

A roadmap for building an employee financial wellness program

Reducing employee burnout with wellness
benefits may improve employee turnover

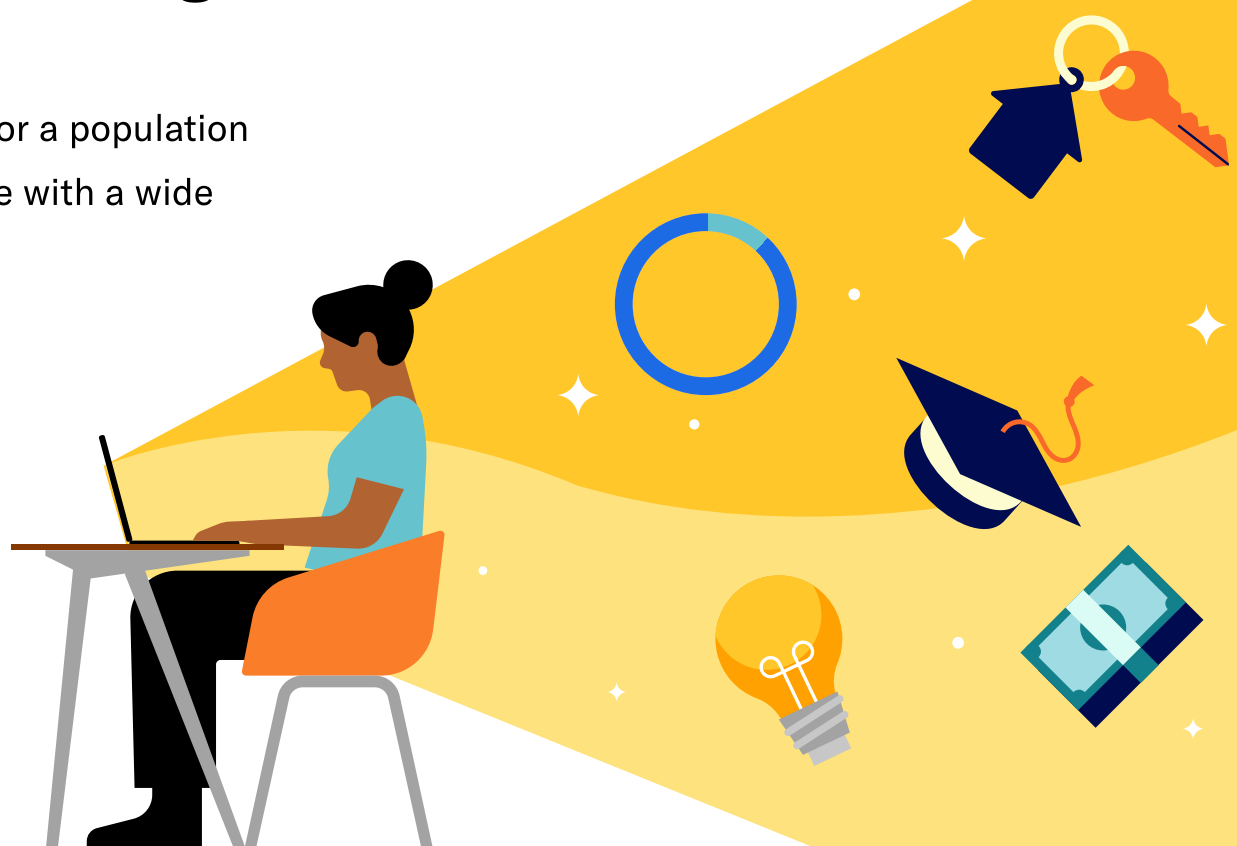


Offering a 401(k) has become table stakes for employers looking to attract and retain the best talent. And, frankly, the pressure is on to offer more than just a 401(k) in the last few years as the mounting financial needs of Americans continue to change. While “benefits” used to mean health insurance and a retirement savings plan, employees have grown to expect—and need—much more support from their employers, especially following the difficulty of finding work-life balance during the COVID-19 pandemic.

