

Financial Wellnessubs Stresses The Importance of Financial Wellness Benefits During COVID-19

Financial wellness isn't a "nice-to-have" benefit anymore — it's a critical offering for employers who want to keep their most talented employees, UBS executives say.

The wealth management giant recently surveyed more than 1,200 U.S. employees across multiple industries to determine how financial wellness programs impact employee experience. Conducted in April and May — some of the worst months in the COVID-19 lockdown — the survey found that 82% of employees who were participating in financial wellness programs felt more confident and knowledgeable about their money management. For those not enrolled in a financial education program, only 42% felt they understood personal finances.

“Financial wellness programs help employees be better prepared for the future,” says Mike Nannini, head of client management, business development and industry engagement at UBS. “They encourage further adoption of employee-provided benefits and employee loyalty.”

Employees participating in company-sponsored financial wellness programs are more likely to commit to their employer long-term: 81% of employees said they planned to stay with their company for five years. Less than half (48%) of those not participating in a financial wellness program could see themselves committing to the company for five years. Financial wellness programs also boost employee productivity; 88% of employees are more likely to be “happy in their current role” and 91% reported being willing to “go above and beyond.”

“Your employees are spending time during working hours on personal finances because they’re stressed,” Nannini says. “Anything you can do to put their minds at ease, and help them take control of their situation, is going to boost productivity and morale.”

While digital financial wellness tools and apps have become more popular in recent years, they aren’t enough to make a positive impact on the workforce, Nannini says. The opportunity to consult a financial advisor or

coach was important for all generations of workers, including millennials (60%), Gen X (60%) and baby boomers (57%).

“There’s a common theme we hear when we talk with clients in the industry: the employee base is younger, and they think they want apps and digital tools,” Nannini says. “But millennials don’t necessarily feel that way — they want reassurance from a live human being.”

Despite all its benefits, financial wellness programs have an engagement problem — but only because employees don’t know about them, Nannini says. The survey found that only four out of 10 employees were aware their company offered a financial wellness benefit. Of the employees who knew about the program, two out of three participated. Around half (46%) of employees who didn’t know their company offered a financial wellness program said they’d be interested in participating in one.

“It came through loud and clear people don’t value what they don’t understand,” Nannini says. “We find that a lot of folks don’t understand the power of the benefits their company offers. It’s up to employers to make sure they communicate that, so they’ll reap the rewards.”

By Kayla Webster