



BrightPlan[®]

The Well-being Equation:

Helping Employees Thrive in Uncertain Economic Times

2022

WELLNESS
BAROMETER
SURVEY



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00 Executive Summary

COVID-19 based concerns are beginning to recede in the rearview mirror, but that doesn't mean employers can take their eyes off the road ahead. The effects of the global pandemic are still being felt—yet now the greatest residual impact is economic, and with it comes a host of issues that affect employees and employers alike.

The 2022 BrightPlan Wellness Barometer Survey took the pulse of 1,500 U.S.-based knowledge workers (both HR and non-HR) at organizations with 1,000 or more employees to learn what's top of mind and how employers can best respond in the reality of the future of work.

U.S. economy is shaping the employment agenda

72% of employees are stressed about their finances, up from 65% last year—and nearly 9 in 10 employees revealed that they are reassessing their financial situation. Rising inflation (79%) and retirement planning (59%) are major drivers, with employees contributing significantly more to retirement during this time.

Over the past two years, mounting stress and burnout have caused employees to reevaluate their definition of work, fueling the Great Resignation. 78% of employees are placing a greater emphasis on work/life balance, 40% of respondents ages 18-25 are looking to take a break from work, and 52% of the Black population seek greater mission and purpose from work.

As for employers, 86% of HR leaders say their biggest challenge is attracting or retaining talent; engaging employees (65%) is also high on the list. Companies are addressing employee careabouts by offering increased flexibility, work from home allowances, higher salaries/bonuses and a new range of innovative wellness benefits.

Employee well-being has taken a turn

The trends in employee priorities, and the evolution of the workplace, reflect the struggles workers are facing. An all-time high level of stress is having an effect on employees' overall well-being, with deteriorating



financial health impacting both mental health (77%) and physical well-being (52%). Those reporting financial stress say they lose, on average, 11.4 hours in productivity every week—an amount that translates to more than **\$4 billion in lost productivity weekly for U.S. employers***.

With financial stress at record levels, employees report **financial wellness benefits as the number one most desired benefit (54%),** increasing from 29% last year and significantly outpacing mental health benefits (33%) and flexible time off (30%).

Financial health must be confronted

Employees are focused on their financial lives and are asking for help. Many are taking action, with **68% increasing their retirement contributions** and 63% cutting expenses. Despite this focus on finances, financial literacy is in crisis; **only 13% demonstrate basic financial literacy** answering 4 of 5 questions correctly (down from 20% last year).

Employers are well-positioned to provide solutions

Employers are in a great position to help, as much of an employee's financial life is tied to their employer. Nearly 9 in 10 **(88%) employees expect their employers to offer financial education and/or tools for investing.** At the top of the list are tools for investing (88%), followed by financial education (87%), and access to a financial professional (84%). These resources have a positive impact on the business, as **95% of workers say that access to enhanced employer provided benefits** would cause them to work harder (60%), feel more financially secure (59%), be more engaged and productive (58%), and be more committed/stay longer with the company (34%).

A mixed response on safety and belonging

The pandemic has helped improve workers' trust in their employers. **89% now feel their company is doing a good job addressing diversity, equity and inclusion (DE&I).** However, **one-third still do not feel completely safe or comfortable at work,** with Asian-Americans (49%), healthcare workers (42%), LGBTQIA employees (42%), and more females (36%) than males (28%) not feeling completely safe at work.



01 A New Post-COVID Reality



For employers and employees alike, the waning of the global pandemic has presented a new set of priorities. **72% of employees are stressed about their finances.** Employees say they are concerned about everything from a **historic rise in inflation (the chief concern for 79% of respondents)** to **retirement planning (59%),** with 68% of employees contributing more to their retirement savings. Moreover, 88% of all respondents revealed that they are reassessing their financial situation. **For HR, the number one concern is market volatility (71%).**

Primary Financial Concerns Among Workers



79%

Rising inflation



59%

Retirement planning



56%

Market volatility



55%

Emergency savings



44%

Paying off debt



40%

High mortgage rates

Great Resignation: The Outcome of a Reevaluation of Work

The **Great Resignation** continues to be driven by individuals who are **rethinking their professional and personal lives** following mounting stress and changing workplace norms.

