3 strategies to support employee financial well-being

Today's employees increasingly look to their employers for tools to help manage their finances – from guidance on preparing for retirement to solutions that can help offset health care costs.

Personal financial pressures don't stop when an employee starts the workday. In fact, employers may be surprised to learn that U.S. employees spend more than 8 hours a week managing personal finances, with half of that occurring during work hours.[1]

An employee's financial stress can affect their employer's bottom line by contributing to on-the-job distraction, increased absenteeism and lower retention rates.[2] Employers are taking notice, with 59% of surveyed employers indicating concern over how financial stress is affecting their employees' work.[3]

To mitigate the effects of financial stress, employers may want to implement strategies and provide resources that support employee financial wellness, such as:

1. **Offering tools to improve employee financial literacy**
2. **Empowering employees to make more informed health care decisions**
3. **Helping employees manage health care costs**

Providing these resources may help pave the way to better financial wellness for employees, which may enable them to concentrate more fully on their work and lead to better engagement.[4] In fact, 43% of surveyed employees reported spending less time dealing with personal finance issues during work hours when financial wellness benefits were made available to them.[5] As a result, 22% of employers saw an increase in productivity, with 66% ultimately reporting a positive ROI after offering financial wellness benefits.[5]

59%

of surveyed employers said they were concerned that financial stress is affecting their workplace[3]

66%

of surveyed employers reported a positive ROI after adding financial wellness benefits[5]

continued

1 Offer tools to improve employee financial literacy

Financial literacy – a person's ability to understand basic concepts like credit scores, interest rates and investing – has hovered around the 50% mark since 2017, standing at 48% for the past 2 years.[6] One of the first steps an employer can take to support employee financial wellness (beyond retirement planning) is to include programs that help them better understand how to manage their finances.

Employee assistance programs (EAPs), for instance, are designed to offer financial planning resources, such as:

- 1-on-1 financial wellness coaching
- Online educational sessions
- Financial literacy programs
- Budgeting and cash flow management tools
- Tax guidance and tax return preparation

Services like these may help employees understand their own personal finances and make decisions that can put them in a better financial position. For example, employees may learn the factors that go into determining their credit score and how it affects their ability to secure loans. Employees may also get coached on how to start and maintain a household budget, save for emergencies and plan for retirement.

Understanding how much one's financial stability can influence physical and mental health,[7] some EAPs are evolving and expanding to include other areas of support, such as behavioral health, legal aid and caregiving.

When employers provide tools that help increase the financial literacy of their workforce, they can help employees feel more in control of their personal finances and less distracted at work, as well as physically and mentally healthier.[8]

"Financial stress and economic hardships impact the overall health and well-being of employees. Employers that include financial wellness programs in their health plan demonstrate a commitment to achieving whole-person health."

Tom Wiffler
Chief Executive Officer
UnitedHealthcare Specialty Benefits

1 in 3
employees say worries about finances have a severe impact on their mental health[7]

1 in 4
employees say worries about finances have a severe impact on their physical health[7]

2 Empower employees to make more informed health care decisions

Where employees choose to seek care can have a direct impact on costs. For instance, a **visit to the ER** can be 15–52 times higher than a visit to alternative sites of care.[9] Knowing where to go for a specific health event can help control costs for both employees and employers.

Employers can make it easier for employees to manage their health care costs by providing the tools and **resources** that help ensure they receive care from providers at the right cost.

Offering health plans like **Surest®**, which provides upfront cost and coverage information, can allow employees to compare options and better understand how different care selections may impact their health outcomes and wallets. As a result, Surest has helped save members an average of 50% in out-of-pocket costs[10] and employers an average of 15%,[11] resulting in more than $400 lower claims costs per member per year.[13]

Digital tools that allow members to search for providers and pricing within just a few clicks may also help. For instance, through the **UnitedHealthcare® app** or **myuhc.com®**, members have access to a proprietary provider search experience that offers members access to quality, cost-efficient care options while also taking into account their personal preferences.

These types of resources and tools may give employees and their families a better sense of control over their care and costs, allowing them to also plan and budget accordingly.

92%

of Surest members selected high-efficiency providers[12]

↓ $400

lower claims costs per member per year with Surest[13]

3 Help employees manage health care costs

Nearly 4 in 10 surveyed employees said that at some point they had been unable to afford rent, groceries or utilities because of medical bills.[14] That's why it's important for employers to consider what benefits they can implement to help reduce or offset the cost of care.

