

Employee Financial Wellness Survey Whitepaper

Increasing Employee
Financial Wellness:

A Win-Win for Workers
and Companies



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In the evolving post-pandemic workplace, one topic that's earning increased attention is the need for companies to address their employees' financial well-being. While it's no secret that dealing with money issues is stressful, most employers now understand that it's also time-consuming – eating into worker productivity and increasing absenteeism.

Providing a corporate employee financial wellness program is a win-win. Employees gain better financial health; while the employer shows workers they're valued and appreciated, building morale and productivity. Improving employees' financial health helps them prepare for the future. Financial wellness initiatives have been proven to increase worker happiness, engagement, retention, and benefits participation. Offering such programs can help attract and keep top talent, giving employers a competitive advantage. Employee financial well-being enhances job performance, collaboration, and company culture.

What Should Employee Financial Wellness Programs Include?

A company financial wellness program might include anything that helps employees better manage their personal finances – for example, educating them about budgeting, savings, debt repayment, and/or retirement options and planning.

According to a 2023 report from [PNC](#), there are five top priorities for employer financial wellness initiatives that would help make a big impact. 1) Emergency Savings Accounts (ESAs) are the top financial wellness benefit employees wish they had. 2) Financial education and counseling can improve employees' confidence and trust in their employer. 3) Debt consolidation is a primary pain point for employees. 4) Equity compensation that gives employees a stake in the organization is attractive. 5) Employer retirement matching – most employers have some type of retirement plan, but fewer offer to match employees' contributions.

Offering digital tools for financial management are one key to increasing employee engagement with the tools. A [Bank of America study](#) in 2022 found that employees seek out digital solutions that offer personalized support, with 52% of them saying they prefer to use digital apps to manage their finances.

5 Top Priorities for Employee Financial Wellness



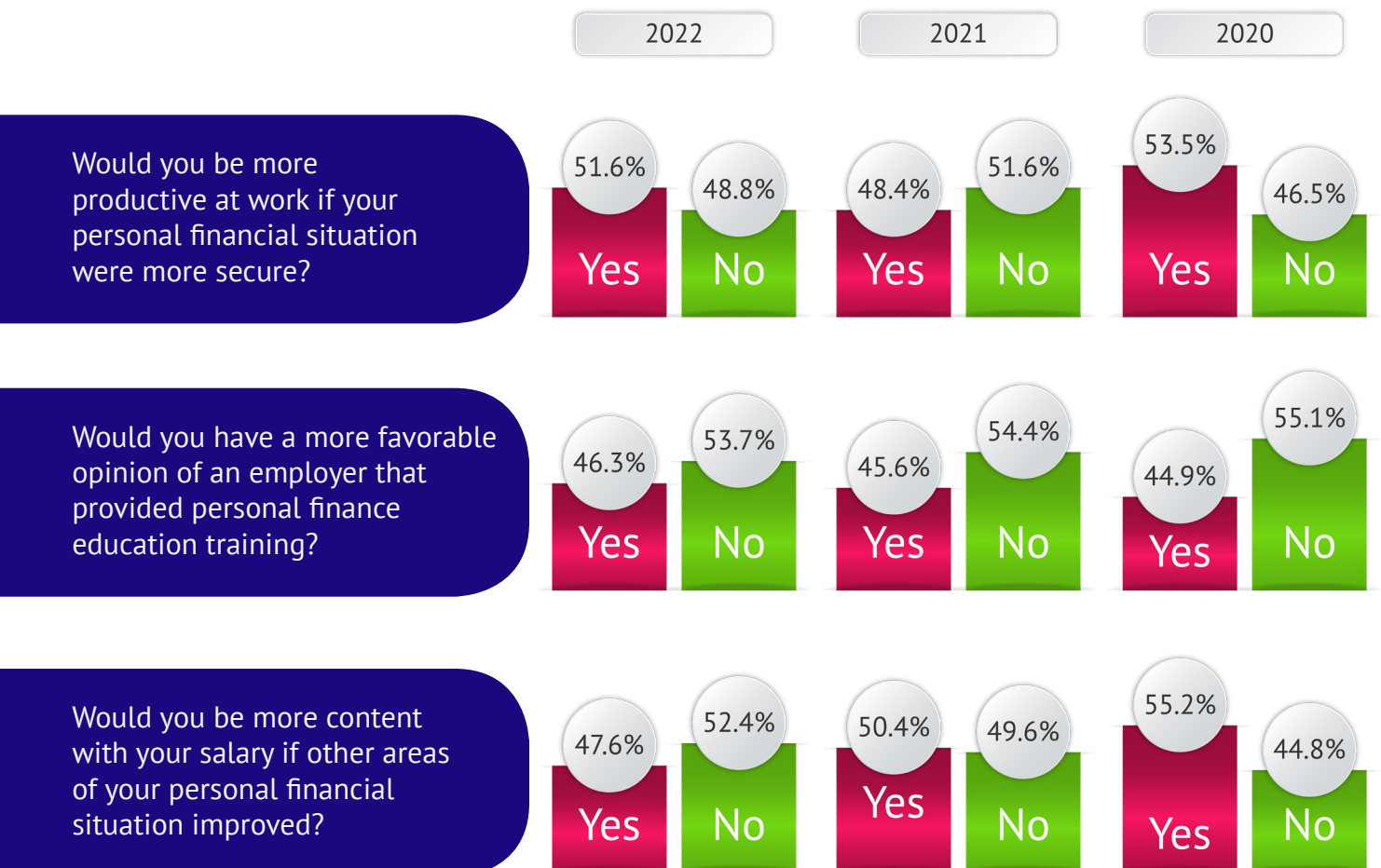
Employee Financial Wellness:

