



The power of financially secure employees



**IDENTIFYING KEY CHARACTERISTICS OF EMPLOYEES FEELING STRESSED
ABOUT THEIR FINANCES AND WHY THIS MATTERS**



90% of all mental health issues in the workplace are stress related.

Source: Ceridian Workplace Wellness Survey (2013)

Personal finances are the leading cause of their stress at **45%**.

Source: Manulife/Ipsos Reid Health and Wellness Study 2014

How financial stress may affect an employee's mental health and productivity

Our research found that more than 75 per cent of people who reported feeling high stress levels said the state of their finances is partly or entirely to blame.

When financial issues follow employees to work, they can be distracted and unfocused. Their productivity may suffer, and this can lead to time wasted, absenteeism, sick days and leaves, and more.

Lost productivity alone can be a significant cost.

Why do you want your employees to be financially secure?

Those struggling with their finances felt this stress made them 16 per cent less productive on the job.

For an employee who earns \$50,000 annually, a drop of 16 per cent in productivity can equate to \$8,000 in salary paid but for which minimal or no work was performed.

On the other hand, employees who felt confident and secure with their finances were 18 per cent more likely to say they were motivated to do their best at work and 22 per cent more engaged in their workplace than their struggling counterparts.

Almost every workplace faces considerable challenges and costs when employees have trouble bringing their best to work each day.

THE YEARLY COST OF LOST PRODUCTIVITY

Strugglers are 16 per cent less productive on the job than the Financially Secure.

For an employee who earns \$50,000 annually, a drop of 16 per cent in productivity equates to \$8,000 in wages for which your company may not have received value.

1 employee = \$8,000

10 employees = \$80,000

100 employees = \$800,000

Connecting the dots: employee health, wealth and workplace engagement

Through our experiences as a leading group benefits and retirement solutions provider, we saw a connection between employees' physical and mental health, financial wellness, and workplace productivity.

We validated this thinking in a 2014 study with leading research firm Ipsos Reid. We asked working Canadians to tell us their thoughts on the subject.

Here's what we heard:

- There are connections between physical and emotional health, personal financial wellness, and employee productivity.
- Compared to those who feel financially secure, Canadians experiencing financial difficulty are twice as likely to feel high levels of stress and have difficulty focusing on work.
- The Financially Secure are more likely to exercise regularly and be in better physical health than those who worry about their financial situations.

Following these initial findings, we dug deeper into the research to get a better picture of the people most at risk of having their financial struggles affect their health and workplace performance, and to identify some of the benefits of having financially secure employees.

We found two main groups. We call them the Strugglers and the Financially Secure - two sets of employees in different health and wealth situations, and with differences in their workplace productivity.

Strugglers

The Strugglers feel stress related to their finances. This stress may impact their health, follow them into the workplace and can hinder their productivity.

- No formal financial plan
- High debt, maxed credit, minimal savings
- Not saving for retirement
- Productivity challenges at work
- More missed work days
- Less physical activity

Financially Secure

The Financially Secure are more in control of their personal finances. They get more exercise and are more likely to describe themselves as very healthy.

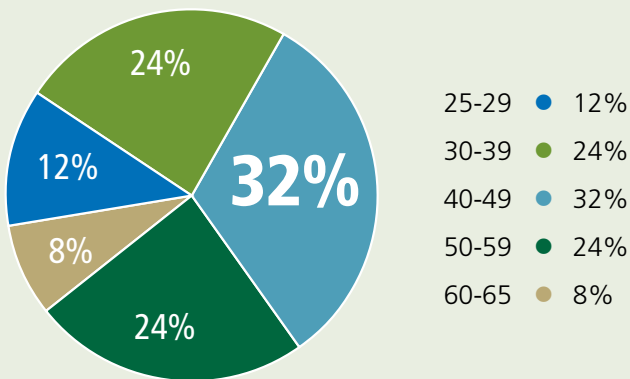
- Financial plan in place
- Debt management plan and appropriate debt level
- Saving for retirement
- Less time off work
- Better productivity and greater workplace engagement
- More physical activity and exercise

Strugglers by the numbers

Nationally, on average **one in three** workers is struggling with their finances. While issues like education level, geographic region, company size and type of industry do play a role in determining the makeup of this group, Strugglers are demographically diverse, comprised equally of men and women, and found in essentially all Canadian workplaces.

Who are they?

Strugglers are well represented in all age groups, but the largest number – almost one third – are found in the 40 to 49 age group.



THEY ARE MORE LIKELY TO BE SINGLE OR DIVORCED/SEPARATED

- 44%** of single Canadians are Strugglers
- 35%** of divorced or separated Canadians are Strugglers
- 31%** of Canadians married or living with a partner are Strugglers

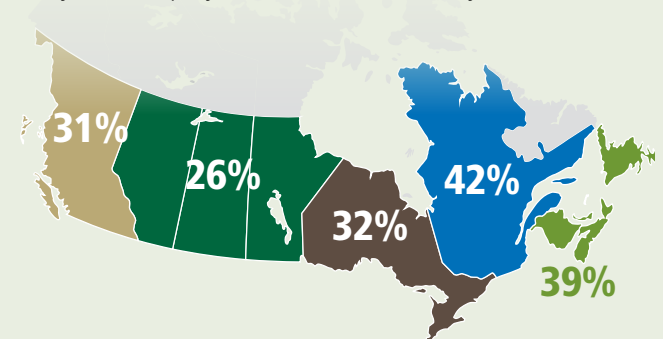
Although a higher percentage have high school education, even many top learners struggle with their finances.

