



FINANCIAL WELLNESS

*How to create a treatment plan
that will improve financial wellness
and organizational objectives*

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Insights from Eckler's Survey on Financial Wellness in the Workplace

The amount of stress Canadians face today is unprecedented. Geographically dispersed families and support groups, transitory employment, and immediate consumption has led to increasing levels of debt and self-reliance.

Lack of focus at work, increasing amounts of time spent managing personal finances, increased use of employee benefit plans to manage stress-related illnesses, and a feeling of loss of control and confidence are now commonplace.

For employers, the competition for talent and the ability to retain key employees is fierce. Employees are highly mobile and unemployment rates remain at historic lows. Pressure to find ways to engage employees in the organization so they bring their best each and every day, and want to stay for the long term is mounting.

It is with this background that Eckler conducted our national survey of employees and employers to gauge their opinions, as well as gather information about current and future practices regarding financial wellness in the workplace. We wanted to know what is working well, what employees want, and where the current gaps in delivery are. What we heard is that **the employer is a trusted source of information** in a complex and often conflicted financial environment. Employees want to receive financial education at work, but gaps exist on what is provided and how.

As employers continue to look to financial wellness programs as the prescription for mitigating both the personal and workplace impacts of financial stress, designing a program that fits the symptoms and is offered with the right treatment plan is the key to success. Our survey insights are a useful tool for understanding the current misalignment and formulating a more effective treatment plan.

Symptom:

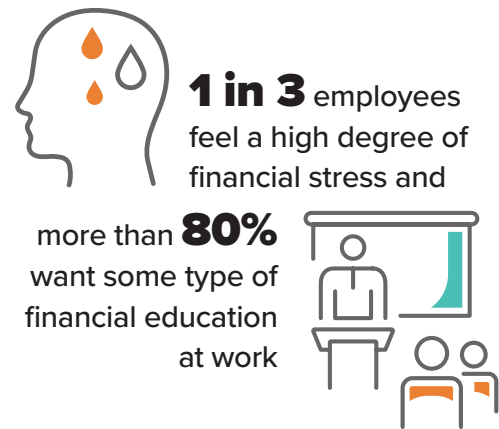
Low employee productivity and engagement

When asked about their top three concerns regarding employees, employers cited productivity, salary and engagement. This isn't surprising based on the pressure many organizations face to continually grow, and attract and retain talent. According to the survey, more than half (54%) of employees feel some degree of stress about their finances, and close to one-third (32%) would describe it as a high degree of stress. It's not surprising then that 80% of employees say they want some type of financial education at work.



Employees who are under stress because of their finances are less able to maintain focus at work. An offer of **help from their employer makes an employee feel supported, creates goodwill and fosters greater engagement with the organization.**

The good news is more than half (58%) of the employers surveyed offer some form of financial education, and one-quarter (25%) say they plan to offer it in the next two years.



Unfortunately, a sizable number of employers are not convinced that a financial education program could be effective at increasing productivity (40%) or commitment to the company (37%).

While mental health, absenteeism and drug benefit costs did not make the top three priorities for employers who responded to this survey, we know from additional research that employees suffering from financial stress are twice as likely to report poor health, and almost half of working Canadians admit that stress related to personal finances has had an impact on their performance at work.¹

¹ Source: <https://www.canada.ca/en/financial-consumer-agency/services/financial-wellness-work/stress-impacts.html>

Prescription:

Understand the amount of financial stress employees are under and its impact on your business. Provide financial education to empower employees to gain control of their finances and be more present at work and committed to the organization.

Symptom:

Underappreciated company benefits

The survey showed that, while employees and employers are generally aligned on program topics, there is one critical disconnect – company benefits.

Employees ranked company benefits at number 5 on their list of preferred topics. However, while close to half (46%) of employers cited helping employees understand the value of their benefits as a reason for offering financial education, it ranked at number 8 on their list of important topics.

Given that employers have identified employee engagement as their number 3 concern regarding employees, creating a better understanding of the value of company benefits could go a long way toward increasing engagement.