The need for things like increased mental health benefits, better pay and support for parents, tools for addressing debt, and support for employees caring for sick or elderly family members—or dealing themselves with COVID-19 symptoms—has come into sharp focus.

And when building a holistic benefits program, companies have an inherent challenge:

We are faced with creating a program for a population of employees who are all unique people with a wide variety of needs and goals.



Other categories of benefits have caught up, though. Rather than offering weekly meditation or a single approved gym membership, [some companies](#) have begun to offer choices to employees by way of flexible stipends or voluntary wellness benefits.

But when it comes to 401(k)s and financial wellness, this story of innovation has, in many ways, gotten lost. 401(k)s are often presented as a [one-size-fits-all solution](#) to financial planning, and it's an offering that people [lose or forget](#), rather than engage with as a critical part of their total financial picture.

And while dealing with stress, minimizing burnout, and addressing social isolation have been in the spotlight throughout the nearly two years of working through a pandemic, anxiety around finances is actually cited as the biggest stressor for Americans—and the stressor that has had the biggest impact on their mental health.



“Our recent research on employers shows that nine out of ten say they know that COVID-19 is having an impact on their employees by [creating unprecedented](#) anxiety and depression, and 70 percent say they’re taking action.”

Kana Enomoto, McKinsey Senior Expert, featured in, [“How employers can improve their approach to mental health at work”](#)

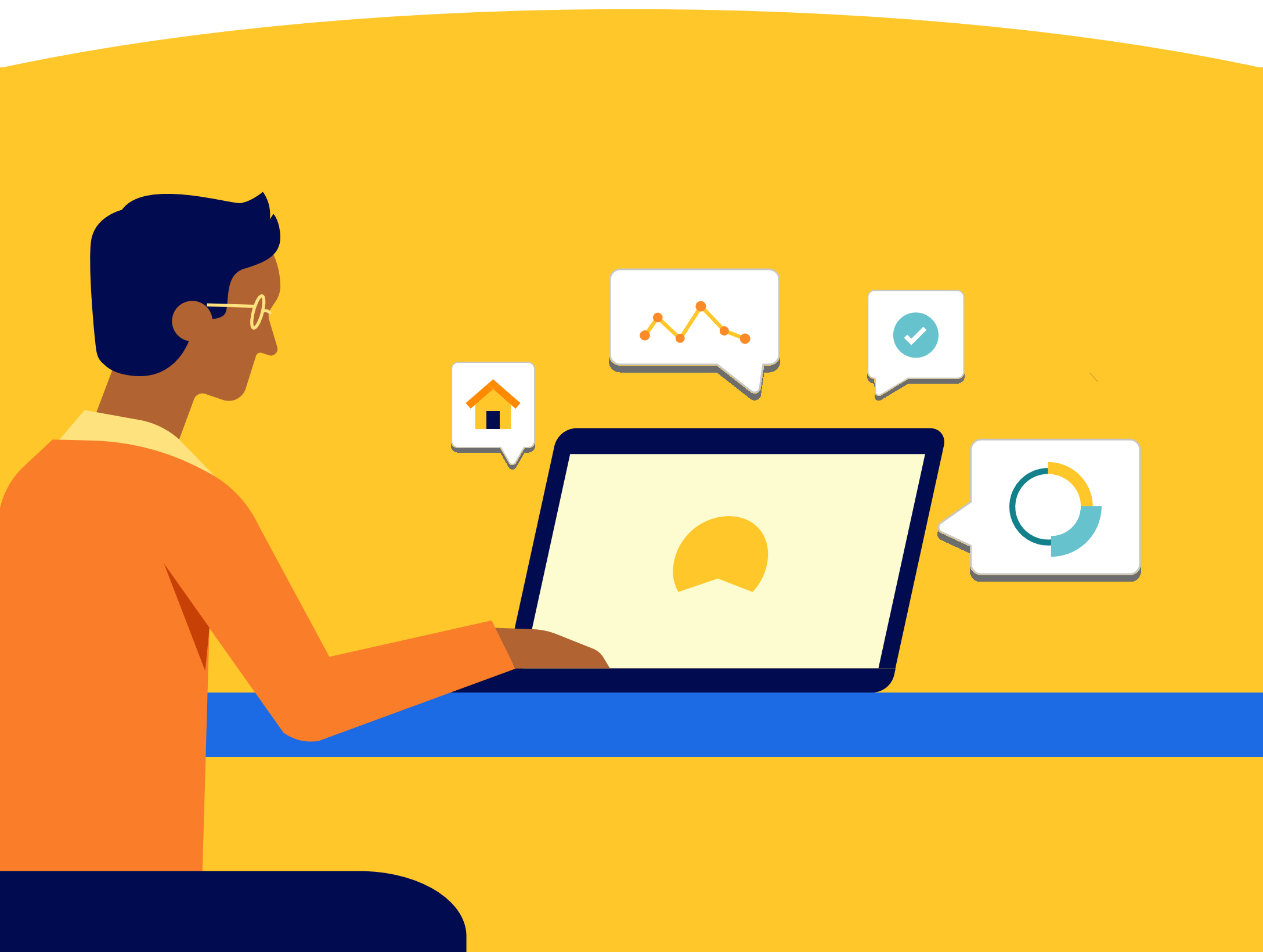
In a [survey](#) by Everyday Health, results indicated that finances are the number one cause of stress (73%), topping the charts more often than politics (59%), work (49%), and family (46%).