Priorities among employees vary greatly by generation, race and life stage. **The Black population** is more likely to report they are **prioritizing mission/purpose (52%)**, while **18-25-year-olds** are likely to **prioritize taking a break (40%)**, changing employers (27%) or changing industries (21%). Parents are less likely to prioritize changing employers when compared to non-parents.

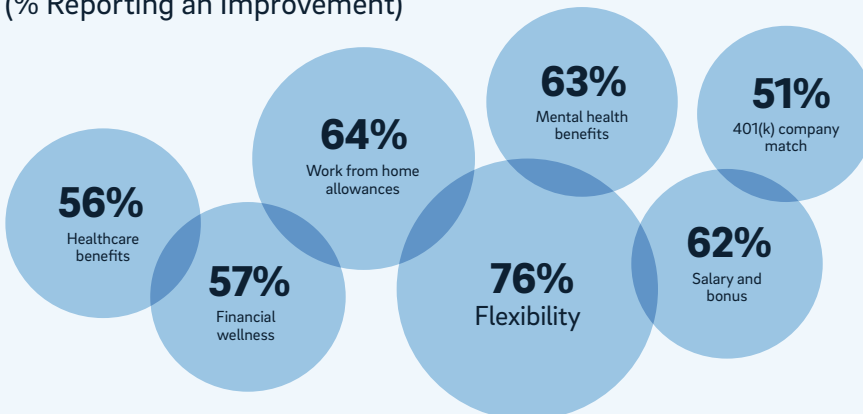
As for employers, the Great Resignation is top of mind with **86% of HR leaders reporting they are struggling to find ways to attract or retain quality workers, followed by 65% challenged to engage employees.**

Benefits Led by Greater Flexibility

Not surprisingly, employers are responding with a wide array of new and/or improved benefits to stem the effects of the Great Resignation. **Sixty-two percent of HR professionals** report their organizations are **offering more flexible work options, higher salaries and bonuses (56%), increased professional development and reskilling (54%), and holistic wellness benefits (52%).**

Workers have taken notice. Compared to last year, significantly more employees are reporting that benefits have “slightly” or “much improved” from last year—and in virtually every category. **Flexibility has improved the most** with more than 3 in 4 employees saying “flexibility” at their workplace has increased significantly, but the **biggest gains are seen in salaries and bonuses (62% in 2022 vs. 41% in 2021), followed by financial wellness (57% in 2022 vs. 46% in 2021) and 401(k) company matches (51% in 2022 vs. 39% in 2021).**

Employees Like How Benefits are Changing (% Reporting an Improvement)



Employees are prioritizing:

76%

work/life balance

38%

seeking mission and purpose

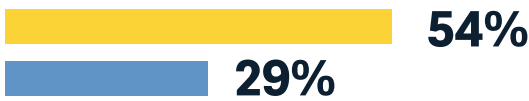
25%

taking a break from work

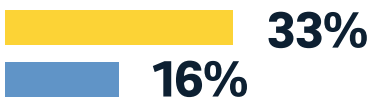


Benefits Most Desired by Workers

Financial Wellness



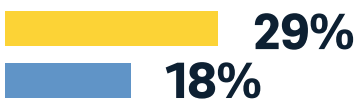
Mental Health



Flexible Time Off



Professional Development



2022

2021

Financial Wellness Benefits Rise to the Top

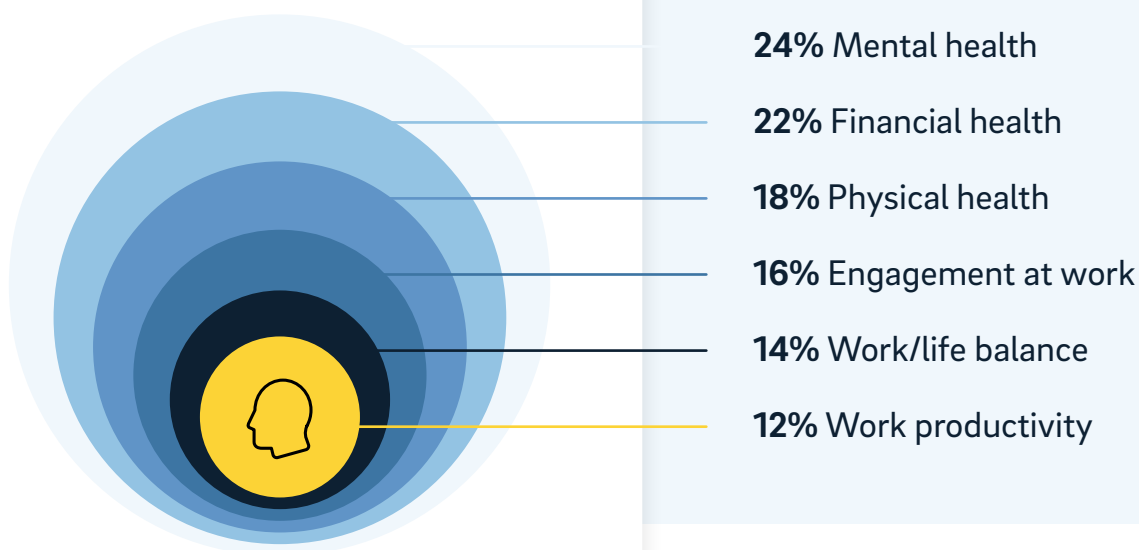
When asked what innovative benefits employees prized the most, a major change surfaced over the past year. **Financial wellness-related benefits took the top spot** both as the most common and most desired innovative benefit. Nearly 2 in 3 (64%) of workers reported the availability of financial wellness benefits; furthermore, **54% said it was their “most desired” benefit—a jump in one year from the number three most desired benefit to number one.**



02 A Shift In Well-Being

What this year's survey revealed is that today's employment landscape is distinguished by workers who are struggling on multiple fronts. A **drop in financial health is impacting both mental health (77%) and physical well-being (52%)**. While the pandemic currently may be less top of mind, employees are still experiencing the effects:

Conditions that are Worsening



Financial Stress is Increasing

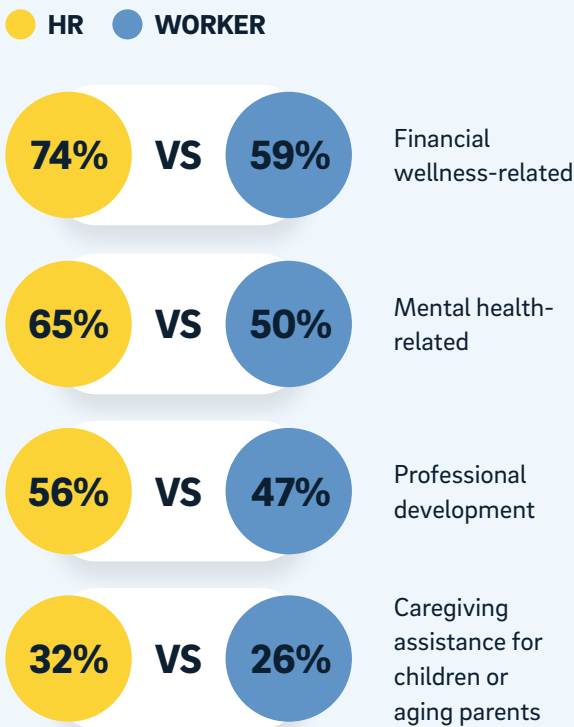
Surging inflation, high debt loads, saving for retirement, rising mortgage loan rates and other economic factors are weighing on the minds and bodies of workers. **Seventy-two percent of all employees surveyed, in fact, report at least a moderate level of stress due to their current financial situation.**

On a scale of 1 (very stressed) to 5 (not at all stressed), employees on average rate their financial stress level as 2.87. Those under **40 are more stressed** than those over 40 (2.8 vs. 3.0). **Hispanics are also especially stressed** (2.8), while **financial services employees are among the least stressed** (3.4).

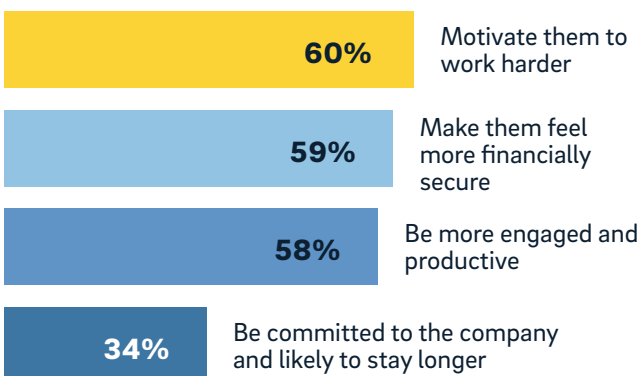
HR is Responding—But Many Employees are Unaware

