

Supporting Employee Financial Wellness

Employees experiencing financial stress are more likely to report distractions at work, increased stress and burnout, delayed healthcare decisions, and reduced retirement savings participation. In addition to concern over their employees' well-being, for employers, these financial concerns directly affect workplace productivity, engagement, absenteeism, and retention.

The good news is that employers can play a vital role in supporting employees as they build financial confidence and resilience. Promoting financial wellness strategies and providing supportive resources can help employees regain a sense of control over their financial future.

Encourage Practical Budgeting Habits

Budgeting remains one of the most effective ways for employees to manage financial uncertainty, yet many individuals feel overwhelmed by the process. Employers can support employees by offering access to educational tools and resources that simplify budgeting and encourage realistic financial planning.

Employers can partner with local or national financial institutions and financial planners for workshops, webinars, or access to financial education coaching or platforms to help employees:

- Track spending habits
- Identify unnecessary expenses
- Create emergency savings goals
- Plan for irregular expenses
- Adjust household budgets during periods of inflation

Improvements in financial organization, no matter how small, can reduce stress and increase employees' sense of stability and confidence.

Provide Support for Debt Management

Debt may continue to be a major source of financial anxiety for some workers. Credit card balances, student loans, medical expenses, and high-interest borrowing may increase if employees must keep pace with rising costs. Employers can help by offering access to financial counseling or debt management resources that assist employees in:

- Understanding repayment options
- Prioritizing high-interest debt
- Improving credit health
- Avoiding predatory lending practices
- Building long-term financial habits

Although not commonplace, voluntary benefits such as student loan repayment assistance or emergency savings programs may also help ease financial burdens.

Reinforce the Importance of Retirement Planning

When financial stress increases, retirement savings are often one of the first areas employees reduce or stop altogether. Unfortunately, pausing retirement contributions can create long-term financial setbacks.

Employers can help employees stay focused on future goals by encouraging continued participation in retirement plans, tax-savings accounts such as HSAs, and helping employees understand the long-term value of consistent saving even during challenging economic periods.

Strategies to assist with retirement financial goals may include:

- Offering retirement education sessions
- Providing access to retirement planning advisors
- Promoting employer match opportunities
- Encouraging incremental contribution increases
- Helping employees understand catch-up contributions for eligible workers

Employees are more likely to engage in retirement planning when information is clear, accessible, and connected to their current financial realities.

Take a Holistic Approach to Financial Well-Being

Financial wellness is closely tied to overall employee well-being. Financial stress can affect mental health, physical health, workplace morale, and family stability. Employers should consider financial wellness as part of a broader employee well-being strategy.

A holistic approach to financial wellness may include:

- Employee Assistance Programs (EAPs)
- Mental health support
- Flexible benefits options
- Financial education resources
- Wellness initiatives focused on stress management
- Access to professional financial guidance

Creating a workplace culture where financial wellness conversations are supported can also encourage employees to seek help before financial challenges become overwhelming.

A Valuable Investment for Employers

Supporting employee financial wellness is an investment in workforce stability and organizational performance. Employers investing in financial wellness programs often report seeing improvements in employee engagement, retention, and productivity.

Whatever the economic environment, employers have an opportunity to make a meaningful difference by supporting employees in their efforts to strengthen their financial habits, reduce stress, and build long-term financial resilience. Financial wellness education and support can have a lasting positive impact on employees and the workplace overall.