When we think about The Great Resignation, finances are a major factor. A recent story by [CNBC](#) cited that 40% of U.S. workers are considering quitting their current jobs in the next three to six months. Their top motivations: greater flexibility and higher pay. In other words, workers are stressed out and they see healthier finances as a path toward a happier life.

As a result, many employers are facing new urgency in adding financial wellness offerings into their benefits programs. But with 401(k)s having been the only financial wellness benefit offered by so many companies to date, the urgency is being met by puzzled faces. What does financial wellness mean? How do you get started immediately while also building a long-term program that sets your company and your employees up for the most success?

Read on for our idea on how to get started.



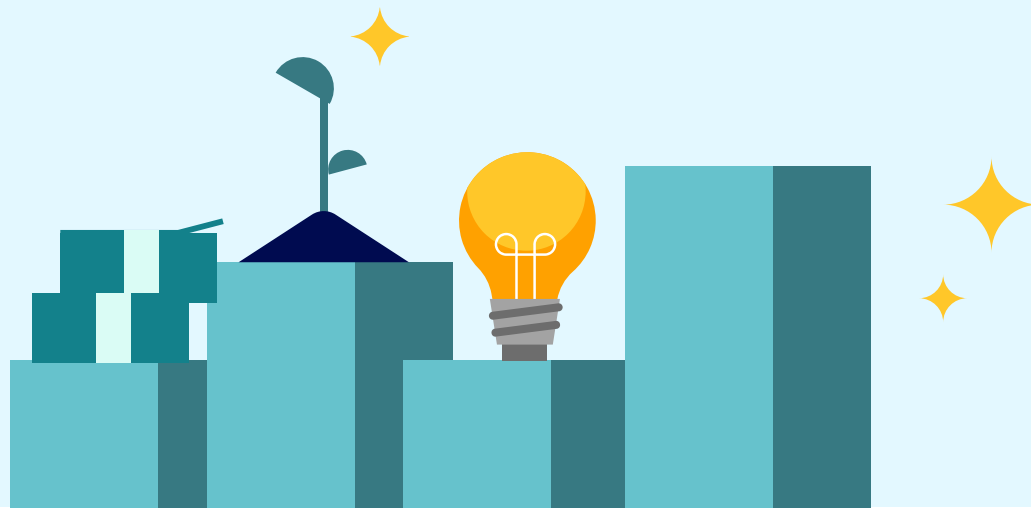
What to do today

There are a few actionable ways to implement financial wellness initiatives quickly at your organization.