Employees and employers were aligned on the topics of retirement planning and financial planning. Did you know that less than 23% of Canadian organizations offer a pension plan today?¹ Do your employees know that? Financial wellness represents another opportunity to present the value of the programs offered to employees.



Top 5 Preferred Financial Wellness Topics

Employee

1. Pensions and retirement planning
2. Retirement income planning
3. Financial planning
4. RRSPs vs. TFSAs
5. Company benefits

Employer

1. Financial planning
2. Retirement income planning
3. Pensions and retirement planning
4. Budgeting and money management
5. RRSPs vs. TFSAs

¹ Source: Statistics Canada

Prescription:

Help employees understand how to use the benefits provided to meet their needs.

Symptom:

Lack of attendance at employee sessions

Session timing, delivery method, and who is delivering the session are critical to ensuring engaging and effective education programs. The survey showed that a majority (60%) of employees would prefer to participate in education sessions during work hours.

Employers appear to be aligned on this, with more than half (61%) providing financial education during work hours. However, the results also showed that they may be missing an opportunity to reach more employees. While less than a quarter (22%) of employers offer sessions during the lunch break, more than half (60%) of employees said they would be most likely to participate during lunch. More than one-third (40%) would also be willing to use personal time outside of working hours to participate.



When companies provide it

1. **During work hours**
2. On employees' time
3. Weekends
4. Right after work
5. **Lunch breaks**

When employees want it

1. **During work hours**
2. **During lunch break**
3. Right after work
4. On the weekend

Prescription:

Find out when employees would prefer to receive education – you might be surprised at what you hear. Also consider offering sessions at different times to catch as many employees as possible.

Symptom:


Little take-up of financial education

Of equal importance is the delivery method. Contrary to the move toward digital, when asked how employees want to receive financial education, live seminars were the preferred delivery method across all age groups. Contrary to what many might expect, 23% of employees under the age of 25 preferred this method, followed by 32% of millennials (aged 26-40), and 40% of employees aged 41 to 55 and older.

This aligns well with current practice where more than one-third (35%) of employers are offering their financial education through live seminars.

As the baby boom generation moves through the workforce, there is a desire for **a more personal approach** as they get close to retirement. This is a critical time in their lives and financial decisions can have a long-term, significant impact on their retirement lifestyles. In fact, the survey showed that employees aged 55 and above cited an almost equal preference for one-to-one coaching over for live seminars. This presents a key opportunity to employers. However, according to the survey, only one-quarter (26%) offer one-to-one coaching.

The survey also revealed that employees of all age groups ranked **online/self-taught methods among their least preferred methods**, yet one-third of employers (32%) rely on this method for delivery of their financial education programs.



Employees of all ages preferred in-person sessions but for employees aged **55+** one-to-one coaching was almost equally preferred



Prescription:

Continue to offer employees live face-to-face learning opportunities. For employees approaching retirement, provide access to one-to-one personal assistance. While online tools and delivery are efficient, they need to be supplemented with a more interactive, personal approach.

Symptom:

Lack of action following financial education

Who delivers the financial education plays a significant role in how the messaging is perceived and accepted. If the source of education is not trusted, motivation for employees to take action based on the information provided will be low. Receiving information from an unbiased source was the **most highly ranked answer** in the survey and is key to employees engaging with the information they receive.

Valued attributes of a financial educator

Employers

84% unbiased

85% experienced

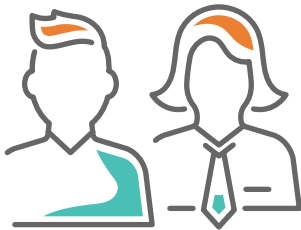
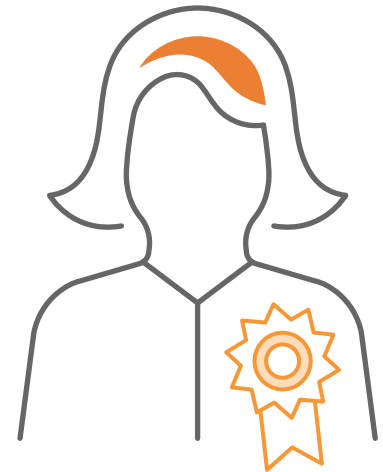
80%+ accredited

Employees

90%

84%

74%



Prescription:

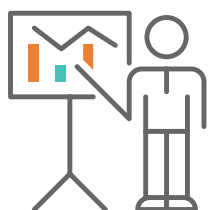
Ensure financial education is provided by an unbiased party who is an expert at delivering education and personal finance.

