

Under embargo until 4/30/2024 8AM Eastern

BrightPlan 2024

Wellness
Barometer
Survey

The State of Financial Well-being

Trends Driving High Costs for Employers and Employees



00	Executive Summary
01	The State of Financial Well-being
02	The Impact on Employers & Employees
03	Role of Employers
04	Financial Literacy & Preparedness Remain Low
05	Bad Financial Advice is Hurting Workers
06	How Workers & Employers are Adapting
07	Major Disconnects Continue
08	Conclusion
09	Methodology



Contents

00 Executive Summary

The last few years have had their fair share of challenges for both employees and organizations. In 2024, high levels of financial stress continue to impact workers and businesses alike. The 2024 BrightPlan Wellness Barometer Survey took the pulse of 1,400 U.S.-based knowledge workers (including a mix of C-Suite, HR decision-makers and employees) at organizations that have a global presence with 1,000 or more employees. The objective was to learn what's top of mind and how employers can best respond to support their people and the business.

This year's study found that 91% of workers are stressed about their finances and 39% are overwhelmed by their financial situation. This is especially true for younger generations, with an alarming near 50% of Gen Z saying they're frustrated and don't know how to improve their financial well-being.

So what does this mean for employers? Financial stress has a costly impact on workplace productivity, retention and overall employee well-being. Furthermore, these problems are only getting worse with Gen Z reporting the highest impact to productivity (8 hrs per week). In addition, 78% of leaders say their employees' financial stress led to higher turnover last year. Despite the undeniable impact, a major disconnect exists between employee needs and employer pulse and support. 76% of employees are not satisfied with their company's financial benefits, but 92% of leaders say their company offers employees the financial guidance, support, and tools they need.



Ongoing economic uncertainty impacts financial stress

85% of all respondents are stressed about their finances — 91% of employees, 81% of HR, and 67% of the C-Suite. 39% are overwhelmed with their financial situation, with Gen Z being the most impacted (48%). The primary drivers are high inflation (95%), rising interest rates (90%), a potential recession (88%) and market volatility (87%).

Even with concern being across the board and employers incurring costs as a result, leaders don't recognize how much their employees are struggling. 30% believe employees have an "excellent" financial situation, vs. only 12% of employees agree.

91% of workers are stressed about their finances

Organizational impact remains concerning and costly

This financial stress is impacting overall employee well-being with workers saying it has worsened their mental health (72%), social health (65%), and physical health (62%). Leaders are even more affected by financial stress than their employees.

High financial stress is also impacting employee productivity (54%) and engagement at work (52%). Respondents are losing on average 7.3 hours of productivity each week, costing US employers potentially \$183 billion* annually. In addition, 78% of leaders say their employees' financial stress led to higher turnover last year.

Employers stepping up but still missing the mark

Employers are failing to recognize that their current benefits aren't meeting employee expectations. While 8 out of 10 employers offer or plan to offer financial benefits, 76% of employees are not satisfied with their company's financial benefits.

In addition, a major disconnect exists between leaders and their employees. 92% of leaders say their company offers employees the financial guidance, support, and tools they need to achieve their life goals, compared to just 56% of employees who feel their company provides this support. The most desired financial benefits (among workers who do not have these) include 401(k) employer contributions (52%) and an emergency savings fund (43%).



Financial literacy and preparedness remain low

Despite the high need for financial wellness, financial literacy, the first step on this journey, continues to be dire. Only 18% of respondents have basic financial literacy though 74% self-reported their literacy as being high or very high.

In addition, financial preparedness is low. 38% of respondents have either no emergency savings or only enough for up to 2 months. 79% have debt, and 42% have unmanageable debt. And nearly half (47%) are saving either nothing at all or less than 10% of their income.

Bad financial advice is hurting workers and businesses

The lack of financial literacy, coupled with many not knowing where to turn for help, has resulted in some serious consequences. Nearly 8 out of 10 respondents have received bad financial advice.

While workers say they can lean on their financial advisor and financial apps for advice, many report receiving bad advice from friends (52%), family members (51%), co-workers (43%) social media influencers (41%), and other sources. The advice people are getting is not helping their financial cause. Over half (55%) of all respondents have made financial mistakes due to bad advice. One quarter (25%) report they have made serious financial mistakes.

Shifts in employer and worker focus

In addition to getting advice, 88% of workers are reassessing their financial habits. They are improving budgeting and saving (83%), cutting expenses (75%) and more. 75% of respondents have also made adjustments at work, including working extra hours to boost their savings and developing transferable job skills (both 30%).

On the employer front, the top people-related challenges leaders face in 2024 are supporting employees' holistic well-being (physical, mental, financial and social), and attracting and retaining top talent. 76% of leaders say their company is making at least one change this year due to current market conditions. They are turning up their investments in AI and automation and reducing cost cutting actions significantly in comparison to last year.

