

5 Reasons Your Company Should Offer Employees Financial Wellness

Companies who might be seeking better ways to sharpen their edge in recruiting and retention of top talent should look closely at their efforts with Financial Wellness.

It's no secret that Financial Wellness is one of the fastest growing components of total wellness offerings, largely driven by the desire of companies to help their employees address money issues that may be causing them stress. **Here are five reasons that your company should be seriously considering Financial Wellness as part of your benefits offering.**

1. Your employees likely need help

The majority of workers struggle with personal finances and the resulting stress is taking a major toll on their overall health and wellbeing. Over 56% of Americans live paycheck to paycheck, spend more than they make and are facing growing levels of indebtedness. Just as concerning, 45% of American workers have less than \$1000 saved for an unexpected expense.¹

It's not overstating the issue to suggest that finances are pretty fragile for the majority of employees and that many people really need help. Financial life weighs heavily on worker's minds, affecting both their mental and physical health, often leading to sleepless nights, high anxiety and a leading cause of depression.

2. Financial stress costs more than you think

Employee financial stress is a real problem for workers but also a real challenge for their employers.

Research has shown that financially stressed employees have trouble functioning in their jobs, are more likely to cite physical and mental health issues, have proven to be less productive, take more time off to deal with financial matters, and are more likely to be looking to leave the company for higher compensation.²

So, when you add the lost productivity, turnover and other factors directly related to financial stress, the real cost is estimated between 11 and 14% of total payroll!

3. It makes you a more attractive employer

74% of workers agree that financial wellness benefits are important for an employer to offer, and by addressing those needs, employees feel more valued and loyal to the employer. Studies confirm that when a company takes an active interest in helping an employee feel financially secure and optimistic about their financial future, that individual is more likely to become a "satisfied employee". And **satisfied employees** are an employer's dream worker – enthusiastic, passionate, positive and proud of the organization who in turn **create a more attractive work environment that draws in prospective employees.**³

4. It helps with workforce planning

Employers are becoming quite concerned about the long-term prospective costs of older employees remaining in the workforce who are financially unable to retire. Most companies really don't have a good handle on when their employees will retire and realize that they have a major problem in helping people adequately prepare for retirement. Financial wellness can help assure that workers are prepared to retire on schedule and better manage such transitions.

5. It helps the bottom line

An investment in Financial Wellness is great for the enterprise's bottom line! A study published in the January 2019 issue of the *Journal of Occupational and Environmental Medicine* found that companies with high well-being scores outperformed the 500 largest U.S. companies listed on the S&P 500 index **by 235 percent over a six-year period.**⁴

Contact [Michael Rom](#) at Pensionmark to provide you guidance with developing a financial wellness program that works.



Michael Rom, Managing Director at Pensionmark, is a 30-year veteran of the financial services industry and an advocate to help companies get their employees on track for retirement. Michael serves small/midsize enterprises to help remove the complexity and friction in delivering the 401(k) benefit and rolling up the sleeves to guide employees in becoming more efficient and confident with day-to-day financial issues.

¹ PricewaterhouseCoopers LLP, 2017 Employee Financial Wellness

² The Employer's Guide to Financial Wellness, Salary Finance, 2019

³ 2018 Consumer Health Mindset Study, Alight Solutions

⁴ Journal of Occupational and Environmental Medicine, January 2019