



# Financial education for employees

The business owner's view

# An engaged and productive workforce is the most important factor to success.

According to the 2017 Small Business Employee Financial Wellness study conducted by Sengo Insights for Massachusetts Mutual Life Insurance Company (MassMutual), 83% of business owners identify an ‘engaged and productive workforce’ as the most important factor contributing to the success of their business.

Nearly as important, 81% of business owners cite a ‘friendly workplace environment and culture’ as critical to their company’s success. This makes sense since a positive and supportive company culture often has a direct effect on employee engagement and productivity.

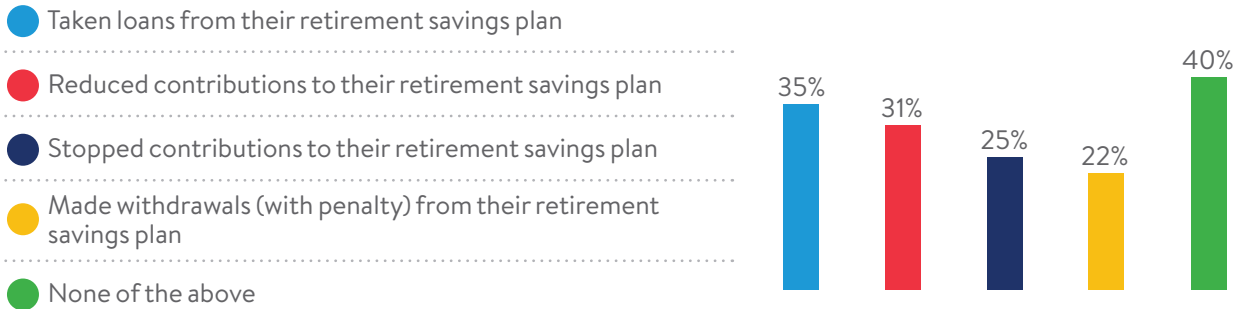
## Employee financial well-being can have an impact on productivity

When employees lack financial well-being – for example, they struggle to pay bills each month or rely on credit cards to pay for essentials – it can adversely affect their work performance. 56% of business owners surveyed agree that productivity levels would increase significantly if employee financial stress were not always “a source of anxiety and distraction.”

This finding closely aligns with other research conducted in this area. According to the PwC’s *September 2017 Special Report: Financial Stress and the Bottom Line*, 30% of employees are distracted at work by personal financial issues, and 46% of them say they spend three or more hours at work each week dealing with personal financial issues.

Personal financial stress effecting employees is not lost on the business owner. According to our survey, business owners believe that only a slight majority of their employees (55%) are good at managing their money. Should a personal financial emergency befall an employee, business owners believe less than half of them (45%) would be able to adequately deal with the situation.

### SIX IN TEN BUSINESS OWNERS HAVE SEEN EMPLOYEES MAKE DECISIONS THAT COULD BE DETRIMENTAL TO THEIR LONG TERM RETIREMENT SAVINGS



# Should employee financial education be part of your company benefit offering?

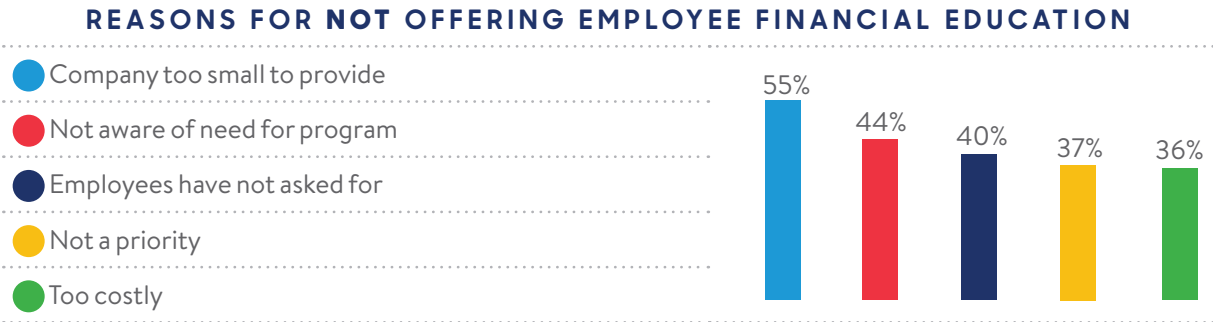
That depends on your company. For many companies in our survey, offering traditional employee benefits is a reflection of the organization’s — and the business owner’s — values. 52% of respondents stated “It is part of the organization’s values to look after the welfare of our employees.”

In addition, almost 75% of business owners believe that providing a suite of traditional employee benefits will help attract and retain talent, and over half of them (57%) cite employee loyalty and productivity as a primary reason for offering these benefits.

When asked specifically about employee financial education, nearly one-half of business owners who provide financial education as an employee benefit say that employee morale is the top reason.



Conversely, companies who do not currently offer financial education to their employees cite company size or lack of knowledge about the program’s benefits as the top reasons for not offering.



Regardless of whether the business owner does, or does not make financial education available to employees, most (77%) agree that they want to make a positive difference in the financial wellness of their employees. And 74% of them say their organization will make every effort to do so, to whatever extent they can.

Employee financial stress can affect the company’s bottom line. If you are interested in providing financial education to employees, contact your MassMutual financial professional.

## METHODOLOGY

The research was conducted by Sengo Insights for Massachusetts Mutual Life Insurance Company (MassMutual) via a 20-minute online survey of 807 business owners from October 10 through October 26, 2017. Sengo Insights selected U.S. business owners with the following screening criteria:

- Required to have between 10–120 employees
- Company must have been in business for at least 1 year; max of 25% in business for 1–3 years
- Sales revenue must have been a minimum of \$100k for sole proprietors and \$250k for all others
- Mix of industries represented

The sampling margin of error for this study is +/- 3.5%; these are at the 95% confidence level.

