

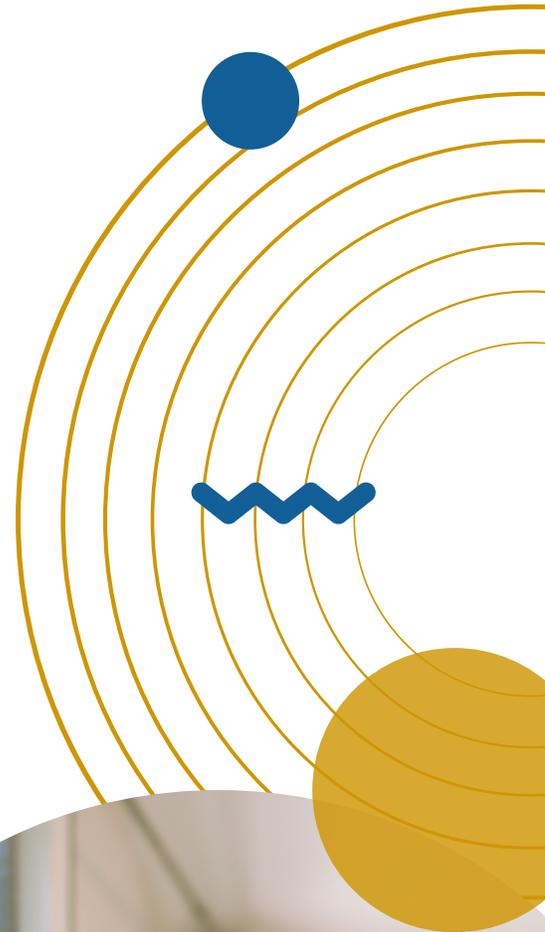


Workplace Benefits

Adding Financial Literacy and Credit Management to your Benefits Package

HELPING EMPLOYEES BUILD THEIR FINANCIAL FOUNDATIONS

Employees participating in at-work financial literacy assistance and education programs are more empowered and better able to identify short- and long-term financial goals. This increases job satisfaction, resulting in less turnover. It also helps attract qualified employees.



Productivity and Engagement: Adding Financial Literacy and Credit Management as a Workplace Benefits

Companies offer employee benefits to help enhance their workers' health, wellbeing and quality of life. Adding a credit-monitoring or financial literacy program to a comprehensive benefits program can help with these goals. As healthcare insurance and illness prevention programs support physical health, financial management education and coaching can help improve financial health. This, in turn, can help alleviate finance-related stress and distraction, resulting in higher employee engagement and productivity, less absenteeism and improved retention.

Why Employee Benefits?

Non-compensation benefits are an effective way for companies to attract and retain talent^[2]. Benefit package “basics” include medical, dental and vision insurance, as well as life insurance and retirement plans. Other incentives might include disability insurance, education tuition reimbursement and worksite wellness programs.

Employers are also offering financial literacy education and credit monitoring tools to their non-compensation benefit plans. Financial wellness is becoming an important benefits perk, as it helps reduce employee stress related to personal finances^[3]. When employees are less anxious, they are more engaged in their work, leading to increased productivity and less absenteeism^[4].

Financial Distress and Workplace Productivity

Research demonstrates that smoking^[5] and obesity^[6] lead to reduced workplace productivity, increased absenteeism and added employer healthcare costs. However, stress created by financial difficulties^[7] can be just as impactful.

Even before the COVID-19 generated a variety of financial stressors^[8], research indicated that workers with money issues regularly struggled with the following^[9]:

- Excessive debt
- Lack of emergency savings
- Saving for retirement
- Saving and paying for children's education
- Covering basic living expenses
- Covering medical expenses
- Paying off student loan debt

Such distress spills over into the workplace. PricewaterhouseCooper's 2021 Employee Financial Wellness Survey^[10] revealed that finances are a top cause of employee anxiety.

More than two-thirds of full-time workers reported that their financial stress increased since the start of the pandemic. Close to half of those surveyed also said finances were a workplace distraction, while 72% said they would be more likely to work for companies that care about their financial well-being.

Furthermore, financial stress can manifest in these ways^[11]:

- **Absenteeism:** Stressed-out employees use more sick leave and are away from work more often than their non-stressed counterparts. Fewer employees lead to decreased productivity and potential burnout among those who remain.
- **Presenteeism:** Financially well-being employees might be physically present at work, but they're spending time on activities unrelated to their jobs, such as talking to creditors. This is not only time taken away from work but the use of company resources to resolve personal issues.
- **Physical issues:** Financial anxiety can result in sleeplessness and poor diet habits, causing irritability, anger and depression. In the workplace, this could translate to decreased productivity and poorer-quality work, as well as higher healthcare costs to employers and employees.

The Benefits of Financial Wellness Programs

Many people struggle with debt and money problems because they lack financial literacy or knowledge. They also carry high credit card and student loan debt while demonstrating poor budgeting acumen and spending habits. Because they don't see a way out of their situation, anxiety increases, both at home and at work.

Employers can help address this issue—and reduce workers' financial stress—by offering financial wellness programs as non-compensation benefits. Such programs can help employees get a handle on money and debt management while improving overall financial well-being.

Financial wellness programs can also help generate these advantages:

Increased productivity^[12]

When employees find and implement solutions to their money issues, they become less anxious. Less stress means fewer mental distractions and more workplace engagement, leading to higher productivity gains.

wellbeinghealthcare costs ^[13]

If left unchecked, long-term stress generated by financial worry could lead to cardiovascular disease, obesity, high blood pressure and mental health problems, all of which increase absenteeism while increasing healthcare costs. Reducing anxiety can mean fewer healthcare and workers' compensation costs.

Improved retention [14]

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Adding ScoreNavigator to a Financial Wellness Program

ScoreNavigator is an online credit report reseller that helps maximize clients' creditworthiness and financial strength. The company offers accurate, timely credit reports and state-of-the-art tools to help clients understand and resolve their money issues. Clients also benefit from up-to-date educational materials that guide them toward financial stability while helping them maintain it. Those relying on ScoreNavigator learn how to use debt wisely, pay bills on time and live within their means.

ScoreNavigator's goal is to help clients understand different factors that impact credit scores while working with them to build and maintain better credit with monitoring and coaching. As part of a financial literacy/management plan, ScoreNavigator provides these tools to help employees gain control over their financial lives:

- Updated credit scores from all three credit bureaus.
- Simulators that map action strategies to achieving desired credit scores and outcomes
- Professional and personalized credit and financial support that helps individuals monitor finances
- Financial programs and resources to assist in developing and maintaining a healthy financial lifestyle
- A user-intuitive, highly visual dashboard that makes it easy to access and analyze current credit and financial information
- A point-based system offering insight into how certain decisions and actions might impact credit scores and financial health

Helping Employees Build their Financial Foundations

Adding financial literacy and credit monitoring programs to a non-compensation benefits package can help workers better understand and manage their money issues, leading to a reduction in personal stress and anxiety. Less-anxious employees are more attentive to their jobs and less likely to be off-task, resulting in productivity increases, cost reductions and talent retention.

ScoreNavigator's suite of credit-monitoring and assistance products and services is an effective addition to corporate financial wellness programs. For more information, visit scorenavigator.com.

Footnotes

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