NFEC Survey Results

Between 2020 and 2022, the National Financial Educators Council (NFEC) conducted an [annual survey](#) that aimed to quantify the associations between employee financial wellness and productivity, workplace experience, and job satisfaction. The results consistently indicated a strong link between people's financial situations and their employment experiences.

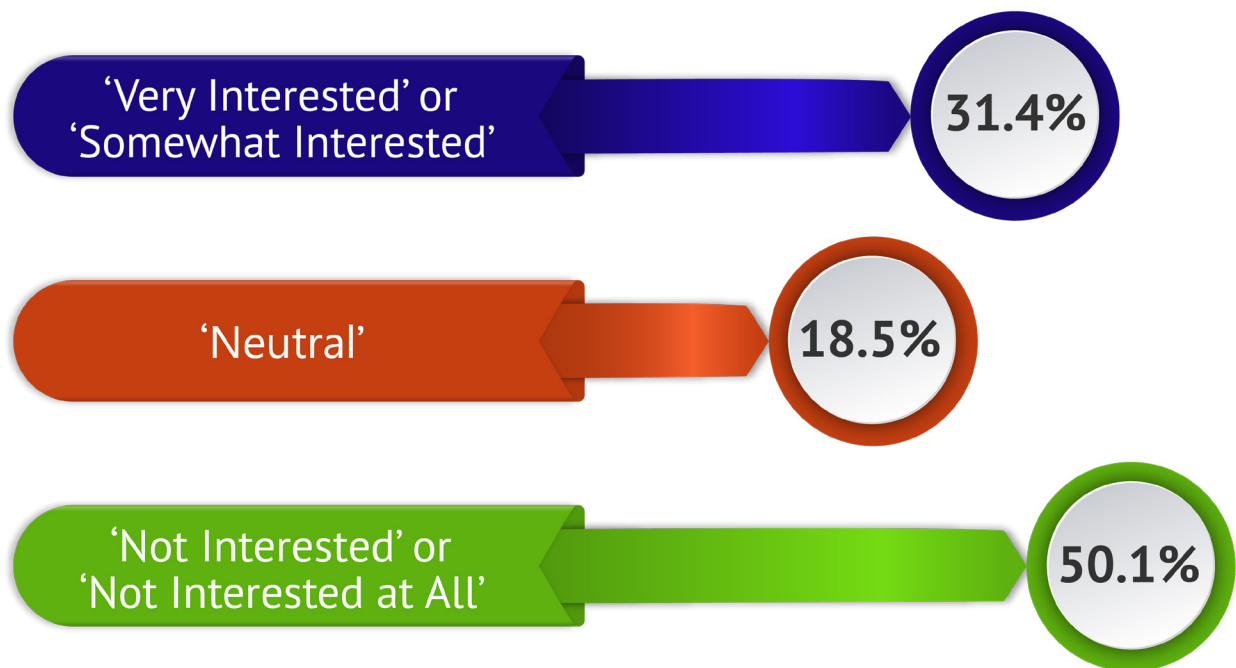
The survey asked three questions related to job productivity, opinion about one's employer, and contentment with one's salary, all in the context of workplace financial wellness programs.

NFEC Employee Financial Wellness Survey Results 2020-2022



In the 2020 survey, the NFEC asked an additional question:

If your employer offered personal finance education training at your workplace, how interested would you be in attending?



