



Financial Wellness in the Workplace Report 2023:

WHAT EMPLOYEES WANT (and need)

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ORGANIZATIONAL
FINANCIAL WELLNESS

Employers and Workers Agree: Financial Wellness Benefits Are a New Necessity



Finding Balance Is Key

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.

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Senior Vice President and
Head of PNC Organizational Financial Wellness

REPORT HIGHLIGHTS

EMPLOYEE HIGHLIGHTS

7 in 10

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

45%

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

80%

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

22%

worked with a financial professional in the last 3 years

EMPLOYER HIGHLIGHTS

75%

say employees' financial stress impacts operations, including reduced productivity, lower morale and poor performance

75%

are worried about a recession in the near future

96%

say financial wellness benefits improve retention

94%

say they are responsible for offering financial wellness benefits

Across industries and demographics, **7 in 10** employees stress about personal finances

The less workers earn, the more stressed they are:



AND THEY BRING THAT STRESS TO WORK

87%
admit to worrying about
personal finances on the job

43%
say it impacts their work
productivity

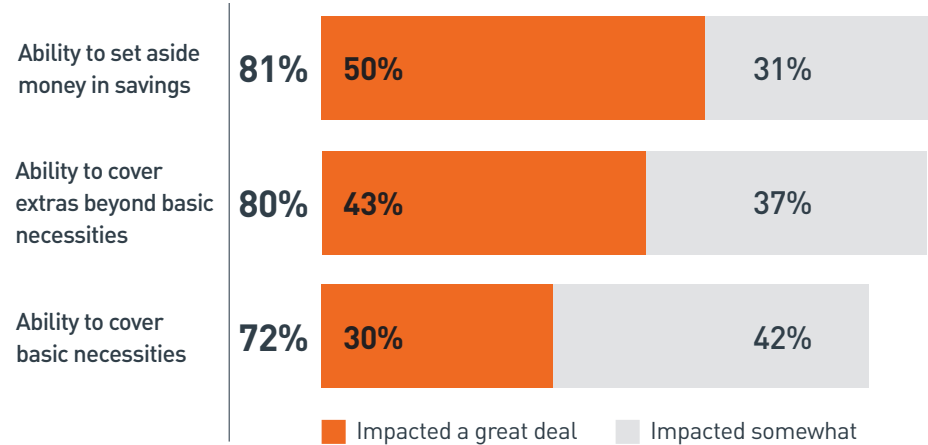


On average, workers spend **3 hours** a week at work worrying about their finances



Inflation is making it worse.

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



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

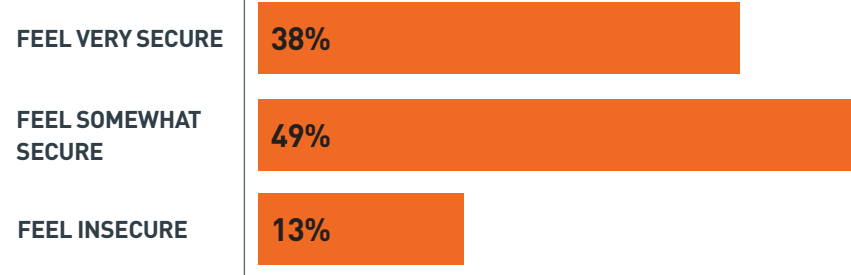
EMPLOYER VIEW

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:



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

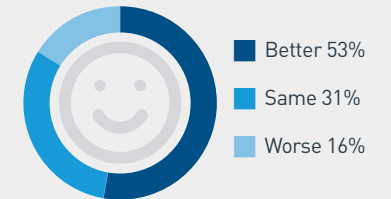
EMPLOYEE PERSPECTIVES

“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

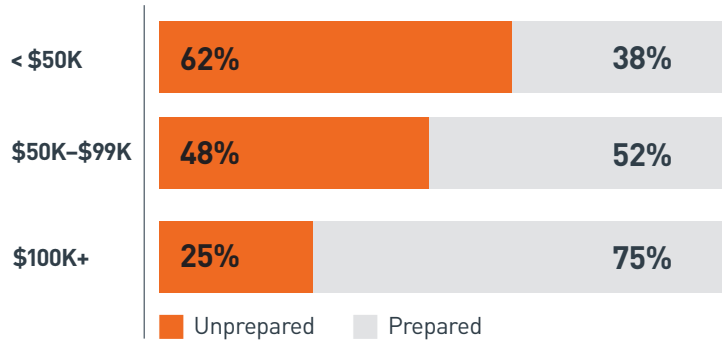
By contrast, more than half of employers say their organization’s fiscal situation is better than it was a year ago.