- Percentage of those with high school education who are Strugglers **42%**
- Percentage of those with college education who are Strugglers **33%**
- Percentage of those with university education who are Strugglers **30%**
- Percentage of those with post graduate education who are Strugglers **26%**

Over 50 per cent of Strugglers are renters

Where do they live?

They are most likely to be found in Quebec and least likely to be found in the Prairies. However, while numbers vary considerably across the regions, no one area is spared. Even in the Prairies, more than one in every four employees could be financially at risk.



Where do they work?

They are more likely to be employed in small to medium sized companies.

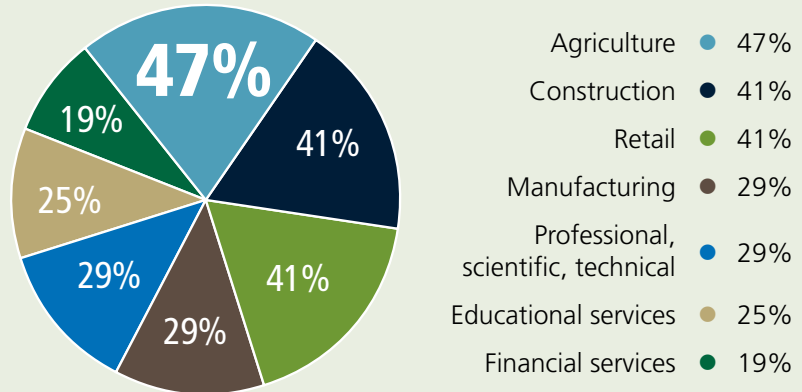
IN COMPANIES WITH 25-49 EMPLOYEES, ALMOST

1 IN 2 ARE STRUGGLERS

IN COMPANIES WITH 500+ EMPLOYEES, ALMOST

1 IN 4 ARE STRUGGLERS

Industries like agriculture, construction and retail have a higher number of Strugglers, but large numbers exist even in industries with highly-educated workforces. Almost 30 per cent of professional and scientific employees, and about 20 per cent of financial services employees also struggle with their finances.



How do they rate in terms of health and absenteeism?

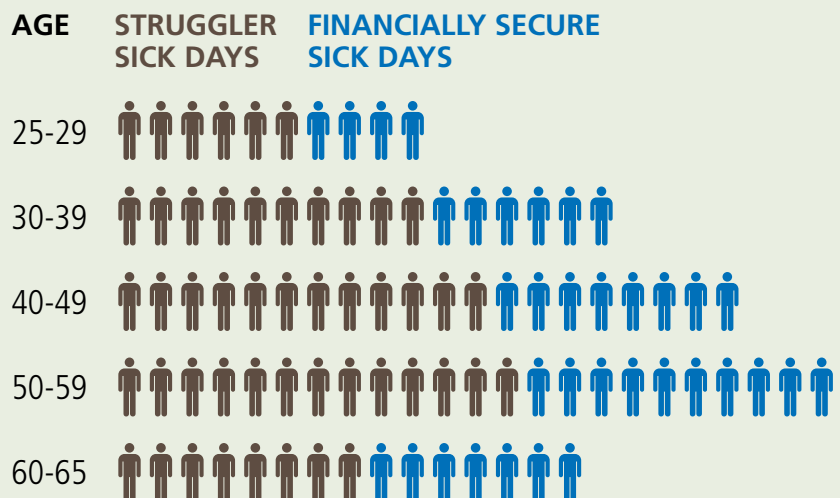
Strugglers get almost 24 per cent less exercise than the financially secure and are almost 25 per cent less likely to say they're very healthy.

They're nearly twice as likely to say they're feeling stress over the level of debt they're holding.

They're twice as likely to say they are distracted at work worrying about their financial difficulties.

Almost half (45 per cent) of employees who reported having high levels of stress identified their financial situation as the source. An additional 31 per cent said their finances were partly to blame for their stress.

Overall, they take roughly 25 per cent more sick days than the Financially Secure (eight days versus 10), with the biggest differences in the amount of absences found in the 30 to 39 and 40 to 49 age ranges.



Manulife can help

Strong links exist between a person’s overall health, financial situation and the ability to perform well at home and at work.

Manulife can help you learn more about the connections between physical and emotional health, personal financial wellness, and employee productivity. We have a number of tools and strategies available to help your employees on their journey to health and wealth wellness so that they in turn can bring their best to work each day.

Talk to your Manulife representative and start your connection at ManulifeHealthandWealth.ca

