

Engaging ERGs to Drive Deeper Financial

by | **Liz Davidson**



Wellness

Integrating diversity, equity and inclusion (DEI) strategies into financial wellness programs can help organizations drive lasting improvements in their employees' financial well-being—especially when programs work through trusted peer networks, such as employee resource groups (ERGs).



benefits
MAGAZINE

Reproduced with permission from *Benefits Magazine*, Volume 62, No. 4, July/August 2025, pages 38-43, published by the International Foundation of Employee Benefit Plans (www.ifebp.org), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.

Financial wellness programs have proven to be a powerful driver of positive change for many employers. They can reduce financial stress, increase employees' sense of agency and boost confidence—benefits that ripple across every aspect of life and work, from productivity to long-term career growth.

These impacts may deepen significantly when programs are delivered in partnership with employee resource groups (ERGs) that already coalesce around shared identity—including race, culture, life circumstances, gender and ability. This approach can help them develop content and delivery methods that reflect employees' lived experiences. ERGs cover a wide range of groups with similar experiences, including women who historically need to save longer for retirement; members of minority groups who typically earn less, have similar lived experiences, and look at money through their unique cultural lens; single parents who must plan without the financial or emotional help to a spouse; neurodiverse employees who learn and process information differently; or employees with disabilities or life circumstances that must be factored into their financial planning.

By tapping into the trust, insight and connection already encouraged within ERGs, organizations can co-create financial wellness strategies that resonate deeply. This article provides key best practices—used in several large employers'

financial wellness programs—and insights into how they partnered with ERGs to deliver measurable results.

1. Start by Listening: Empowering ERGs to Lead the Way

The most effective solutions come from those who experience the challenges firsthand—employees. ERGs, when empowered as active, peer-led partners, can offer an authentic window into the real-world financial struggles and needs of a workforce. They provide insider insights that help programs resonate with the people they're meant to assist.

Why does this matter? Because top-down financial wellness programs rarely hit the mark. They can miss key issues that only employees rooted in specific communities truly understand. That's where ERGs come in—They not only identify these gaps but also bring the context and lived experience that turn general guidance into actionable, tailored strategies they feel they can use.

Best Practice

Design ERGs to be peer-led, not top-down. Empower these groups to play a central role in shaping and personalizing the financial wellness program, ensuring that it aligns with the unique needs of employees.

How to do this well involves the following.

- **Listen genuinely.** Use surveys, focus groups and candid conversations to understand the specific financial struggles different employee groups face.
- **Involve ERGs early.** Don't just ask for feedback—Invite them to co-create. When ERGs are part of the process, they become advocates for the program, which increases its authenticity and potential to improve employees' lives.

Example

The LGBTQ+ ERG at a large employer identified a critical gap—Employees in certain states couldn't access partner benefits due to legal restrictions. Instead of simply flagging the issue, the ERG and the company's financial wellness vendor collaborated to create a customized webcast on estate planning and insurance strategies to overcome the challenges this community faces to secure policies that help protect their families.

2. Use AI and ERGs to Personalize Programming

As financial wellness programs evolve, personalized experiences have become a fundamental part of their success.

takeaways

- Collaborating with employee resource groups (ERGs) that represent identity groups such as women and minorities can help employers design and deliver financial wellness programming that reflects employees' unique experiences.
- ERGs can help to ensure that financial content addresses challenges—such as caregiving, intergenerational debt or systemic financial barriers—faced by certain groups.
- Employers can develop peer panels that bring together members from different ERGs to allow employees to share diverse perspectives, experiences and strategies for navigating financial challenges. These panels often reveal common concerns that resonate across different employee groups.
- Employers should gather data on metrics such as financial wellness program participation, reengagement, stress levels and behavioral changes in financial decision making and adjust content where needed.
- Research has shown that financial wellness programs that involve ERGs see higher participation and reengagement rates.

