

Financial Wellness

A CFO's Guide to Financial Wellness

Employee Financial Worries are Impacting Your Bottom Line

Employee financial stress can quietly erode a company's performance, affecting everything from productivity to retention. By prioritizing financial wellness and education, businesses can combat these negative effects.

Supporting employees' financial well-being can lead to reduced turnover, higher productivity, and stronger loyalty—ultimately benefiting your bottom line. Proactively addressing financial wellness is a strategic investment in the health and stability of your workforce.



How does financial stress impact your employees?

Research shows that **financial stress reduces productivity for 76% of employees**. They are less engaged, less present, and are twice as likely to look for another job.¹

Financially stressed employees spend **three or more hours a week**—approximately **150 hours per year**—worrying about personal finances or dealing with them at work.²

That is 150 hours spent, per year per employee, not focusing on the job. This could be costing your company hundreds, thousands or even millions of dollars per year in lost productivity.

As the CFO, you're tasked with the overall health of your company including:

- **Leading the development of short- and long-term strategies**
- **Providing a positive corporate culture for employees**
- **Ensuring the company's financial viability**

What to do?

Many companies are turning to financial wellness programs to offer employees access to information about budgeting, debt management and financial planning, believing this will decrease financial stress and increase workplace productivity. Though not new, these programs are a hot topic with employee benefit offerings.

But, as you know, employee benefits can be costly. Adding another benefit with an unknown return on investment (ROI) is risky. A financial wellness program is a soft benefit; results such as improving engagement, job satisfaction and loyalty are hard to measure.

76%

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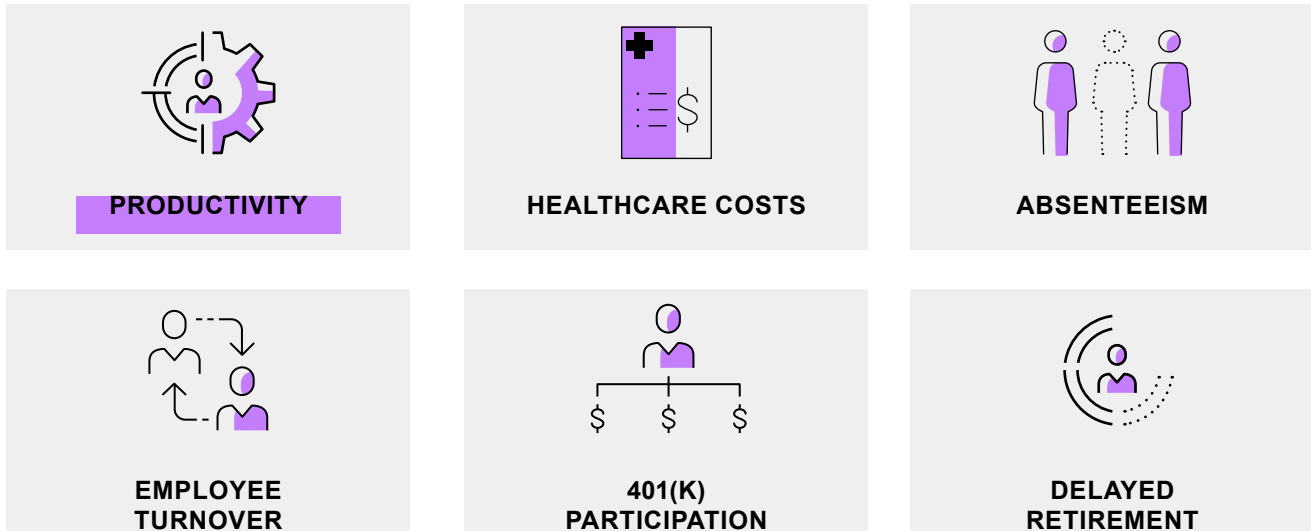
If you feel anxious about offering this benefit, you're not alone. There are a lot of questions to consider:

- **Will employees be engaged in the program?**
- **Will productivity improve?**
- **Will employee turnover decrease?**
- **Will this program improve our balance sheet?**

^{1,2} PwC. "Employee Financial Wellness Survey." 2022.