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

Nearly half of employees feel financially unprepared for the future

The less workers earn, the less prepared they feel:

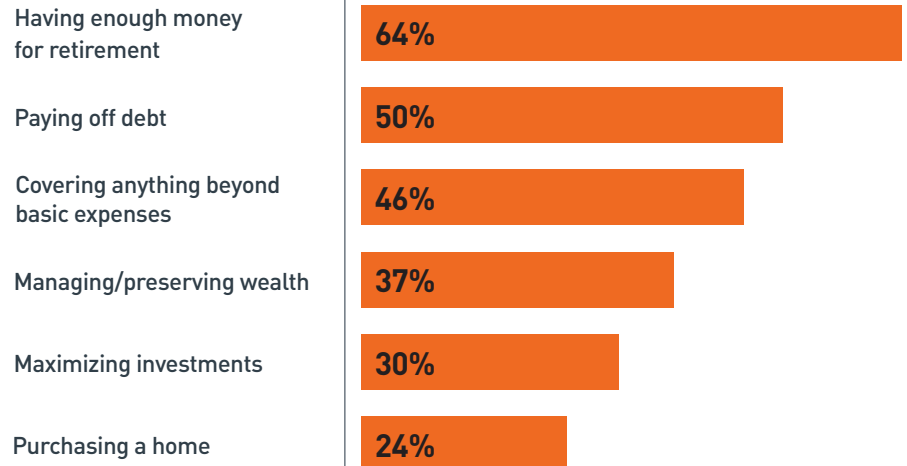


4 in 10
workers don't feel secure or in control of their finances

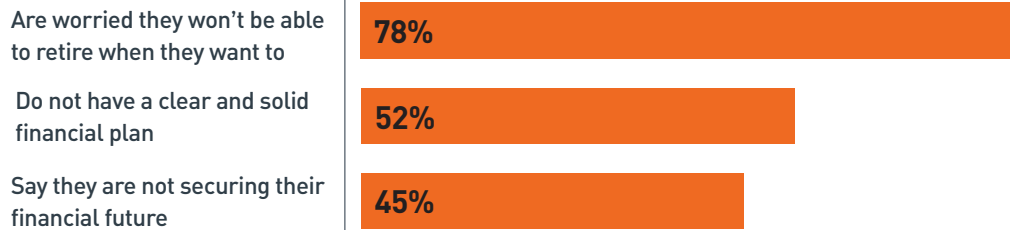
1 in 4
workers struggle with making student loan payments

68%
of employees worry about saving enough

Most common concerns



Unable to catch up



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

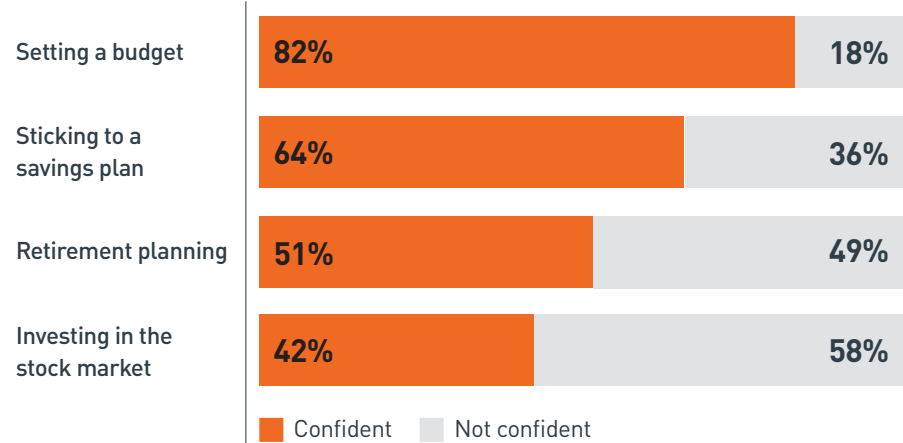
Those who did rely on them for:

- General advice
- Investment portfolio management
- Choosing the right investment options for savings, retirement and college funds

Those who didn't say they are hesitant due to:

- Potential costs of working with a financial professional
- Worry about finding someone they can trust
- Low confidence in their own financial knowledge/decisions

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



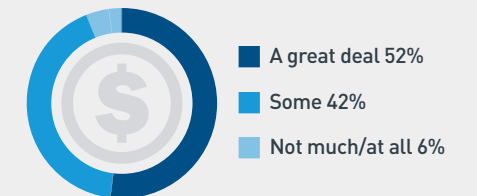
EMPLOYEE PERSPECTIVES

“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:



Yet only **14%** of employees have access to financial wellness counseling and education

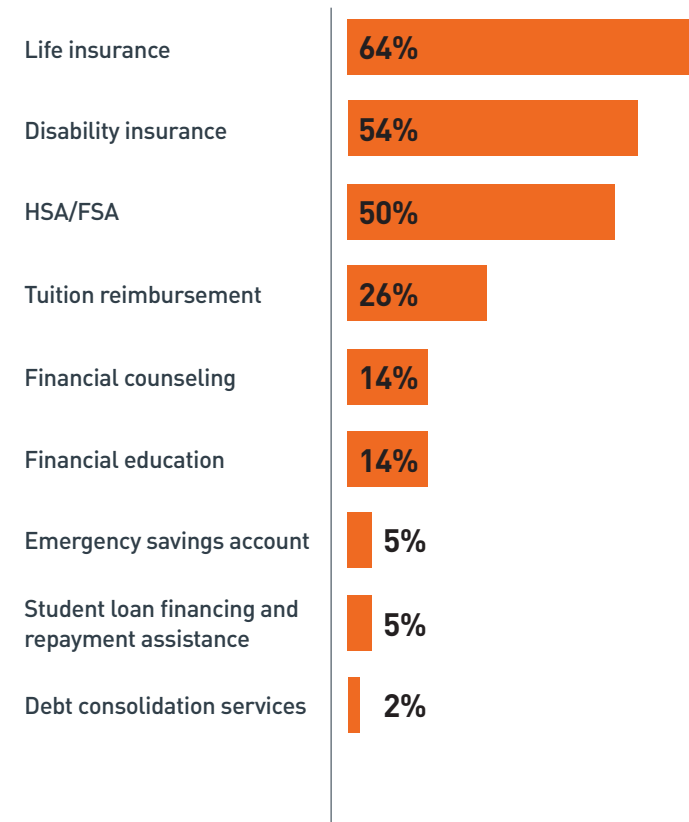


75% of employers say workers' financial stress negatively impacts business

Top 4 impacts:



Percentage of employees who have workplace access to:



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



86%
of employees say they want retirement matching, but only

59%
of employers consider retirement matching a “must have” benefit.

Conversely,
77%
of employers consider disability insurance a “must have” benefit, but just

64%
of employees want disability insurance through their employer.

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

	EMPLOYEES	EMPLOYERS
Emergency savings account	✓	✓
Financial counseling	✓	
Equity compensation	✓	✓
Financial education	✓	
Debt consolidation services	✓	✓

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

Employers and employees share interest in emergency savings accounts



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:

Employers are likely to offer emergency savings accounts

93%

Employers are likely to offer matching contributions to these accounts

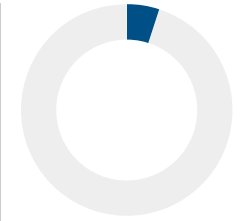
89%

Employees are likely to use these accounts if the employer matched their contributions

92%

Employees are likely to use emergency savings accounts if offered

83%



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



of employers conduct employee surveys



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

Empower your employees to take control of their finances



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

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About this report

The Financial Wellness in the Workplace Study 2023^{1,2} was conducted in early 2023 and surveyed two different populations: American employees and American employers.

The research was conducted in two phases:

- **PHASE 1: QUALITATIVE**

In-depth interviews, separately, with employees and employers in January 2023³

- **PHASE 2: QUANTITATIVE**

Separate online surveys with employees and employers in April 2023

The **Employee Survey** was conducted online with a national sample of 1,001 employees ages 21–69 who work full time at companies with 100+ employees. The sampling error is +/- 3.0% at the 90% confidence level.

The **Employer Survey** was conducted online with a national sample of 500 employers with 100+ employees and annual revenues of \$5 million or more. The sampling error is +/- 4.4% at the 90% confidence level.

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

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

2 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).

3 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.

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