Artificial intelligence (AI) has emerged as a tool that enables organizations to deliver highly individualized guidance based on employee behaviors, goals and preferences. Through AI, companies can automate nudges, offer personalized content, and integrate broader benefits and tools that align with each employee's financial needs, creating a more tailored experience.

However, while AI may be crucial for cost-effective implementation of these efforts, ERGs can provide the human connection to overcome emotional barriers that keep employees from acting. ERGs help to ensure that financial content addresses challenges—such as caregiving, intergenerational debt or systemic financial barriers—faced by certain groups, creating a more comprehensive approach to financial wellness.

Best Practice

Use AI to implement personalization, and pair it with ERG input to make sure that the content is culturally relevant and addresses real-life challenges. This collaboration may lead to smarter delivery, meeting employees' needs and providing actionable steps to achieve their goals. This, in turn, can lead to better outcomes in employees' wellness.

Example

Employees who participated in an ERG-driven financial wellness program that included both digital and human financial coaching at a large financial institution reported the following outcomes.

- 40% of employees who carried high-interest debt have now eliminated it.

The Results: What Happens When Organizations Integrate ERGs Into Financial Wellness

Organizations that intentionally integrate ERGs into their financial wellness programs are likely to see significant improvements in employee engagement, behavior change and cultural trust. By giving ERGs a seat at the table—from program design to delivery—employers should be better equipped to meet the diverse financial needs of their workforce while strengthening inclusion and belonging.

Following are some key outcomes experienced by the organizations mentioned in this article.



- **Higher engagement and reengagement:** Programs involving ERGs consistently see up to two times higher participation than standard offerings. One large health care provider saw a 65% reengagement rate after offering ERG-specific webcasts: Of 699 initial attendees, 458 engaged in another financial wellness service.
- **Meaningful stress reduction:** Forty-one percent of employees who had unmanageable financial stress reduced their stress to manageable levels, and 91% of employees who reported they were in the "crisis/struggling" phase moved to the "planning/optimizing" phase.
- **Stronger trust and representation:** When coaches reflect participants' identities and ERGs shape content, employees report feeling more supported and better understood—driving deeper connection and learning through repeat usage of the program. More than three-quarters (76%) of employees who participated in the large financial institution's program reengaged later on, and employees proactively sent thank-you notes to their human resources (HR) and benefits leaders.
- **Sustained cultural impact:** ERG-led efforts contribute to a culture of equity and support that may align with organizational goals and enhance organizational cohesion.

- 56% of employees who previously lacked positive cash flow now report a monthly surplus—highlighting the lasting impact of personalized, culturally relevant support.
- 61% of employees who had no emergency savings now have at least \$1,000 set aside for unexpected expenses.

3. Build Connection Through Peer Panels and Cross-ERG Collaboration

While addressing the unique financial needs of each community is cru-

cial, organizations are increasingly finding value in fostering connections across ERGs. Peer panels that bring together members from different ERGs allow employees to share diverse perspectives, experiences and strategies for navigating financial challenges. These panels often reveal common concerns that resonate across different employee groups.

By creating space for employees to connect on these shared issues, organizations can help reduce the stigma often associated with financial stress and promote a sense of solidarity. What may feel like an individual struggle

for one group becomes a collective challenge, empowering employees to find mutual support and solutions. This kind of cross-group learning encourages open, candid conversations about finances—something that traditional financial training rarely fosters.

Moreover, these interactions can provide a richer, more holistic view of financial wellness, bridging the gap between different racial and cultural groups and helping employees see how their experiences overlap with others. This shared learning increases financial knowledge and also strengthens the sense of community within the organization.

Best Practice

Facilitate peer-led panels and cross-ERG collaboration to promote shared learning and mutual support. This approach allows employees to connect on common financial challenges, build empathy and enhance overall engagement in financial wellness programs.

