

PwC Data Shows Millennials Carry the Greatest Financial Stress Due to COVID

Financial woes are still the top cause of stress for employees more than a year into the pandemic.

Sixty-three percent of employees surveyed by PwC say their financial stress has increased since the start of the pandemic. About 45% of employees say their finances have been a distraction at work and 72% say they would contemplate switching jobs if another company cared more about their financial well-being.

When employers make investment in improving employee financial health, it can result in long-term benefits for their workers as well as their bottom line.

“Companies in general care about their employees’, but there’s also a business reason to care about your employees,” says Julia Lamm, a

workforce strategy partner at PwC. “If employees have personal challenges, that [can] interrupt productivity.”

Today’s workforce is a melting pot of different generations and these unique challenges have a varying impact on their financial security.

Seventy-two percent of millennials — the largest generation in the workforce today — have experienced increased financial stress due to the pandemic, while just 46% of baby boomers say the same, according to the PwC survey. Sixty-two percent of Gen-Xers say their financial stress has grown during the pandemic, as does 68% of Gen-Z.

Younger workers are more prone to monetary concerns than their older counterparts, due to a lack of savings and other factors.

“Gen Z was actually less stressed than millennials because Gen Z, in many cases, is still living at home,” Lamm says. “Baby boomers are the least stressed, in theory, because they have [greater] savings and they've navigated more financial crises in the past, so they've got the experience and the resilience.”

Another population impacted by financial stress is caregivers. PwC found that employees' caregiving responsibilities have placed an enormous strain on their finances, due to the cost of care and the need to leave the workforce in order to support a child or an elderly or sick loved one.

Eighty-three percent of the employees surveyed say they have at least one child at home and one in four employees has left the workforce to become a full-time caregiver, according to PwC. Caregiving responsibilities can have a disproportionate impact on women and people of color, which could end up hurting employers diversity and inclusion efforts.

Financial benefits that address an employee's specific needs can go a long way for both the worker and the organization. Caregiving benefits, student loan repayment options and wealth management tools can help the full generational spectrum navigate financial challenges.

“The relationship between employers and employees has changed and a lot of that was exacerbated by the pandemic,” Lamm says. “Within that, “Employers have a responsibility to help take care of their employees,” Lamm says. “Employers are more trusted than the government, they are

more trusted than the media and other typical sources of trust. That's why it's so important to help companies deliver a better experience for their employees.

By Amanda Schiavo