

**Financial Health Frontiers**

# Well-Being in the Workplace

Why Financial Health Is Foundational for Thriving  
Workforces

**MAY 2025**

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## About Financial Health Frontiers

Supported by the Citi Foundation, [Financial Health Frontiers](#) is an ambitious initiative that aims to identify the needs, challenges, and opportunities for the next era of financial health. Guided by an Advisory Council of industry experts, business leaders, policymakers, advocates, and researchers from across the country, the Frontiers initiative asks: What are the trends that will most influence financial health over the next generation? How can we harness them for greater and more equitable financial health? Who is not at the table now but has a critical stake in the financial health movement?

In our initial publication, “[Financial Health Frontiers: Shaping the Future of Financial Health](#),” we looked back at the evolution of the financial health field over the past 20 years, examined successes and challenges, and explored critical headwinds and tailwinds that will shape financial health in the years to come. Now, we’re unpacking these issues in a series of topical briefs that examine opportunities to increase financial health broadly and equitably. Previous briefs have studied the [evolving financial challenges of America’s so-called “middle-class”](#) and [strategies for building financial resilience to weather climate-related shocks](#).

## Our Funder

The Financial Health Frontiers initiative is supported by the Citi Foundation.

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The findings, interpretations, and conclusions in this piece are those of the Financial Health Network and do not necessarily represent those of our funders or Advisory Council members.

## Acknowledgments

Financial Health Frontiers is grateful to the visionary members of its [Advisory Council](#) for their input and guidance:

**Naomi Camper**, Chief Policy Officer, American Bankers Association

**Kelvin Chen**, Senior EVP and Head of Policy, Consumer Bankers Association

**David Clunie**, Principal and Head of Community Relations, Edward Jones

**Dr. Tamarah Duperval-Brownlee**, Chief Health Officer, Accenture

**Anne Evens**, CEO, Elevate

**Maria Flynn**, President & CEO, Jobs for the Future

**Jonay Foster Holkins**, Founder, Trendline Strategies LLC

**Abby Hughes Holsclaw**, Senior Director, Asset Funders Network

**Gigi Hyland**, Executive Director, National Credit Union Foundation

**Gary Koenig**, Vice President, Financial Security, AARP Public Policy Institute

**Laura MacCleery**, Senior Director, Policy & Advocacy, UnidosUS

**Racheal Meiers**, Senior Director, Community and Social Health, Kaiser Permanente

**Harold Pettigrew**, President & CEO, Opportunity Finance Network

**Leigh Phillips**, President & CEO, SaverLife

**Nasir Qadree**, Founder and Managing Partner, Zeal Capital Partners

**Ida Rademacher**, Vice President and Co-Executive Director, Financial Security Program, Aspen Institute

**Cy Richardson**, Senior Vice President for Programs, National Urban League

**Kareem Saleh**, Founder & CEO, FairPlay AI

**Kristen Scheyder**, Senior Vice President, Citi Foundation

**John Soroushian**, Senior AI Advisor, FinRegLab

**Jennifer Tescher**, Chief Executive Officer, Financial Health Network

**Erin White**, Senior Director, Corporate Initiatives, Business Roundtable

Thank you to the many Financial Health Network staff who supported the creation of this publication.

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## Introduction

Imagine building a house on a foundation of quicksand. At some point, your home would sink into the earth. You would find yourself without that house, having squandered significant time and resources but reaping none of the benefits of a well-built home.

This metaphor aptly describes the overall state of corporate wellness programs today. Each year, businesses pour nearly \$90 billion into workplace wellness solutions.<sup>1</sup> Despite that sizable investment, workers are experiencing increased burnout, employee engagement is at a 10-year low, and the effects of poor worker well-being are costing American businesses billions of dollars domestically – and trillions globally – in lost productivity.<sup>2</sup>

Corporate wellness programs aim to prevent and lower the risk of physical, mental, and financial stressors for employees. The suite of programs offered vary by organization, but generally encourage "healthy" behaviors that can improve employee engagement and productivity, like managing chronic health conditions, reducing stress, and improving financial literacy.<sup>3</sup>

This does not have to be the case. Growing evidence shows what does work to support worker well-being – tailored benefits that improve their financial health.<sup>4</sup>

This is not to say financial health is a cure-all for every physical, mental, and wellness challenge faced in today's workplaces. Rather, financial health is the firm foundation upon which other benefits and wellness programs can and should be built.

Not having a strong financial health base may be the exact reason why so many wellness programs do not work, and why businesses fail to realize the productivity gains that come from having a financially healthy workforce. In this brief, we will explore some of the reasons why workplace

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<sup>1</sup> ["Corporate Wellness-Global Market Trajectory & Analytics."](#) Global Industry Analysts, Inc., 2022.

