

# **Financial Wellness Programs: From Nice-to-Have to Must- Have**

April was Financial Literacy Month, making it a great time for corporations to evaluate financial wellness program options. Employees' expectations of their employers shifted during the COVID-19 pandemic. Now, more than ever, they are looking for mental, physical and financial wellness support, according to the UBS Workplace Voice report "Benefits take center stage."

Amy Bruce, Head of Financial Wellness at UBS, believes having a meaningful financial wellness program in place can help employees take control of their financial future and also increasingly value the company they work for.

"Employers providing employees with access to coaching and advice stand out. People appreciate having someone to speak to," says Amy Bruce, Head of Financial Wellness at UBS.

## **From nice-to-have to must-have**

Americans are feeling more financial stress than they were before the COVID-19 pandemic, says an October 2021 survey from Salary Finance.

Several factors point to the fact that Americans were still suffering financially at the time of the survey: escalating mortgage forbearance and

loan payment holidays, increased borrowing, lack of emergency savings, reduced retirement savings, and reporting that they felt more financial stress.

These challenges have led to a shift in the perception of corporate financial wellness programs. What was once a nice-to-have is now a must-have.

These programs have become a critical component of what companies provide their employees and can empower employees to build healthy financial habits and develop positive relationships with money.

### **How do we know these programs work?**

Financial wellness programs are beneficial to both employers and employees. Employees who participate in their company's offerings report feeling more confident in their financial future. Eight in 10 participants report their relationship with money as being "excellent" or "very good," dramatically surpassing employees who don't take part in a financial wellness program, according to the *UBS Workplace Voice* report A benefit whose time has come. More than half feel confident they will achieve their financial objectives for the future, twice as high as non-participants (36%). On the flip side, companies that provide benefits beyond a paycheck, healthcare coverage, and retirement plans see more loyalty from program participants. These programs generate higher employee satisfaction,

motivation, and loyalty. For example, 9 in 10 employees who participate in a financial wellness program view their company favorably, compared to 6 in 10 nonparticipants. Participants are also much more likely to plan to remain at the company in both the near- and long-term.

Women especially have benefited from these programs. The financial impact of COVID-19 was not equal, with only 29% of women stating their financial situation improved compared to 42% of men. Feeling that their overall financial wellness is excellent was reported by 79% of women who participate in financial wellness programs, vs. 56% who did not participate, and 67% of women who work with a Financial Advisor, vs. 45% who do not, according to the *UBS Workplace Voice* report.

### **What makes a successful financial wellness program?**

Participants say they seek certain features in their employer's financial wellness programs. These include budgeting and savings tools, financial education courses, retirement planning tools, debt calculators, and college planning tools.

“A great way for an organization to differentiate their program is to have a balance between digital and human touchpoints,” says Bruce. “Employers providing employees with access to coaching and advice stand out. People appreciate having someone to speak to.”

Bruce also notes that it's important now more than ever for organizations to work proactively to engage employees with financial wellness programs and education. "We're seeing employers being more proactive in bringing these benefits to their employees in a way that resonates with them, in a way that is meaningful to them. Instead of just offering a financial wellness program, employers can offer help with the day-to-day challenges, such as student loan debt repayment solutions, which is tangible and will help your employee see how it can actually impact them personally."

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