At-a-glance: Implementing an effective financial well-being program

35% of employees surveyed report that issues with personal finances have been a distraction at work. Of those who are distracted by their finances at work, **49%** say that they spend three hours or more at work each week thinking about or dealing with issues related to their personal finances.[1]

According to the Consumer Financial Protection Bureau, "Financial well-being is 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 them to enjoy life."[2] The primary goal of financial well-being programs is to help employees eliminate or at least help minimize their financial stress so it doesn't distract them while they're at work.

Why focus on financial well-being?

As you can see below, financial matters are some of the top sources of stress:

- 1 in 3 employees said that personal financial stress interfered with their job performance[3]
- 50% of employees spend more than they earn each month[4]
- 37% of workers say they have more debt than they can manage[4]
- 41% of employees say they don't have enough savings to cover 3 months of living expenses[4]

In addition, studies indicate that financial stress may have a significant impact on employees' job satisfaction, productivity and performance at work. Implementing an effective financial well-being program may be a win-win for both the employees and the employer. When employees are better able to manage their finances, such as reducing debt or saving for retirement, the employer gets a more engaged and productive workforce.

Keys to implementing an effective financial well-being program

1 Assess the financial stress of your workforce

Before implementing a financial well-being program, it's important to understand the needs and interests of your employees. This can be accomplished through surveys, focus groups and reviewing benefits data. Below, is a list of "benefits indicators" that may reveal the need to implement a financial well-being program:

- Low participation in consumer-driven health plans
- Low percentage of employees contributing to retirement plans, the average retirement contribution is low and/or employees are withdrawing loans against retirement savings
- Participation in life insurance and disability benefits is low

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❷ Determine your approach

Financial well-being programs can range from providing the basics of budgeting to offering 1-on-1 coaching with financial planners. Because not everyone learns the same way, offer a mix of delivery channels to address different preferences and learning styles. Consider using a mix of self-directed options (e.g. online courses and tools) and guided sessions (e.g. in-person workshops or coaching). Regarding program delivery, you can develop and deliver your program in-house, use outside resources or a combination of both. Determine the best approach for your organization based on your employee assessment and your available budget. A couple of options to consider include:

1. Contact your current benefit providers, well-being vendor, and/or corporate bank to see what programs and resources you may have access to or
2. Select a third-party financial well-being vendor.

Note: As with selecting any vendor, be sure to do your due diligence as you would with any fiduciary decision.

❸ Offer a "holistic" program

Because you will have employees who are in different stages of their lives and careers, you'll want to provide an assortment of financial well-being topics and resources within your program. For example, you'll want to consider offering some of the following:

- Budget assistance
- Debt management and reduction
- Creating an emergency fund
- Retirement planning
- Home buying
- Managing student loan debt
- Planning for children's education

❹ Measure the impact of the program

As with all well-being programs, it is important to consistently evaluate and evolve your program to maximize its impact. Several key metrics to consider when measuring the outcomes of your program include:

- Program engagement — number of employees who sign-up, how many sessions completed, satisfaction, etc.
- Utilize data from your benefits plans. Positive indicators, which may indicate that employees have extra money to save and invest, include, increased enrollment in retirement plans, automatic savings programs and health savings account (HSA's). Negative indicators include 401(k) withdrawals, outstanding loans and loan defaults.

Learn more

Ask your UnitedHealthcare representative for additional programs and educational materials that help support financial well-being.

[1] https://www.pwc.com/us/en/private-company-services/publications/assets/pwc-2019-employee-wellness-survey.pdf. Accessed November 2020

[2] https://www.consumerfinance.gov/consumer-tools/financial-well-being/about/. Accessed November 2020.

[3] https://www.metlife.com/employee-benefit-trends/ebts-financial-wellness-2019/. Accessed November 2020.

[4] https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/uploads/2019/05/24163214/FHN-MorganStanley-Infographic-FINAL.pdf. Accessed November 2020.

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