



## Identify Employee Productivity Loss Due to Financial Stress

Financial issues affect more employees than smoking and obesity combined. While 20% of the US population smokes and 30% are obese, **more than 50%** may be concerned about their finances. Consider the following statistics reported by careerbuilder.com in a recent survey: (sources – cbsnews.com, medicalnewstoday.com)

- More than half of the US workforce lives paycheck to paycheck.
  - 61% of workers say they usually or always live paycheck to paycheck.
  - Increased income does not necessarily solve the problem as 30% of people with salaries over \$100,000 also live paycheck to paycheck.
- Many people save little, if any, money at all.
  - 36% of workers do not put any money into a retirement savings plan.
  - 33% of people don't put any money aside for personal savings each month, and 30% save less than \$100 each month.

The cost of the lost productivity related to financial anxiety can be staggering. The following calculation can help you estimate how much money your company is losing due to employees who are worried about their finances.

Category	Example	Your Company
Number of employees in your company	200	
% of employees worried about their finances	60%	
Number of employees worried about their finances	120 (200 employees x 0.6)	
Number of productive work minutes lost daily by each employee from worrying about their finances	20	
Total number of minutes lost each day by employees worrying about their finances	2,400 (120 employees times 20 minutes each)	
Total number of hours lost each day by employees worrying about their finances	40 (2,400 minutes divided by 60 minutes per hour)	
Number of days per year your employees work	240 (48 weeks per year times 5 days per week)	
Annual number of hours lost by employees worrying about their finances	9,600 (40 hours per day times 240 work days in a year)	
Average employee hourly wage rate (no benefits)	\$15	
Annual productivity lost by employees worrying about their finances (no benefits)	\$144,000 (9,600 hours times \$15 hourly wage rate)	
Benefit rate	40%	
Annual productivity loss with benefits	\$201,600 (\$144,000 times 1.40 benefit rate)	