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The state of employee financial stress and its impact on performance

Survey finds 63% of HR professionals state financial stress worsens employee performance.

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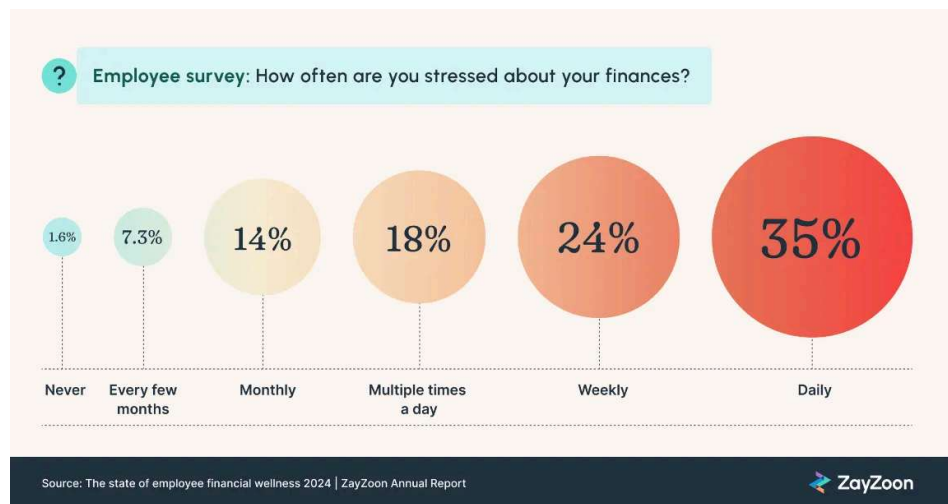
Financial stress has made its way into the workplace—in more ways than many of us may realize.

This report offers critical insights from a survey of **5000 employees and 500 HR professionals** across industries in the US. It explores, and quantifies, the profound impact of financial stress on employee performance and organizational success while providing tangible action items for people leaders to mitigate this impact.

Financial stress: A workplace epidemic

This report presents a stark reality: financial stress is no longer a personal issue but a significant business concern. It shines a spotlight on the seriousness of the situation:

- **50%** of employees experience financial stress daily



Almost half of your team could be dealing with money worries so big that it's a daily focus—taking up valuable time and energy that could otherwise be spent on work.

- **Severe Financial Situations:** Over 61% of HR professionals noted that employees live paycheck to paycheck, with significant numbers facing eviction, medical costs, wage garnishment, bankruptcy, and other strenuous financial challenges.



- **Common Stressors:** The primary financial concerns for employees include paying bills (40%), rent/mortgage payments (17.6%), and groceries (16.8%).

- **Limited Savings and Poor Credit:** 58% of employees have no savings for unexpected expenses, and 71% have poor to fair credit scores, exacerbating their financial woes.
 - Almost 30% of employee respondents have \$-600 left in their bank account every month and more than half of the employee respondents have a negative balance after paying their bills and required expenses each month.

Employees are not financially stressed because of a lack of discretionary spending, but rather, their inability to cover their ***required spending***.

Quantifying employee financial stress & performance

Your employee's financial stress isn't just a headache at home; ***it's like a storm cloud hovering over your workplace.***

Most HR pros are grappling with the consequences of financial stress. And it's impacting their ability to get things done.

- 63% of HR professionals stated employees who are financial stressed perform worse at work
- ***Almost 80%*** of HR professionals state financial stress impacts employee morale and mental health at least "somewhat".

Financial stress doesn't just impact individual performance, it impacts whole organizations and their ability to function as required.

- 42% of HR professionals said financial stress leads to unexcused absences, and 35% said it leads to excessive lateness

Mitigating employee financial stress

To mitigate employee financial stress, address it like any other aspect of an employee's well-being that affects performance. Invest in the right tools for your unique team.

Businesses are catching up to the fact that they can reduce financial stress and increase performance by financially empowering their employees with financial wellness programs.

- Almost half (42%) of employees state their focus at work would improve if their employer invested in their financial wellness
 - 32.6% of employees report their work quality would improve, 16% would complete more tasks, and 13% would show up for work more.

And, employees want them.

- 81% of employees believe their employer should invest in their financial wellness and literacy

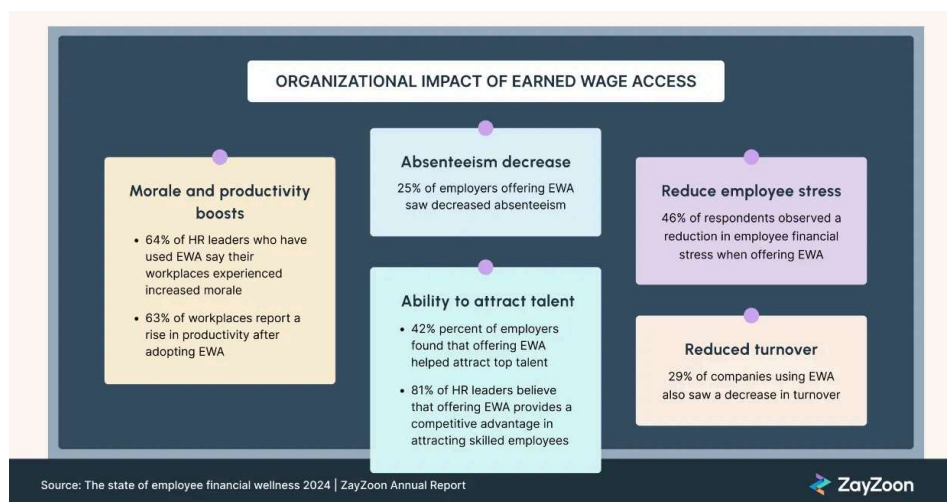
Address immediate employee needs

Today's employees are not just struggling with long-term finances, but are struggling to meet their immediate financial needs.

Remember. 73% of surveyed employees cited covering basic necessities—like bills, rent, and groceries —as a top financial stressor.

Today's employees need immediate support and resources that prevent them from relying on predatory practices like payday loans and overdraft fees.

Earned wage access (EWA) allows employees to access earned wages ahead of payday, and can help address cash flow issues in real time.



The research highlighted above makes a compelling case for EWA as a practical solution to goals many HR teams are already working towards like: employee retention, talent acquisition and performance management.

Investing in the right tools can transform how employees show up to work, making them more productive, boosting morale, and putting your organization on a path to achieve its long-term goals.

No matter how you choose to address financial stress, take time to figure out the unique financial challenges showing up in your workplace. Surveys or 1:1 meetings with employees can be a great way to gauge their top priorities, so you can adjust resources in response.