

Employee Financial Wellness Programs: Guide for Employers

Financially secure employees
may be more productive and
loyal to employers



What do we mean by financial wellness?



When asked to define financial wellness in a study conducted by ADP Retirement Services, respondents overwhelmingly pointed to **"a sense of security and being free from their current stresses"**.¹ An employer-based program supporting employee financial wellness, therefore, may include tools and support to help employees remain on track with personal expenses, maximize their income and savings, respond to unanticipated expenses, and plan for retirement.²

Traditionally, employers offered a main source of financial and retirement planning in the form of pensions, 401(k), life insurance, stock plans and other insurance and financial benefits. Although the workforce has evolved dramatically and continues to change, employees are still looking to employers for financial wellness support. In fact, employers who offer financial wellness programs have a distinct recruitment and retention advantage, and businesses thrive when employees are more secure.



According to a study released by Morgan Stanley and conducted by the Financial Health Network, "financial wellness programs reduce employee stress, improve retention and engagement and help a company stand out in the marketplace."³

Why you should make employee financial wellness a priority

Most employees are burdened with financial stress from debt and recurring financial responsibilities.⁴
The most common are:



50% | credit card balances



27% | student loans



22% | outstanding medical bills



10% | elder care

In addition, the majority of U.S. workers live paycheck-to-paycheck, and many are concerned about affording their monthly expenses and having savings available for the unexpected. Their ability to meet other financial goals like saving for a house or child's education can seem like an unattainable goal.

When employees experience financial stress, it can negatively affect your business via lost productivity, reduced engagement, and increased health care costs. Workers who can't adequately save for retirement may stay in the workforce longer, which can limit advancement opportunities for other workers and increase health care costs for businesses.



8 in 10
employees live
paycheck-to-paycheck.⁴



64% say that
their student loans make
it difficult for them to
meet household expenses
on time each month.⁵



25% of
workers do not set
aside any savings
each month.⁶

Building a comprehensive financial wellness approach

While retirement planning is the most common part of employee financial wellness packages, it's just one piece of a healthy financial plan. For example, PwC's 2018 Employee Financial Wellness survey found employees are unable to save for the future because of considerable debt and little saved for emergencies. A financial wellness offering that can help your employees get a handle on their spending will also help them eventually focus on saving for their retirement years.

Financial education can give workers tools and resources to help them make better decisions about how they use their paychecks and build a sturdy financial foundation that will carry them into the future and help them avoid stress and debt. Helping employees improve financial wellness can also have significant benefits for employers, including increased workforce productivity, engagement and loyalty.

With low unemployment rates and employees tending to change jobs frequently, offering tuition assistance and retirement contributions is a smart investment. It pays dividends by increasing workforce loyalty and tenure. While you help employees build skills and financial security, they in turn make greater contributions to your organization.



What to include

1. Financial education, including how to budget, save and reduce and prevent debt.
2. Loan consolidation opportunities to help employees pay off student loans and other debt.
3. Tools and resources for budgeting and tracking income and spending.
4. Flexible pay options, including pay cards, so employees can choose how to receive and manage their pay.
5. Home purchase advice and mortgage assistance.
6. Access to financial experts who can advise on investing.
7. Emergency loans employees can apply for or access to earned pay in advance to help employees through unexpected financial emergencies.
8. Tuition reimbursement programs for employees who want to pursue a degree in related fields.
9. Access to group life insurance and other elective insurance through in-house or contracted advisors.
10. Access to financial planning experts as part of employee benefits package.
11. Robust retirement plan with employer matching.



Resources

You don't need to have experts on staff to coordinate these programs. There are resources available for employers of any size to partner, contract or outsource financial wellness programs.



ADP Marketplace

One such resource is ADP Marketplace*, a digital HR storefront offering a collection of highly rated solutions that simply and securely integrate with ADP platforms.

SmartDollar

SmartDollar is a proven financial wellness solution that teaches employees how to save for emergencies, start budgeting, get out of debt and get on track for retirement. Your employees will experience less stress and be more productive at work.

