



2022 PwC employee financial wellness survey

Three areas where your employees' financial wellness can affect your organization's bottom line, and what you can do to help

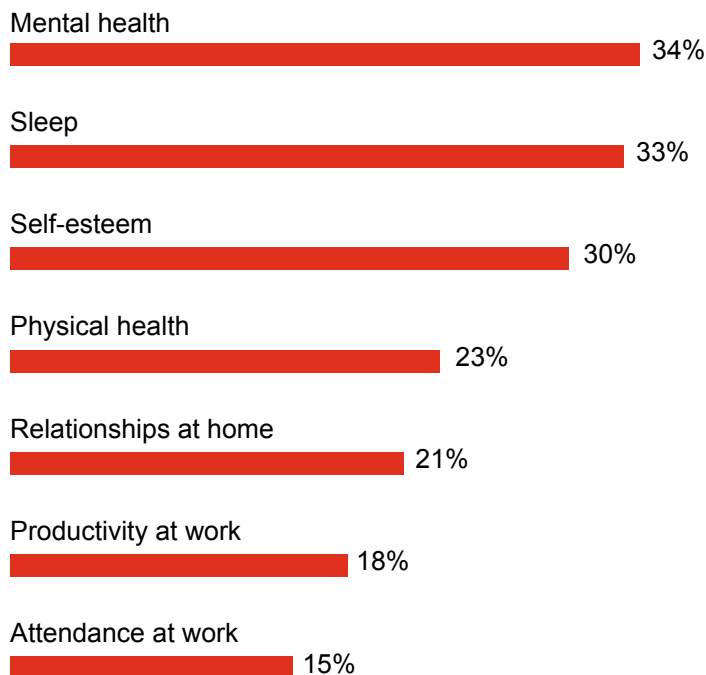
Against a backdrop of rising inflation and global instability, many US employees are feeling the pressure of meeting their day-to-day financial needs. That sentiment was evident in the latest PwC Employee Financial Wellness Survey of more than 3,000 workers across several industries.

Consider that two out of five full-time employees said their top financial pressure is that everything costs more these days. And according to the survey, they're not especially optimistic that help is on the way. Only 42% said their compensation is keeping up with the rising cost of living expenses. That's down from 52% in last year's survey. In addition, one in four full-time employees is working more jobs than in previous years to make ends meet, and 56% are stressed about their finances.

The impacts of financial stress can run deep, our survey found. Addressing those concerns — and improving the work environment for your employees — often requires a better understanding of three critical areas that have a significant impact on your organization's culture and, ultimately, business success.

Personal financial issues impact employees physically, emotionally, mentally and socially

Employees say that financial stress/money worries in the past year have had a severe or major impact on their.. .



Q: In the past year, how much of a negative impact have financial stress/money worries had on ...

Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: base of 3,236 full-time employees

1. Retention: Financially-stressed employees are more likely to be looking for a new job

Employee rationale for changing jobs has shifted this year. More than a quarter of the employees who changed jobs last year did so for nonmonetary workplace benefits including a less stressful job and the ability to work remotely or flexibly. Only 38% cited more money as their main reason for changing jobs. Today, among the 29% of employees currently looking for a new job, 65% cite money as their primary reason. Employees looking for new jobs are relatively evenly split across gender, salary band and industry, probably due to the larger economic and inflationary pressures facing all workers.

Financially-stressed employees are twice as likely to look elsewhere



Q: Are you currently looking for a new job?

Q: Would you be attracted to another company that cared more about your financial well-being?

Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: base of 3,236 full-time employees

Keeping in mind the high cost of employee turnover, including recruiting and training plus the loss of institutional knowledge, employers should show they care about employee financial well-being by promoting benefit programs that help employees stretch their money further. That includes student loan paydown plans; more than one-third of survey respondents who are currently looking for a new job have student loans. It also includes financial coaching focused on areas where people need immediate help like budgeting, paying down debt and building an emergency fund, as well as employer benefits that enable employees to access their pay more quickly without being subject to exorbitant fees and interest rates.

