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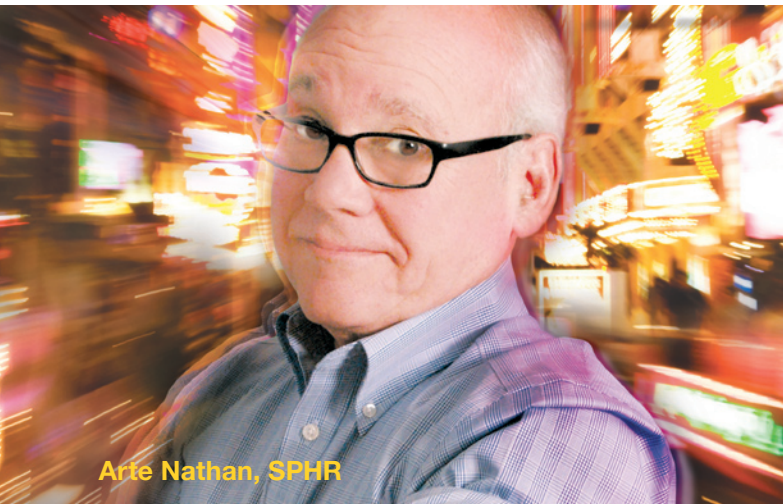
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16 | Vegas HR Guru Makes His Own Luck

By Jean Christofferson

Meet Arte Nathan. He's best known for his role as vice president of human resources for Steve Wynn, who's often credited with breathing life back into the Las Vegas Strip. During his two decades with Wynn, he has done some extraordinary things. In this exclusive interview, find out why Nathan says he's not the smartest HR guy, but he feels like the luckiest.



Arte Nathan, SPHR

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By Lori Wisper and Scott Cohen, Ph.D.

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By Juan Pablo González

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Insurance is used for many of life's assets: house, car, life. But one of the most important assets is also one of life's most unstable — retirement income. And the loss of so much retirement income during this recent economic crisis has shown how vulnerable workers are to the twists and turns of the market. Employers and employees may find comfort in insurance for their 401(k) plans.

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Global Headquarters

14040 N. Northsight Blvd.,
Scottsdale, AZ 85260 USA

Washington, D.C., Office

1100 13th Street, NW
Suite 800

Washington, D.C. 20005 USA

Canada

P.O. Box 4520, Postal Station A,
Toronto, ON M5W 4M4

Telephone: 480-951-9191

Toll-free: 877-951-9191

Fax: 480-483-8352

E-mail: workspan@worldatwork.org

EDITORIAL

Publisher Anne C. Ruddy, CCP, CPCU

Executive Editor Ryan M. Johnson, CCP

Managing Editor Jean Christofferson
(jean.christofferson@worldatwork.org)

Editor Michelle Kowalski
(michelle.kowalski@worldatwork.org)

Contributing Editor Erin Ryan

Review Coordinator/Permissions Editor Marie Finke

DESIGN

Senior Manager, Community, Creative and Web Barry Oleksak

Art Director Jamie Hernandez

Creative Services Manager Rebecca Williams Ficker

Senior Graphic Designer Kris Sotelo

Graphic Designer Hanna Norris

CIRCULATION

Circulation Manager Barbara Krebaum, 480-304-6861

ADVERTISING

Display Advertising Representatives & Offices

Becky J. Setterberg (becky@mohanna.com) or

Mitch Mohanna (mitch@mohanna.com)

Mohanna & Associates Inc.

