

# **Should Employers Offer Financial Education to Their Workers? More Are Saying Yes Amid the Great Resignation**

In the continuing war for talent in the American workplace, employers have been adding more perks to attract and retain employees.

That includes paying more attention to the financial well-being of their workers.

“I’m seeing greater interest in financial-wellness programs because of the Great Resignation, coupled with an increasingly complex economic environment,” said Krystal Barker, head of financial wellness at Morgan Stanley at Work.

“Many companies offer a 401(k) plan and tend to offer educational programs, but they are coming to the table and saying what more can we do.”

That change started two years ago with firms assessing their diversity, equity and inclusion initiatives after the death of George Floyd. Then, the Covid-19 pandemic added widespread financial stress, and now it’s red-hot

inflation, which is costing U.S. households an additional \$327 per month on average, according to Moody's Analytics.

And workers are looking to their companies for help. More than half (51%) of them think employers have a responsibility to assist them in improving and maintaining their financial wellness, according to TIAA's 2022 Financial Wellness Survey.

Employers are taking heed, too. Last year, concern for employees' financial well-being grew, with 34% showing a 9 or a 10 out of 10 rating, compared to 25% in prior years, according to a Employee Benefit Research Institute survey. Just under half were at least interested in implementing financial-wellness benefits. Of those who don't currently offer the initiatives, 34% were actively implementing them — up from 12% in 2018.

“We see more of that going to the holistic look at peoples' finances and to really help employees understand their total finances,” said Craig Copeland, director of wealth benefits research at EBRI.

Those measures may include personalized financial coaching or planning, debt management and help with student loans.

The initiatives appear to work. Those who have participated in an employer financial-wellness program are twice as likely to have a high financial-

wellness rating than those who are not offered the resources or do not participate, a TIAA survey found.

Of those who participate, 54% are confident they will retire when they want, compared to 32% of those who don't participate. In addition, 50% of participants are confident they will not run out of money, compared to 29% of nonparticipants, according to TIAA.

Even basic offerings like webinars have been shown to improve employees' financial knowledge, EBRI data show. Estimated 401(k) contribution levels jumped between \$649 and \$988 the year after a worker attended a financial well-being webinar, according to EBRI.

What's more, the initiatives are proving to also benefit the employer, Barker said.

Almost three-quarters of workers with high financial stress said it distracts them at work, according to a 2018 Financial Health Network Survey. And some 60% said they'd be more likely to stay at a job if their employer offered financial-wellness benefits, the survey found.

"An employer always has to find ways to add value to their most valued asset and that is their talent," Barker said.

However, while some businesses are addressing their employees' financial well-being, it's unclear if it is a trend that will continue to expand, said EBRI's Copeland.

"There still needs to be some payoff for the employers," he said, noting that it's hard to show a direct link to improved productivity.

"As long as they can show they are attracting and retaining workers and their workers are getting something out of it, it can expand," he said.

"If people are not effectively using it, the trend can be slowed."

By Michelle Fox