

Financial Wellness Programs Can Help Employees Survive and Thrive

Employees don't need to be convinced about the importance of financial wellness benefits. What they need is access to resources that can help.

Stress and anxiety are a part of everyday life in today's fast-paced, always-on environment. Concerns around family and finances can lead to increased pressure at home, and lost productivity at work. Fortunately, employers can help ease some of this stress and improve engagement by offering employees solutions to safeguard their family's financial future.

Even before the pandemic, 58% of employees said their finances caused them stress, more than their work situation (51%), health issues (45%) or family issues (44%). And now, an overwhelming 91% of full-time U.S. employees say they are concerned about some aspect of financial wellness in light of our current environment.

As demonstrated over the past year, conversations about benefits are needed now more than ever. Employees are each facing their own unique challenges, whether it be homeschooling children or coordinating virtual learning, caring for a family member, unexpected illness or a range of personal situations that can lead to increased anxiety. Employers need to show they understand these fears, let employees know they are not alone in benefits decisions and communicate how the solutions offered can protect their financial health and well-being.

Heightened financial stress among the workforce can also have spillover effects on employees' productivity. Nearly four out of five employees (78%) who report high financial stress say they are distracted by stress at work, and 39% of employees say money concerns keep them from doing their best at work. All of this stress around finances can have a marked impact on an employer's bottom line. The cost of lost productivity and greater staff turnover due to lack of financial wellness equates to 11-14% of total salary cost for an employer, or almost \$500 billion annually for corporate America.

As we move forward, employees are looking more and more to their employers for information and guidance. And while eight in 10 workers would like education on how to manage competing financial priorities, only 16% of workers report being offered help with understanding and finding that balance.

Employees do not need to be convinced about the importance of financial wellness benefits. What they need is access to resources that can help them make informed decisions and achieve their long-term objectives.

The prospect of hospitalization or serious illness, as well as heartbreaking losses of loved ones, became painfully tangible for many working Americans throughout the pandemic. These realizations encouraged many workers to choose voluntary benefits during the 2021 open enrollment period to help protect their income when faced with difficult circumstances.

Understanding the needs of your workforce

Before embarking on a financial wellness program, it's important to uncover the unique needs and wants of your workforce, which can vary by generation. Sometimes it's not a one-size-fits-all approach.

As employees progress through different life stages, they are increasingly focused on things that may have an impact on their current and long-term

financial wellbeing. Currently, more than one in three American labor force participants are millennials (those born between 1977-1995), making them the largest generation in the U.S. labor force. In order to attract and retain this generation of employees, employers need to educate them on the benefits and financial solutions they offer.

After salary, millennials report that benefits most influence if they stay with a company (51%), and 57% have stayed at a job longer than they wanted to — even though they didn't like the job — because the job offered good benefits. And according to recent research, compared to Gen Z (those born from 1997 through 2012), millennials are feeling significantly more stressed in almost all financial situations since the start of the pandemic.

To better understand how to address employees' financial stress and wellness needs, employers should be able to answer the following questions: How do employees feel about their financial situation? Which financial issues are most important to them? Which financial resources and tools would be most useful?

By answering these questions and offering a comprehensive benefits package and resources, employers can not only ensure they are meeting the

needs of their current workforce, but also recruit and retain a younger generation of employees.

Implementing a financial wellness program

Regardless of industry or workforce, many organizations face similar challenges launching financial wellness programs. Below are four tips to help employers get started: Enlist Support: Demonstrate to your leadership team the value and relevance of an employee financial wellness strategy. By sharing statistics like the ones above, leaders will understand just how important it is to offer a program that helps employees tackle their financial concerns and can help them be healthier, happier and more productive.

Assess needs: Survey your teams to learn what is most important to them — maybe a majority of employees are thinking about paying off student loans, while others are focused on how to max out their retirement plan. This valuable information will help determine the focus of your offering.

Engage employees: Effectively engage your workforce to raise awareness and ensure those who need help the most get that help. Recruit on-the-ground (or virtual) financial wellness program champions who can help

inspire fellow employees to participate. Employees who are mission-driven and motivated and who have a passion for the program's goals can engage their colleagues and help increase participation with the program.

Showcase results: Track the success of your program to prove its value.

Effective financial wellness programs will measure not just how many employees are visiting the website, but will also give employers insight into how many employees are taking action and finding value in the offering.

Our current environment provides a unique opportunity for employers to showcase the efforts they have made to protect their employees' financial future. By offering financial wellness benefits at the workplace, employers have a significant opportunity to improve employees' financial health and strengthen their business.

By Sharon Scanlon