305 W. Spring Creek Parkway

Building C, Suite 101, Plano, TX 75023-4626

800-800-0341; 972-596-8777; Fax 972-985-8069

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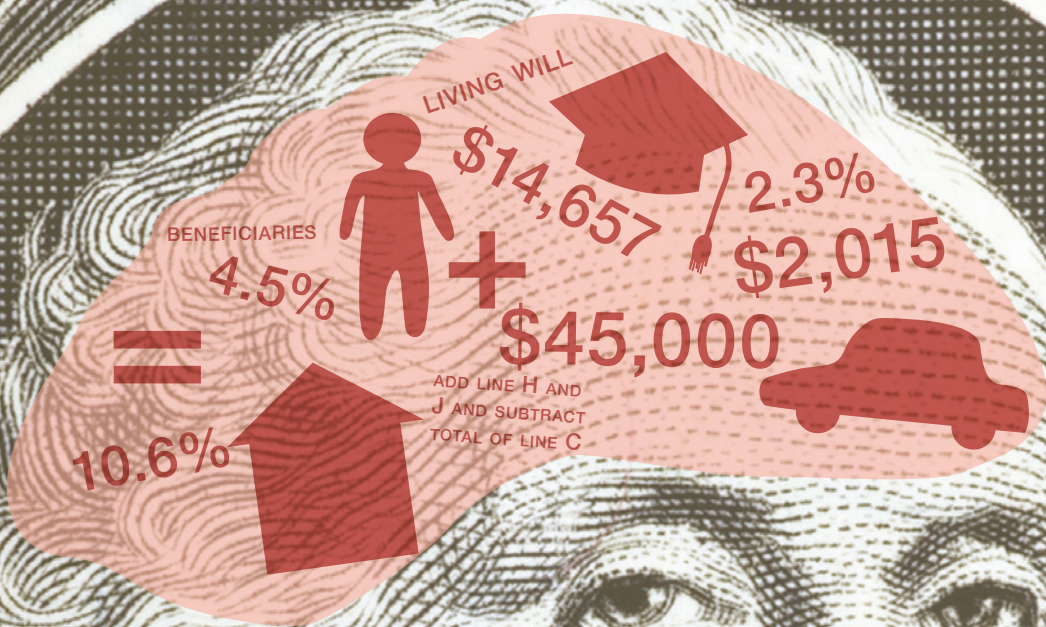
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Boost Employee Financial IQ

Many total rewards professionals are facing a harsh reality: when employees need their support the most, decreasing revenue and increasing health-care costs are forcing cost-cutting, with traditional benefits often being reduced.


But these tough times are a good time to introduce financial literacy/wellness programs as a way to help workers feel more secure. That can help them become more productive and improve the company's bottom line.

Because total rewards encompass everything from compensation to benefits to professional development, an economic downturn severely changes the landscape of this profession — and not for the better. Since a recession often means lower compensation and fewer traditional benefits, it can leave total rewards managers with the challenge of supporting employees in other methods and keeping morale up despite a lack of traditional perks.

QUICK LOOK

- ➔ The loss of traditional total rewards not only means lower morale, but increased employee stress, which can affect productivity.
- ➔ Studies have found that 15 percent to 30 percent of employees have such severe financial problems that their productivity at work is negatively affected.
- ➔ As employees increasingly fear for their financial security, they turn to their employers for protection and assistance. Seventy percent of employees believe that employers are responsible for their retirement readiness.

By Elizabeth Halkos, Purchasing Power



By offering employees
the opportunity to become more
financially literate
through programs at work,
companies can help employees
achieve financial wellness.

This loss of traditional total rewards not only means lower morale, but increased employee stress, which can impair productivity. Studies by the Personal Finance Employee Education Foundation (PFEEF) found that at any given time, 15 percent to 30 percent of employees have such severe financial problems that their productivity at work is negatively affected.

This financial stress can take the form of:

- Less satisfaction with pay
- Work time wasted dealing with personal finances
- More absenteeism
- Poorer health.

All of these consequences, especially time wasted at work because of personal financial stress, hurt an employee's productivity and the company's bottom line.

Fear over financial security affects every person differently, but the overarching issue of managing employee stress is being faced by employers nationwide. Jeff Henderson, chief financial officer at Cardinal Health, told *The Wall Street Journal* on March 18, 2009, that "anything companies can do to reduce that stress level for employees is something you have to look at."

As employees increasingly fear for their financial security, they turn to their employers for protection

and assistance. Employers should respond by looking for ways to both ease stress and improve quality of life for employees, which will boost the company's bottom line.

