

**AT MANY FINANCIAL INSTITUTIONS,** the average employee stays for less than one or two years. Industry turnover runs as high as 50% of the frontline staff in some organizations, and the estimated cost to replace and train each new employee is \$2,500–\$7,500 or more. Worse still, high turnover can lead to inconsistent service and eroding member satisfaction. AAFCU has undertaken a bold new strategy leveraging financial education in order to limit turnover increasing retention and satisfaction.



For credit unions like Air Academy Federal Credit Union (AAFCU) of Colorado Springs, Colorado, the potential problems caused by high employee turnover are particularly pronounced. AAFCU feels strongly that its sense of responsibility to the communities it serves is a key advantage that AAFCU has when competing against larger financial institutions. With 11 branches, roughly 150 employees, and 44,000 members, AAFCU has built a strong reputation within each of the communities it serves, and in doing so it has found that one of the most important places for strong community relations is the front-line staff, which means the effects of employee turnover go far deeper.

As they explain it, when members see a revolving door at the teller line, it becomes more challenging to establish that important bond with the community. As a result, AAFCU has made employee satisfaction and retention a strategic priority. Recently, AAFCU management made the decision to incorporate employee financial education into its employee retention strategies. The results have been outstanding.

**THE DECISION TO REDUCE TURNOVER THROUGH FINANCIAL EDUCATION.** AAFCU viewed the decision to utilize employee financial education to help reduce employee turnover and increase employee satisfaction as both logical and the right thing to do. As Rhonda Fronczak, quality and organizational development manager for AAFCU, explains it, “We wanted to invest in our employees and show how much we value them. Our initial thinking was that we owed this to our employees to help them make informed financial decisions in their own lives.” Studies show that employees who have received financial education are likely to perform better and are less likely to leave their jobs. Retaining top quality people saves AAFCU and its

members money. For instance, if the company can retain 10 quality people who might have otherwise left, with an average cost of \$5000 to recruit and train a new employee, this has a potential savings of \$50,000, not to mention the added productivity and improved service

To develop its financial education program, AAFCU worked with Precision Information, publisher of the Educator Investor® family of products, to help develop a powerful new online education program called the Educated Investor University. As a leading source for accurate, up-to-date, and unbiased interactive financial information, the Educated Investor team was a perfect partner for AAFCU to help launch this new training initiative.

There are many reasons the University was a good fit for AAFCU. The online aspect of the University was very appealing to AAFCU employees. With over 50 hours of coursework, employees have the ability to enroll in courses of interest to them. In addition, the ability to access the coursework from anywhere, at anytime, gives people far more flexibility in fitting the coursework into their busy lives. Finally, the program allows employees to track their progress and partake in pre- and post-testing to help them make sure they are grasping key concepts.



Screen shot of the Educated Investor University as used by AAFCU

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**THE PROGRAM ROLLOUT** In the early stages, a small group of AAFCU employees tested the online coursework of the Educated Investor University and provided valuable feedback that gave AAFCU management the confidence to include it as part of its long-term employee development plans. Once the internal test was completed, AAFCU rolled out the products with a company-wide email that explained the details, benefits, and points of access for the courses. In addition, the course materials are discussed at branch meetings and employees who complete course work are recognized at these meetings and given certificates.

AAFCU management took the approach of “selling the benefits” of the financial education and providing recognition of those who completed courses rather than requiring the courses, because it wanted people to remain excited about the courses and take ownership of them, as opposed to viewing them as a burden, which is how some mandatory training programs are viewed.

**THE RESULTS: AN EDUCATED EMPLOYEE IS A MORE SATISFIED EMPLOYEE** The results have been outstanding. As of the end of 2007, 102 employees were enrolled, over 250 course hours were completed, and the average increase from pre-test to post-test scores was a whopping 24%!

COST TO REPLACE AN EMPLOYEE	PER EMPLOYEE COST OF FINANCIAL EDUCATION	VALUE OF REDUCING TURNOVER THROUGH FINANCIAL EDUCATION
\$2500 to \$7500	Less than a cup of Starbucks coffee per week!	Priceless

AAFCU employees who have completed coursework in the Educated Investor University feel the program is providing immediate benefits for AAFCU, its employees, and its members. “The Educated Investor courses are very helpful to us in our everyday life, and also help us better educate and serve our members,” says Kristin Kenney, financial service officer.

AAFCU’s commitment to financial education is paying dividends in terms of increased employee satisfaction and decreased turnover. For instance, upon completing a course on loans and credit, Shannon Hallet, a branch financial service officer, comments, “I have obtained all three of my credit reports and have taken some steps to improve my credit in order to purchase a house and new car in the next year.” Patty Simpson was also pleased, stating, “I appreciate and enjoy the learning experiences AAFCU has made available to me.” Finally, Tina Bradshaw, a financial services officer with AAFCU, added, “I have recommended the program to other employees not only to gain more information to help the members but for their own financial planning.”

**THE FUTURE** AAFCU is excited about continuing to grow and expand its efforts to incorporate the Educated Investor University into its long-term employee development plans. Kristin Kenney has words of advice for other financial service companies that are looking to improve employee retention and morale:

“I would highly recommend the Educated Investor University courses to anyone. I feel that any adult could gain a wealth of knowledge from these courses, and any organization that is willing to provide this service for its employees is demonstrating that they care about their employees and their members, which is going to translate to happier employees, less turnover, and better member service and relationships.” As this case study makes abundantly clear, AAFCU is already experiencing these tremendous benefits of employee financial education.

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