

**Financial Wellness is next frontier for providers.**  
**Boosting participant offerings and promoting engagement could help participants achieve their financial goals.**

Financial wellness benefits aren't just a "nice to have" anymore. The skyrocketing popularity of this holistic approach to employee benefits presents a challenge — and an opportunity — for benefits administrators. More nuanced than traditional benefits, financial wellness encompasses employee mental stress related to all aspects of personal finances, and mandates employers to provide support. But rather than simply adding a new product or vendor to your offerings, ask this: Are you positioned to help address the range of participant financial, mental and physical health needs? If not, your bottom line may be poised for pain.

In a 2019 MetLife report, one in three employees said that personal financial stress interfered with their job performance, and, overall,

employees flagged personal finance as the main source of stress in their lives. Employers reported a loss of \$250 billion in 2019 due to employee stress. It's estimated that financial stress costs roughly 1,922 hours and \$28,830 in lost weekly productivity in a company of 10,000 — that's 99,944 hours and \$1,499,160 a year down the drain.

The key lies in understanding the needs behind the stress employees feel so keenly. Not having an emergency fund is the top worry cited by millennials and Gen Xers, while half of all employees across generations live paycheck to paycheck. Employees clearly see benefits as an answer for at least some of their problems: 37% of millennials said student loan repayment was the perk they most wanted from employers, while 30% of Gen Xers and 28% of baby boomers most wanted financial wellness benefits with access to financial counselors. Benefits administrators are uniquely positioned to put game-changing tools and options into the hands of their participants, but it takes careful preparation.

Financial wellness is not a one-size-fits all solution. Employee assistance programs, student loan repayment and refinancing, 529 (education savings) plans, budgeting and financial planning support — it's likely your participants are looking for one or all of these resources. These steps can help you bridge the gap between your current offerings and participant

financial wellness needs: Assess needs and wants: To reach your participants, you first need to figure out what they need. Start with gathering data: What are your participants asking for? What are their primary financial stressors? It may be time for a survey to gauge the mindset of your participants. Identify your unique prescription: A whopping 80% of employees want financial planning workshops or financial wellness tools from their employers, but only 20% of employers offer these programs. Providing education and advice may be a good place to start, but don't forget to take a hard look at products, services, and relationships with outside vendors. Implement wider-ranging options: Identify strategic updates you can make to your existing benefits program. From long-term savings help (auto-enrollment or auto-escalation features) to short-term budgeting and debt-planning support (access to professional investment advice and guidance), the key is to understand that your participants want a diverse array of options. You may also consider adding new plan features to address specific employee benefit asks, such as student loan repayment or 529 plan contribution matching. Educate and engage with participants: Make sure your participants know about any new benefits, self-teaching tools, support opportunities, or enrollment options. Deliver an experience that allows participants to view these important

benefits in one place and receive a more comprehensive picture of their workplace solutions.

By Craig Rubino