

# The Value of Employees' Financial Wellness



**I**N THEIR MOST RECENT ANNUAL SURVEY on the benefits landscape, CFO Research and Prudential Financial, Inc., found that finance executives have much more than a passing familiarity with the concept of “financial wellness” for employees. In fact, they view it as an important component of corporate performance, as well as a sound human resource management strategy.

This year’s survey respondents continue to agree that good benefits programs are valuable for their businesses. More than six in ten respondents (63%) say that employee satisfaction with benefits is important for their company’s success, and 65% believe that employee benefits are critical to attracting and retaining employees.

Finance executives recognize the value of benefits packages for human capital management, beyond their impact

on financial statements. Even if the deductibility of employer-sponsored benefits were to be removed, a majority of respondents say that their companies would either maintain the status quo (29%)—that is, continue to offer the same package with the same subsidies—or would increase employee compensation to counterbalance reduced corporate subsidies (28%).

Finance executives believe that the financial security of employees is an important concern for the company, as well as for the employees themselves. More than eight out of ten respondents (82%) believe that their companies benefit from having workforces that are financially secure. Nearly as many (78%) also believe that employers should assist employees in achieving financial wellness during their working years. (See Figure 1.)

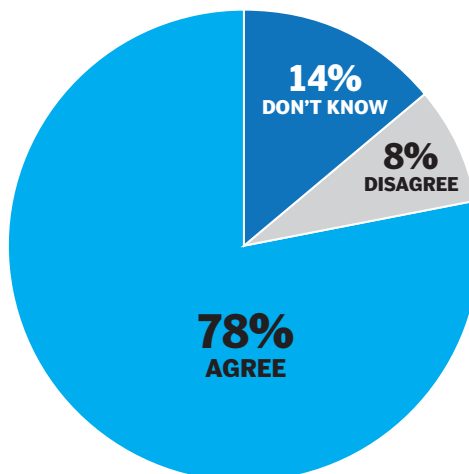
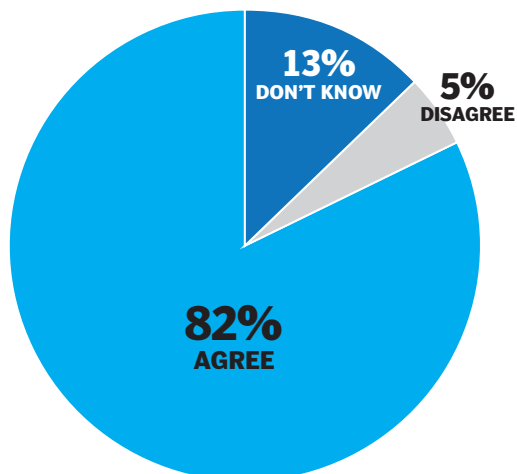


**82% believe that their companies benefit from having workforces that are financially secure.**

**FIGURE 1**  
Finance executives support a focus on employees’ financial wellness.

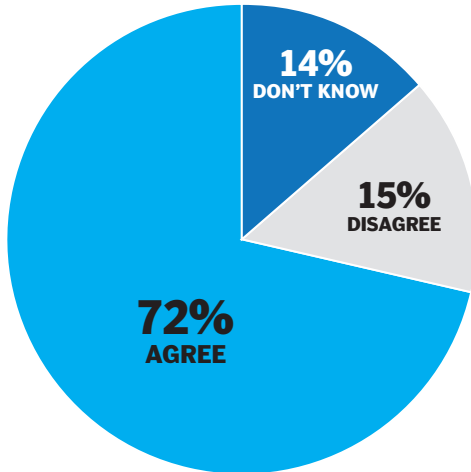
My company will benefit from having a workforce that is financially secure.

Employers should assist employees in achieving financial wellness during working years.

