WHAT U.S. EMPLOYEES WANT (and need)
Employers and Workers Agree: Financial Wellness Benefits Are a New Necessity

Employees and employers are concerned about money, inflation and a potential recession but are not always aligned on employee benefit priorities. PNC recently conducted dual, large-scale surveys of American workers and employers as part of a study to better understand their financial health perspectives. These results offer insights for Human Resources and business leaders to consider as they balance the urgent needs of their workers with the financial realities of their own organizations.

Kaley Keeley Buchanan
Senior Vice President and Head of PNC Organizational Financial Wellness

Finding Balance Is Key

7 in 10 employees are under financial pressure, and it negatively impacts their work

80% say financial wellness benefits may make them want to stay at their current employer

45% feel unprepared for the future and most have no plan to fix it

22% worked with a financial professional in the last 3 years

75% say employees’ financial stress impacts operations, including reduced productivity, lower morale and poor performance

96% say financial wellness benefits improve retention

94% say they are responsible for offering financial wellness benefits

REPORT HIGHLIGHTS

EMPLOYEE HIGHLIGHTS

EMPLOYER HIGHLIGHTS

pnc.com/wellness
Across industries and demographics, **7 in 10** employees stress about personal finances.

The less workers earn, the more stressed they are:

<table>
<thead>
<tr>
<th>EARN &lt; $50,000</th>
<th>EARN $50,000 – $99,999</th>
<th>EARN $100,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>79% somewhat stressed or very stressed</td>
<td>77% somewhat stressed or very stressed</td>
<td>57% somewhat stressed or very stressed</td>
</tr>
</tbody>
</table>

**AND THEY BRING THAT STRESS TO WORK**

- **87%** admit to worrying about personal finances on the job
- **43%** say it impacts their work productivity
On average, workers spend 3 hours a week at work worrying about their finances

Inflation is making it worse.

90% of employees say they are negatively impacted by inflation. Here’s how:

- **Ability to set aside money in savings**
  - Impacted a great deal: 81%
  - Impacted somewhat: 50%
  - Impacted a great deal: 31%

- **Ability to cover extras beyond basic necessities**
  - Impacted a great deal: 80%
  - Impacted somewhat: 43%
  - Impacted somewhat: 37%

- **Ability to cover basic necessities**
  - Impacted a great deal: 72%
  - Impacted somewhat: 30%
  - Impacted somewhat: 42%

EMPLOYEE PERSPECTIVES

“If we’re eating out, we’re getting something cheap more often. Saving is definitely a struggle…but having inflation right now is adding to that stress.”

- Age 32, Manufacturing

EMPLOYER VIEW

Most employers conduct annual employee surveys and know their employees are experiencing financial pressure. 7 in 10 say their employees are somewhat or very stressed, which aligns with what employees said in the survey.
63% of employees are living paycheck to paycheck despite feeling secure in their jobs

Most are confident they will keep their job:

- FEEL VERY SECURE: 38%
- FEEL SOMEWHAT SECURE: 49%
- FEEL INSECURE: 13%

60% could cover expenses for only 3 months or less after a job loss

1 in 5 full-time employees have a second job to supplement income

- 24% WORKERS AGE 21–34
- 19% WORKERS AGE 35–54
- 14% WORKERS AGE 55–69

Yet 75% are worried about a recession in the near future

EMPLOYEE PERSPECTIVES

“I can’t just spend how I used to. I got a part-time job, so that helps out. I stopped ordering out, stay in and find ways to not spend money.”

- Age 38, Higher Education

EMPLOYER VIEW

By contrast, more than half of employers say their organization’s fiscal situation is better than it was a year ago.

