



Mintago

# The link between Financial Wellbeing & Staff Resignation

# Who is this guide for?

A helpful guide for business leaders and HR professionals, to keep talented employees and not lose out to the competition.

## Contents

- 1 Introduction
- 2 What is financial wellbeing?
- 3 Understanding the cost of staff resignation
- 4 The link between staff resignation and financial wellbeing
- 5 How can you support your employees financial wellbeing?
- 6 How Mintago can help
- 7 Next steps

# Introduction

## Mental health & financial wellbeing

If you are keen to keep talented employees and not lose out to the competition, looking after their financial wellbeing should be a key priority. This guide will give you useful information on how to look after your employees' financial wellbeing amidst the Great Resignation.

It is a competitive world out there and businesses are fighting to attract and keep top talent. Focusing on mental, physical and financial wellbeing will help you create a workplace that truly cares about employees, with research showing that many employees would leave their current workplace in favour of a more wellbeing focused climate.



Providing and encouraging financial education amongst your employees will ensure that they are well prepared for life's money challenges and do not bring financial related stress to work, thus reducing overall productivity.

Research shows that before the pandemic, over 1.5 million people were experiencing both financial and mental health problems. This highlights how important it is to support employees on their path to financial wellbeing.

Read on to discover the link between financial wellbeing and staff resignation, as well as ways to support your staff in this challenging climate.

# Financial Wellbeing

## What is financial wellbeing?

Firstly, it is important to understand what it means to have good financial wellbeing. Individuals with good financial wellbeing have a good relationship with their finances and have the confidence to make monetary decisions independently.

Those with good financial wellbeing will have control of their finances now and in the future, being prepared for unexpected expenses.



**26%**

**of 2,651 employees say that they are less productive in the workplace due to financial worries.**

Good financial wellbeing leads to better mental wellbeing as those who have control over their financial situation tend to be less stressed and preoccupied with everyday money worries. Instead, they can focus on their workplace productivity.

# The link between staff resignation and financial wellbeing

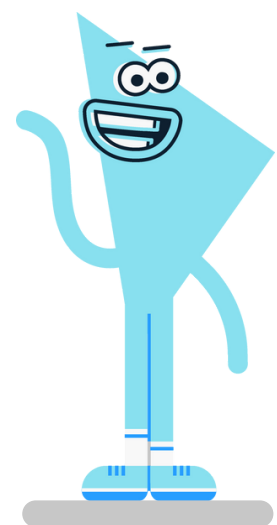
There is a strong link between employee financial wellbeing and rates of resignation within a business. Those who feel that are valued and supported in all areas within their workplace are more likely to be loyal to their employer.

Research has revealed that employees would prefer to have an employer who actively cares about their wellbeing. With the rising cost of living causing financial stress for many, this demonstrates just how valuable a supportive employer is. Research shows that 26% of 2,651 employees say that they are less productive in the workplace due to financial worries.

A reduction in workplace productivity will have an impact on the success of your business overall. Other employees may have to work harder if their colleague is unable to perform to their best standard, perhaps causing animosity amongst your team. Those who feel put upon and overworked may consider another employer.

Research shows that 72% of workers who faced increased financial stress during the pandemic are attracted to workplaces that care more about their financial wellbeing than their current workplace.

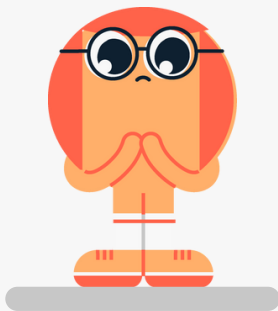
To beat the competition when it comes to retaining employees, take care to provide your team with education and meaningful resources to improve their financial wellbeing. Financially stressed employees are almost 2.5 times more likely to search for a new job and take an average of 15.5 days off of work per year. This is costly to your business in terms of productivity and reduces consistency and routine within your departments.



In light of the Great Resignation and the Cost Of Living Crisis, employers should be more vigilant than ever in ensuring that employees who may be struggling to make ends meet are supported and pointed in the right direction for help.

With inflation reaching a thirty-year high of 7% and the National Insurance hikes, businesses have already endured a tumultuous year. To reduce financial pressures on your business, do what you can to reduce the cost of employee resignation, recruitment and turnover.

Almost a quarter of employees are reported to be planning a job change within three to six months. Employers may face unwanted costs if they do not take steps now to support their team's financial wellbeing.



**The costs of labour turnover due to poor mental health have increased from £8.6 billion in 2019 to £22.4 billion in 2021**

# Understanding the cost of staff resignation

The cost of replacing an employee will vary depending on their job role and salary but could be an average of six to nine months of their pay. For example, replacing a middle manager earning £40,000 per year would cost an organisation £20,000 in total. This money could be better used to improve the work-life of existing employees by, for instance, offering a more comprehensive employee benefits program.

The cost of recruiting a new employee does not only involve monetary losses. An employer will have to take considerable time to interview and induct a new employee, and existing staff members may have to stop focusing on their daily tasks to train their new colleague.



**of workers who faced increased financial stress during the pandemic are attracted to workplaces that care more about their financial wellbeing.**

# Supporting Employees

## How can you support your employees financial wellbeing?

There are numerous proactive ways in which employers can support their employees' financial wellbeing to ensure that staff resignation is kept to a minimum.

