

Financial Wellbeing is Employee Wellness: Benefits for Uncertain Times

by Abba Belgrave, Sales Support Manager

James Carville coined the phrase “it’s the economy, stupid” in 1992 and it has pervaded U.S. popular culture ever since. Like 1992, it’s an election year and yes, it is in part the economy. After high inflation in 2023, employee financial stress is surging. According to a 2023 PWC survey, 60% of employees say that money is the top cause of stress in their lives. These employees are increasingly looking to their employers for assistance.

It is no surprise that financial stress has an impact on the health and well-being of employees. Money governs our security in society and anxiety about it is common. Over half of all employees surveyed said that money woes affected their mental health, sleep and self-esteem. Physical health was not far behind at 44%. It is nearly impossible for these issues to not show up in the workplace in one way or another. Financially stressed employees are nearly five times as likely to admit these concerns have been a distraction at work. These same employees sometimes spend upwards of three hours per week at work dealing with or thinking about their money issues. So it costs employers time and productivity when employees are anxious about their finances. These disengaged employees are also more likely to leave an organization so this can quickly become a talent attrition issue if not addressed.

And it’s not only the lower income bracket workers that are being affected by this. Many employees are struggling to balance their short and long-term financial priorities. 20% of employees have borrowed or withdrawn from their retirement savings while 23% of employees have cashed out their investments. This is the opposite of what employees should be doing with these accounts and yet this sort of financial decision is on the rise. Income does not equal good financial health when one [recent study](#) showed that over 20% of Boomers earning above \$250k annually currently live paycheck to paycheck.

An alarming statistic to be sure, but it underscores the fact that understanding what your employees need at different life stages and in different income brackets can help employers tailor their solutions for fiscally precarious times. Where a Boomer employee might fret about reduced retirement savings, Gen Z wants help with student loan debt. 78% of employees who are still paying off student loans cannot contribute as much to retirement as a result. Traditionally, the financial services industry has catered to those with disposal income, not those who need real help. These employees of the lower and shrinking middle class want employers to step in and provide assistance.

So having the right blend of financial literacy and benefit offerings can help employers give their staff the guidance they need to be more secure with their financial concerns.

1. **Consider how often you communicate these benefits.** If you read this article and thought, “my company already offers financial well-being benefits!” chances are your employees do not know. 70% of HR representatives say their organization provides these benefits while 48% of employees know the programs are even available. Employees forget about most benefits besides medical and dental after open enrollment if you’re only communicating once a year.
2. **Prioritize financial literacy initiatives.** Nearly 75% of employees want help with their personal finances. They also want to improve their financial literacy and knowledge and they turn to HR for financial education resources. For example some struggling workers would like access to a financial advisor but 45% of companies do not offer this benefit. Hosting quarterly financial coaching or workshop sessions will keep employees engaged and aware of what they can learn for their own situation.

3. **Diversify financial wellbeing benefits.** Meet your employees where they are in their life and career stage. Student loan repayment programs such as [SoFi](#), [Peanut Butter](#) and [Earnest](#). [Employer sponsored emergency savings accounts](#) are also of big interest to cash strapped employees with 45% interested in this potential benefit.

The first step to all of the above is to know your employees' money concerns which is not always simple. One encouraging thing that has come from all this data is that the stigma around receiving help with finances seems to be receding. So start talking to them, even if it's something as small as a poll to find out where they are financially. Employers who maximize their financial wellness benefits potential can re-engage employees and improve their overall health in the long run. ■

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