

A woman with long brown hair, wearing glasses and a yellow top, is sitting at a desk. She is smiling and looking towards the camera. She is holding a white document in her hands. In the background, there is a laptop and a window with blinds.

## A CFO'S GUIDE TO FINANCIAL WELLNESS

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**EMPLOYEE FINANCIAL WORRIES ARE  
IMPACTING YOUR BOTTOM LINE**

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## Do you know how stressed your employees are?

Surveys show nearly **60% of employees say they're stressed about finances**.<sup>1</sup> And the COVID-19 pandemic has undoubtedly only exacerbated these pressures.

Financially stressed employees spend **three or more hours a week**—approximately **150 hours per year**—worrying about personal finances or dealing with them at work.<sup>2</sup>

That is 150 hours spent, per year per employee, not focusing on the job. This could be costing your company hundreds, thousands or even millions of dollars per year in lost productivity.

As the CFO, you're tasked with the overall health of your company including:

- Leading the development of short- and long-term strategies
- Providing a positive corporate culture for employees
- Ensuring the company's financial viability

# 60%

**OF EMPLOYEES  
ARE STRESSED  
ABOUT FINANCES**

# 150 hrs/year

**FINANCIALLY STRESSED EMPLOYEES  
ARE NOT FOCUSING ON THEIR JOB**

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## What to do?

Many companies are turning to financial wellness programs to offer employees access to information about budgeting, debt management and financial planning, believing this will decrease financial stress and increase workplace productivity. Though not new, these programs are a hot topic with employee benefit offerings.

But, as you know, employee benefits can be costly. Adding another benefit with an unknown return on investment (ROI) is risky. A financial wellness program is a soft benefit; results such as improving engagement, job satisfaction and loyalty are hard to measure.

If you feel anxious about offering this benefit, you're not alone. There are a lot of questions to consider:

- Will employees be engaged in the program?
- Will productivity improve?
- Will employee turnover decrease?
- Will this program improve our balance sheet?

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<sup>1</sup> PwC. "8<sup>th</sup> Annual Employee Financial Wellness Survey." June 2019. PDF. <https://www.pwc.com/us/en/industries/private-company-services/images/pwc-8th-annual-employee-financial-wellness-survey-2019-results.pdf>.

<sup>2</sup> Mercer LLC, "Inside Employees' Minds™: Financial Wellness." 2017, 2, PDF. <https://www.mercer.com/content/dam/mercer/attachments/global/inside-employees-minds/gl-2017-inside-employees-minds-financial-wellness.pdf>.

## HOW TO MEASURE ROI?

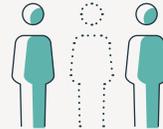
It has been suggested to look at four areas to measure the ROI on a financial wellness program:<sup>3</sup>



**PRODUCTIVITY**



**HEALTHCARE COSTS**



**ABSENTEEISM**



**EMPLOYEE TURNOVER**

### TRUE COST OF EMPLOYEE TURNOVER

Financially stressed employees are more likely to leave a position. When employers need to backfill those positions, they incur hiring costs such as recruitment fees, salary negotiations, onboarding expenses and training time. If employers could prevent even a fraction of turnover, it could lead to significant cost savings.

**16%**

**FOR LOW-PAYING  
JOBS, TURNOVER  
COST IS 16% OF  
ANNUAL WAGES**

**20%**

**FOR MID-RANGE  
POSITIONS, TURNOVER  
COST IS 20% OF  
ANNUAL WAGES**

**213%**

**FOR SENIOR OR  
EXECUTIVE POSITIONS,  
TURNOVER COST IS 213%  
OF ANNUAL WAGES**

**3 - 5%**

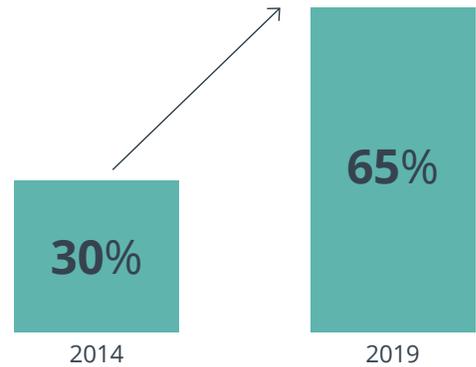
**REDUCING THE COSTS BY 3 -  
5% PROVIDES A NOTICEABLE  
BOTTOM-LINE IMPROVEMENT**

**Simply through cost avoidance, a  
financial wellness program that can  
reduce the costs in all four areas by  
even 3 - 5% provides a noticeable  
bottom-line improvement.<sup>3</sup>**

<sup>3</sup> Martha Menard, PhD. "Measuring the ROI of Financial Wellness." Questis. August 28, 2018. [Measuring the ROI of Financial Wellness \(myquestis.com\)](https://www.questis.com/Measuring-the-ROI-of-Financial-Wellness).

## Thinking about implementing a financial wellness program?

You won't be alone. From 2014 through 2019, DC plan sponsors likely to expand or add to their financial wellness programs grew from **30%** to **65%**.<sup>5</sup>



Having a financial wellness program can not only lessen employees' financial stress, it might also:

1. Increase productivity
2. Reduce healthcare costs
3. Decrease absenteeism
4. Reduce employee turnover

Which may improve your company's bottom line. It's a win-win for you and your employees.

**To find out more, contact us to discuss a program for your employees.**

WANT TO IMPROVE YOUR  
BOTTOM LINE?

**Provide a financial  
wellness program for  
your employees.**

**To find out more, [contact us](#) to discuss a program for your employees.**

<sup>5</sup> Alight. "2019 Top Topics in Retirement and Financial Wellbeing: Building on the Past, Working Toward the Future" reported in "Overall Financial Wellness is Sponsors' Top Priority for 2019," PlanSponsor, January 29, 2019. [Overall Financial Wellness is Sponsors' Top Priority for 2019 \(planadviser.com\)](#).

This information was developed as a general guide to educate plan sponsors and is not intended as authoritative guidance or tax/legal advice. Each plan has unique requirements, and you should consult your attorney or tax advisor for guidance on your specific situation.

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