Educating employees about what benefits are available to them at no additional cost, such as $0 copays for certain services like primary care, urgent care or virtual care visits, can be a solid first step. Providing opportunities for employees to earn and save money that can be used toward qualifying health care expenses can also help.

That may include offering employees incentives for taking in healthy actions as part of rewards-based wellness programs like **UnitedHealthcare Rewards** or offering **financial savings account options**, such as:

- **Health savings accounts (HSAs),** which are typically paired with a high deductible or low premium health plan, allow employees to put aside pretax contributions to pay for covered health care services and qualified medical expenses. HSAs may earn interest, serving as an additional investment opportunity.
- **Flexible spending accounts (FSAs)** work similarly to HSAs, with the exception that the money saved must be used by the end of the employee's plan year and does not earn interest. With both types of savings accounts, an employer can elect to also contribute or match their employees' contributions.
- **Health reimbursement accounts (HRAs)** enable employers to open an account on behalf of employees and make contributions that those employees can use toward premiums and qualified medical expenses. Depending on how an employer structures the HRA, employees may have to spend the money before the end of their plan year, or the balance may roll over.

In some cases, employees may also have access to health-related debit cards that are preloaded with a set amount of money that can be used toward out-of-pocket health care expenses like visits to primary care providers, specialists and urgent care.

Providing employees with benefits that aim to reduce out-of-pocket costs becomes even more critical when unexpected situations arise, especially considering upwards of 50% of U.S. adults are unable to cover an unexpected expense of $1,000.[15]

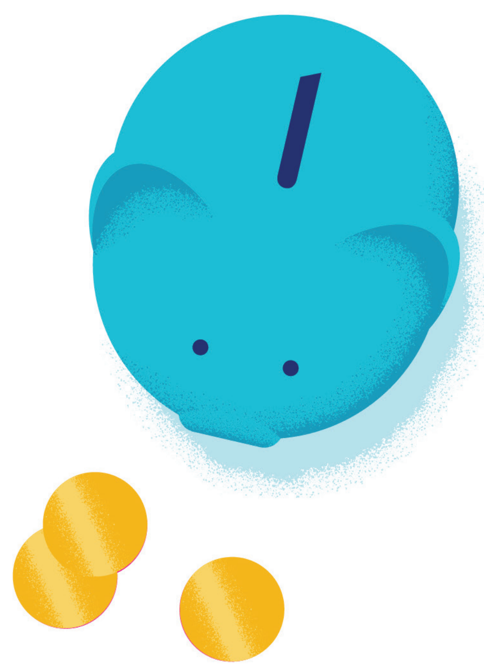
When challenging medical events like accidents, critical illnesses and hospitalizations occur, supplemental health benefits can be tapped to help cover some of the associated costs.

At UnitedHealthcare, these benefits can be bundled with a medical plan, which may reduce the financial impact of challenging health events by paying claims more proactively — in many cases without the member even needing to submit a claim.

Another option for helping employees with unexpected medical bills is to offer access to a program like **Naviguard®**, which is designed to help manage the medical bill resolution process for out-of-network claims to avoid overpayment for medical services.

+50%

of U.S. adults are unable to cover an unexpected expense of $1,000[15]



Improving financial wellness for better whole-person health

Taking a whole-person approach to employee benefits means addressing all the factors that may impact a person's overall health status, including financial wellness. Employers can help by expanding their benefit offerings to include financial wellness tools that aim to help employees feel more confident about their financial future and prioritize what truly matters: taking care of their own health and well-being, as well as that of their families.

Learn how UnitedHealthcare supports a whole-person health approach >

United Healthcare®

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10 Surest actuarial results through 2024.

11 Members who migrated from a non-Surest plan into a Surest plan in 2022, compared to those who stayed with a non-Surest plan.

12 Surest 2022 book of business plan sponsors with both medical and pharmacy data within our warehouse; industry 2022 commercial benchmarks and risk adjustment methodology. Risk adjusted for demographics, geography, and disease burden. 168_V01, 66_V03, 169_V01, 71_V03, 67_V03.

13 Aon's actuarial analysis compared a cohort of Surest members (derived from Surest's 2021 and 2022 self-funded and fully insured book of business with complete medical and pharmacy data, plus three months of run-out, and who were not excluded by certain normalizing eligibility and experience restrictions) against a control group (derived from a multi-employer database with matching demographics, geographics, diagnoses, and health comorbidities for the same time period), and utilized Aon's member-level Cost Efficiency Measurement (CEM) methods. Claim reduction figures apply to the 2022 plan year.

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