<sup>2</sup> ["2025 Employer Health Care Strategy Survey."](#) Business Group on Health, 2024; Jim Harter, ["U.S. Employee Engagement Sinks to 10-Year Low."](#) Gallup, 2025; ["Mental Health, Brain Health, and Substance Use."](#) World Health Organization, 2022.

<sup>3</sup> ["Workplace Wellness Programs Study."](#) Rand Corporation, 2013; ["Designing and Managing Wellness Programs."](#) SHRM, 2024.

<sup>4</sup> Mathieu Despard, ["Promoting Staff Financial Well-Being in Human Services Organizations: The Role of Pay, Benefits and Working Conditions."](#) Human Service Organizations: Management, Leadership, & Governance, Sept 2023; Barry Gerhart & Meiyu Fang, ["Pay, Intrinsic Motivation, Performance, and Creativity in the Workplace: Revising Long-Held Beliefs,"](#) Annual Review of Organizational Psychology and Organizational Behavior, January 2015; Gretchen V. Lester, Meagan E. Brock Baskin, & Mary S. Clinton, ["Employer-Sponsored Benefits in the United States: The Past, Present, and Future,"](#) Compensation & Benefits Review, August 2020; E. Kevin Kelloway, Jennifer K. Dimoff, & Stephanie Gilbert, ["Mental Health in the Workplace,"](#) Annual Review of Organizational Psychology and Organizational Behavior, November 2022; Cynthia Lee, Guo-Hua Huang, & Susan J. Ashford, ["Job Insecurity and the Changing Workplace: Recent Developments and the Future Trends in Job Insecurity Research,"](#) Annual Review of Organizational Psychology and Organizational Behavior, 2017; Steven H. Woolf et. al, ["How Are Income and Wealth Linked to Health and Longevity?,"](#) Urban Institute, April 2015.

wellness programs are not achieving their aims. We'll show how focusing on worker financial health can boost overall well-being and improve return on investment of other workplace benefits, and what employers stand to gain from ensuring their workforce is financially secure.

Ultimately, this brief serves to help organizational leaders recalibrate their focus on solutions that actually work, providing long-term benefits to their workers and their businesses alike. Achieving that aim requires organizations to plan, design, implement, and evaluate workplace wellness benefits differently.

**Financial health** is a holistic concept that refers to people's ability to spend, save, borrow, and plan in ways that allow them to be secure and pursue opportunities. Financially Healthy households struggle with few aspects of their financial lives. Financially Coping households are doing well in some aspects, but face significant struggles in others. Financially Vulnerable households face severe financial strains, often experiencing unmanageable levels of debt, little-to-no emergency savings, and difficulty paying bills.

## The Rising Costs of Misaligned Wellness Programs

Nearly 85% of large employers offer workplace wellness programs.<sup>5</sup> By 2026, employers are expected to spend north of \$90 billion on these programs.<sup>6</sup> Yet despite the breadth of these offerings and employer investments in these solutions, burnout, financial precarity, and mental health challenges continue to escalate across the workforce. Indeed, nearly 60% of workers are experiencing workplace burnout, and only 31% of U.S. employees are engaged at work, the lowest level since 2014. Financial stress consistently ranks as the top source of stress for Americans, and only 30% of America's workforce are Financially Healthy.<sup>7</sup>

The effects of these trends do not just impact workers. They carry significant costs for employers and directly influence one of the top concerns among America's business leaders: employee productivity.<sup>8</sup> The World Health Organization estimates the mental health toll of financial stress alone costs employers across the globe \$1 trillion annually in lost productivity.<sup>9</sup> Gallup estimates

<sup>5</sup> Karen Pollitz & Matthew Rae, "[Trends in Workplace Wellness Programs and Evolving Federal Standards](#)," Kaiser Family Foundation, 2020.

<sup>6</sup> "[Corporate Wellness Solutions Market by Service Offering](#)," (HRA, Nutrition, Weight Loss, Fitness, Substance Abuse Management, Employee Assistance Programs, Supplemental Health Benefits), End User (Organizations (Large, Mid-Sized, SME) & Region - Global Forecast to 2026.

<sup>7</sup> "[2023 Work in America Survey](#)," American Psychological Association, 2023; "[U.S. Employee Engagement Sinks to 10-Year Low](#)," Gallup, 2025; "[Stress in America](#)," American Psychological Association, last updated October 2024; "[Financial Health Pulse® Research 2024](#)," Financial Health Network, 2024.