In two earlier surveys, conducted in 2016 and 2017, the NFEC asked questions related to financial background checking. In 2017, small/medium business owners were asked: “Has your company conducted a credit or financial background check as a condition of hiring or giving a promotion?” More than one-quarter (25.9%) answered “Yes,” while 74.1% said “No.”

In 2016, the NFEC asked employees a similar question: “Has an employer or potential employer ever conducted a credit or financial background check as a condition of hiring you or giving you a promotion?” The segment answering “Yes” represented 26.3% of participants.

Employee Financial Wellness Statistics Demonstrate Need, Benefits

The powerful need for employee financial wellness programs and the multiple benefits to both employers and their workers when such initiatives are implemented become even clearer when you look at some recent statistics.

Need for Employee Financial Wellness – Worker Perspective

57% of employees say finances are the top cause of stress in their lives. ~[PwC](#) 2023 Employee Financial Wellness Survey

87% of employees admit to worrying about their personal finances on the job. ~[PNC](#) Financial Wellness in the Workplace Report 2023

Financial stress and money worries have affected people's sleep (56%), mental health (55%), self-esteem (50%), physical health (44%), and home relationships (40%). ~[PwC](#), 2023



41% of workers worried about their finances are six times more likely to report that it's affected their work productivity and seven times more likely to say that it affected their attendance. ~[PwC](#), 2023

Nearly half of employees feel financially unprepared for the future, but only 1 in 5 employees has worked with a financial professional in the last 3 years. ~[PNC](#), 2023

Only 44% of employees feel financially well, a five-year low. ~ [Bank of America](#), "Navigating a New Era of Financial Wellness," 2022

63% of employees are living paycheck-to-paycheck, despite feeling secure in their jobs. ~[PNC](#), 2023

Need for Employee Financial Wellness – Employer Perspective

On average, people spend 13 hours a month worrying about personal finances at work, resulting in loss of productivity. ~[Mercer](#), 2017

75% of employers say workers' financial stress negatively affects their business. ~[PNC](#), 2023

U.S. companies lose more than \$500 billion a year due to employee financial stress. ~[Academy to Innovate HR](#), August 16, 2023

The cost of financial stress to an organization adds up to more than \$1,900 per employee per year. ~[John Hancock](#), 2019

80% of employees say financial wellness benefits make them want to stay with their current employer, and 96% of employers say financial wellness benefits improve employee retention. ~[PNC](#), 2023

81% of employers now say that offering financial wellness tools can attract higher-quality employees. ~[Bank of America](#), 2022

Employees whose mental health has been affected by their personal finances are more likely to be females and Millennials. ~[PwC](#), 2023

What's the Solution?

A variety of solutions to employee financial wellness programs are being tested and adopted across the country, with positive outcomes. Here are some recent data:

94% of employers currently say they are responsible to offer financial wellness benefits. ~[PNC](#), 2023

More than half (53%) of U.S. employers now offer financial wellness programs for employees, compared to only 24% in 2015. ~[Academy to Innovate HR](#), 2023

Employees who use financial wellness programs report having better mental health, lower stress, and improved physical health compared to those who do not use the programs. ~[Wellable](#), 2023

88% of companies now offer their employees financial security services like budgeting resources, debt management tools, or student loan counseling. ~[Wellable](#), 2023

90% of employees said the top benefit they would like their employer to offer is a matched emergency savings account (ESA), and 44% say an employee-matched ESA is the top benefit they look for when seeking work.

~[Human Resources Director](#), August 21, 2023

A large majority of corporations want cost-effective, flexible, and scalable solutions to support employee financial wellness. For example, 84% offer educational resources; 70% provide digital finance tools; and 56% offer retirement planning. ~[Wellable](#), 2023

Just 53% of companies report that their employee financial wellness programs cost more than \$50 per employee, with 39% saying they cost less than \$50 per employee. ~[EBRI](#), 2022

42% of employers offer different types of financial initiatives and solutions to accommodate different age groups, and 30% offer ones that accommodate different genders. ~[EBRI](#), 2022

Four in 10 employees say they want access to advice from an investment professional, and 62% of employers now offer workers access to those services. ~[Bank of America](#), 2022

Conclusion

The National Financial Educators Council survey, along with this report of recent research data, make clear that financial wellness initiatives are an important employee benefit that should carry into the future. Increasing employees' financial well-being represents a win-win for both the workers and companies involved, and has potential societal, cultural, and global economic benefits as well.

