

Education Techniques, Media, and Technologies

Tip Sheet for Plan Sponsors

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Technology should be used to serve your goals, not the other way around.

The first step in developing an education program is setting goals. Then, the tools which can best accomplish those goals should be used. A program should not be designed with the goal of using a specific technique, media, or technology.

Different media can be effective for accomplishing different goals.

For example, videos can be highly effective for sensitizing employees to the need to participate in the plan but do a poor job of actually educating them. Interactive workshops, on the other hand, are highly effective for empowering participants to apply investment concepts to their own situations. Printed materials can provide convenient references.

Different technologies have different strengths and weaknesses.

Web sites are dynamic and provide a great way to distribute frequently changing data. However, the current state of the technology limits the usefulness of the Web for implementing resource intensive tools (such as modeling software and multimedia applications). CD-ROMs cannot be modified, but they allow the delivery of a large quantity of resource intensive materials.

The power and usefulness of the Web will increase dramatically in the next few years.

Many Web sites are little more than “books on a computer.” This is largely due to the limitations of the current technology. As these limitations are stripped away by technological advances, the Web will become increasingly useful for delivering participant education.

Not all education techniques are effective in teaching participants about retirement investing.

Many products and approaches to education sound great but in reality provide poor results and/or are very costly to implement. For example, do employees have the time to participate in the role playing exercises that are typically a part of “adult learning” courses? Pulling employees off the job is not only a direct cost for the sponsor, but also creates backlogs and morale problems for the employees.

Technology can be used both to enhance the quality and reduce the cost of an education program.

Interactive modeling software enhances the usefulness of the education program for participants. Web sites can significantly reduce the cost of distributing such materials as SPDs and fund prospectuses.

Cognitive psychology has shown that education programs are much more effective when they provide hands-on experience.

Incorporating portfolio modeling software (which provides hands-on asset allocation experience) can dramatically increase the effectiveness of any education program.

With a well thought-out strategy, technology can be used to integrate different media into a coherent, inexpensive, and highly effective participant education program.