

# HOW MUCH IS EMPLOYEE STRESS COSTING YOU?

## Calculating The Cost Of Financial Stress in the Workplace

San Francisco's Golden Gate Bridge is painted continuously. The preventative measure keeps salt water, wind and other environmental factors from causing structural damage. A financial wellness program is like the paint on the bridge. It can protect companies from the corrosive effects of employee financial stress, by helping to lower turnover, increase productivity, deepen employee loyalty and improve the bottom line.

### 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: X **0.50**

(50% of departing employee's wages)

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.<sup>1</sup> For a typical company with 25 employees, the quarterly cost of financial stress may be:

AVERAGE HOURLY WAGE:	<b>\$32</b>
LOST WORK HOURS/MONTH:	x <b>12</b>
COST OF LOST WORK HOURS:	= <b>\$384</b>
# OF DISTRACTED EMPLOYEES:	x <b>8</b>
LOST PRODUCTIVITY COST:	= <b>\$3,072</b> per month



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## THE BOTTOM LINE: Financial Wellness Programs Work

In 2022, employers said financial wellness programs:<sup>2</sup>

**84%** REDUCED EMPLOYEE TURNOVER

**81%** ATTRACTED HIGHER QUALITY CANDIDATES

**80%** IMPROVED EMPLOYEE PRODUCTIVITY

**91%** INCREASED EMPLOYEE SATISFACTION

The cost of financial stress increased 26% over the last three years.<sup>3</sup> Can you afford not to have a financial wellness plan?

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.

Contact us to learn more.

<sup>1</sup> PwC. "2022 PwC Employee Financial Wellness Survey." May 2022.

<sup>2</sup> Bank of America. "Navigating a New Era of Financial Wellness." Jul. 2022.

<sup>3</sup> John Hancock. "Stress, Finances and Well-being." 2022.