Major disconnects between employees and leaders continue

As described earlier, significant disconnects exist between employees and their organizations as it relates to financial wellness. In addition, other areas of disconnects surfaced in the survey.

75% of leaders admit that their company places more importance on profits and its bottom line than employee well-being. Less than two-thirds of employees trust the upper management (66%) and HR teams (64%) at their company. Nearly half of employees (47%) feel they are paid too little. And, 64% of employees say their company needs to improve its Diversity, Equity and Inclusion (DE&I) initiatives, and 40% do not feel safe and comfortable at work.



01

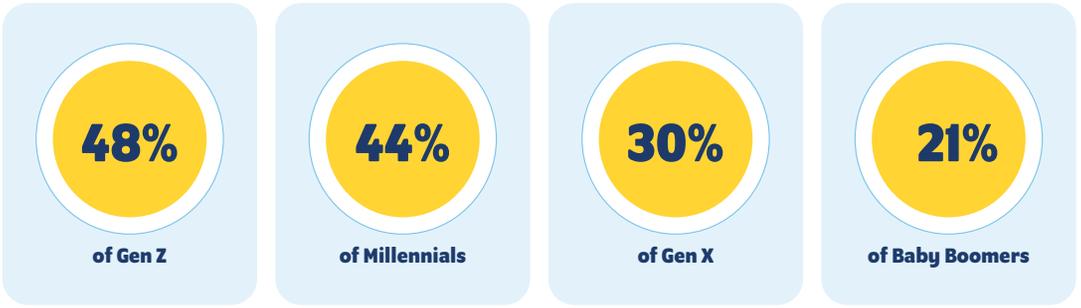
01 The State of Financial Well-Being

With continuing challenging market conditions, employee stress levels remain high. Yet, leaders don't recognize how much their people are struggling.

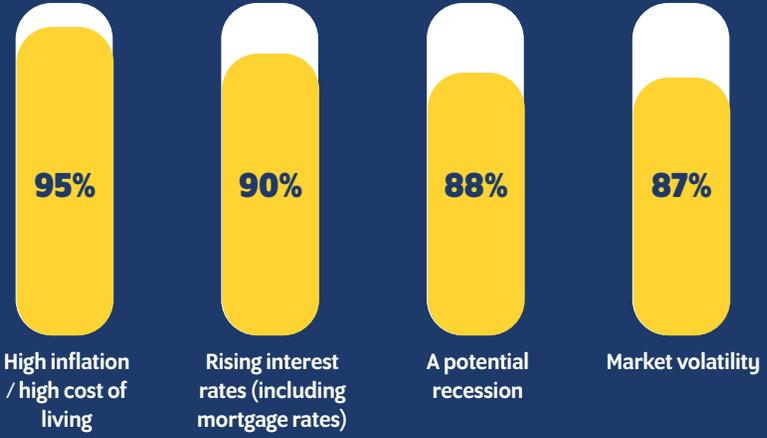
Leaders believe 30% of their employees have an "excellent" financial situation, while only 12% of employees would describe their finances in those terms.

85% of all respondents are stressed about their financial situation with 91% of employees being stressed. Leaders are also feeling the pinch — 81% of HR and 67% of C-Suite are financially stressed.

How bad is it?
39% of workers are overwhelmed by this stress.



Primary Drivers of Stress



The gap continues to widen

- Gender: This year, 74% of men and 51% of women described their financial situation as excellent or good — a 23-point percentage gap.
- Income: Even among respondents making \$100K or more, just 30% said their financial situation is excellent.
- Race/ethnicity: 68% of Whites described their financial situation as excellent or good, versus 53% of Hispanics, 51% of Blacks, and 49% of Asians.

02

The Impact on Employees and Employers

Workers say their financial stress is having an impact on multiple aspects of their lives, including their mental health (72%), social health (65%), and physical health (62%).

The C-Suite is not immune. At least 3 out of 4 C-Suite respondents said financial stress has worsened their mental (75%), social (79%), and physical health (76%).

It has also impacted employee productivity (54%) and engagement at work (52%). Younger generations are affected more with 59% of Gen Z and 62% of Millennials saying that financial stress has worsened their productivity.



The costly impact on businesses

On average, each respondent is losing 7.3 hours of productivity each week due to financial stress, costing US businesses potentially \$183B annually in lost productivity and engagement.*

The impact is even greater for younger generations with Gen Z and Millennial workers losing over one full day of productivity each week (8.1 and 8.4 hours, respectively). Leaders are also more impacted with the C-Suite reporting an average loss of 11.1 hours per week and HR reporting an average loss in productivity of 9.3 hours per week.



The BrightPlan Advantage: BrightPlan's users are losing only 4.2 hours of productivity each week, saving employers potentially \$109 billion annually.**

Leaders agree that employees' financial stress has serious consequences for their business

- Hurts engagement and productivity (87%).
- Results in less company output and hurts the bottom line (78%).
- Led to higher turnover last year (e.g., employees left for better pay or financial wellness benefits) (78%).



