the HR Mixtape. Your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

Shari Simpson:

Joining me today is Dr. Kevin Wright, a Senior Racial Equity Facilitator and Consultant at the Center for Equity and Inclusion. Kevin is an educator and community leader whose work in equity and belonging has impacted more than 100,000 learners globally. Dr. Wright, thank you so much for jumping on the podcast with me. This is a second time I'm having you on. I was so thrilled to talk to you at SHRM's Inclusion Conference a couple of years ago and just couldn't wait to get you back on.

Dr. Kevin Wright:

Yes, thank you for having me. I really do appreciate it. Quite some time has passed, but nonetheless, love having these conversations.

Shari Simpson:

So we are going to talk about something today different than what we talked about last time around financial acumen, financial literacy, and potentially the role that employers have in delivering those kind of resources for employees. You recently just gave a talk about this. Why do you think right now this is such an important topic?

Dr. Kevin Wright:

Yeah, definitely. So when it comes to financial literacy, I have been involved in the financial literacy sphere for about seven years now. And the reason why I believe it is a very critical and important topic is because of how much access people don't have to this type of information. Granted, there is a lot of information that I have been made privy to, but that's only been because I've been certified as a financial education instructor. Otherwise there is roughly of all the content that I was trained on, roughly 80% of it. I had no idea. I honestly had no idea. I didn't know what questions to ask. I didn't even know that certain things existed. If it wasn't for my certification, I would not have the information that I have today only because of the fact that even prior to the certification, I didn't know what questions to even bring up to whom specifically, just because when it comes to developing financial networks, there's just so many titles or so many roles, so many positions that it just causes a lot of confusion and frustration.

Shari Simpson:

80%, that's a staggering statistic. Where do we start then as employers? That just seems so wide. I guess, what should our first step be?

Dr. Kevin Wright:

Yes, take the time to understand how financial literacy is even prioritized or potentially not even prioritized within your specific state. So, for example, as a recent study because I want to make sure that I'm saying the right figures because I know it happens every two years, but there is the National Endowment for Financial Education. There's the Council for Economic Education. There's the NextGen Personal Finance Association. So everybody's always doing these types of different studies. And at least as of August of this year, only 29 states actually require some type of standalone personal finance course for students to graduate from high school. And even then, when you think about those twenty nine states that require some type of financial literacy, the fact that only twenty nine require an actual standalone course, other states that require some type of financial literacy for students to graduate. It's either a one day course or it's a one hour seminar about how to open a checking account. But yet it checks the box of light up financial literacy

done. They can graduate. And then in college universities, it's even more disparate, where there's not a universal standard of financial literacy offerings on college campuses and universities across the country. So then when those folks come into the workforce post-graduation, for the most part, yeah, they'll be given some type of resource about their retirement in 401Ks or 403Bs or IRAs or Roth IRAs. And even then, that's just scratching the surface of how much access and information they can actually have as it relates to making healthy financial choices. And even tying back to what I said earlier about like 80% of the content comes from my certification. Just to give context, I had to go through an 80 plus hour training. I had to take a four hour exam. I had to get a 90% minimum just to pass the course. So when you think about how much content is covered in 80 plus hours, when you think about how much content is tested on you for a four hour exam, it's a lot to take in. I would say that it's important for employers to start with understanding what does financial literacy look like as a priority within your state? And then how is your company contributing to that prioritization? or potentially contributing to that deprioritization. Because while I appreciate employers that provide a lot of lengthy services and resources to their employees about retirement, the fact of the matter is, is that that's only one little corner of financial literacy. So it's important to think about what opportunities are we creating where a person can feel more comfortable with talking about money also does your company even create a culture where it's openly welcome to talk about what is another some places unfortunately have this culture where it's just like, hey, don't talk about money. Don't talk about salary. Don't talk about what you're making, which is a tactic of mass distraction. So it's important for us to think about how are we reframing our relationship with money? Because for some people, when thinking about finances and money management, it can be a very sensitive topic. It can be a taboo topic. It can even be a traumatic topic. But nonetheless, it's important for us to think about where are the opportunities for us to learn more, to have access to this information, and to also broaden our financial networks.

Shari Simpson:

You brought up a couple really good things that I hadn't considered. So when I think back to my high school days, you know, we were required to take, I think

it was called an economics class. And we learned to, you know, balance a checkbook back in the day. But I don't remember learning about credit. I don't remember learning about, you know, different types of credit cards, rewards cards, net rewards cards, what I should be thinking at every stage of my life. I don't remember learning anything about stock and the difference in types of 401ks that were available to me, potentially for me to think about. You know, I think to my own children who are now all launched and in each one of them, I had to have a conversation about, you know, what, what is credit? What affects your credit? How do we think about it? Do I buy a car? Do I lease a car? Do I, you know, rent or whatever I need to do? Do I buy a house? Do I not buy a house? You know, all of those complexities, you're right. There's a ton of resources per se out there, but navigating them can be wholly just very overwhelming. And I even think about it from the perspective of some of the things that you mentioned, right. As you come into an organization, we'll give you, you know, your 401k information, but what about if you have an RSU program? What if you have a stock program? How do you talk about compensation statements? If you've never seen a comp statement, the totality of your benefits and your salary and all these ancillary things, that can be really overwhelming.

