

# **Employees Want Financial Wellness More Than They Want PTO**

Employees are serious about wanting more holistic benefits — so much so that they're willing to give up time off to get them.

Sixty-eight percent of employees say that they would prioritize financial wellness benefits above an extra week of vacation, according to a new report from investment company Betterment's 401(k) business.

“We are all a little shell-shocked coming out of the last two years,” says Kristen Carlisle, general manager at Betterment for Business. “Whether or not you personally dealt with financial strife, or you just were reading the news about it, it was constantly in your face. People are really paying attention now, really looking for the tools and guidance to navigate what can be a really siloed landscape.”

The growing number of young workers breaking into the workforce is one of the largest reasons behind the rising focus on financial stability over

more traditional benefits or perks, according to the report. Seventy-four percent of workers said they would be likely to leave their job for an employer that offered better financial benefits – climbing to 79% for millennials and 84% for Gen Z.

“Prior generations didn't really deal with student loans,” Carlisle says. “And as that becomes more prevalent in the United States and as more and more workers enter the workforce with debt, they're looking for help from their employer.”

Fifty-four percent of employees are more stressed about their finances than they were before the pandemic and 43% have had to tap their emergency funds since the start of the pandemic, primarily for medical expenses, home and car repairs, and rent or bills, according to the report. The youngest generations felt the effects the most, due to disproportionately higher rates of unemployment caused by company-wide layoffs that often axed recent hires before veteran employees.

In the aftershock, demand for financial benefits will only keep growing. And although 401(k)s and matching programs remain the most highly

sought-after financial benefits, according to the report, employees are also seeking benefits like a wellness stipend, employer-sponsored emergency fund and student-loan repayment programs.

“You have employees demanding it and creating a groundswell for it,” Carlisle says. “[Employers] have to have something that helps bridge the [financial] gap for them and we're just going to see that trend continue.”

By Paola Peralta