Symptom:

Difficulty getting internal buy-in for financial wellness

Demonstrating **a clear return on investment** for projects and initiatives can be critical for obtaining the required resources. Currently, financial wellness programs are falling short in two critical metrics: outcomes are not being measured and/or the measurements used are not reflective of stated objectives. Without clear measures of success, it can be difficult to build a business case for ongoing investment.

According to the survey, less than a quarter (24%) of employers believe that the education provided to their employees is effective at improving their financial well-being, and 27% of employees concur with that belief.



Less than one quarter of employers believe their financial education program is effective

but only **58%** of employees measure participation and engagement

Low confidence in program effectiveness may be directly aligned to a number of issues. Almost half (42%) of employers do not measure employee participation and engagement in their education programs.

For those who are measuring, close to two-thirds rely on satisfaction questionnaires (62%) and attendance numbers (62%) as a gauge for effectiveness. Setting key metrics such as monitoring behaviours in retirement and savings plans, benefit elections, absenteeism, use of EAP services, and disability claims can show a direct link between education and outcomes.

Employers did reveal, however, that they are doing a number of things to **improve participation and engagement** in their programs. Almost half (45%) have already increased communication and 33% are planning to do so, while more than a quarter (28%) have already improved their program offering and 39% revealed that they would like to.

Prescription:

When creating a financial wellness program, articulate the desired outcomes and their impact on your organization and for individuals. Then regularly measure the success of the program against these identified outcomes.

Financial wellness assessment

For many Canadians, understanding and managing multiple financial assets and obligations is a complex and daunting task that can contribute to significant stress, impact work performance, and delay retirement.

Ensuring that employees have the information and confidence they need to make critical decisions means that they will be able to take control of their finances and retire when they want to: that's good for employees and good for the organization.

The survey showed that, while a good number of employers are offering financial education programs, progress can be made in the following areas:

Employers must begin to draw the connections between their organizational concerns and objectives, and the impact of employee financial stress. Almost half of working Canadians admit that stress related to personal finances has had an impact on their performance at work. Providing the information, support and encouragement for employees to tackle their personal finances provides immediate and ongoing benefits to the organization.

Delivering programs that are in alignment with employee needs and preferences will ensure optimal employee participation and organizational impact. Employees need to be actively engaged in planning and managing their own financial health, and they must be offered frequent and consistent opportunities to accumulate knowledge, build understanding for future learning, and adjust their planning as needed.

Program assessment and measurement is the cornerstone of effective program management. Making informed decisions about employee needs and wants is critical to improving the financial wellness of employees, and empowering employers to make strategic decisions that support their employees and enable organizational goals. Measurement and re-evaluation is of equal importance to ensure sustained success.

About the survey

The 2019 Eckler Survey on Financial Wellness in the Workplace was conducted between February and March 2019 across Canada, and was completed by a total of 500 employers and 1,000 employees. The respondents represent a broad cross-section of all major industry sectors and geographies.

Financial Wellness at Eckler

With Eckler's Guided Outcomes™ (GO), employees get the tools and insights they need to set, plan and obtain their financial goals. Employers get the analytics they need to make strategic decisions that support employee financial health and achieve organizational objectives. To learn more, we invite you to connect with your Eckler consultant, or visit us at eckler.ca.

Disclaimer

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About Eckler

Eckler is Canada's largest independent actuarial and consulting firm. Based in Canada and the Caribbean, we have been providing solutions and insights to help manage risks and leverage opportunities for more than 90 years. An actuarial firm at our core, we have evolved by design. We are a successful "family" of committed and highly skilled professionals in the areas of pension, retirement, financial wellness, investment, group benefits, change management and communication, along with insurance and technology consulting. Eckler is a founding member of Abelica Global – an international alliance of independent actuarial and consulting firms operating in over 20 countries.

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