Peanut Butter Student Loan Assistance App for New Clients

Peanut Butter's benefit administration platform makes it easy for employers to offer student loan assistance, including employer-sponsored student loan repayment programs, the most requested benefit of today's workforce.

PayActiv Holistic Financial Wellness Platform

Offer your employees a holistic financial wellness benefit at no cost to you. PayActiv includes earned wage access, Uber and Amazon accessibility, bill pay, financial counseling, Rx discounts, and a savings tool. In addition, this simple, no-stress solution to employee financial wellness seamlessly integrates with Workforce Now, Vantage HCM and RUN Powered by ADP.

Learning Quest® 529 Education Savings Plan

Score big with employees by adding the Learning Quest® 529 Education Savings Program to your benefits package. Employees can save for one of life's most important goals—sending their kids to college—through easy payroll deductions. Learning Quest, managed by American Century Investments®, offers multiple investment options, tax-deferred growth and affordable contributions.

Core ID

Give employees peace of mind with this identity theft protection and recovery service.

NestUp®

NestUp Managed Deferrals® is an integrated, seamless and actionable financial wellness platform that connects wealth and health benefits to improve outcomes and save money. By coordinating and personalizing 401(k) and HSA deferral recommendations, employees can optimize their deferrals and execute their choices in just two clicks.



Additional Resources

Visit ADP.com to explore our full menu of financial wellness solutions.

Providing an employer-sponsored financial wellness program that includes personal finance tools, sound resources and a retirement plan that everyone can participate in benefits both your workforce and your business. Your employees will be able to save well for the future, feel confident in their decisions and retire when they're ready. And when they have their finances under control, your employees can better focus on their jobs and make meaningful contributions to your organization.

- 1 The Power of Financial Wellness. ADP Retirement Services, 2019.
- 2 Employee Financial Wellness Survey. PwC, May 2018.
- 3 Better for Employees, Better for Business: The Case for Employers to Invest in Employee Financial Health, Financial Health Network, May 2019. <https://finhealthnetwork.org/research/the-case-for-employers-to-invest-in-employee-financial-health/>
- 4 Financial Wellness: A Roadmap for Developing a Financial Wellness Program. Retirement Insights, May 2018.
- 5 Employee Financial Wellness Survey. PwC, May 2018.
- 6 CareerBuilder Survey, August 2017. <http://press.careerbuilder.com/2017-08-24-Living-Paycheck-to-Paycheck-is-a-Way-of-Life-for-Majority-of-U-S-Workers-According-to-New-CareerBuilder-Survey>

For more information about ADP's financial wellness and retirement plan solutions, please contact us today at (800) 432-401k or visit www.adp.com.



Disclosure

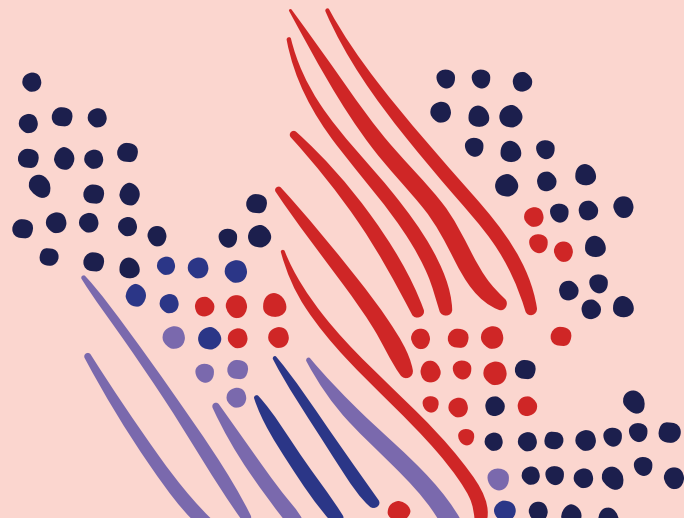
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