Dr. Kevin Wright:

Absolutely. And that's why even when conversations about come statements and negotiations and whatnot, a lot of people don't know where to start. And then everyone has their own preference or their own approach to these topics. And that's why it's bittersweet, because while there's so much information and so much opportunity that one can maximize on as it relates to financial literacy, there's also just so many gray areas. Right. And then also the rules are always changing. So one of the limitations or one of the obstacles, I guess you could say, that I'd navigate often is the fact of trying to stay current in order to share this information with the masses. Because, for example, when I was on college campuses back in 2020, I gave a lot of talks about the student loan debt crisis because a lot of people were asking, like, oh, well, Kevin, like our student loans getting forgiven? Are they getting canceled? Aren't those the same thing? So having to talk about the difference between student loan cancellation versus student loan debt forgiveness. And

then even then, that was under a different administration, because now in twenty twenty five, the rules are different. And even then, the rules aren't even solidified yet. They're still being formulated as we speak. So I always tell folks, be mindful of the fact that it's one thing to even take the step to have access to the information. It's another completely different step to maintain that relevance and that timeliness of information that you are accessing. Because, for example, with my certification, I have to get recertified every three years. So I have to retake the exam every three years. And that's because every two to four years, there's a local or national election. So depending on who the governor is or the president is, will influence and inform how financial systems operate, whether it's student loan debts, whether it's with the housing market, whether it's with cost of living adjustments and salary, you know, the whole gambit gets impacted. So I always try to have employers understand that financial literacy is more important than we think because it's not just a money issue. It's not just a financial topic. It's also a public health issue. It's also a public health concern because of the fact that more people who develop negative and unhealthy or unnecessary financial habits tend to have a lower life expectancy. They tend to be in more debt. They tend to have more negative financial habits, and they tend to make very unnecessary financial decisions that are usually rooted in impulse or survival. No shade to those folks, but the thing is, they don't know any better because they are a reflection of the system. And these systems, I mean, we already know financial systems, like many systems, were not initially designed to benefit us. I mean, there was one time in this country where women didn't have access to credit cards unless they received permission from their husband, assuming they were heterosexual. So it's, it's one of those things where like, even just that historical data point shows you like financial systems are always shifting and have always continued to shift. So it's important to make sure that you are expanding that financial network and then advocating in the workplace for those resources, because I have more people in my network, not advocating for conferences and conventions, they're advocating for financial literacy courses, they're advocating for financial literacy webinars, certifications, literature, they're not really talking too much about like, hey, I want to get my project management certification, you know,

they're like, I want to know how to buy a house. That's what I'm more focused on. I can be a project manager anytime. But this housing market, depending on where you live, even depending on the zip code that you live in, it's like if you have your opportunity, you don't want to miss it. So, of course, you're going to do everything that you can to try to get information about critical topics like that, that impact your wellbeing and your livelihood, because with financial literacy, the goal should be not just solely being debt free. It should also be about creating intergenerational wealth. So essentially, what are you doing for yourself? Then also anybody in your bloodline, in your family, in your community, you know, that is coming after you as well.

Shari Simpson:

There are so many nuggets that you just said. I was feverishly taking notes because I wanted to double click into a couple of them. The first being, you know, knowledge is power. We know that, right? And when you have the knowledge, you have the power to make better decisions for yourself, for your family, for your generation. That is such an important concept that we can't forget that knowledge is power. And, you know, you touched base on the credit card thing for females. And it's interesting because that history isn't that far behind us. It wasn't until Please don't quote me on this. I'm going to say 1975, but I could be off by a couple of years. You know, women had to have their husband signed to have a checking account. You know, you're talking about all these different systems and we're still trying to teach women how to build their own wealth. And that's just one category of people. You know, there's all that intersexuality that complicates all those things. And like you said, people don't know what they don't know. And so they are making decisions based on the information they have. I want to play the dissenter for a moment here for this conversation. Isn't EAP enough? It offers all these resources. Why do I as an employer have to go above and beyond? And again, I'm being contrarian on purpose.