Employees looking for a new job are dealing with critical cash and debt issues and less confident that their current employer cares



Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: base of 3,236 full-time employees

2. Mental health: Financially-stressed employees are three times as likely to feel a big negative impact from money worries

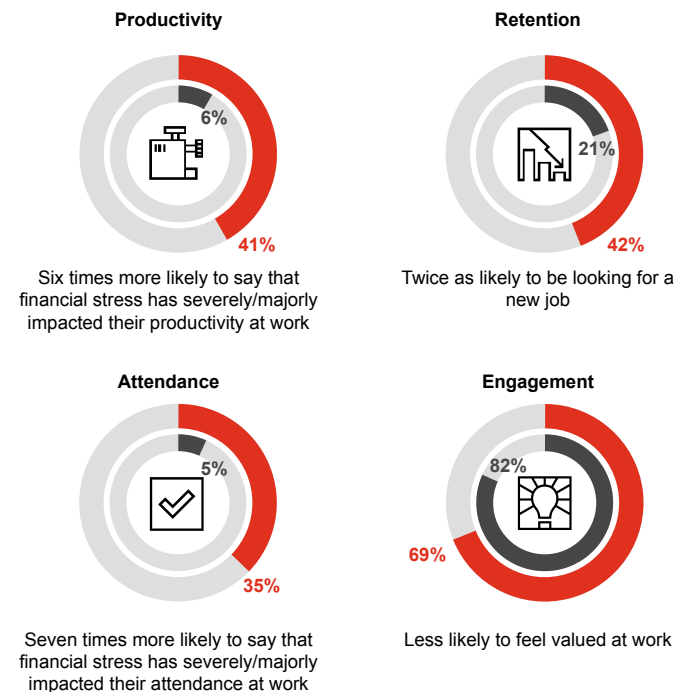
Since the COVID-19 pandemic began in 2020, many employers have renewed their focus on mental health by investing in additional resources and examining workplace factors that can affect mental health like burnout and exhaustion. [PwC's Health and Well-being Touchstone Survey](#) noted that mental health is a priority for employers, evidenced by 53% of them adding mental health programs last year.

Among financially-stressed employees, 49% said that money worries had a severe or major impact on their mental health in the past year, compared to just 15% of employees not stressed by their finances. Money problems can be a big driver of mental health issues that have the potential to directly impact an employer's bottom line in key areas like productivity, retention, attendance and overall engagement.

Given the connection between financial wellness and mental health, employers should consider offering financial coaching alongside their mental health resources. While fairly evenly split across racial groups and salary bands, employees whose mental health has been severely or majorly impacted by their finances are more likely to be female and millennial. Employers should consider including financial wellness topics as part of employee resource group sessions they are likely to attend.

Mental health issues driven by financial stress impact an employer's bottom line in key areas

■ Employees who say that money worries have a severe/major negative impact on their mental health ■ All other employees



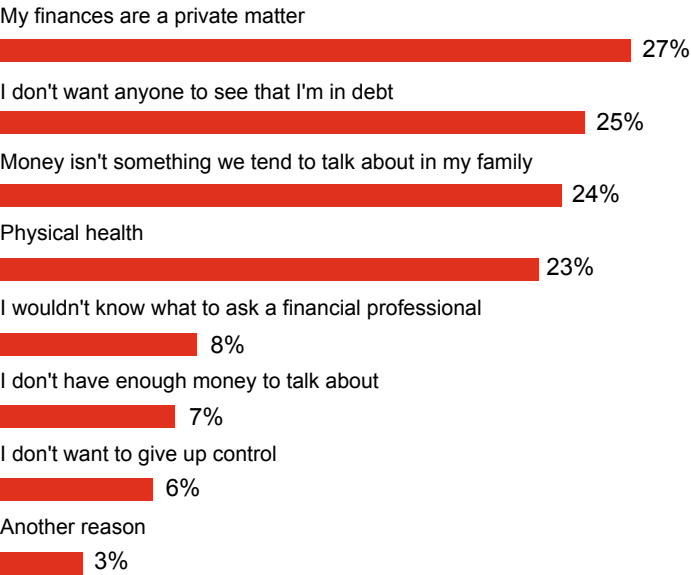
Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: base of 1,100 full-time employees who say that money worries have a severe/major negative impact on their mental health

