



THURSDAY, JANUARY 7, 2010

Employees finding personal finance guidance at work

Employers once steered clear of mixing work and personal finance due to concerns about liability. But since the recession began, more employers are providing resources for financial education and credit counseling.

Financial concerns can disrupt someone's life on and off the job.

"Twenty percent [of workers] deal with personal money matters while on the job, talking to creditors and bill collectors, which means they're not being productive," said Barbara Stark, director of education and community development for American Debt Counseling, a non-profit debt consolidator in Sunrise.

That's why South Florida employers are inviting credit counseling organizations into the workplace to help employees budget their earnings and find where to turn in a crisis.

Generally, there's no charge to the employer and the "lunch and learn" sessions are voluntary for employees; confidential individual counseling usually takes place on the phone or at the credit counselor's offices.

Online

Read more Marcia Heroux Pounds columns at SunSentinel.com/Marcia



» PERSONAL FINANCE PAGE 2

» PERSONAL FINANCE PAGE 1

On-the-job financial education

Some workers in danger of losing their homes or who have maxed out their credit cards may need individual counseling. For others, financial concerns result from poor budgeting and money management.

"You need to know where your money is going so you can make the right decisions with your money," said Alex Bort, community outreach manager for Consolidated Credit Counseling, a non-profit organization with offices in South Florida.

The group has given money-management workshops at Broward College, Jackson Memorial Hospital, Carnival Cruise Lines and other local employers.

Stark provided seminars on improving a credit score, saving money on groceries and managing money in tough times last year at The Starting

Place, a Plantation organization that offers substance abuse and mental health counseling.

"Money pressures have an impact on job performance. The more a company can do to address [financial concerns], the more productive and less stressed employees will be," said Dr. Joel Kaufman, a psychologist and CEO of The Starting Place, overseeing about 50 employees.

Credit counseling agencies often leave brochures behind after seminars for employees who might be reluctant to attend the sessions, fearing their colleagues will know they're in financial trouble. Workers who need financial counseling the most don't usually go to the seminars, but they may call, Bort says.

Stark says liability is not usually a concern because employers are not involved in the indi-

vidual's counseling or choices. Employment lawyer Allan Weitzman, a partner in Proskauer Rose in Boca Raton, says it would be a "slippery slope" if courts held employers liable every time they brought in a third party to benefit employees.

"It would deter employers from being nice to their employees," he said.

Recently, Consolidated Credit added housing specialists to help homeowners in danger of foreclosure with information about loan modifications and other potential solutions.

"You need to concentrate on your mortgage. If you're in trouble and starting to fall behind, contact a certified counseling agency so they can help you with your situation," Bort said.

Stark says she teaches workers in financial crisis to put security first by

paying for housing and food, then other expenses.

Sometimes, a debt consolidation plan is recommended. At American Debt Counseling, clients who agree to a debt-reduction program have their credit card accounts frozen and are put on a 48- to 60-month payment plan to become debt-free. Usually, overall debt can be reduced by about 40 percent, Stark says.

However, Bort said debt consolidation isn't always the best way to go in this economy. If employees are laid off and can no longer afford the agreed-upon payment, their credit card interest rates can soar. "You need to make sure people on the program will be successful finishing the program," Bort said.

Marcia Heroux Pounds can be reached at mpounds@SunSentinel.com or 561-243-6650.