Dr. Kevin Wright:

No, no, you're totally fine. So when it comes to EAP employee assistance programs, I am not saying that EAPs are not doing enough. It's just that what I have learned from experience, but then also actually consulting with different

organizations that have EAPs is that usually when it comes to financial literacy and wellness, right, it's only covering one particular aspect or only a limited amount of information in regards to financial literacy. So if there's an opportunity to expand those offerings, that would be great. Because here's the thing, I'm not saying that, oh, EAPs only talk about retirement. What I'm saying is that when I see organizations have EAPs that offer financial wellness coaching, and even then the employee takes advantage and gets access and obtains access to that coaching. More times than not, I'm getting people reporting that, oh, I went to my financial coaching, financial onus coaching session. And all we talked about was, do I have a checking account? Do I have at least one credit card? Did I sign up for all of my 401k retirement benefits? Am I making the maximum contribution? That's it. And then we just kept the surface level and we just kept on checking the box. So it was very technical, nothing wrong with that. And at the same time, I don't know of too many EAP programs that are actually talking about financial psychology, account management, developing your financial networks, investments, stocks, bonds, CDs, et cetera, et cetera. I mean, the financial network piece alone is something that I when I do these workshops and these seminars, it's its own session, because I actually have this activity where I put 20 titles on the screen and I ask people, I mean, might tell me the difference between even two of these titles. More times than not, they can't. And then I ask them just like, so raise your hand if you believe that most of these titles are probably the same thing. And I'm talking like financial coach, financial mentor, financial advocate, financial advisor, financial instructor, tax planner, college planner. All of these titles sound very synonymous, right? And yet they all have very different specializations. And there are practitioners that hold multiple titles, depending on all the spaces they're in, whether they're a financial attorney, a tax planner, and a financial consultant, they could be all three in their clientele, not even know. So even with understanding what it means to diversify your financial network. I appreciate EAPs because that is one branch of a person's financial network. And at the same time, it needs to be further expanded. It needs to be further diversified because I think it's unfair to EAPs to have the pressure to provide anything and everything all at once, you know, about financial literacy. And at the same time, I think it's unnecessary to only

focus on one particular aspect of financial literacy as it relates to the workplace. Because while I appreciate the information about retirements, 401Ks, 403Bs, IRAs, Roth IRAs, there is just so much more to it than that. And I wish people were aware of that fact because of the fact that some organizations navigate these financial literacy conversations with a very minimalistic lens where it's just like, we are only here to cover this because this is all that matters. When in actuality, we need to be taking the time to meet the folks where they're at. We need to first understand, does this person even know what they're getting themselves into when they sign up for 401k? Do they even know why it's called a 401k? Like, how did we land on the number four zero one and then the letter K? So it's things like that, because I have run into questions like that where it's important for people to, you know, have that context where some people have just been told, oh, make sure you sign up for it because it'll help you in the long run. But when you think about this current workforce, knowing that we have intergenerational employees, there are some people that are navigating off of what their parents told them or what their grandparents told them, or it's just like save, save, save, invest, invest, invest. And at the same time, there are some people that didn't come from that background where they're literally trying to start from scratch, where maybe they're the first person in their family's history in a full-time job with benefits. Maybe they're the first person in their family's history to have a job where they're making six figures, but they don't know what to do with that. They have access to this money, but they don't even know what to do with the money. Versus somebody who comes from wealth and stocks and bonds and inheritance money and social capital in an investment portfolio handed down to them. Those are two different experiences. And yet what I've seen from organizations and some EAPs is that they treat everyone like the same, where it's just like, you should have the same amount of knowledge, you should have the same amount of awareness, and you should already know what type of financial strategies and decisions you want to make, as opposed to actually sitting down with the person, meeting them where they're at, and actually walking them through it instead of just rushing them into a decision because of the fact that we have these tight deadlines in the workplace. You have 15 days to sign up for your EAP. You have 10 days to sign up for your retirement.

You have 30 days to sign up for the rest of your benefits. Things like that, where it's just like, it's not fair to some people because they need more than even 30 days to figure all of this out. And when it comes to financial literacy, that is a lifelong learning journey. You know, there are people even in their eighties are still finding out new things about financial literacy. And now that we have certain things such as cryptocurrency, you know, and other forms of currency, it's important to make sure that we are remaining timely and relevant to our ever changing financial systems.

Shari Simpson:

Yeah. Well, and the ever changing is so important to remember, you know, it's something as simple as, you know, what our FSA limits are going to be, what our tuition reimbursement limits are going to be for the year. I mean, those are all driven by, you know, administration changes and those types of things. So it's complex to say the least. When you look at the data surrounding organizations that are really doing this well, what kind of ROI are they seeing in their employees? Is there a productivity number we're seeing? Is there a retention number we're seeing? You know, how is it actually hitting the bottom line of the business?

