

# Empower Your Company Through Employee Financial Wellness



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**MANY FACTORS CONTRIBUTE TO A SUCCESSFUL BUSINESS:** sound fiscal management, strategic and disciplined execution, efficient and streamlined operations, to name a few. But, unfortunately, when focusing on their bottom lines many organizations overlook the impact of their employees' financial wellness.

## **FINANCIAL STRESS: HOW BAD IS IT?**

Many office cultures dictate a policy of checking your personal life at the door when you come to work, but it can be hard for employees to leave their personal financial stress behind. In fact, studies show that after a year of disruption due to COVID-19, finances are the top cause of employee stress. Sixty-three percent of employees said their financial stress has increased since the start of the pandemic, according to a 2021 Employee Financial Wellness Survey<sup>1</sup> by PricewaterhouseCoopers (PwC). In addition, a Harris Poll<sup>2</sup> conducted on behalf of the American Institute of CPAs revealed that 88 percent of employees who have felt financial stress say it "has had at least some negative impact on their mental well-being," including 53 percent who say the "negative impact has been major or moderate."

## **WHY SHOULD EMPLOYERS CARE?**

Financial stress reduces employee satisfaction and productivity. Instead of focusing on job tasks, employees are increasingly worried about managing their current household finances and about their future financial security. The result: approximately 15.3 lost hours weekly per employee at a cost to American employers of \$4.7 billion<sup>3</sup>.

In addition to lost productivity, businesses suffer increased employee turnover if they do not take employee financial stress seriously. More than 70 percent of stressed workers indicated they would be attracted to another company that cares more about their financial wellbeing than their current employer. But when workers understand and appreciate the value of their benefits at work and how they integrate into their overall financial picture, they are less likely to think the grass is greener at the company across the street.

## WHAT'S THE ROI ON FINANCIAL WELLNESS?

The value of investing in financial wellness programs as part of an employee benefits package becomes apparent when you know the facts. According to the studies:

- More than 75 percent of employees struggle with their finances and live paycheck to paycheck.
- Sixty-two percent of employers are feeling “extremely” responsible for their employees’ financial wellness during the pandemic.
- Seventy-five percent of employees say that “an employer-sponsored financial wellness program would positively affect their financial stress.”
- Eighty-one percent of employers have seen improvements in their teams since offering financial wellness programs.
- More than 90 percent of employers say the benefits make them more attractive to prospective employees.
- Ninety-four percent of employers said it’s beneficial to their business when employees have healthy personal finances.

Management commonly spends time and energy attempting to align employees’ goals with those of the business, but managers must also consider how the employer’s goals can better align with their workers’. After all, companies succeed or fail based on the processes and technology they put into place, both of which employees must engage with at one point or another. Human capital is vital to all businesses, and like any capital, needs to be maintained and tuned up from time to time. Employers will do well to consider how they are addressing their employees’ financial health.

## WHAT CAN BE DONE?

You can empower your company by empowering your employees. One-third of employees in the PwC survey ranked a financial wellness benefit with access to unbiased coaches as the employer benefit they would most like to see added to their benefits package.

HBKS® can help your employees understand how their employee benefits impact their personal financial picture. Our expert team of highly experienced, credentialed advisors and professionals will educate your employees on financial planning basics as part of an employer-paid financial wellness program. For more information or to talk with a financial advisor, call 941-957-4244.

<sup>1</sup>PricewaterhouseCoopers’ 10th annual Employee Financial Wellness Survey, January 2021, <https://www.pwc.com/us/en/services/consulting/workforce-of-the-future/library/employee-financial-wellness-survey.html>

<sup>2</sup>AICPA, Younger Americans Bearing the Brunt of Pandemic Financial Stress, April 27th, 2021, <https://future.aicpa.org/news/article/younger-americans-bearing-the-brunt-of-pandemic-financial-stress-aicpa>

<sup>3</sup>BrightPlan, 2021 Wellness Barometer Survey, June 16th, 2021, <https://www.brightplan.com/2021-wellness-barometer-survey>

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