

Itasca Project rolls out Financially Fit Minnesota initiative

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A new initiative aimed at improving financial literacy and security among employees was launched today by a Twin Cities economic development group.

The Itasca Project, an economic development group comprised of more than 40 Minnesota chief executives and elected officials, has organized some of the state's largest employers for its new Financially Fit Minnesota initiative.

Some participants include Travelers Cos., Best Buy, Supervalu, Deluxe Corp., HealthPartners and Pentair, all of which will change their retirement savings programs so eligible employees are automatically enrolled.

Information from the group detailed that more than 10 employers throughout the state have signed

on, and pledged to "vigorously promote" endeavors such as having employees use direct deposit and saving for retirement. The group is also promoting "opt-out" policy, meaning employees would be automatically enrolled in 401(k) programs, unless they choose not to participate.

The initiative hopes to target workers who do not usually save, such as hourly or young workers, and entice them to take advantage of free matching money in their 401(k) plans.

Itasca officials said at a press conference Tuesday that increasing enrollment in retirement programs could prove expensive for many employers. However, the group said the effort will reduce economic disparity in the Twin Cities. That will ultimately grow the local economy, said Brad Anderson,

CEO of Best Buy and the leader of Financially Fit initiative.

"Our hypothesis is, if we get information to the people at the right time, it will help them make decisions that will affect the whole arc of their lives," he said.

The group pointed out that in Minnesota, nearly 650,000 full time workers aged 21-64 are not participating in an employer sponsored retirement programs, and around 600,000 workers do not receive pay through direct deposit. It also said, citing information from the Federal Reserve, that up to 20 percent of employees have such severe financial problems that they cause productivity issues.

Itasca will coordinate measuring the success of the program.

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