



## Financial Well-Being

When assessing wealth and financial security programs, the financial well-being of the workforce is a critical component. This well-being reflects the confidence and empowerment employees experience when they can manage their expenses, handle unforeseen costs and achieve a secure financial future and retirement.

Traditionally, employers have concentrated on 401(k) and other retirement plans in their approach to financial well-being. It is important to recognize, however, that financial well-being also impacts overall physical and mental health. As such, financial well-being programs should address a diverse range of needs and be integrated with comprehensive population health programs.

Developing strategies and action plans to help enhance employee financial well-being can be effectively structured using this five-part strategic framework:

1) Holistic Employee Support

2) Personalization and Choice

3) Balancing Short-Term and Long-Term Objectives

4) Effective and Targeted Communication

5) Leveraging People and Technology for Engagement



The current state of the workplace indicates that employees face increasing financial stress, worsened by the pandemic and inflation.

**55%**

of employees are living paycheck to paycheck.<sup>1</sup>

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**44%**

report a negative impact on their physical health.<sup>2</sup>

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**57%**

of employees say finances are the top cause of stress in their lives.<sup>2</sup>

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**44%**

of financially stressed employees admit personal finance issues have been a distraction at work.<sup>2</sup>

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**55%**

say money worries have a negative impact on mental health.<sup>2</sup>

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**38%**

of families put off health treatment due to cost.<sup>3</sup>

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<sup>1</sup> [Bankrate: Living paycheck to paycheck statistics.](#)

<sup>2</sup> [PwC: 2023 Employee Financial Wellness Survey.](#)

<sup>3</sup> [Gallup: Record High in U.S. Put Off Medical Care Due to Cost in 2022.](#)

## Financial Benefits

Specific benefits to meet employee needs can vary depending on numerous factors such as demographics, economic climate, personal financial situations and cultural values. However, several key financial benefits tend to be highly valued by employees:

**1 Retirement savings plans (401(k)):** After medical insurance, retirement plans are one of the most valuable benefits. Employer contributions to retirement savings can significantly enhance an employee's ability to save for the future.

**2 Income protection and voluntary benefits:** Offerings such as life, disability, long-term care and supplemental health insurance help provide financial security to employees and their families in unforeseen life events, which can be a significant source of financial stress.

**3 Health Insurance and Health Savings Accounts (HSAs):** HSAs provide an efficient way for employees to finance their out-of-pocket expenses and save and invest tax-free to fund today's medical expenses and future healthcare needs.

**4 Student loan repayment and debt assistance:** With the rising concern over debt, especially student loan debt, assistance in this area is increasingly valued. Regulatory updates such as the resumption of federal student loan payments in late 2023 and the Secure Act 2.0 allow employers to treat an employee's qualifying student loan repayment as elective deferrals for a 401(k) plan matching contribution.

**5 Emergency savings accounts:** Programs that help build emergency savings are highly appreciated. This could be through company-matched savings programs or tools that facilitate automatic deductions for emergency fund contributions.

**6 Financial education and counseling:** Access to financial education and personalized financial counseling can be highly beneficial. Employees often value the opportunity to receive advice on managing their finances, budgeting, investing and planning for significant life events.

**7 Salary advances or payday loans:** Some employers offer programs that allow employees to access a portion of their earnings before the regular payday, which can be important for those facing immediate financial needs.

**8 Discounts and purchase programs:** Portals offering employees discounts or the ability to purchase higher priced items like computers or home appliances and make payments over time give employees alternatives to high-interest credit card purchasing.

**9 Flexible work arrangements:** While not a direct financial benefit, flexible work arrangements can have a significant financial impact by reducing costs related to commuting, childcare and other work-related expenses.

**10 Wellness and lifestyle benefits:** Gym memberships, transportation subsidies and other rewards that, while indirectly financial, can contribute to overall savings and improved quality of life.



[Click to learn more about supporting employee financial well-being.](#)



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