

Financial Stress Costs Employers Thousands Per Employee



When employees are worried about money, that drags on their ability to get their work done—and that can get expensive.

In fact, according to a recent survey it can cost an employer approximately \$2,000 per employee per year—and that can add up fast, especially considering that 72 percent of employee respondents owned up to worrying about personal finances while at work, and one-third say they do so more than once a week.

A little more than three quarters of respondents put the blame on a lack of retirement savings, with close to half saying that they worry about it “a great deal” and only 40 percent expecting to retire “about when planned.”

The four next most worrisome money concerns:

- College loans (76 percent)
- Monthly rent payments (64 percent)
- Lack of emergency savings (59 percent)
- Overall current financial situation (62 percent)

All that worry over finances is triggering both physical and psychological symptoms for about 60 percent of respondents, the study found, causing anxiety, lack of sleep and a feeling of being overwhelmed—all of which can affect workers' productivity on the job.

If employers intercede to help fix those financial woes, it could pay off, the report notes, pointing out that more than two in five respondents feel they would be more productive if they weren't sitting there worrying about money. Three in five respondents think getting financial advice at work would reduce their stress, while 65 percent think it would help them start saving more for retirement.

Asked which financial issues they would like help with, three quarters cited retirement income preparation aid, followed by Social Security and Medicare claiming (60 percent) and debt counseling (32 percent).

“Financial stress is one of the biggest concerns among our participants—and it has implications for their health, healthcare costs, and premiums, and ultimately, their productivity,” Patrick Murphy, president and CEO of a retirement plan company, is quoted saying in the report.

Murphy added, “Our survey shows employers can play a role in making their employees’ financial lives better—and if done well, it may even benefit the company’s bottom line.”

By Marlene Satter