

Is financial education on company time worth it?



Financial education is becoming increasingly important in today's world, but is it worth the company's time and resources to provide such a service? Helping employees reduce financial stress can help improve wellness, retention and productivity – and cost a fraction of the time lost from overwhelmed employees.

Financially stressed employees may be costing you more than you think. Not only do financial issues affect employee productivity, they can also impact your ability to retain staff.

A recent survey found that more than half of stressed employees (55%) are distracted by their finances at work. Additionally, they spend an average of three hours per week dealing with their finances – likely during the workday.¹

Comparatively, if companies offered just one hour of financial education to workers per quarter to help alleviate financial stress, the savings and bottom-line results could be significant.

Financial education vs. productivity losses

Financial stress affects almost every aspect of an employee's life including mental, social, physical and in the workplace. Notably, a quarter of stressed employees say

that financial worries over the past year have had a severe or major impact on their work productivity.¹

Companies can help reduce stress levels of employees at a relatively low expense – and impact the bottom line – by offering quarterly financial education taught by a qualified financial advisor.

For example, using the Bureau of Labor Statistics, the average hourly pay for a worker in the private sector is \$32.82:²

- \$32.82 x 3 hours spent by employees on financial matters each week x 52 weeks = \$5,120 in lost wages annually per employee.
- Conversely, if a company offers one hour of financial education per quarter the annual cost per employee would be just about \$130 per employee.

Outcomes will vary, but that's a potential internal **cost reduction of \$4,990 per stressed employee!**

The link between retention and financial stress

While trying to increase worker productivity by alleviating financial stress is an important outcome, employee retention is also a critical factor.

Many businesses are still reeling from the effects of the Great Resignation and research shows that financially stressed employees are twice as likely to look elsewhere for a job. One survey found that three-quarters of stressed employees are attracted to other companies that care more about their financial well-being.¹

According to experts, the average cost per hire is nearly \$4,700. However, employers say that the total cost to hire a new employee can be three to four times the position's salary. So, if the salary is \$60,000 annually, a company could spend upward of \$180,000 to fill that position.³

Keeping in mind the high cost of employee turnover, including recruiting and training plus the loss of institutional knowledge, it pays to take care of your team. By promoting benefit programs that make it easier for employees to manage their money, employers can boost morale while saving time and resources in the long run. That's a win-win situation everyone will appreciate.

How financial education can unburden employees and employers

Financial education in the workplace may create numerous benefits including reducing financial stress, increasing productivity and contributing to happier employees.

For a company size of 25 employees, if you were to offer quarterly financial education during work hours, it would cost around \$3,250 in payroll expenses. Compare this to the estimated yearly average of \$128,000 in wages for the weekly hours that employees spend on personal financial matters each week.

The question is: Can you afford *not* to offer a financial education program to your employees?

¹ PwC, "[2022 PwC Employee Financial Wellness Survey](#)", May 2022

² Bureau of Labor Statistics, "[Average Hourly and Weekly Earnings](#)", January 6, 2023

³ Katie Navarra, "[The Real Cost of Recruitment](#)", SHRM, April 22, 2022