

Q&A

Financial wellness benefits: A Q&A with Mike Wilbert

"We think financial wellness solutions need to span the spectrum – from long-term to immediate need," says Mike Wilbert, CRO of Purchasing Power.

By Lily Peterson | March 24, 2023 at 09:26 AM



Right now, employees are struggling with debt and finances. They are looking to their employers for guidance, but don't always feel like their employers are helpful.

Mike Wilbert, CRO of Purchasing **Power**, a voluntary benefits program, suggests widening the spectrum of financial wellness solutions in order to reach more employees.

How is financial wellness, or the lack thereof, in today's workforce impacting working Americans? And how does this impact business?

When it comes to hard-working employees, the reality is they are quietly struggling to keep up as a result of macro-economic factors outside of their control.

These include high inflation rates, rising interest rates, and a decrease in affordable access to credit. And these macro-economic factors have heightened pre-existing situations – living paycheck to paycheck, lack of emergency savings, inability to pay monthly bills.

You're now seeing more people take money from long-term retirement savings, more people postponing retirement, and more people taking on secondary jobs to make ends meet. All of

these factors are impacting an employee's ability to focus at work, lessening their productivity, decreasing their engagement, and at times, impacting their ability to show up to work.

What we also know from our own research at Purchasing Power is employees are turning to their employers for help with their financial stress – and have come to *expect* that employers provide that support.

At the very same time, you find employers laser focused on how to retain employees and how to create and maintain engagement with employees. When it comes to financial wellness, we're seeing more organizations – both in the public and private sector – looking for opportunities to reduce employee financial stress, not just with long-term planning, but with immediate solutions that help employees every day.



Mike Wilbert, CRO of Purchasing Power

What does financial wellness as a benefit look like, and how can benefits managers and HR leaders ensure that the offering is inclusive of all employees?

In 2023, we think financial wellness solutions need to span the spectrum – from long-term to immediate need. For years we've seen most employers focus on long-term needs with 401k contributions and retirement planning. While important, these benefits may not be helping a portion of employees who are struggling today, with immediate and unexpected needs.

And because of today's macro-economic factors, employees may simply not be able to contribute to these long-term planning solutions because they're struggling, trying to get through immediate and sometimes unplanned financial challenges.

We are having more and more conversations with senior human resources leaders and benefits professionals about the importance of both long-term financial wellness solutions *and* financial wellness solutions for today – here and now.

As a company, we've focused on the here and now aspect of financial wellness since 2001. In 2022, we expanded our core employee purchase program to include both access to vetted, non-profit, local organizations, as well as a focus on one-on-one coaching and credit counseling.

These solutions provide employees with immediate access to resources that can help with unplanned expenses, access to local resources for challenges with critical items like food and housing issues and helping them improve their credit for the long term.

In terms of ensuring financial wellness solutions are inclusive, it begins with an understanding of someone's unique financial situation, which in some cases may include lower wages, inability to access affordable credit, and the impact a surprise expense can have on someone without any savings.

What we've also learned with more immediate financial wellness solutions is they are only impactful when properly and frequently communicated. What I mean by that is that it is critical to continue to communicate financial wellness solutions to employees –

initially as well as on an ongoing basis. With so many employee benefits to choose from, employers need to continue to communicate their financial wellness solutions, not just to show the employer's value, but also to ensure the employee is supported and cared for by their employer.

How can financial wellness programs be leveraged to support talent recruitment and retention?

When we look at some of the main reasons employees leave companies, employee benefits are certainly a contributing factor. Industries such as health care, manufacturing, retail – and even public sector – are facing staffing challenges and could benefit from competitive employer benefits.

Young people entering the workforce especially have shown us they want employers who care about them and their needs, not just a well-paying job. Having programs that help support their financial wellness are a great way to prove an employer's commitment to its employees.

During the Great Resignation many employees left jobs because they didn't feel valued, or they weren't earning enough to make ends meet. Having financial wellness solutions can address both issues by helping employees with their personal finances, reducing their financial stress, and showing them the employer truly cares about their wellbeing.

What barriers, or perceived barriers, are there for benefits managers and HR leaders to implementing these programs?

It's not uncommon for HR leaders to assume financial wellness programs come with a cost. This can prevent them from being offered in the first place or even prevent employees from partaking in the programs. But the good news is employers have options, and many programs can be easily and quickly set up at no cost to the employer or the employee.

For example, there are student debt repayment programs, early wage access solutions and unique benefits where employees with no access to cash reserves or affordable credit can access the products and services they need and pay for them responsibly over time via payroll deduction.

Plus, strategic partnerships can be made with educational organizations or locally vetted non-profits that specialize in connecting people experiencing financial stress to resources they need. At the end of the day, investing in employees' financial wellness is akin to investing in their on-the-job contentment and happiness. It creates a significant win-win for the employee and the employer, and it supports a stronger workplace culture for all.