HR is responding to the call to meet employee needs. In fact, with so many benefits being introduced or expanded, many workers may be overwhelmed or unaware of what's available to them. The disparity is evident:

Benefits Reported to be Available, According to HR vs. Workers



In addition, enhanced benefits could help companies **improve employee recruitment, engagement and retention. 95% of employees say better benefits would:**



Financial Stress Affects the Whole Person and the Business

Employers are realizing their obligation to address their employees' wellness needs in a more holistic manner. Of all the ways financial stress affects workers, the greatest impact is on their mental and physical health—factors that directly affect the bottom line.

In addition to impacting mental and physical health, workers report that **worsening financial health affects their engagement (47%) and productivity (45%).** Employees with financial stress estimate they lose, on average, 11.4 hours every week in work engagement and productivity. Translated on a national level, the result is a **loss to US employers of an estimated \$4 billion in weekly productivity***.

 **11.4 HOURS**
employee loss per week in engagement and productivity

 **\$4 Billion***
employer loss in weekly productivity



03 Financial Health In The Balance

While most employees realize their need for financial wellness, some are better prepared to address it than others. **Most reported they are taking action in some fashion:**

Statements about Personal Finances (Percentage Who Agree)

79%

"My financial habits, such as budgeting and saving, are improving"

68%

"I have been contributing more to my retirement savings"

63%

"I am cutting expenses right now and only purchasing essentials"

62%

"Once inflation stabilizes, I am planning a financial splurge"

51%

"I have delayed my financial goals, e.g., buying a home/reducing debt"

46%

"My emergency savings are decreasing right now"

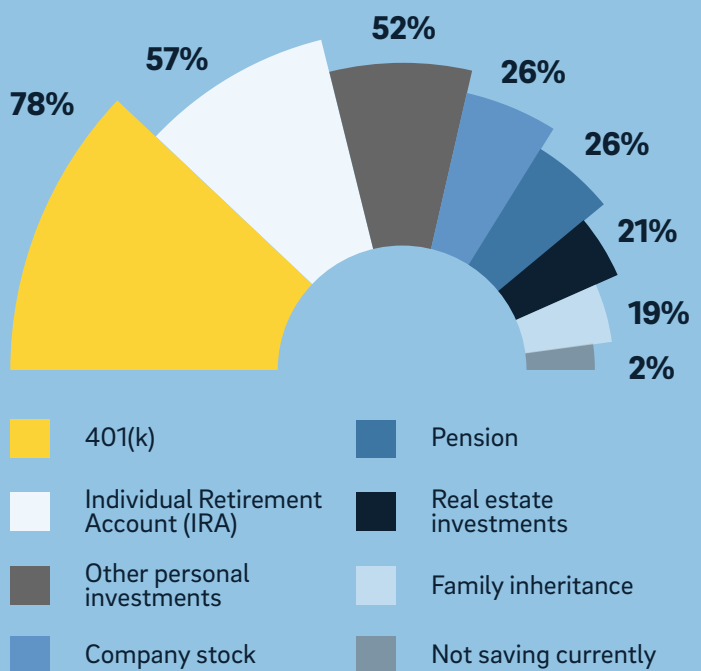
32%

"I am contributing less to my retirement savings"

The Retirement Pivot

In the midst of the pandemic, many workers curtailed contributions to retirement accounts or even made withdrawals to stay afloat. With COVID-19 concerns receding and inflation rising, workers now are **more likely to say they have increased their retirement contributions.**

Ways Workers Are Saving for Retirement



More than two-thirds of employees (**67%**) have used a **retirement calculator** to measure their preparedness. This number drops to **48%** for those making under **\$75K/year**, a group that also reports a significant lack of confidence in their planning (36%).

Confidence also suffers for those closest to retirement. **Just 30% of 56-67-year-olds report feeling confident**—significantly lower than other age groups.