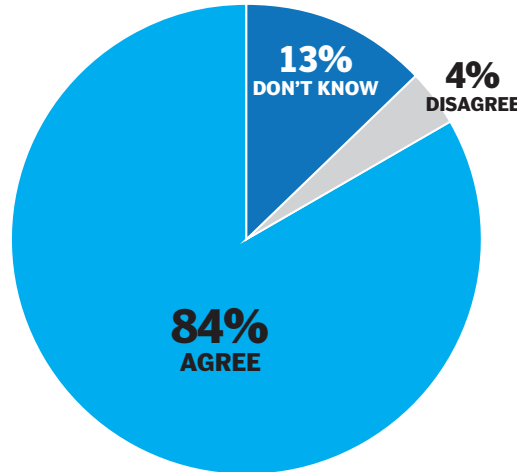


**FIGURE 2**  
**Finance executives value having more information on their employees' financial wellness.**

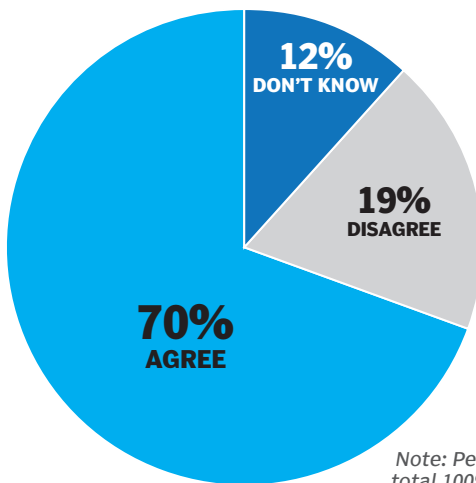
The financial wellness of employees is a focus for my organization.



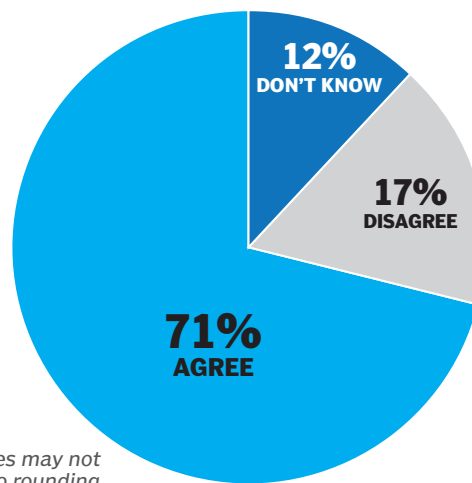
It is important to ensure my company's employees are educated on key tenets of financial wellness.



It is important for my company to measure its employees' financial wellness.



Benchmarking my employees' financial wellness versus other companies in my industry is valuable.



*Note: Percentages may not total 100%, due to rounding.*

By far, finance executives consider higher employee satisfaction (59%) and increased retention (53%) as the most important benefits coming out of a focus on financial wellness. They appear to view financial wellness of the company's employees as part of an effective strategy for human resources management.

These convictions may help explain the fact that 72% of respondents agree that the financial wellness of employees is a focus for their organizations, and even more (84%) say that it is important to

ensure that their companies' employees are educated on key tenets of financial wellness. (See Figure 2.)

Furthermore, finance executives value the measurement and benchmarking of financial wellness. As shown in Figure 2, seven out of ten respondents (70%) agree that it is important for their companies to measure employees' financial wellness. About the same number (71%) agree that benchmarking their employees' financial wellness versus other companies is valuable.

**Seven out of ten respondents (70%) agree that it is important for their companies to measure employees' financial wellness.**

## About the Survey

This year marks the sixth annual survey that CFO Research has conducted with Prudential Financial, Inc. The surveys provide insights into finance executives' current thinking on their companies' retirement and benefits programs. This year's results are based on survey responses of 180 finance executives, most of whom (78%) work at large U.S. companies with more than \$1 billion in annual revenues. All of the companies in the survey also have defined benefit (DB) plans with more than \$250 million in assets; 31% have between \$1 billion and \$5 billion in assets, and an additional 31% have more than \$5 billion in assets.



## Research Sponsor's Statement

"It is encouraging to see that employers are seeing the value in helping employees focus on financial wellness. In particular, employers seem ready to look at ways to not only measure the financial wellness of their employees, but also to benchmark it against other companies in their industry. This survey demonstrates that the vast majority of employers recognize that improving the financial wellness of their workforce yields significant benefits for their companies and employees alike."

**Jim Gemus**

Senior Vice President, Distribution & Product  
Management, Prudential Group Insurance