The BrightPlan Advantage: BrightPlan users see a 55% increase in retention compared to the national average.***

03

The Role of Employers

While nearly all leaders agree that companies should support employees' financial well-being, many don't recognize that their financial wellness benefits aren't meeting employee expectations. 76% of employees are not satisfied with their financial benefits. Today's workers expect their benefits to support their holistic financial wellness, yet most employers still offer point solutions that lack this level of personalization and support.

Leaders are prioritizing financial wellness

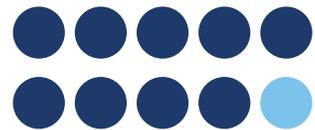
An overwhelming majority of leaders state that employers should help employees with their financial well-being.

Employees seek more support
Employees are looking to their employers for support both in and outside of work.

Top innovative benefits employees want

- **Financial wellness benefits (63%)**
- **Flexible time off (48%)**
- **Learning & development benefits (33%)**

At least **9 out of 10** leaders believe that employers should support employee financial well-being.



93%
Provide financial resources that are unbiased and have employees' best interests in mind.

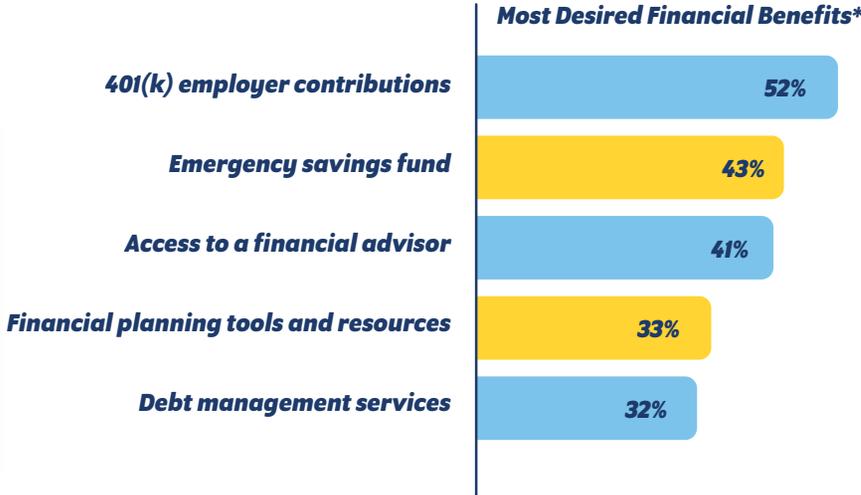
92%
Help employees improve their financial literacy.

92%
Provide guidance and investment tools to help employees grow their money and build wealth.

90%
Help employees with their finances.

91%
Provide resources to help employees manage their money on a day-to-day basis.

90%
Adjust employee salaries based on inflation.



*among respondents who do not currently have these benefits

The good news – companies are stepping up their support

At least 8 out of 10 leaders say they already offer or plan to offer financial benefits. In addition, the number of organizations that currently offer these benefits has increased year-over-year, indicating positive momentum.



76% of employees are not satisfied with their financial benefits

92% of leaders say their company offers employees the financial guidance, support, and tools they need to achieve their life goals, compared to just 56% of employees who feel their company provides this support.

78% of leaders say their company's financial wellness benefits have improved, compared to just 35% of employees – a 43 percentage point difference.



Both workers and companies are positively impacted by financial wellness benefits

83% of employees say that they would be positively impacted by having access to financial wellness benefits. Specifically, they would feel more financially secure, more committed to their company and likely to stay longer, more motivated to work harder, and more engaged and productive.



04

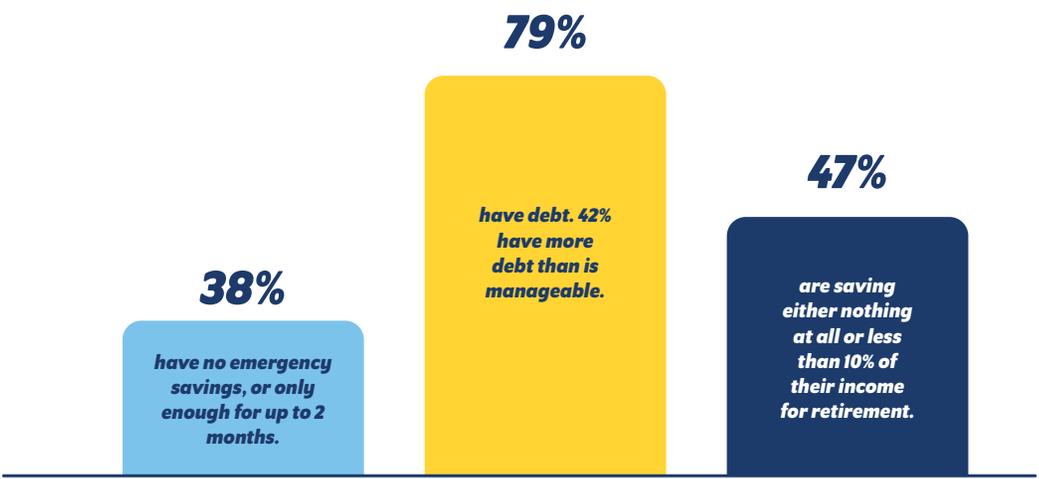
Financial Literacy & Preparedness Remain Low

While employees agree on what financial success looks like, they continue to struggle with knowing the basics required to improve their financial situation. In addition, employees – and especially leaders – have a highly inaccurate understanding of their own financial literacy.