Financial Attitudes Vary by Generation



18-25-year-olds are:

- Most concerned about paying off debt (58%)
- Most likely to say they are relying on an inheritance (37%) for retirement, or not currently saving at all (8%)
- More likely to rank flexible time off above financial wellness benefits (23% vs. 19%)

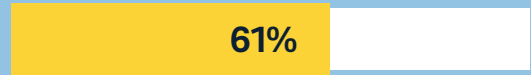


Older generations see things differently:

- The top concern for workers 41-and-over is retirement planning (56%)
- 43% of the 56-and-over generation prefers financial wellness benefits over all others
- 56-67-year-olds are especially likely to report worsening financial health (39%)

Financial Literacy is in Crisis

Only 13% of workers answered at least four out of the five financial literacy questions correctly, a decline from 20% in 2021.



You should pay off credit cards each month



Funds are taken from a debit card immediately



15-year mortgages require higher monthly payments but reduce total interest



Credit card interest is the price you pay for borrowing money



401(k) contributions are not taxed until withdrawal

● TRUE ● FALSE



04 Employees Want Help

92% of HR professionals agree that stress, particularly regarding finances, is hurting employee engagement and productivity at their organization. Fortunately, they're in a position to help.

rank their employer over social media influencers



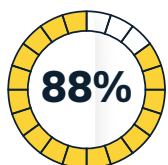
rank their employer over online tutorials



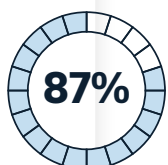
rank their employer over friends



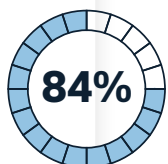
With the majority of their financial lives tied to their place of work, employees need—and want—wealth-building advice from their employers. **88% of employees expect their employer to support them with their finances. In addition:**



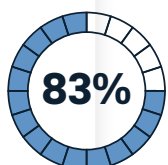
want investment tools from their employer



are looking for financial education from their employer



wish they had access to a financial planner

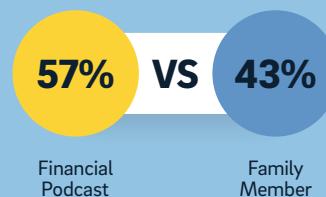
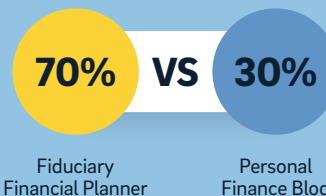
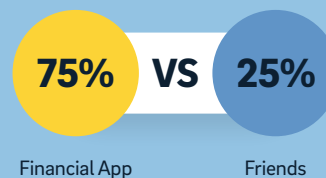


say they take advantage of the financial tools their company offers

Interestingly, **77% of employees agree that their company currently offers tools** to help them manage finances—but **78% of HR employees report that workers don't take advantage** of the financial benefits offered.

Digital Apps Gaining

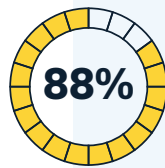
A major **shift is taking place in trusted sources for financial information.** When presented with alternatives for financial advice, beyond employers, three sources in particular stand out: **financial apps (neck and neck with employers), fiduciary financial planners, and financial podcasts.**



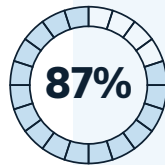
05 Trust, Safety and Belonging



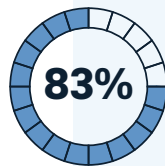
As this year's survey suggests, the challenges of COVID-19 have, in many ways, **increased the sense of cooperation and even trust between employees and their employers**. However, a closer look reveals a complex relationship:



88% of workers feel their company cares about their safety and well-being



87% state that their company cares about creating a culture of belonging and improving DE&I



83% trust the upper management team, as well as their HR team

Despite these positives, **70% of workers believe that their organization places an even greater importance on profits and the bottom line.**

Belonging Isn't Universal

The feeling of safety and belonging varies by demographic. **Nearly one-third feel only "somewhat" safe, accepted and comfortable at work.** Of these:



36%

vs



28%

49%

are Asian-American

42%

are LGBTQIA

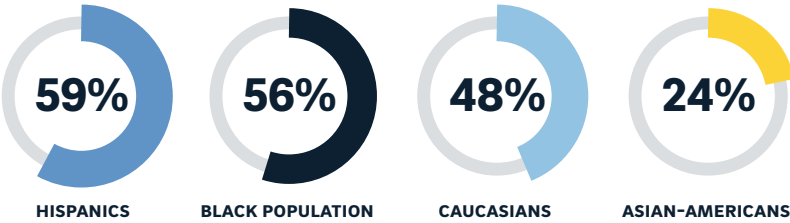
36%

work in healthcare, an indication of the difficulties this industry has faced

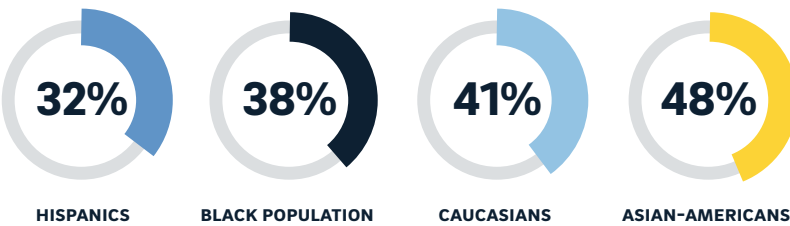
Race and Ethnicity Still Play a Role

Nearly all employees (89%) feel their company handles DE&I issues well—but again, the deeper picture is more complicated.

My Company Handles DE&I Issues "Extremely Well"



My Company Handles DE&I Issues "Somewhat Well"

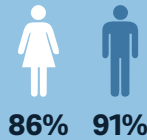


Yet, 84% of employees feel their employer has room to improve on DE&I issues, with employees stating their company should hire more diverse candidates (50%), require more DE&I training (48%), and encourage employees to engage with HR to improve equity policies (44%).

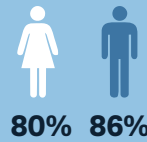


Closing the Gender Experience Gap

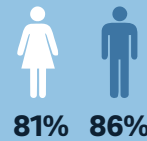
While general perceptions of employer trust and DE&I performance are in parallel between men and women, **men consistently rate their companies higher than women do:**



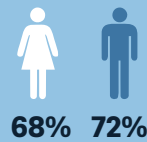
My employer cares about employees' safety and well-being



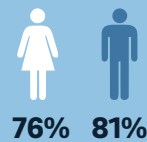
I trust the upper management at my company



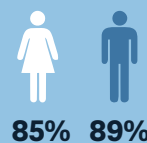
I trust the HR team at my company



My company emphasizes profits/bottom line over employee well-being



My organization cares about employee well-being above all else



My company cares about creating a culture of belonging, and improving DE&I

Conclusion.

2022 is shaping up as a year of transition, as one major area of concern—the COVID-19 pandemic—is replaced by another, a struggling economy. The sacrifices and priorities that surfaced during the public health crisis, combined with rising inflation, investment risks and concerns of a potential recession, are all leading to continued high levels of stress which are impacting employee well-being and business success.

The Great Resignation is real, and workers are leveraging their power to change the employment dynamic. In response, employers are investing wisely in benefits that matter most and that generate higher levels of trust and confidence, which can go a long way in keeping employees on the job. Moreover, most employees see their workplaces as valuable sources of support and advice for personal and family wellness.

In the coming year, companies will do well to address concerns that affect the holistic well-being of their employees (physical, mental and financial), both in and out of the office. The most important issues are not always the most obvious, and empathetic inquiry is vital. Listening intently and regularly, and responding with innovative benefits and support that meets workers at their points of need, can help organizations to better attract, engage, motivate and retain a happy and highly productive workforce.





Methodology

On behalf of BrightPlan, CITE Research surveyed 1,500 knowledge workers at companies with 1000+ employees in the US between April-May, 2022. This included a mix of HR decision-makers and employees in various industries including technology, healthcare, financial services, education, manufacturing and energy.



About BrightPlan

BrightPlan is a leader in Total Financial Wellness. The company is the first financial wellness solution certified for fiduciary excellence. BrightPlan provides a comprehensive personal finance solution for all employees that is real-time, personalized, actionable and integrated with employer benefits. Its unique combination of digital platform and financial planners supports employee personal financial goals at every stage of life, helping enterprises to better attract, retain and engage talent. For more, visit brightplan.com.

Disclosure:

Assumes there are 97,983,000 knowledge workers in the U.S. with an hourly wage of \$36.68. 22% of knowledge workers have worsened financial health and 45% of them have 11.4 hours of lost productivity per employee per week as a result of financial stress. Source: Federal Reserve Economic Dataset, BrightPlan.

