

FOR IMMEDIATE RELEASE

Contact: Danielle Perry
Dperry@financialfinesse.com
(424) 218-7954

Financial Finesse releases 2013 research report on employee financial stress

Report uncovers disturbing levels of financial stress among women, Gen Xers, and those making under \$60,000 per year.

El Segundo, Calif.--[Financial Finesse](#), the leading provider of unbiased workplace financial wellness programs, announced today the release of its third annual research [study on Employee Financial Stress](#).

According to the study, employees' financial stress levels have stabilized since Q1 2012. That said, financial stress continues to be a pervasive issue in the workplace with 83 percent of employees reporting they are under financial stress. More concerning, however, is that financial stress is most pervasive among key demographics that make up a large percentage of the American workforce.

Key findings:

- From January 1, 2013 through the end of May, women age 30-44 with household incomes under \$60,000 and children to support were *nine times* more likely to face high or overwhelming financial stress (with 53 percent under serious financial stress) than men aged 55-64 with household incomes over \$100,000 and no minor children (at just six percent under serious financial stress).
- Women overall are nearly twice as likely to report high or overwhelming levels of financial stress as men.
- Contrary to popular belief, being married does not increase financial stress, but having children appears to be a major driver of financial stress, with nearly double the percentage of employees who indicated they had minor children reporting overwhelming financial stress than those without children.
- Fifty-one percent of employees reporting overwhelming financial stress have taken a loan or hardship withdrawal from their 401k plan, putting them at risk of not being able to achieve retirement security.

Liz Davidson, CEO and founder of Financial Finesse, points out that employees in these demographics should be top priority for employers when designing financial wellness and retirement education programs as they typically need more tailored financial guidance around basic money management issues that often get overlooked in communicating employee retirement benefits. She also adds that companies with a large percentage of their workforce in vulnerable demographics are likely facing significant costs that they may not even be aware of, noting that while "there is no line item on a company's income statement that totals the cost of financially stressed employees, hundreds of studies have shown that financial stress causes serious medical conditions and higher health care costs for employers." An AOL/Associated Press poll found that employees with high levels of stress from debt were twice as likely to experience a heart attack, three times more likely to suffer from stomach ulcers and migraines, and seven times more likely to suffer from anxiety.

In addition, the Personal Finance Employee Education Foundation (PFEED) has conducted dozens of studies measuring the impact of financial stress on productivity, absenteeism, overall employee performance, and turnover—and has found that the impact in each of these areas is significant and ultimately quite costly for employers. A 2010 Federal Reserve Study, cited by the National Financial Educators Council as well as other organizations who regularly research this issue, has calculated that employee financial stress costs employers an average of \$5000 per employee per year in lost productivity.

She adds that all employers are different in terms of how much money they are losing due to this problem and the best way they can estimate the financial impact of employee financial stress is to look at the demographics of their workforce, and then delve into “warning signs” like a high percentage of 401(k) plan loans and hardship withdrawals, garnishments, or pay advances. Those that want a more targeted analysis can formally assess their employees’ financial stress through online financial wellness assessments. There is a growing trend among employers to use financial wellness assessments to gauge the nature and depth of the issues facing their workforce so that they can build financial wellness programs to address these issues.

Greg Ward, director of the firm’s Think Tank of CERTIFIED FINANCIAL PLANNER™ professionals that is responsible for monitoring employee financial stress and analyzing its causes, adds that “employers who have high levels of employee financial stress are best served by financial wellness programs which focus on basic money management issues, since the source of stress is predominantly short-term, day-to-day concerns. However, employers with low levels of employee financial stress usually need proactive financial planning since their employees are concerned about how to invest effectively in an uncertain economy to grow their wealth over the long term.”

Trisha Brambley, a leading retirement consultant and president of Retirement Playbook, Inc., a specialty consulting firm that offers financial wellness programs as well as workshops and support for retirement plan committees agrees. She notes that more plan sponsors are looking at reducing financial stress as an important component in attaining a comfortable retirement for all of their different employee demographic groups. She uses research from both Financial Finesse and PFEED to help employers develop programs that are tailored to the levels of financial stress their employees are facing. Brambley adds that addressing the broad financial vulnerabilities faced by employees is the next frontier in averting a retirement crisis.

###

About Financial Finesse

Financial Finesse is an unbiased financial education company providing personalized and innovative financial education and counseling programs to over 600,000 employees at over 500 organizations. Financial Finesse partners with organizations to reach goals such as reducing fiduciary liability, increasing plan participation, decreasing stress, and increasing productivity through its unique approach to financial education. Financial Finesse does not sell products nor manage assets. For more information, visit www.financialfinesse.com.

About Retirement Playbook

Retirement Playbook, Inc. specializes in providing plan sponsors with expert guidance, tools and other services that help the Plan Committee with their role in getting participants ready for retirement. The firm offers a wide range of services from finding the appropriate plan advisor, evaluating and benchmarking existing plans and their advisors or record keepers, and providing plan education and communication. To learn more, visit www.rplaybook.com.