Financial literacy is in a dire state

Only 18% of respondents answered at least four out of five financial literacy questions correctly. Yet 74% overestimated their financial know-how and self-reported their literacy as being high or very high.

Low levels of financial literacy are impacting workers' financial preparedness.



How People Define Financial Well-Being



Differences in financial literacy

- Leaders self reported 95% but literacy at 5%
- Employees self reported 44% vs. literacy at 27%
- Younger generations are less financially literate: Gen Z (11%), Millennials (11%), Gen X (28%), Baby Boomers (43%)
- Women are more financially literate. 14% of men vs. 23% of women



The BrightPlan Advantage: Nearly twice as many BrightPlan users – 35% – answered at least four of the financial literacy questions correctly.**

True or False: Financial literacy questions

- 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 withdrawn



Which Groups are Struggling The Most?



When it Comes to Emergency Savings

Overall, 38% of respondents have either no emergency savings or only enough for up to 2 months.

- 44% of women have low or no savings, compared to 34% of men.
- Childless workers were more likely to have low or no savings (49%) compared to those who have children (31%).



When it Comes to Debt

Overall, 79% of respondents have debt, and 42% have unmanageable debt.

- Blacks are most likely to have unmanageable debt (58%), followed by Hispanics (46%), Whites, (40%), and Asians (33%).
- Gen Z (49%) and Gen X (50%) are most likely to have unmanageable debt, followed by Millennials (38%) and Baby Boomers (30%).



When it Comes to Retirement Savings

Overall, nearly half (47%) of workers are saving either nothing at all or less than 10% of their income.

- Hispanics and Asians are the most likely to say they're saving nothing or <10% of their income (64% for both groups), followed by Blacks (57%) and Whites (44%).
- Women are saving less than men. 57% of women are saving nothing or <10% of their income versus 39% of men.

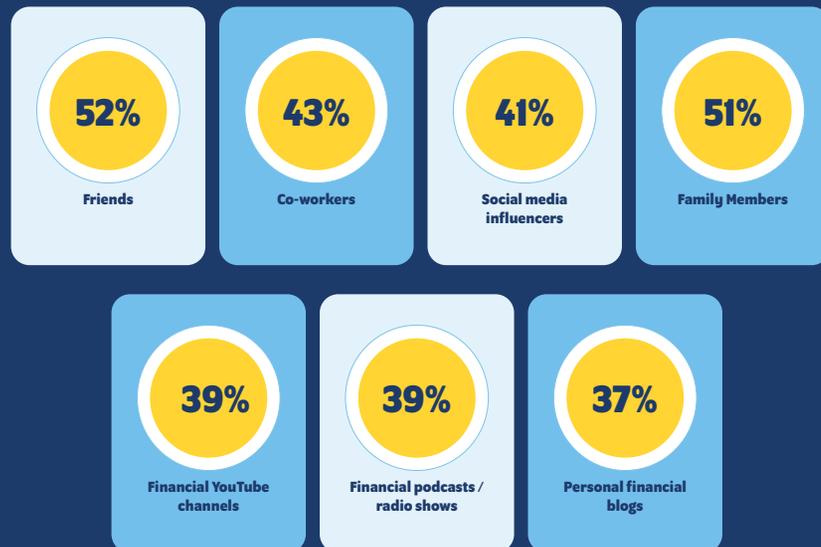
05 Bad Financial Advice is Hurting Workers

With financial literacy and preparedness being low and employees not getting the right level of support from their employers, many are turning to other sources. However, there's just as much bad advice out there as good advice – and this is significantly affecting today's workers.