Example

At a large health care organization, a cross-ERG panel with four distinct groups discussing money perspectives sparked widespread interest in additional sessions. Employees left the session feeling more informed, connected and eager to participate in future discussions—demonstrating the power of shared learning.

That same employer also saw powerful behavior change from its program across racial demographics who face disproportionate levels of financial stress, demonstrated by the following statistics.

- 75% of Native American employees experienced a reduction in high or overwhelming financial stress.
- 50% of Black employees saw the same reduction.
- 48% of Hispanic/Latino employees reported the same reduction.

4. Measure the ROI of Financial Wellness Programs for ERGs

Integrating ERGs into financial wellness initiatives can also drive measurable business outcomes. When ERGs actively contribute to the design and delivery of financial wellness programs, organizations can see significant return on investment (ROI) through improved employee engagement, productivity and reduced turnover. ERGs can also produce tangible cost savings. These include reductions in

bio



Liz Davidson is the chief executive officer and founder of Financial Finesse, an independent provider of unbiased financial wellness programs. She holds an M.B.A. degree, with a concentration in finance, from the Anderson School of Management at the University of California, Los Angeles. She can be reached at liz.davidson@financialfinesse.com.

absenteeism, garnishments and health care expenses as well as fewer delayed retirements. The financial benefits of these programs often surpass initial expectations, reinforcing the case for incorporating ERGs as key partners in any financial wellness strategy.

Best Practice

Track participation, financial behavior changes, return usage and long-term financial preparedness among different employee groups and demographics. By measuring these factors, organizations can better assess the impact and refine their programs and DEI-specific initiatives, in particular, for greater success.

Example

A Financial Finesse ROI model estimates that a large employer with 50,000 employees could experience \$4.26 million in savings from reduced absenteeism, \$13.57 million in health care cost reductions and significant savings from reduced employee turnover.

5. Connect Financial Wellness Across Benefits Offerings

While it is not specific to ERGs, another best practice is to take a holistic approach to financial wellness, integrating employees' full range of benefits and marrying them with financial support to help them make informed financial decisions at every stage and in each circumstance of their lives.

Financial stress is not only a personal issue—It is a significant factor affecting employee productivity, engagement and overall well-being. As research has shown, employees are increasingly stressed about their finances, which can lead to burnout and disengagement.

When financial wellness is embedded within the broader benefits ecosystem, employees may be more likely to engage with the program and their overall benefits packages, see the value and experience improved overall well-being. This integration can foster a stronger connection between financial health and other aspects of employees' lives, encouraging greater participation in financial wellness offerings.

Best Practice

Ensure that financial wellness is seamlessly integrated with other benefits programs, including retirement and health plans. When employees see the connection between financial wellness and their broader well-being, they are more likely to engage with and benefit fully from the program.

Example

A health care company that infused personalized benefits guidance into its financial wellness program saw a 50% average increase in participant retirement plan deferral rates and a 41% average increase in health savings account contributions among employees who engaged with the program.

Final Takeaway

Personalization has long been a cornerstone of financial wellness initiatives. When organizations take the time to tailor these offerings to specific employee needs through ERGs, they often achieve stronger engagement and measurable outcomes. 🎯

Last spring, the Equal Employment Opportunity Commission (EEOC) released informal guidance on diversity, equity and inclusion programs, including the operation of employee resource groups (ERGs). Check out the International Foundation's Presidential Administration and Employee Benefits toolkit for the latest EEOC guidance on DEI programs and other compliance issues. Visit www.ifebp.org/toolkits for more details.



pdf/725



Elevate Your Benefits Expertise This Summer.

The Certified Employee Benefit Specialist® (CEBS®), Group Benefits Associate (GBA®) and Retirement Plans Associate (RPA) designations are your path to becoming a highly valued expert.

Choose Your Path:

- **CEBS:** Comprehensive, covering both group benefits and retirement plans
- **GBA:** Specialize in health and group benefits
- **RPA:** Focus on retirement plans

Learn more and enroll at www.cebs.org.