That's where financial wellness programs can come into play.

Financial literacy can be defined as the knowledge about personal finances that enables people to confidently manage their financial lives. By offering employees the opportunity to become more financially literate through programs at work, companies can help employees achieve financial wellness — the practice of responsibly applying this knowledge of their finances in everyday life.

One example of financial wellness is making the best possible choice with your money given all the options. For instance, if someone living within their means needs to make a big-ticket purchase that they can't pay cash for, they find the most responsible method with which to do so; this is not necessarily going to be the lowest cost per month, but rather could be a shorter-term payment plan that can be completed before the product becomes outdated. Financial wellness programs help teach employees to make these kinds of decisions responsibly.

Retirement planning is an obvious way in which employers can help employees

with their finances. According to AXA Equitable, more than 70 percent of employees believe that employers are responsible for their retirement readiness. Employers often offer defined contribution plans to employees, such as 401(k) programs, but because of the economic downturn, many employer match programs have been scaled back. Additionally, because of the volatile market, many people have seen their existing funds significantly decrease.

To help ease this loss, employers can help employees become more financially secure in a variety of other ways.

Basic financial literacy courses are one way employers can help employees become more financially secure. These courses can be offered by an in-house HR staff member or by an outside expert during a lunch-and-learn or after-work session. Relevant topics include: setting financial goals, budgeting and spending plans, planning for emergencies, managing credit and retirement strategies. If offering courses in the workplace is not feasible, total rewards managers can point employees to online resources like Consumer Credit Counseling Service. Education around personal financial wellness can help employees better manage their finances and, ultimately, spend less work time thinking about these issues.

Another piece to the financial wellness puzzle that employers should consider is helping provide options for employees to purchase voluntary benefits. Offering such options costs the company little or nothing. Voluntary benefits can range from vision plans to prepaid legal services. Employees may appreciate still being offered a wide range of benefits options despite cost-cutting measures elsewhere in the company. According to the 2008 annual MetLife Study of Employee Benefits Trends, employees

value voluntary benefits more than employers often realize.

Employers can also offer employee purchase programs for items like computers as well as group discounts on services like gym memberships and telephone plans.

All of these options can help total rewards managers ease financial burdens on employees.

The economy will continue to have ups and downs, but employers should focus on ways to help employees with their finances now. While there may not seem to be numerous immediate benefits, financial wellness programs can provide long-term effects like:

- A more engaged workforce
- Increased job satisfaction because paychecks will go further
- Improved morale because of a wider variety of benefits options

and a sense that employers care about individual needs.

It is unlikely that any workplace will ever be completely free of financial stress, but total rewards managers should engage employees looking for assistance with finances and continue to support them. Such actions have the potential to ease workers' financial stress and improve their productivity, helping the company's profitability. Instituting programs now gives a company the opportunity to emerge from this recession with a stronger, more financially literate employee base. [WS](#)

ABOUT THE AUTHOR

Elizabeth Halkos is vice president of sales and marketing for Purchasing Power, an Atlanta-based employee-purchase program provider. She can be reached at ehalkos@purchasingpower.com.

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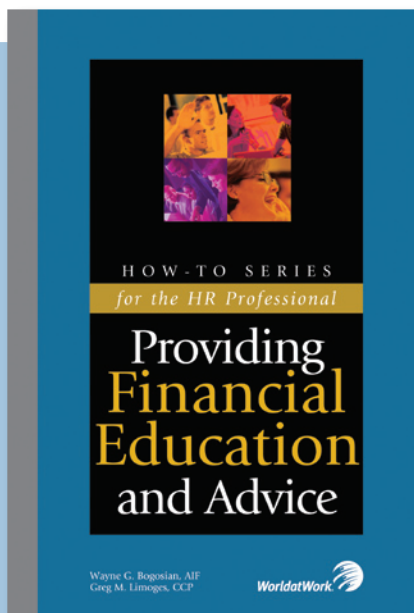
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