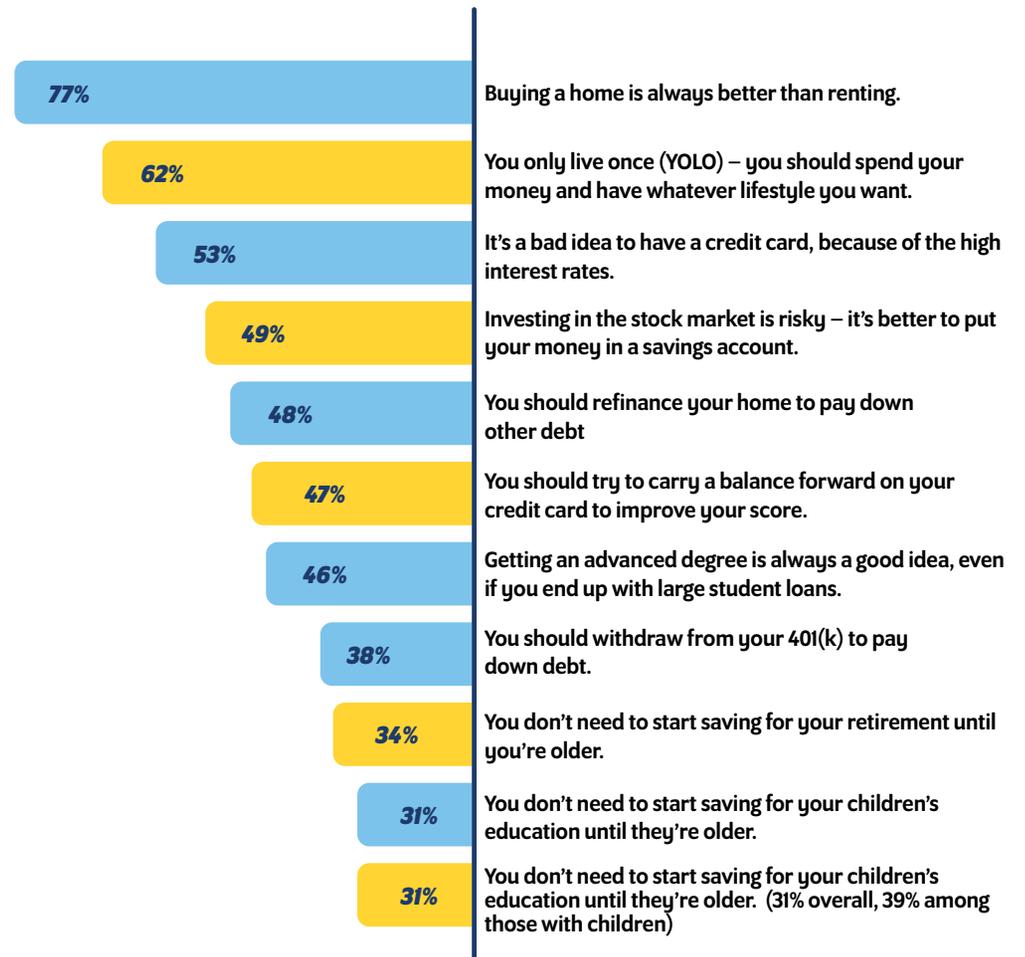
Nearly 8 out of 10 respondents have received bad financial advice and 55% have made financial mistakes.

While workers say they can lean on their financial advisor and financial apps for advice, they report receiving bad advice from other sources.

Where are workers getting bad advice from?



Types of bad advice



Bad financial advice is costing employees and employers

55% of all respondents have made financial mistakes due to bad advice. One quarter (25%) report they have made serious financial mistakes. Among respondents who have made mistakes due to bad financial advice, many say these mistakes have significantly affected their financial situation (63%) and their productivity at work (51%). Over two-thirds (67%) report that they've had to find ways to increase their income (e.g., cutting spending, taking on a second part-time job).

People are experiencing “information overload” and feeling a growing sense of hopelessness.



Social Media

A double-edged sword

Not only is social media a top source of bad financial advice, but 72% of respondents say it's affected how they think about their financial situation. Some reported positive effects: it gives them goals to aim for, motivates them to work harder, and shows them that anyone can achieve financial success. However, others said that it makes them feel dissatisfied with their financial situation, makes them feel like a failure, or makes them feel jealous and resentful.

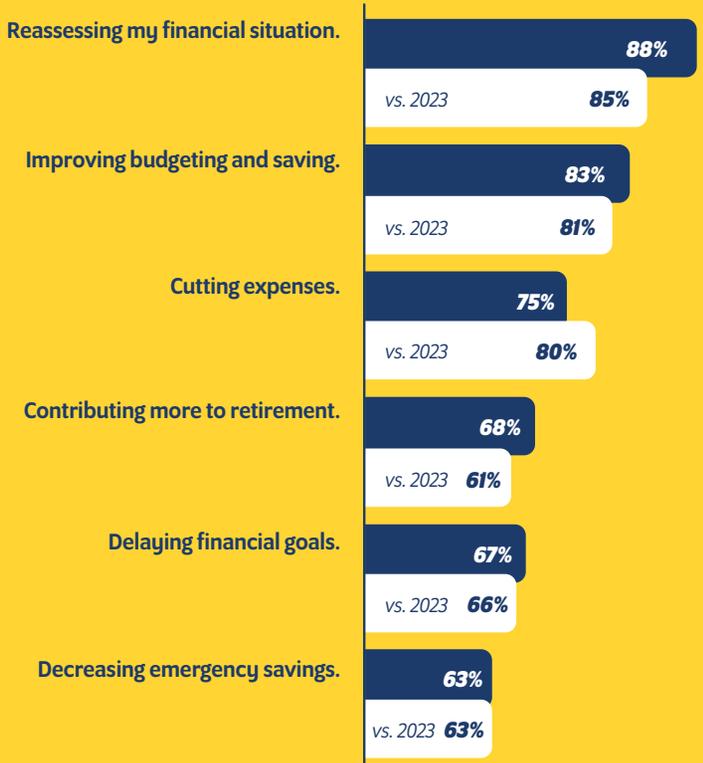
82% of both Millennials and Gen Z say they're affected by social media compared to just 56% of Gen X and 45% of Baby Boomers.