- **Check-in with your employees**

It is important to check in regularly with each of your team members even if they are not showing obvious signs of poor financial wellbeing. Prevention is better than cure, and if you regularly speak to your employees to ensure that they are managing well, they are less likely to become swamped by financial stressors such as debts.

You should not focus entirely on one demographic of employees, but take the time to expand your financial wellbeing program to address a broader range of topics such as purchasing a home and preparing for tax payments.

Offering training opportunities to employees who want to progress further in the business is a great way to encourage personal growth whilst giving people the opportunity to earn more money to enhance their current lifestyle.



- **Provide Financial Wellbeing Tools & Guidance**

Research shows that employees would like more financial guidance from their employer. Take steps to understand the financial worries that are most prevalent within your workforce so that you can take action.

Common employee financial concerns may include saving for big life milestones such as weddings and children or saving enough money to purchase a home or support themselves during their retirement.



**Financially stressed employees are almost 2.5 times more likely to search for a new job.**

Offering training and development opportunities for senior staff within your organisation will help them to learn how to best support employee financial wellbeing. Another way to support your employees' financial wellbeing is to share information about useful tools and resources available to them free of charge. Although these resources are readily available, some employees may not be aware of their existence.

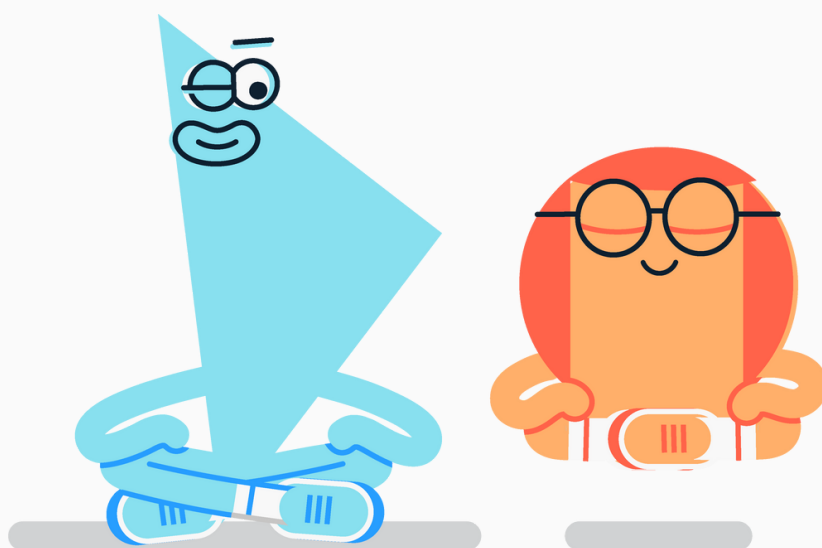
Useful tools include budgeting calculators, mental health resources such as online therapy platforms, general money management software and debt advice services. If some employees would benefit from using these tools but do not have access to them from home, you could allow them time to explore their options whilst at work.

- **Be open and transparent**

To support employee financial wellbeing you should encourage the creation of an open and honest workplace culture where employees feel safe to share personal information including potential financial concerns.

Unburdening worries will make for a more relaxed team atmosphere which is beneficial for all. Conducting regular surveys amongst employees will enable you to check in with your team to understand if any recurring worries need to be addressed and focused on. If a particular topic such as debt management seems to be a concern for several employees, take the time to research helpful resources that can be suggested, or perhaps work on a staff presentation that can provide unbiased guidance for all.

Mental health must be a priority within your workplace and employees should know how to reach out to your HR department if they are struggling. A free, confidential employee counselling programme could be offered to provide employees with a safe space to discuss their finances and other worries.



- **Increase employees salaries**

To support employees' financial wellbeing, be sure to pay your team a fair wage that is suitable for their specific role. This will ensure that employees feel appreciated.

If an employer fails to pay a fair wage, employees may be inclined to consider other workplace options that may offer them increased pay.



**In 2021, 46% of employers offered financial wellbeing programmes within the workplace. This compared to a figure of 40% in 2020.**

# How Mintago can help

Navigating the financial wellbeing technology landscape may seem a little challenging, but Mintago offers a straightforward, user-friendly solution that makes it easy for you to provide high-quality guidance and assistance to your employees.



# Mintago Tools

Our platform provides all the tools and resources your employees need to take control of their finances and cope more easily with the cost-of-living crisis, including access to:



Expert financial advisers



Online masterclasses and over 1,000 pieces of educational material



A Money Helper AI tool, to help them control their finances



A pension dashboard, that allows full pension management



A Pension Hunter tool, to locate lost pension pots



The Mintago Score tool, that provides a full financial health check

With Mintago, you can empower your employees to get to grips with their finances and gain greater financial security, giving you a happier, more productive workforce, ready to contribute to your business's success.



# Next Steps...

If you would like to learn more about how Mintago can help you support your employees' financial wellbeing and combat the cost-of-living crisis, get in touch today.



# Mintago

## The link between Financial Wellbeing & Staff Resignation

Mintago helps employers support their employees on their journey towards better financial wellbeing.

Start supporting your employees' financial wellbeing with Mintago today.

[www.mintago.com](http://www.mintago.com)