Take a closer look at your 401(k)

Let's face it: Retirement, for many workers, remains years away, and learning how to take advantage of a 401(k) can be confusing and filled with jargon. But offering educational programming that helps your employees think about their lifestyle goals can not only give them a sense of control over their financial future, but also help them see your company as a part of that future.

- **Host bi-annual retirement workshops**—Often, 401(k)s are [set and then forgotten](#). There are tons of reasons to check in on savings more regularly than that—most notably to reassess goals, address unforeseen financial occurrences, and learn about new legislation that may affect savings. Host regular workshops that walk your employees through any good-to-know tips or reminders. Engaging them with their retirement savings at your company can help remind them of a critical benefit they're receiving.
- **Encourage auto-deposits**—Consistent, regular deposits into their 401(k)s can help employees build a habit of saving. Identify workers who don't utilize auto-deposit and encourage them to try it out.
- **Provide a match!**—In a [survey](#) conducted by Betterment, 65% of respondents said that a high-quality 401(k) or other retirement plan could entice them to move to a new employer. Offering a 401(k) match may drive engagement with the plan, while also offering an enticing perk that attracts and retains employees.



Provide more visibility

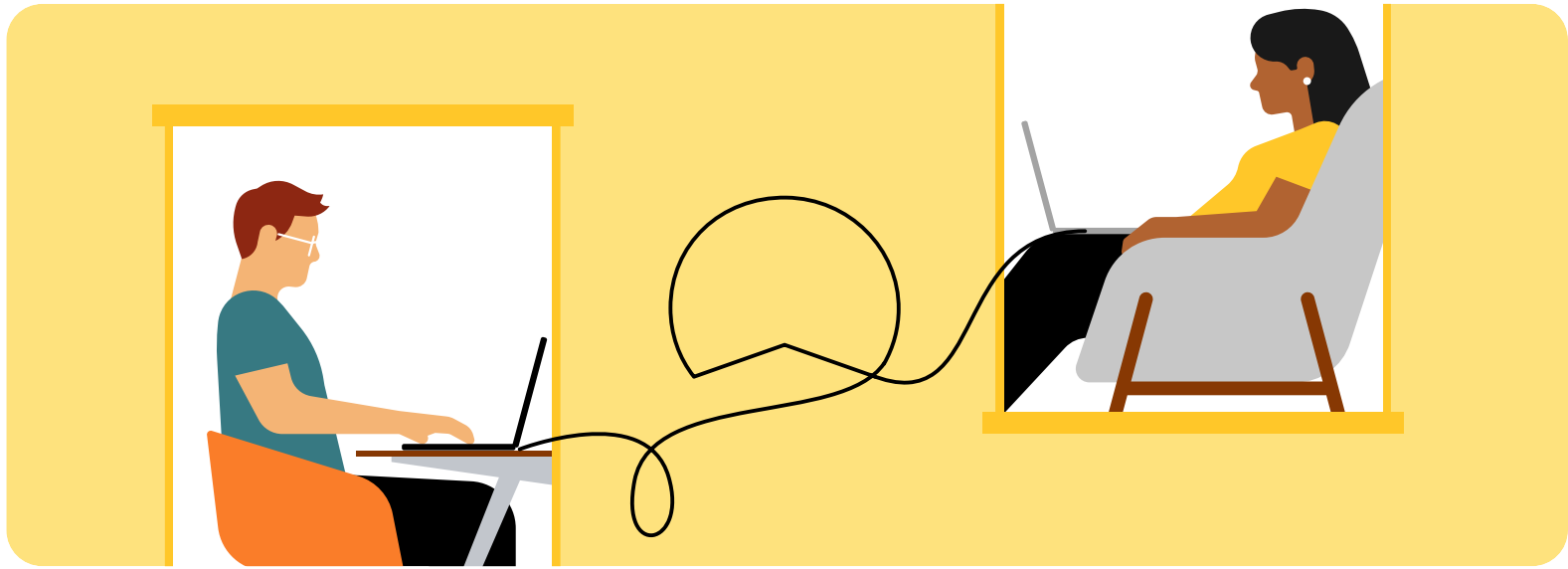
As with a lot of wellness, sometimes an important first step can be peeling back the curtain and making the topic simpler to talk about. Create a Slack channel where employees can talk about personal finances. Open up to employees about what the company is planning to do for added financial wellness programming.

