

7 Best Employee Benefits to Provide in a Recession

Employers need happy, healthy and skilled employees to be successful, while employees want a stable source of income, job satisfaction and professional growth. During a good economy, it is easier for both to get what they want.

However, during a recession, giving employees what they want and need becomes more challenging. One way to counteract this is by providing the right benefits to retain employees.

Why retaining employees is important

During a recession, employees are more likely to feel financial stress, thus making them more likely to look for other opportunities. Losing employees during a recession can increase an employer's losses. Not only will the employer lose good employees with valuable skills and knowledge, it also costs money to hire new employees:

Hiring team: External teams cost 15 percent to 25 percent of the newly-hired employee's salary, and an internal HR manager's average salary is \$113,300 per year.

Career events: \$125 and \$225 per event, plus any associated travel and marketing costs
Fees for job boards: The fee depends on the job board and whether it is per-click or per month. In general, the cost is about \$300 for any given hire.

Background checks: Up to \$80 per employee depending on how thorough of a check your company needs.

Training: It takes eight to 26 weeks for a new employee to earn more than they cost. For most companies, onboarding and training cost 1 percent to 2.5 percent of the total revenue per employee.

Because hiring is affected by many different factors, knowing the true cost is difficult. However, a study by the Society of Human Resource Management (SHRM) shows that the average cost of a new hire is \$4,129 per employee. With a cost this high, understanding how to retain employees and spending the money necessary to do so makes economic sense.

The key to retaining employees, even during a recession, is to maintain high employee morale. This can be accomplished with strong communication,

training for continued professional growth, employee recognition, connected leadership, actively seeking employee feedback and taking action on that feedback, managing change, and providing useful employee benefits.

The following are seven benefits to provide during a recession that can help reduce financial stress and, thus, retain employees.

1. Financial wellness program

A well-rounded financial wellness program includes retirement planning and investing, but goes well beyond these topics to include financial education on a wide variety of topics needed by employees. The goal of this education is to help employees understand how finances affect them and how to create a stable relationship with money.

A holistic financial wellness program will include: • Budgeting • Building credit • Reducing debt • Understanding student loans • Managing student loan debt • Savings • Personal attitudes and behaviors toward spending and saving • Financial goal setting • Managing financial crises

Financial wellness programs can increase employee satisfaction and help reduce employee financial stress, research shows. Data collected from Enrich indicates that as an employee's financial understanding increases, their stress level drops. Both increased job satisfaction and lowered financial stress are key to retaining employees, especially during trying economic times.

Research also shows that financial wellness programs produce a return on investment in any economic environment.

2. Short-term employee loans

Nearly half of all U.S. employees are living paycheck to paycheck. So, when a financial emergency happens, these employees need to find quick cash.

Many turn to payday loans, but these have high interest rates and often trap people in a cycle of debt. One way to help employees in this situation, made more likely during a recession, is to offer low-interest short-term employee loans.

In most cases, the interest rate is significantly lower than payday loans, and monthly payments can be deducted directly from an employee's paycheck.

When paired with financial wellness education, short-term employee loans can resolve immediate financial emergencies without causing long-term, high-interest debt.

3. Mental health benefits

Financial stress is a known cause of mental health issues. A recent survey shows that employees feel that finances affect their mental health, with 45 percent of U.S. adults depressed about their finances. Other studies show even higher numbers, which is why nine out of 10 companies now offer some sort of mental health benefit.

Potential benefits to consider include: • EAPs • Mental-health insurance coverage • Substance abuse treatment benefits • Mental-health assessments • Mental-health education • Stress-management

4. Integrated savings accounts and/or savings matching

A GoBankingRates survey found that the top three financial stressors are debt, lack of retirement savings and lack of an emergency fund.

One of the best ways to overcome these stressors is by helping employees save money through integrated savings accounts, also known as sidecar savings accounts. These accounts are tied to the employee's retirement account through payroll deductions, allowing the employee to save for both short- and long-term needs simultaneously.

Enrich has found that employees without emergency funds are more stressed than those that have them. When coupled with a financial wellness program, stress levels drop even more.

5. Wellness apps

In addition to offering health insurance, companies with financially stressed employees should also consider offering wellness apps, such as Castlight, Virgin Pulse and WebMD. Wellness apps create a culture of health, helping employees better physical and emotional habits.

Wellness apps also increase engagement and satisfaction with healthcare benefits. A MetLife study shows that employees are three times more likely to feel loyal to a company if they approve of the benefits offered. Loyal

employees are far more likely to stay with a company, even during a recession.

6. Student loan repayment assistance

Employer-sponsored student loan repayment assistance programs help employees pay off their student debt. This can be done through refinancing assistance, matching contributions, or flat contributions.

A SCORE survey found that 75 percent of those who had student loans wished their employers would offer some sort of student loan repayment benefit or refinancing option. In fact, this is the most sought after benefit for millennials, who state they would remain at a company that offered such benefits for five or more years. Student loan repayment assistance benefits also help to increase diversity, studies show.

7. Resilience training

Stress management techniques that increase resilience are part of an increasingly popular benefit known as resilience training. Why is having resilient employees so important?

Such employees are: •31 percent more engaged •Have 50 percent less lost productivity •Feel twice as happy with their quality of life

By providing these seven benefits, companies are better equipped to retain employees during a recession, which will lessen the negative impact of a weak economy.

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