

HR and Employees not on The Same Page When it Comes to Financial Perceptions, Survey Finds

HR professionals have a much more pessimistic view of employees' financial well-being than employees themselves.

Almost half (48%) of knowledge workers are concerned about their personal finances, up from 39% in August, a new survey finds. At the same time, however, 70% of human resource professionals believe their employees are concerned, revealing a disconnect between HR and workers.

“As it’s become clear that the pandemic will be with us for a while, knowledge workers are increasingly worried about their finances — and HR even more so,” said Marthin De Beer, founder and CEO of BrightPlan. “Our survey reveals that in this stressful time, HR isn’t fully aligned with what’s top of mind for their employees and what benefits they seek to help navigate economic headwinds. Despite dominant HR industry

conversations around mental health support and paid time off to recharge in this stressful time, the data indicate that knowledge workers today prioritize financial wellness tools that can help them better manage their financial lives — even ahead of health-care benefits.”

The “Financial Wellness Barometer” survey from BrightPlan surveyed 350 HR leaders and employees in various industries such as technology, health care and retail. It found three additional gaps between HR and employees regarding finances:

Employees are nearly three times as positive as HR about their financial future. Only 17% of HR respondents said employee finances will improve in the next six months, but 46% of employees expect their finances to get better.

HR believes COVID inspired more life changes than it did. Two in three (65%) HR respondents said employees postponed major life events since the start of the pandemic; just one in four (24%) of employees actually did so.

Employees want financial wellness more than health care. Employees ranked financial wellness tools as the most desired benefit after compensation — ahead of health care; paid time off or vacations; and mental health support. HR ranked financial wellness benefits fourth on employees' priority list.

“This really made intuitive sense,” commented Rob Paczkowski, senior director of global benefits for eBay, speaking in a webinar hosted by BrightPlan on the topic of financial wellness. “Basically, if employees are stressed about money and finances it’s going to clearly impact overall stress. That’s going to lead to stress in other areas. Stress over time, untreated, is going to lead to distress and mental health issues.”

The survey also compared perceptions between employees enrolled in financial wellness programs at work and those who are not.

Employees using financial wellness tools are more in tune with their finances. They report nuanced concerns about their finances, with top worries around how the stock market affects their net worth (26%) and whether they can still retire on time (14%). Employees not enrolled in

financial wellness benefits cite broader fears, such as health-care costs in case of an illness (23%) and job loss (16%).

“One of the big things I’m seeing now is increased communication as a whole, whether it’s understanding and building awareness of benefits programs or open enrollment and telehealth,” said webinar panelist Catherine Wragg, senior vice president of human resources at TriNet.

“There’s a clear focus on financial wellness—programs that support budgeting and savings, basic awareness and education, student loan repayment programs, things like that.”

Financial understanding fuels action. Employees leveraging financial wellness tools were far more likely to adjust their financial goals (69%) compared to those who did not (52%).

Finally, the survey also found that companies remain committed to investing in workplace benefits. Eighty-three percent of HR professionals have kept budgets the same or increased them.

“We are increasing the investment overall in benefits, in mental health and other programs,” Jennifer Pasqualini, vice president of total rewards at Autodesk told webinar attendees. “We had the opportunity to look at what the message we’re trying to send to employees is. We’re no longer focusing on snacks, travel and office perks. How can we divert some of those funds to areas that people care about? We’re also going to rethink them in the future and think about how we can shift funds around to further investment.”

By Alan Goforth