Consider offering more visibility around salaries in your organization, making salary bands for different roles more public and accessible. This allows employees to better understand their current pay and their future at the company, in context.

Encourage planning for today, tomorrow, and some day

We may be biased, but at Betterment we believe that a 401(k) is just one step toward financial wellness. When participants onboard into the Betterment 401(k) platform, they are able to think about their retirement plan in terms of their savings goals. This can help people think not only about saving in a broad sense, but also about the lifestyle they're trying to work toward or maintain once they retire.

Similarly, our tools are built to encourage employees to think about other savings goals in addition to their retirement plan. You can use retirement and your company's 401(k) as a gateway for teaching employees about saving and investing.



✔ Survey employees

As is best practice for any wellness initiative, make sure that the programming and offerings that you plan to develop meet the needs of your employee population. If your employee base comprises lots of recent grads, ideal programs might look different than if your employee base is largely nearing their golden years. Survey your employees and determine the cohorts of concerns. This will help guide the tools and services that you offer—and will help to ensure that your programming actually gets taken advantage of.

What to plan for tomorrow

We also like to analyze trends and work to provide forward-looking guidance to our clients and potential plan sponsors. Thinking ahead about financial wellness benefits, we've identified the following as ways to continue to build out a financial wellness program.

✔ Student loans

Student loan management is a hot topic in upcoming SECURE Act 2.0 legislation. Think about how your company could incorporate student loan support into your wellness offerings. If you're interested, learn more about our offerings at <http://www.betterment.com/work/student-loans>.

Monitoring financial wellness among your team

Data is incredibly important when it comes to building out any long-term strategy. And success starts with understanding what key metrics to monitor. Here are a few we suggest:

- % of employees participating in 401(k) program
- % of employees participating in other financial wellness programs
- Satisfaction scores among your employees (Poll employees regularly about their satisfaction)

Continue to monitor the success and adoption rate of your 401(k) and other wellness offerings —and seek out partners that can give you consistent, actionable insights.

Advisor services

Personal finance has taken over TikTok, Instagram, and Reddit. There is a lot of noise coming at employees, and decision making around financial planning or investing is happening more and more in social media settings.

Take advantage of this heightened interest in personal finance, and encourage employees to seek out expert advice by providing an [on-demand financial advisor service](#) or by hosting a bi-annual workshop that provides them with grounded advice.



At Betterment, we offer our business clients the opportunity to invite their employees to personal finance webinars, hosted by our team of experts. We also offer special rates on personalized advice sessions to our 401(k) participants.

[Learn more](#)

✓ Final thought: Integrate wellness initiatives

Financial wellness initiatives [cannot exist independently](#), but must be an aspect of a multi-faceted program. “Wellness” is no longer just a gym stipend or healthy snacks in the office kitchen. Planning a program that grows with your organization and supports all employees—in a way that supports your business’s bottom line and supports employee retention—requires integrated work as much as possible.

Every person’s [financial stress](#) and, therefore, stress response, is unique and deeply personal. Keep close tabs on your employee population and support them as fully fledged people with complicated concerns. Think about your wellness program from mental, physical, financial, social, and even spiritual angles!



A better 401(k) for you and your team.

Financial wellness benefits are the new way to attract world-class talent. From personalized retirement planning to paying off student loans, we help your employees gain control of their finances so they can thrive at work—and in life. Empower your growing team with a healthier, happier workplace.

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