Considerations for Implementing an Effective Financial Well-being Programme

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High inflation and the ongoing cost of living crisis have contributed to employees’ financial stress, as many struggle to navigate higher prices, uneven wage growth and debt. Worse still, almost half of adults (45%) don’t feel confident managing their money day to day, according to the Money and Pensions Service. When employees are stressed about their finances, they’re more likely to be distracted, less engaged and less productive at work.

According to research by HR solutions company Zellis, more than three quarter (77%) of UK workers have experienced financial stress in the past 12 months. What’s more, nearly half have lost sleep over financial stress and felt tired and less productive at work.

In today’s competitive business landscape, employers can use financial well-being programmes to support their workforce and improve employee satisfaction, morale and productivity. This article explains the benefits of financial well-being programmes and provides guidance on implementing successful programmes.

# The Impact of Financial Stress

Worrying about finances can negatively impact employees personally and professionally.

Personally, financial stress can affect:

* Sleep
* Physical health
* Mental health
* Self-esteem
* Relationships at home

Professionally, financially stressed employees are less likely to be engaged at work, feel a sense of belonging or recommend their employer to friends or family. As a result, organisations may experience increased turnover, reduced productivity and weakened company culture.

# Understanding Financial Well-being Programmes

# Employers can offer financial well-being programmes to help employees manage personal financial matters. These programmes are designed to educate employees and help them reduce financial burdens. Financial well-being programmes may include several resources, such as online education, budgeting tools, credit resources and financial coaching or counselling. Examples of common financial topics include the following:

* Retirement planning
* Investments
* Debt management
* Household budgeting
* Credit management
* Savings
* Taxes

Financial well-being programmes often go hand hand-in-hand with organisational initiatives that

promote employee well-being, encouraging healthy behaviours that can contribute to positive mental and physical health.

# Benefits of Financial Well-being Programmes

# Employers who address employee well-being issues, such as financial stress, may experience happier, healthier and more productive employees. Financial well-being programmes can benefit employers in the following ways:

# Decrease employee stress—Financial well-being programmes provide employees with the tools and knowledge they need to manage their finances effectively. This can reduce employee stress, improve productivity and boost morale.

# Reduce absenteeism—Financially stressed employees are more likely to take unplanned days off. This can disrupt team dynamics and harm productivity. Financial well-being programmes can help employees manage their personal finances, resulting in fewer missed days of work.

# Increase productivity—Struggling employees may spend time dealing with or thinking about their personal finances at work. Financial well-being programmes help employees regain control of their finances, which can create a more focused and productive work environment.

# Improve attraction and retention—Financial well-being programmes are an attractive benefit that can improve employee attraction in a competitive hiring market.

# Implementing Financial Well-being Programmes

Traditionally, employers have offered financial support in the form of retirement plans, life insurance and other financial and insurance benefits. However, retirement and financial benefits are just one aspect of a successful financial well-being programme. To remain competitive, employers may want to consider providing a more comprehensive financial well-being programme that provides employees with the tools, knowledge and resources they need to manage their spending and plan for future savings. These programmes may include the following aspects or components:

* Financial education, including how to budget and avoid debt
* Loan consolidation opportunities
* Tools for budgeting and tracking spending
* Mortgage assistance and home-buying advice
* Access to financial experts who can advise on investing, saving and retirement planning
* Emergency savings funds and loans
* Partnerships with financial planning organisations
* Tuition reimbursement programmes
* Regular financial workshops
* Comprehensive retirement planning with employer matching
* Opportunities to buy group life insurance and other elective insurance

Employers can weigh the advantages of providing digital financial resources against the benefits of human counsellors or advisors. Digital resources can provide employees with anonymous, round-the-clock access to financial education and management tools. However, humans may be more valuable to help employees understand complex financial issues and to keep employees engaged and motivated over the long term.

# Conclusion

Financial well-being programmes can benefit both employees and employers. These programmes can provide employees with the resources they need to successfully navigate difficult financial times, manage and avoid debt and plan for retirement.

Employers that successfully implement these programmes may experience improved attraction, engagement, productivity and retention, which can contribute to revenue.

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