

A background image showing a desk with a calculator, a bar chart, a ruler, a pen, and a paperclip. The calculator is a silver and black F024A model. The bar chart has blue bars of varying heights on a grid. The ruler is a metal one with markings in centimeters and inches. The pen is blue and the paperclip is green.

A CFO'S GUIDE TO FINANCIAL WELLNESS

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

Do you know how stressed your employees are?

Surveys show nearly **60% of employees say they're stressed about finances**.¹ 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.²

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**

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?**

¹ PwC. "8th 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>.

² 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?

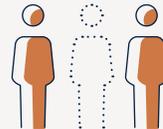
It has been suggested to look at four areas to measure the ROI on a financial wellness program:³



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%

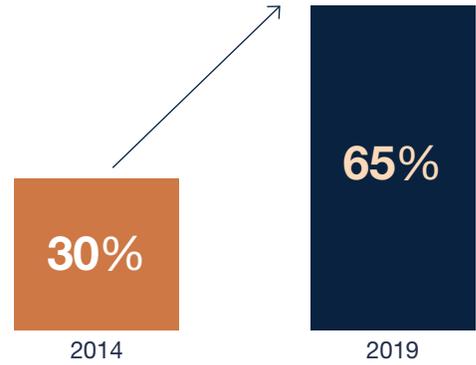
**REDUCING THE COSTS BY 3 -
5% PROVIDES A NOTICEABLE
BOTTOM-LINE IMPROVEMENT**

**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.³**

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

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%**.⁴



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

<p>INCREASE PRODUCTIVITY</p>	<p>REDUCE HEALTHCARE COSTS</p>	<p>DECREASE ABSENTEEISM</p>	<p>REDUCE EMPLOYEE TURNOVER</p>
---	---	--	--

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.



📍 9261 Ravenna Road, B4
Twinsburg, OH 44087
📞 (216) 393-8182

✉ info@pkfinancialgroup.com
🌐 www.pkfinancialgroup.com

Securities and investment advisory services offered through SagePoint Financial, Inc. (SPF), member FINRA/SIPC. SPF is separately owned and other entities and/or marketing names, products or services referenced here are independent of SPF.

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.

©401(k) Marketing, LLC. All rights reserved. Proprietary and confidential. Do not copy or distribute outside original intent.

⁴ 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 \(planadviser.com\)](https://www.planadviser.com).