06

How Workers & Employers are Adapting

Despite these challenges, people continue to show a desire to make positive financial change with 88% reassessing their financial situation during this time. There are also some noteworthy shifts in behaviors year over year.

Year over year shifts in financial habits



People are making adjustments at work, too

Due to current market conditions and related financial challenges, 75% of respondents have made at least one adjustment at work including:

- Working extra hours to boost their savings (30%)
- Developing transferable job skills (30%)
- Going above and beyond at work to avoid getting laid off (26%)
- Staying in a job they don't like for financial security (22%)
- Delaying their retirement (15%)

86% of Gen Z and 75% of Millennials are taking action, compared to 70% of both Gen X and Baby Boomers.

Employers are shifting their focus this year

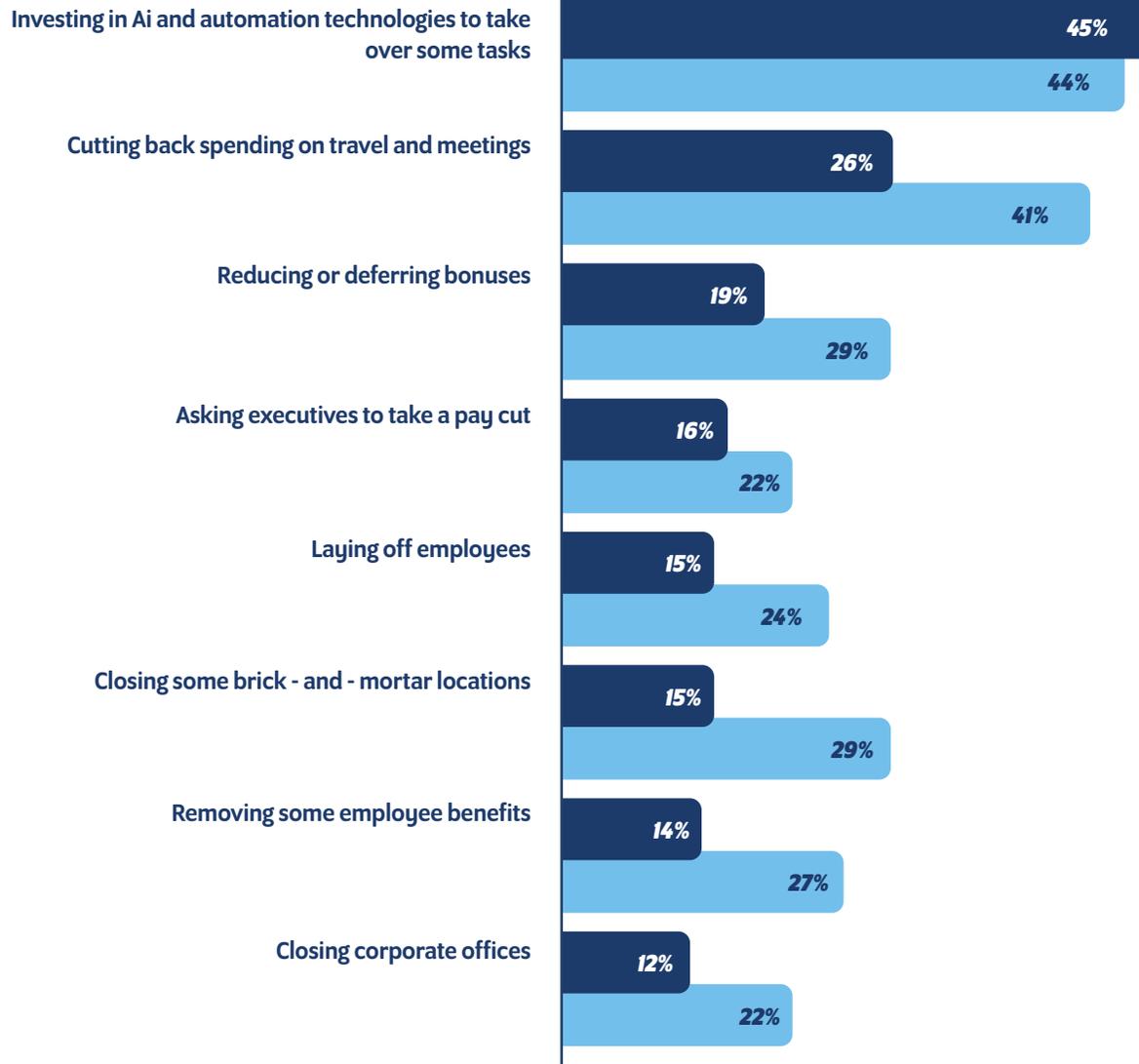
Leaders recognize that their employees are struggling and they want to help. HR and C-Suite's biggest people-related challenges this year are supporting employees' holistic well-being, and attracting and retaining top talent.