Dr. Kevin Wright:

Yeah, most definitely. So more times than not, organizations that are actually investing more into financial literacy resources and information for their employees are seeing higher retention rates. They're seeing more company loyalty. They're seeing more stable productivity. So, you know, deadlines are being met. There's low turnover. There is not that much churn, so to speak. A lot of people are actually feeling a stronger sense of belonging to the company because they're actually seeing like, aside from a paycheck, I can see how the company is investing into me knowing that I am contributing all this labor, you know, both physical and emotional and psychological labor into the company. And yet here's what I'm getting in return tenfold. So a lot of places are seeing that. And even then, a lot of places are trying to trying to copy each other. And what I always tell folks is that this is why it's important to assess the needs of your people. So I'm working with organizations that are providing additional financial literacy information as it relates to stocks and

bonds and navigating the stock market, because majority of the employees said we would love to have more information about this, whereas some organizations are now developing a stock options, a compensation package for their employees because many employees have said, Oh, you know, what would keep me here as opposed to more pay if there was actually stock options available based on the company that I'm working for. So now some companies are focusing on that. They're not focusing on navigating the stock market because they just want stock with this particular company. And that's okay because that is where equity still comes into play. Not everybody's financial literacy strategies or programs or offerings are going to be the same, nor do they need to be. However, it is important to make sure that we are thinking about how can we invest even more into our employees, knowing that it will pay off in the long run. Because I'm not saying that everyone is now going to become a millionaire overnight because of this. However, what I am saying is that at least people can have more of a fair chance to navigate financial systems accordingly. So that way they're not having to navigate with so much misunderstanding and assumption making.

Shari Simpson:

I can't imagine what it would have been like when I think back to my, my earlier career years, if I had walked into an organization and they had said to me, Hey, you know, we have this financial literacy track of education that you can, you know, even if it was on demand, right. That you can participate in, and it's going to teach you about credit cards. It's going to teach you about buying a house. You know, you have to do all of that work on your own as an individual in so many organizations and. Like you said, there's just so much information out there. It's like you don't even know necessarily what the right stuff is. So I love kind of your first step advice for those that are listening is figure out what your organization, what your employees want. Don't go down this rabbit hole of creating all this stuff, right? Building this whole program, hiring all these people, right? Because you may totally miss the mark. Maybe, you know, the population really just wants home buying stuff, maybe they want will writing and planning for the future, or maybe they just have kids and they need to know about trust and stuff like that. So definitely step one. I love that. What's step two, right? So now you've kind of gotten the landscape as an

HR person. Okay. I have my list now of what people want, but I don't know that I can provide that education. You know, what are some creative ways that we should be thinking? Obviously people like you who are consultants who are in this space is a great resource. Is there other things in our environment, though, that we should be able to tap into that maybe won't cost us something? So I'm thinking specifically about your relationship with 401k, right? That's very specific to the 401k. You can have that provider come in. But is there other things that we maybe haven't realized are resources for us as HR professionals to help provide this type of education?

Dr. Kevin Wright:

Yes, I mean, financial consultants are definitely a good thing. Financial education instructors, which is a separate role is another thing. And the thing is that they don't necessarily have to always come at a cost depending on what you need. I would say the 2nd step is to understand how. Essentially assess what partnerships do you already have in terms of who holds this knowledge that you may haven't tapped into that much and then what can they provide in addition you know in addition to further sustaining that relationship so like for example I've seen some organizations who primarily work with like Vanguard and Fidelity and AXA Equitable, you know, for their retirement accounts. And yet they also have partnered with those companies to provide additional financial literacy education to their employees because the companies tapped further into the resources that companies such as those had at their disposal that they didn't know about. Now, granted, these companies weren't trying to hide the fact that they had these resources, just that more times than not, they come from historically only having transactional relationships or transactional partnerships with companies where it's just for the sake of the 401k retirement benefits, nothing else. So now that folks are aware, they're like, hey, these companies that we already work with, let's further strengthen this partnership. Or for example, I work with a lot of colleges and universities. So I know that many colleges and universities have partnerships with other local banking institutions, if not credit unions, who also provide financial literacy education as well, usually at no cost because of the fact that they are already serving the demographic that they are already being paid to serve. So therefore there's usually no cost. There's

just an added benefit to further strengthening the relationship, strengthening the partnership, but then also strengthening the availability of offerings. And even in regards to that, I would say an additional second step is to develop a strategy on how you're going to sustain what you're offering because of the fact that the information is always shifting. It is always changing depending on who is in political office.

Shari Simpson:

Wow, Kevin, this was such a good conversation. It gave me personally a lot of food for thought. I'm sure it gave our audience a lot of notes to take back to their organizations as well. So thanks for finding some time in your day to sit down and chat with me about this.

Dr. Kevin Wright:

Yes, thank you so much. I'll see you next time.

Announcer:

I hope you enjoyed today's episode. You can find show notes and links at TheHRMixtape.com. Come back often and please subscribe, rate, and review.