

Financial Wellness

How Much Is Employee Stress Costing You?

Calculating The Cost of Financial Stress in the Workplace

Financial wellness and education can protect companies from the corrosive effects of employee financial stress. By helping to lower turnover, increase productivity, and deepen employee loyalty, companies can strive to improve their bottom line. Regularly assessing and addressing the financial wellness of employees can be a preventive measure that can limit the negative impact of financial stress on the workplace.

IS THE SOLUTION WORTH THE PRICE? Calculating the cost of financial stress on your company will help you decide.

Find out how much financial stress is costing your company with this

CALCULATOR

Cost #1: Higher Rate of Turnover

Financially stressed employees are twice as likely to be looking for new jobs, according to a recent survey. Since the average cost to recruit and train a new employee is 50% to 75% of the departing employee's wages – and that doesn't include lost institutional knowledge – higher turnover can hurt the bottom line. Here's an example showing a simple way to estimate turnover cost.

AVERAGE SALARY:	\$68,000
RECRUITING COST: <small>(50% of departing employee's wages)</small>	x 0.50
COST OF TURNOVER:	\$34,000 per new hire

Depending on the financial wellness program, lowering turnover by just one employee a year may cover the cost. How much could your company save by reducing turnover?

Cost #2: Productivity Loss

Inflation has amplified financial stress. Some workers have tapped emergency savings accounts, worked more hours and taken hardship withdrawals from retirement plans to make ends meet. More than half (55%) of financially stressed workers say they spend three or more work hours on personal financial issues each week.¹ For a typical company with 25 employees, the quarterly cost of financial stress may be:

AVERAGE HOURLY WAGE:	\$32
LOST WORK HOURS/MONTH:	x 12
COST OF LOST WORK HOURS:	\$384
# OF DISTRACTED EMPLOYEES:	x 8
LOST PRODUCTIVITY COST:	\$3,072 /mo

The Bottom Line: Financial Wellness Programs Work

Employers said financial wellness programs:³

84%

REDUCED
EMPLOYEE
TURNOVER

81%

ATTRACTED
HIGHER QUALITY
CANDIDATES

80%

IMPROVED
EMPLOYEE
PRODUCTIVITY

91%

INCREASED
EMPLOYEE
SATISFACTION

Offering a financial wellness program can help reduce employee financial stress which can lead to lower turnover, improved company productivity and a healthier bottom line. We are dedicated to helping you discover and implement financial wellness solutions that can positively impact your employees and your company.

The cost of financial stress increased 26% over the last three years.² Can you afford not to have a financial wellness plan?

[CONTACT US TO LEARN MORE.](#)



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¹ PwC. "2022 PwC Employee Financial Wellness Survey." May 2022.

² Bank of America. "Navigating a New Era of Financial Wellness." Jul. 2022.

³ John Hancock. "Stress, Finances and Well-being." 2022.

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