Top Challenges Facing Leaders in 2024

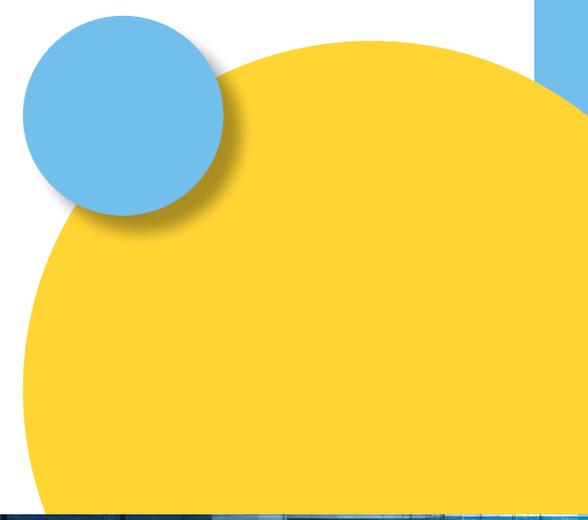
- 1 Supporting holistic employee well-being
- 2 Attracting top talent
- 3 Retaining talent

76% of leaders say their company is making at least one change this year due to current market conditions. Companies are increasing their investment in AI and automation, and significantly decreasing cost cutting actions this year – on average by 11 percentage points.

● 2024 ● 2023



This signals a positive shift in the industry in 2024. In fact, companies are more likely to be adding rather than cutting benefits this year — including financial wellness benefits.



07

Major Disconnects Continue

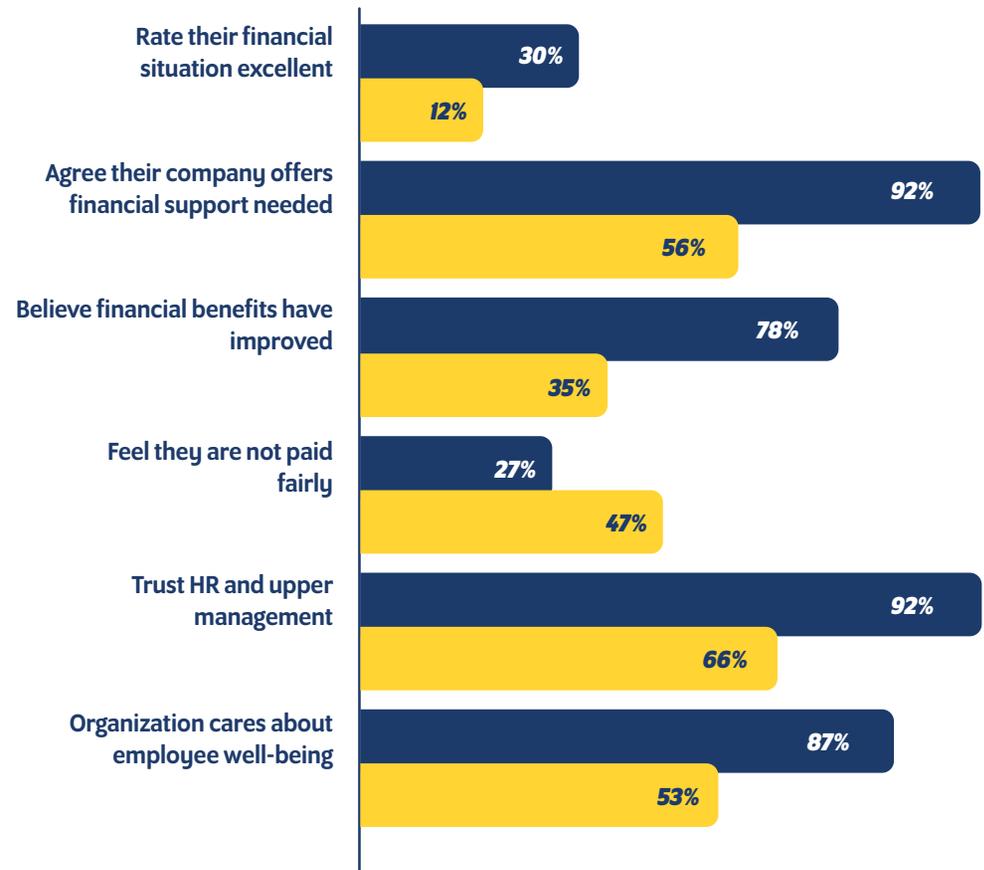
As demonstrated in this year's survey data, leaders have the right intent in supporting their employees yet substantial disconnects persist. These disconnects relate to financial wellness needs and expectations and also across other key areas ranging from trust and well-being to Diversity, Equity & Inclusion, pay, and more.