When it comes to taking action on financial issues, employees whose mental health has been severely or majorly impacted by their financial worries are less likely to describe themselves as self-motivated and more likely to take action if their employer offers incentives. Employers should evaluate how they incentivize financial wellness program participation with features like earning wellness points towards cash incentives or other items of value like discounted health insurance premiums.

These employees are nearly twice as likely to say that one-on-one financial coaching via phone or video chat is extremely helpful, likely because of the intimate and confidential nature of their financial issues. Given that employees may be wary about what information their employer can see, employers should clearly explain that they will receive reports of financial wellness activity completion for incentive tracking purposes only and will not be privy to what an individual employee discusses with a financial coach or views via online financial wellness resources.

As with mental health, a stigma around getting help lingers — 41% of financially-stressed employees are embarrassed to seek guidance on their finances. Employers should help destigmatize asking for help by touting employee success stories and outcomes for those using employer-provided financial wellness resources.

Many reasons why financially-stressed employees are reluctant to ask for help with their finances



Q: What is the main reason you find it embarrassing to ask for guidance/advice with your finances?
Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: base of 737 financially-stressed full-time employees who find it embarrassing to ask for guidance/advice with their finances



3. Productivity: Financial stress has multiple ripple effects

Among employees who say that their financial worries have had a severe or major negative impact on their productivity at work, 67% are struggling to meet their household expenses on time each month, 71% have personal debt and 64% are using credit cards to pay for necessities they couldn't otherwise afford. One in four have saved less than \$1,000 for retirement, and more than half plan to postpone their retirement.

Millennials are more likely than Gen Xers to say that financial worries have affected their productivity. Given that many millennials are in their 30s and dealing with the financial implications of a variety of life events, employers should emphasize financial planning workshops and coaching designed for employees managing the financial implications of things like buying a home, getting married, becoming a parent or dealing with divorce.

Employees whose financial worries have had a severe or major impact on their productivity seem especially receptive to help. More than half told us that they're aware that their employer offers services to assist with personal finances. (By comparison, less than one third of employees whose productivity was not severely or majorly affected by their finances had that awareness.) They're more likely to have used the financial wellness services their employer offers and more likely to rate those services as extremely useful. They're also more likely to want a higher touch when it comes to their finances. Nearly half of those whose productivity has suffered want to be told what to do when it comes to their finances as compared to one third of other employees.

More distraction, less productivity when there's financial stress



Q: In the past year, how much of a negative impact have financial stress/money worries had on your productivity at work?

Q: How much time do you typically spend at work each week either thinking about or dealing with issues related to your personal finances?

Source: 2022 PwC Employee Financial Wellness Survey, January-February 2022: bases of 1,817 and 772 full-time employees

The vast majority (73%) of employees whose productivity at work is severely or majorly impacted by their financial worries also say that their finances have significantly affected their self-esteem. Employee resource groups may be particularly helpful for employees who need to feel connected at a time when work and personal issues are colliding in a way that makes them feel less than successful on either front.

Given that more than half of financially-stressed employees who are distracted by their finances at work spend three hours or more each week dealing with personal money issues during work time, employers who direct their employees to financial wellness resources to help alleviate stress have the potential to reap tangible gains in employee focus and productivity.

About the PwC Employee Financial Wellness Survey

PwC conducted an online survey of 3,236 full-time employed US adults across a variety of industries in January and February 2022. This is the survey's 11th year tracking the financial well-being of US employees.



Contact us:



Cornell Staeger
Principal, PwC US
cornell.staeger@pwc.com