



What is the real employer cost of financial stress?

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Financial Wellness and Productivity

It has been widely accepted that a healthy employee is a productive employee. Nine out of ten business leaders said health had a very significant or significant influence on productivity and performance.¹ This idea has definitely gained spotlight, and more companies are jumping at the chance to promote a healthy lifestyle amongst their workforce. In 2015, 70% of companies offered wellness programs as a part of their benefits package² -- a substantial increase from 58% in 2008!³

As companies explore more holistic ways of increasing productivity, more programs are being offered to incorporate financial wellness, as well as physical health.

According to research by Aon Hewitt, roughly two-thirds of all respondents indicated that they have a financial wellness strategy, with a majority of plan sponsors having separate financial wellness and physical well-being approaches. One-quarter of all employers include financial wellness as a pillar of a broader wellness program that includes physical health.⁴

“A financially capable workforce is a more satisfied and engaged workforce that is also more productive.”

-RICHARD CORDRAY, CFPB DIRECTOR

Stress in America, a 2015 survey published by the APA, shows that stress about money and finances has topped the chart of stressors since the first study in 2007.⁵ That same study shows that 44% of Americans included saving for retirement as a significant source of money-related stress.⁵



How Much Do You Pay for Financial Stress?

Nearly half of all employees (45%) find dealing with their financial situation stressful⁶. Moreover, 37% of all employees say that at work each week they spend three hours or more thinking about, or dealing with, issues related to their personal finances.⁶ Over the course of a year, a full-time employee may spend 156 hours distracted from work because of personal finance issues. On average, employees take 4.9 sick days per year⁷ -- that is nearly 4x more time paid to stress about finances than time off to cope with sickness. According to the Bureau of Labor Statistics, in 2015 the employer costs for employee compensation (ECEC) averaged \$33.37 per hour⁸. Therefore, an employer with 100 full time employees could be wasting as much as \$520,000 annually on undue financial stress. This is a truly jaw-dropping number, and this cost to employers is a driving force in the increasing trend of companies incorporating financial wellness programs as a part of their overall benefits package.

ANNUAL
HOURS
SPENT

180
160
140
120
100
80
60
40
20
0



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SICK TIME AWAY FROM WORK



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