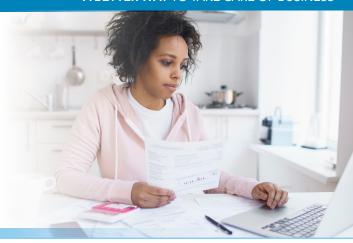
Financial Well-Being Fact Sheet



This document is part of a set of fact sheets that employers can use to begin, restart, or enhance initiatives to promote a culture of well-being at the workplace. Each fact sheet focuses on one of the six areas of workplace well-being: physical, emotional, social, community, financial, and career.

What is financial well-being?

Financial well-being is defined as a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life.¹ Struggling or suffering financial well-being is the single strongest predictor of daily worry and stress for people with jobs. ²

Why is financial well-being important to an employer?

Financial well-being profoundly affects employees in the workplace. For example:

- Employees who are troubled by their finances are twice as likely to be in poor health as those who declare themselves financially "unworried." ²
- Studies show that employees who are worried about their finances are less engaged and productive at work.³
- Employers have observed that employees are increasingly borrowing against their 401Ks to pay down their debt.³
- Employees are more likely to stay with an employer who offers support to help them achieve financial well-being.⁴

Why is financial well-being important to an employee?

More than half of employees are stressed about their financial situations, with financial matters still the top cause of stress in their lives. ⁵ This challenge is not limited to the lower thresholds of income, as workers at all income levels struggle in their ability to manage money. ¹ Financial well-being allows employees to:

- "Make ends meet," earning more each month than they are spending
- Have the economic means to live their desired lifestyle day to day
- Be prepared for unexpected changes
- Have saved enough for a home, college, retirement
- Avoid borrowing from their retirement (IRA, 401K) to "make ends meet"
- Have financial goals and a plan to reach them



To achieve financial well-being is to reach a state where one is living within their means, is on track to deal with unexpected emergencies, and is planning and investing for retirement. Obtaining financial well-being is the ability to live according to one's values and ensure that one is prepared for life events and retirement.

What can employers do to help promote financial well-being at the workplace?

Employers have an opportunity to improve productivity, increase employee engagement, and position their employees to save more in their retirement accounts.² There are many digital and worksite-based vendors that can provide guidance and expertise to an employer's workforce. A good first step to understand employees' needs and wants for financial planning is to engage in a workforce survey.

Employers can consider some of the following options:

Employer Finance Departments

Employers can look to their own finance departments to develop financial well-being solutions and/or evaluate existing and potential vendors.

Digital Vendor Solutions

Full financial-spectrum solutions, from daily budgeting to saving for college and retirement.

In-person Seminar Vendors

Seminars to teach basic financial-planning tools and create awareness.

Employee Assistance Programs

Most EAPs offer two to four telephonic financial-counseling sessions, which can be followed by a referral to a professional if necessary.

Benefit Management Vendors

Resources and tools to help employers and employees manage health-related costs (HSA, FSA, HRA) and/or provide curated vendor products.

401K Firms

Resources and tools for employees to learn about budgeting, financial planning, and preparing for retirement.

Community Resources

Employers can check in their own communities to identify community-based financial-planning and assistance programs, such as contacting local credit unions and banks.

Sources

- ¹ Getting started with measuring financial well-being – Consumer Financial Protection Bureau, January 2019.
- ² Clifton, J, Harter, J. Well-being at Work. Gallup Press; 2021.
- ³ Financial Well-being: Key Insights from the January 2020 Employer Benchmarking Call Series – Business Group on Health.
- ⁴ PwC's 8th annual Employee Financial Wellness Survey, 2019.
- ⁵ PwC's 9th annual Employee Financial Wellness Survey, 2020.
- 6 Work Redefined: A New Age of Benefits, MetLife's 15th Annual U.S. Employee Benefit Trends Study. May 2017.



Additional ideas and information are available on the sites linked below:

- WELCOA: Financial Wellness
- GreenPath Financial Wellness
- Consumer Financial Protection Bureau
- SaverLife
- CalCPA: Dollars & Sense

Kaiser Permanente health plans around the country: Kaiser Foundation Health Plan, Inc., in Northern and Southern California and Hawaii • Kaiser Foundation Health Plan of Colorado • Kaiser Foundation Health Plan of Georgia, Inc., Nine Piedmont Center, 3495 Piedmont Road NE, Atlanta, GA 30305, 404-364-7000 • Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., in Maryland, Virginia, and Washington, D.C., 2101 E. Jefferson St., Rockville, MD 20852 • Kaiser Foundation Health Plan of the Northwest, 500 NE Multnomah St., Suite 100, Portland, OR 97232 • Kaiser Foundation Health Plan of Washington or Kaiser Foundation Health Plan of Washington Options, Inc., 1300 SW 27th St., Renton, WA 98057 2021WF1515 MAS 10/15/21-12/31/22

