



Can Employers

Play a Role in Financial Health?

By Sohrab Kohli, CFSI

Financial stress is prevalent, permeating into workplaces of all industries and professions. For businesses, it has the power to eat away at the morale of workers, as well as profit. For employees, financial stress can be a distraction, contribute to absences, and influence performance. And it's on the rise. According to a 2017 report by Northwestern Mutual, 85 percent of Americans feel financial anxiety, and 36 percent reported increased anxiety over the last three years.

DIG DEEPER

- ✓ EMERGE session *From the Corner Office to the Cubicle: Financial Health at Work* Thursday, 2:00 PM - 2:45 PM, Salon H
- ✓ CFSI's recent report "Employee Financial Health: How Companies Can Invest in Workplace Wellness" emergecfsi.com/2017

Across an organization, financial stress can take a significant toll on productivity, turnover, healthcare costs, and ultimately, retirement readiness. A study from Pitt Ohio, a full-service transportation and logistics provider based in Pittsburgh, found that financially worried workers were 50 percent more likely to have a preventable accident.

Business leaders have the power to curb the costs of financial stress by addressing worker needs – across spending, saving, borrowing, and planning – through benefits, wellness programs and compensation. With a robust employee financial health strategy, employers can improve productivity and even increase staff engagement and loyalty. In the long term, employers can reduce insurance claims and increase utilization of tax-advantaged benefits. By supporting employee retirement readiness, employers can reduce the costs associated with delayed retirement, including prolonged wages and higher healthcare premiums, both of which tend to be higher for more tenured workers.

Business leaders large and small, are realizing the significance of financial stress and are overhauling benefit offerings in order to attract and retain talent, bolster brand reputation, and increase employee satisfaction while supporting the financial health of their employees. But there's one industry in

particular that is uniquely positioned to take advantage of this opportunity – one where it’s perhaps even more important for employee financial health to receive attention: financial services.

You Have An Advantage

Over the last decade, stories about employers encouraging their workers to use fitness trackers, quit smoking, and take up other healthy habits have become commonplace. As the workplace wellness space matures and expands, financial wellness is coming to the forefront. According to a 2017 report by Aon, 58 percent of employers are already offering employees help with at least one component of financial wellness. By the end of 2017, this is expected to rise to 84 percent. By leveraging their deep expertise in consumer financial health needs, financial services leaders have an opportunity compete with other great places to work.

Practice What You Preach

Just as the financial health of your customers is critical for your business, so is the financial health of your employees. Is your organization’s mission to be a financial health leader? Then that mission should be reflected in your core values as an employer. As you build your brand as a financial health leader, there is tremendous value in having your employees – the stewards of your mission – positioned for financial health.

One company that is trying address the financial health needs of its employees is Fidelity. Through its “Step Ahead Student Loan Assistance,” powered by Tuition.io, Fidelity offers its employees – at the manager level and below – up to \$2,000 per year, up to a total of \$10,000 toward repayment of their student loans, as well as online tools to help manage their debt. With well over \$1 trillion in student loan debt in the U.S., nearly 90 percent

of young employees say they’d stay at least five years at a company that helped pay off their student loans, according to U.S. News & World Report. Fidelity is one of only 4% of employers offering this very significant benefit. Discover Financial is another financial services company that is thinking about the financial health of its employees. It has partnered with EverFi to offer its employees access to learning modules on financial wellness topics like savings, retirement planning and insurance.

Beyond these examples, there are other ways employers can support the spending, saving, borrowing and planning habits of their employees. For instance, Pitt Ohio has introduced employee emergency savings accounts with incentivized company contributions and financial counseling for its employees. There are also third-party system like DoubleNet Pay, an automated solution that tracks employee bills, seamlessly schedules payments around their paycheck cycle, and directs earnings towards savings goals in a secure FDIC-insured account. Then there is Working Credit, a nonprofit organization offering an 18-month financial wellness employee benefit with a credit-building focus. Through Working Credit, employees learn about the credit scoring system, get one-on-one credit building assistance, and can open a credit-builder loan with an integrated savings component. Among employees served for 18 months, Working Credit sees a 52 percent increase in the number of people with prime FICO scores, a 34 percent increase in the number of participants with at least \$1,000 available on one or more credit cards, and a 28 percent jump in the number enrolled in an automated savings vehicle.

Such benefits can be incredibly powerful for your workers, as well as your bottom line. With much to gain in employee satisfaction, business impact and brand value, is your organization ready to step up? ☰

Take Action



During EMERGE

Attend the panel *From the Corner Office to the Cubicle: Financial Health at Work* [Thursday, 2:00 PM - 2:45 PM, Salon H] and connect with Sohrab Kohli to talk more about CFSI’s work on this topic



Within 1 Week

Share CFSI’s new report *Employee Financial Health: How Companies Can Invest in Workplace Wellness* emergecfsi.com/2017 with your HR department and other business leaders



Within 1 Month

Hold a meeting with your core leadership team and get the conversation going on implementing an employee financial health strategy for your organization



Within 3 Months

Connect with CFSI to discuss your organization’s goals and to identify a plan of action



Within a Year

Gauge your workforce and identify appropriate employee financial health solutions