What's more, a remarkable 75% of leaders admit that their company places more importance on profits and its bottom line than employee well-being.

Major Disconnects Continue

● Leaders

● Employees



Gaps in trust, empathy and well-being

Employees and leaders don't see eye-to-eye on key issues.

- Only around two-thirds of employees trust the upper management (66%) and HR team (64%) at their company, but over 9 out of 10 of leaders believe their employees trust these entities.
- Just 62% of employees – versus 89% of leaders – feel the leaders at their company are empathetic.
- Only around half (53%) of employees – versus 87% of leaders – feel their organization cares about employee well-being above all else.



Fair pay will continue to be key

Leaders highly overestimate how satisfied employees are with their pay.

- Nearly half of employees (47%) feel they are paid too little — but leaders believe just 27% of their employees feel this way.
- Just 6% of employees think they are paid too much — leaders estimate that 25% of their employees feel this way.

Employers need to stay the course on DE&I

This year's findings highlight that DE&I needs to remain a core focus for employers.

- 64% of employees say their company needs to improve its DE&I initiatives.
- 40% of respondents say they do not feel extremely safe or comfortable at work — up from 36% in 2023.

However, less than half of leaders say their company is taking the following steps to improve DE&I: hiring more diverse candidates (48%), working to improve equity policies (47%), requiring more DE&I training (46%), offering or improving mentorship programs (44%), and promoting and facilitating access to Employee Resource Groups (42%). It's noteworthy that all of these percentages dropped from last year — on average by over 9 percentage points.

Conclusion

The market dynamics in 2024 continue to be challenging for both employees and employers. Workers are experiencing high levels of financial stress that are impacting their overall well-being, productivity at work, and companies' bottom lines. Employees seek help and organizations have the opportunity and the means to step up and meet their people where they are, with the right support and benefits needed.

Yet, major disconnects exist today between what employees want and what employers offer. Organizations need to have a stronger real-time pulse on their diverse and global workforces and provide personalized and holistic support in the moment. Bridging this divide will reap valuable benefits — improve employee well-being, boost productivity and engagement, enhance trust and loyalty — ultimately driving long term business growth and success.

Methodology

On behalf of BrightPlan, Walr and Workplace Intelligence surveyed 1,400 knowledge workers at companies that have a global presence with 1000+ employees in the U.S. in January 2024. This included a mix of C-Suite, HR decision-makers and employees in various industries including technology, healthcare, financial services, education, manufacturing, energy, accounting, and government.

About BrightPlan

BrightPlan is a leader in Total Financial Wellness. BrightPlan provides a comprehensive global solution that addresses all aspects of employees' financial health at every stage of life and empowers HR teams to enhance the employee experience and better attract, retain, and engage talent. Its unique combination of digital platform and financial planners enables employers to deploy at scale while delivering personalization for employees. BrightPlan is certified by the Center for Fiduciary Excellence, LLC ("CEFEX") as having met their standards for Fiduciary Practices for Investment Advisors. For more, visit www.brightplan.com

About Workplace Intelligence

Workplace Intelligence is an award-winning thought leadership and research agency focused on the world of work. We help companies, and their executives, tell their workplace story in meaningful, relevant, and impactful way using primary data, insights, and interviews. For more information go to our [website](#) and subscribe to our [LinkedIn newsletter](#).

The logo for BrightPlan, featuring the word "BrightPlan" in a blue sans-serif font. A small yellow smiley face icon is positioned above the letter "i" in "Bright".

Disclosure:

*Assumes there are 100,555,000 knowledge workers in the U.S. with an hourly wage of \$40.20. 23% of knowledge workers have high or very high levels of financial stress and 54% of them have 7.3 hours of lost productivity per employee per week as a result of financial stress. Source: Federal Reserve Economic Dataset, BrightPlan.

**For BrightPlan users surveyed, 17% of knowledge workers have high or very high levels of financial stress and 51% of them have 4.2 hours of lost productivity per employee per week as a result of financial stress. Source: BrightPlan employee survey of 410 workers in customer base during the month of January in 2024. Average BrightPlan customer has ~2,400 employees, and employees participated voluntarily and without reward.

***Based on BrightPlan customer retention data against the national average for retention.

BrightPlan LLC © is an SEC-registered investment adviser that offers digital and human investment advice to U.S. residents. Registration does not imply a certain level of skill or training nor does it imply endorsement by the SEC. BrightPlan is neither registered with any international agency to provide, nor does it provide, any investment advice to non-U.S. residents. BrightPlan is a registered trademark of BrightPlan, LLC. BrightPlan is certified by the Center for Fiduciary Excellence, LLC ("CEFEX") as having met their standards for Fiduciary Practices for Investment Advisors.