- Better 53%
- Same 31%
- Worse 16%
Nearly half of employees feel financially unprepared for the future

The less workers earn, the less prepared they feel:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Unprepared</th>
<th>Prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $50K</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>$50K–$99K</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>$100K+</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Most common concerns:

- Having enough money for retirement: 64%
- Paying off debt: 50%
- Covering anything beyond basic expenses: 46%
- Managing/preserving wealth: 37%
- Maximizing investments: 30%
- Purchasing a home: 24%

Unable to catch up:

- Are worried they won’t be able to retire when they want to: 78%
- Do not have a clear and solid financial plan: 52%
- Say they are not securing their financial future: 45%

EMPLOYEE PERSPECTIVES

“I don’t feel I’m on the right path to saving enough to retire at any stage. It’s just something I try not to think about and hope that things will get better in the near future.”
- Age 38, Professional Services

EMPLOYER VIEW

8 in 10 employers believe their employees are at least somewhat financially prepared for the future compared to just 5 in 10 employees who believe they are prepared.
Only 1 in 5 employees have worked with a financial professional in the last 3 years

Confidence declines as employees move from day-to-day to longer-term financial planning:

- Setting a budget: 82% Confident, 18% Not confident
- Sticking to a savings plan: 64% Confident, 36% Not confident
- Retirement planning: 51% Confident, 49% Not confident
- Investing in the stock market: 42% Confident, 58% Not confident

**EMPLOYEE PERSPECTIVES**

“Some [financial services] are fee based and other ones are percentage based. I could benefit from somebody that was fee based, but I think I would have trouble paying a fee. I’m hesitant to pay somebody money because I don’t know that I would trust them.”

- Age 49, Technology

**EMPLOYER VIEW**

Employers feel responsible for offering financial wellness benefits:

- A great deal 52%
- Some 42%
- Not much/at all 6%

Yet only 14% of employees have access to financial wellness counseling and education
### Top 4 impacts:

<table>
<thead>
<tr>
<th>Potential Result</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced productivity</td>
<td>39%</td>
</tr>
<tr>
<td>Unhappy employees</td>
<td>18%</td>
</tr>
<tr>
<td>Lower morale</td>
<td>17%</td>
</tr>
<tr>
<td>Poor performance/ mistakes</td>
<td>16%</td>
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</tbody>
</table>

**Potential Result:**
- Poor customer care, lower sales, greater lead times and inventory challenges
- Strained workplace relationships, reduced health and greater absenteeism
- Damage to culture, lower engagement and retention issues
- Quality and safety risks, especially in industries like healthcare and manufacturing

### Percentage of employees who have workplace access to:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life insurance</td>
<td>64%</td>
</tr>
<tr>
<td>Disability insurance</td>
<td>54%</td>
</tr>
<tr>
<td>HSA/FSA</td>
<td>50%</td>
</tr>
<tr>
<td>Tuition reimbursement</td>
<td>26%</td>
</tr>
<tr>
<td>Financial counseling</td>
<td>14%</td>
</tr>
<tr>
<td>Financial education</td>
<td>14%</td>
</tr>
<tr>
<td>Emergency savings account</td>
<td>5%</td>
</tr>
<tr>
<td>Student loan financing and repayment assistance</td>
<td>5%</td>
</tr>
<tr>
<td>Debt consolidation services</td>
<td>2%</td>
</tr>
</tbody>
</table>

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89% of employees have access to and use employee-sponsored health insurance and retirement plans.

But fewer have access to and use employee-sponsored financial wellness benefits.
96% of employers say financial wellness benefits positively impact retention, but few offer financial counseling and education

Employees rank financial counseling and education high as a most desirable financial wellness benefit, but employers do not:

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>Employers</th>
</tr>
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<tbody>
<tr>
<td>Emergency savings account</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Financial counseling</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Equity compensation</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Financial education</td>
<td>✔️</td>
<td>✔️</td>
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<td>Debt consolidation services</td>
<td>✔️</td>
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Conversely, 86% of employees say they want retirement matching, but only 59% of employers consider retirement matching a "must have" benefit, but just 64% of employees want disability insurance through their employer.

EMPLOYEE PERSPECTIVES
"I think the financial planning or counseling sounds interesting. I think as a company, if your employees have better financial well-being, they’re going to be better employees."
- Age 40, Manufacturing

EMPLOYER VIEW
“Everything costs so much more now. Our payroll is going through the roof because every time we lose someone, we have to replace them with somebody that’s more expensive.”
- CFO, Nonprofit
Congress passed the Secure Act 2.0 bill in December 2022 to encourage American consumers to set aside money in savings through their employers. Employers are much more aware (67%) of Secure Act 2.0 than employees (19%), yet both groups are interested:

<table>
<thead>
<tr>
<th>Employer Interest</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers are likely to offer emergency savings accounts</td>
<td>93%</td>
</tr>
<tr>
<td>Employers are likely to offer matching contributions to these accounts</td>
<td>89%</td>
</tr>
<tr>
<td>Employees are likely to use these accounts if the employer matched their contributions</td>
<td>92%</td>
</tr>
<tr>
<td>Employees are likely to use emergency savings accounts if offered</td>
<td>83%</td>
</tr>
</tbody>
</table>

Only 5% of employees say they currently have access to an emergency savings account via their workplace.
Balancing employee wants and employer realities

**WANTS**

80% of employees say they would stay longer with an employer that offered more financial wellness benefits.

- **Much more likely to stay** 49%
- **Somewhat more likely to stay** 31%
- **No difference** 20%

These benefits have greater appeal for workers under age 55:

- **21-34 YEAR OLDS**
  - More likely to stay: 88%
- **35-54 YEAR OLDS**
  - More likely to stay: 83%
- **55-69 YEAR OLDS**
  - More likely to stay: 68%

Employers know their workers want more financial wellness benefits:

- 86% of employers conduct employee surveys
- 96% of those that survey ask about financial wellness

**REALITIES**

Employers are feeling financial pressure too:

**TOP 3 CONCERNS**

1. Rising cost of employee benefits
2. Difficulty recruiting and retaining employees
3. Trouble maintaining competitive salaries

1 in 5 employers are “very worried” about a future recession. Many say they’re already:

- Cutting costs
- Reducing travel
- Not replacing workers who leave
5 Priorities to Help Employers Make a Big Impact:
Bridging the divide between what employees want and need, and what employers offer

1. **FINANCIAL EDUCATION AND COUNSELING**
   These resources can improve employees’ financial confidence.
   - About 60% of employees want these benefits from a trusted source
   - Just 30% of employers offer them

2. **EMERGENCY SAVINGS ACCOUNTS**
   This is the top benefit employees wish they had, and the passing of Secure Act 2.0 encourages employers to offer this benefit.
   - 74% say they want it
   - 72% of employers admit they don’t offer it (but would consider it)

3. **DEBT CONSOLIDATION**
   Debt is a primary pain point for employees, and they want access to information on their options.
   - 56% of employees are interested
   - 68% of employers don’t offer it (but would consider it)

4. **EQUITY COMPENSATION**
   Having some type of ownership interest in the organization can motivate employees to do their best work.
   - 59% of employees are interested
   - 67% of employers don’t offer it (but would consider it)

5. **RETIREMENT MATCHING**
   Retirement plans are relatively universal, but fewer employers offer matching contributions.
   - 40% of employees who don’t have this benefit wish they did
   - 47% of employers who don’t offer retirement matching would consider adding it to existing programs
Inflation makes it harder for employees to cover expenses and save for the future. Rising costs, a potential recession and extreme competition for talent financially stress employers.

By removing barriers to employees’ personal financial planning with the right mix of benefits, employers can maximize the return on their talent investment.

The right partner can make all the difference

PNC offers insights and solutions that help organizations and their employees move forward financially. Through PNC Organizational Financial Wellness, employers can offer benefits that enable employees to plan for their futures — while improving employee productivity, performance and retention at work.

- Bank-at-work programs
- Health savings accounts
- Student debt assistance
- Online financial education
- Retirement plan services
- Personalized guidance for employees with complex banking needs

Empower your employees to take control of their finances

pnc.com/wellness
The information in this report comes from two quantitative surveys conducted by PNC in April 2023. The surveys were conducted on an anonymous basis.

For reporting purposes, employee income groups are defined as: Low Income (less than $50,000), Middle Income ($50,000–$99,999) and High Income ($100,000 or more).

Employee interviews were conducted with 15 respondents who work in companies of 100 employees and are “very involved” in making financial decisions for their household. The interviews included a mix of participants based on age, gender, annual household income and marital status.

Employer interviews were conducted with 14 respondents who are C-suite and HR executives in organizations with $5 million or more in revenue and are “very” or “somewhat involved” in selecting benefits for their organization. The interviews included a mix of participants based on industry, job title, revenue and company size.

The study was conducted by Willow Research, a custom market research firm and certified woman-owned business.