



## Employee Financial Wellness Affects Your Bottom Line

by [Steve Brown](#)  [leadership](#) [employees](#) [management](#)

**Summary:** When employees are financially stressed, their productivity may fall while absenteeism and turnover rates rise. A recent workplace survey found that most employees in the United States are feeling financial pressure. Introducing financial wellness tools and resources in the workplace can help reduce employee financial stress and deliver tangible gains in focus and productivity.

We don't often think about it, but soda pop is carbonated — full of liquid carbon dioxide that makes the soda fizzy and fun to drink. There's a downside, however. When shaken vigorously, the fizz factor inside the can increases as carbon dioxide returns to its preferred form, which is gas. The pressure builds and builds. Well, we all know what happens next, when a shaken soda is opened — it's a sticky mess.

Americans have been shaken up over the last few years, too. COVID-19, inflation, rising interest rates, and other socioeconomic issues have increased financial pressures on many people: enough to make them burst. As a result, their financial wellbeing has declined. Financial well-being is defined as a state in which a person can meet their current and ongoing financial commitments, is on-track to meet future financial goals, and has the financial freedom to make choices that let them enjoy life.

PwC's 2022 Employee Financial Wellness survey of over 3K employees across several industries reported that [a majority of US employees are feeling financial pressure](#). Of employees currently seeking new jobs, 59% were having difficulty meeting monthly household expenses. Some were relying on personal debt or credit to pay for necessities they otherwise could not afford, and many had taken on multiple jobs to make ends meet.

The study also found that financial woes also took a toll on respondents' mental health. When employees have financial issues, it affects their employers, too. Workers who experienced poor financial and mental health were:

- **2x more likely to look for new jobs.** It's no secret that employee turnover is expensive. It raises recruiting and training costs and can result in a loss of knowledge and know-how. Research has found that the cost of turnover [ranges from tens of thousands of dollars to 1.5x-2x the departing employee's salary](#). Given the current high turnover rates at financial institutions, this could upset payroll budgets, undermine initiatives, and leave a smaller institution scrambling to distribute suddenly unattended tasks to other employees while they search for a replacement. If training is needed for the new hire, this can cause even more frustration for the employees who are picking up the slack.
- **6x more likely to say their productivity is lower.** Financial worries can be distracting. [Stressed employees spend about 13 hours each month worrying about personal finances](#). While the median amount was around 5 hours, some of the most financially unwell employees indicated about 100 hours per month of their work time is dedicated to their financial worries. The significant difference between these numbers highlights how much more work time financially stressed employees spend worrying about or addressing financial issues, which can cause performance issues or excessive distractions that lead to mistakes.
- **7x more likely to miss work.** When financial stress takes a toll on employees' mental health, they are [far more likely to miss work](#). The total cost associated with absenteeism can include lost productivity and

wages, the cost of replacement workers, higher administrative costs, and other tangible and intangible expenses. It can also increase the working hours and workload of other employees who have to take on the absent person's duties.

How employers can help. While few employees want their employers entangled in their personal finances, employees often value advice from employer-provided programs. As a result, offering financial wellness coaching or directing employees to financial wellness resources can help reduce financial stress, which can improve focus and productivity.

Many organizations offer tools and resources that support financial wellness in the workplace. These include the Consumer Financial Protection Bureau, which offers [free tools and financial literacy resources](#) that community financial institutions (CFIs) can use to help their employees improve their financial well-being. The Bureau also offers a Your Money, Your Goals toolkit, which can help facilitate conversations about money and get affected employees back on track toward positive financial wellbeing.

While the specifics of financial wellness differ from employee to employee, employers that provide coaching, tools, and resources to support financial wellness may lower overall costs, improve productivity, and increase employee engagement. Launching a financial education program is a small price to pay for setting your employees' minds at ease.

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## ECONOMY & RATES

Rates As Of: 10/07/2022 05:47AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	3.46	0.13	3.40
6M	4.04	0.12	3.85
1Y	4.24	0.23	3.86
2Y	4.31	0.03	3.57
5Y	4.14	0.04	2.87
10Y	3.88	0.05	2.37
30Y	3.83	0.05	1.93
FF Market	FF Disc		IORR
3.08	3.25		3.15
SOFR	Prime		ORER
3.05	6.25		3.07

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