How to measure ROI?

There are several factors to consider when calculating the ROI on a financial wellness program:



True Cost of Employee Turnover

Financially stressed employees are more likely to leave a position. When employers need to backfill those positions, they incur hiring costs such as recruitment fees, salary negotiations, onboarding expenses and training time. If employers could prevent even a fraction of turnover, it could lead to significant cost savings.

6-9 MONTHS' SALARY

ESTIMATED AVERAGE REPLACEMENT COST OF A SALARIED EMPLOYEE

<150%

FOR TECHNICAL POSITIONS, TURNOVER COST IS 100% - 150% OF ANNUAL WAGES

213%

FOR SENIOR OR EXECUTIVE POSITIONS, TURNOVER COST IS 213% OF ANNUAL WAGES

Source.³

3-5%

WOULD A COST REDUCTION OF 3 - 5% NOTICEABLY IMPROVE YOUR BOTTOM-LINE?

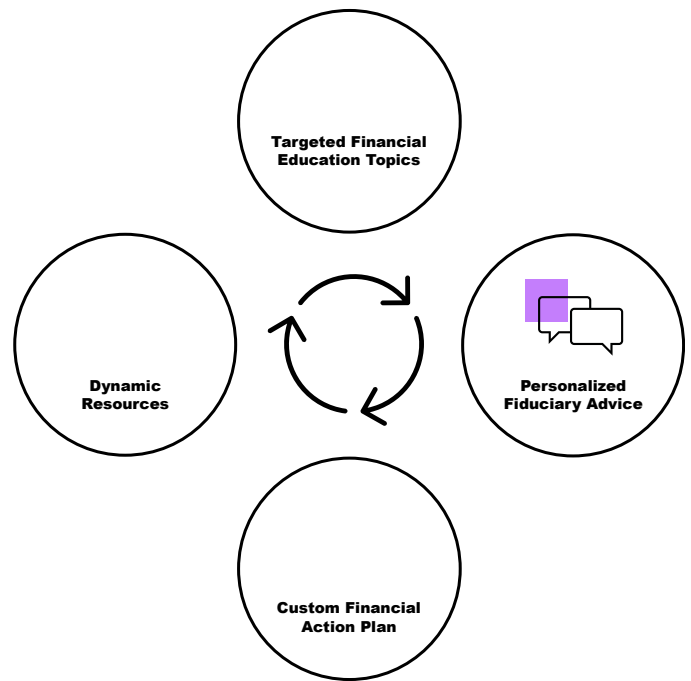
Simply through cost avoidance, a financial wellness program could potentially reduce the costs across multiple factors, providing a noticeable bottom-line improvement.

³ Charaba, Chase. "Employee Retention: The Real Cost of Losing an Employee." PeopleKeep. 28 Jun. 2022.

Effective Financial Wellness

Studies show that employees need four key components to build financial confidence: working with a financial professional, having a financial plan, access to a workplace financial wellness program, and unbiased advice on various financial topics.

That's why we created GuideSteps—to provide all of these in one solution.



GuideSteps

FINANCIAL WELLNESS

Powered by **SPECTRUM**
INVESTMENT ADVISORS

Working towards a solid financial plan takes time and commitment. But that doesn't mean it has to be complex. Our holistic program takes the guesswork out of financial planning by simplifying the process. Whether employees need to establish an emergency fund, want to maximize retirement savings, or are looking for guidance about Social Security, we are here to help them manage every step of the journey.

GuideSteps offers fiduciary advice on a wide range of topics.

-  **Workplace Retirement Plan**
-  **Emergency Savings**
-  **Debt Management**
-  **Healthcare Strategies**
-  **Education Savings**
-  **Insurance & Protection Needs**
-  **Legacy & Estate Planning**
-  **Additional Assets & Investments**

NO MATTER WHERE YOU ARE ON YOUR FINANCIAL JOURNEY, WE ARE HERE TO HELP GUIDE YOU EVERY STEP OF THE WAY.



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