<sup>8</sup> Dr. Molly Sands, "[3 challenges executives face and how to solve them](#)," Atlassian, 2024.

<sup>9</sup> "[Mental Health, Brain Health and Substance Use](#)," World Health Organization.

that poor employee engagement costs businesses \$8.8 trillion a year, again due to lost productivity, absenteeism, illness, and other repercussions of reported low well-being at work.<sup>10</sup> Poor financial health also results in employees worrying about their finances during work hours, which some studies estimate may cost employers \$250 billion annually in lost productivity.<sup>11</sup> Regardless of how you tally these costs, an unwell workforce is costing American businesses billions – and perhaps trillions – each year.

Ultimately the mismatch between investments in wellness solutions and wellness outcomes – both for workers and businesses – raises a crucial question: Why are workplace wellness programs not achieving better outcomes? Answering this question requires first focusing on what does work.

## Why Workplace Wellness Programs Fall Short

An emerging body of evidence suggests the key to better outcomes may lie in reprioritizing where employers place their investments.<sup>12</sup> Many buzzy benefits center on interventions that aim to change individual employee behaviors, like well-being apps to support mindfulness or financial education programs to help people save and invest. These types of individual-level solutions often focus on the symptoms of poor well-being, but fail to address root causes. Recent research suggests focusing on solutions that address root causes can be more effective than focusing on treating individual-level symptoms.<sup>13</sup>

For example, a 2024 study from Oxford University found no evidence that individual-level interventions, like mindfulness courses and wellness apps, benefit employee well-being.<sup>14</sup> Rather, what that study and similar research finds are investments in higher wages, more affordable benefits, responsive management, predictable scheduling, and skills training are more effective at

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<sup>10</sup> Ryan Pendell, [“Employee Engagement Strategies: Fixing the World’s \\$8.8 Trillion Problem.”](#) Gallup, September 2023.

<sup>11</sup> [“Inside Employees’ Minds™: Financial Wellness, Volume 2,”](#) Mercer, 2017.

<sup>12</sup> William J. Fleming, [“Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom,”](#) Industrial Relations Journal, January 2024; Gordon M. Sayre & Samantha A. Conroy, [“The other side of the coin: An integrative review connecting pay and health,”](#) Journal of Applied Psychology, 2024; J. Paul Leigh & Juan Du, [“Effects Of Minimum Wages On Population Health,”](#) Health Affairs, October 2018.

<sup>13</sup> Ibid.

<sup>14</sup> William J. Fleming, [“Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom,”](#) Industrial Relations Journal, January 2024.

improving overall well-being.<sup>15</sup> In other words, what is most likely to enhance overall employee wellness – physical, mental, and financial – is enhancing work conditions themselves.

This is not to say individual-level solutions have no place in a broader wellness strategy. But it is possible that individual-level solutions are most effective only if employees already have a relatively stable financial base.

#### **Solution Spotlight: The ROI of Emergency Savings<sup>16</sup>**

Recent research from Dr. Carrie Leana and her colleagues at the University of Pittsburgh highlights the impact of employer-sponsored emergency savings on worker well-being and business performance. Dr. Leana and her team spent two years studying the impact of an emergency savings program on the financial stress of short-haul truck drivers. The drivers in this study had an average household income of approximately \$65,000 – putting most of them in the middle-income quintile.

The study found drivers who participated in the emergency savings program not only decreased their financial stress levels, but also reduced their driving citations by 87% in the year following their enrollment. The program's cost was about \$100,000 per year, but the average cost of a single commercial truck accident involving an injury or fatality is between \$148,000 and \$7 million. Avoiding just one of these accidents a year not only fully pays for the program, but also potentially saves the company millions while keeping more people safe on the road.

<sup>15</sup> Supra footnote 4, 12; Cynthia Lee, Guo-Hua Huang, & Susan J. Ashford, [“Job Insecurity and the Changing Workplace: Recent Developments and the Future Trends in Job Insecurity Research,”](#) Annual Review of Organizational Psychology and Organizational Behavior, 2017 (highlighting the benefits of predictable scheduling); Brian Murray, Ph.D., & James H. Dulebohn, Ph. D., [“Strategic Benefits Management: What We Think, What We Know and What We Need to Know,”](#) The Journal of Total Rewards, 2021; Ravi S. Gajendran & David A. Harrison, [“The Good, the Bad, and the Unknown about Telecommuting: Meta-Analysis of Psychological Mediators and Individual Consequences,”](#) Journal of Applied Psychology, 2007 (highlighting the benefits of job design, including flexible work arrangement and opportunities for skill development leading to higher employee well-being and productivity).

<sup>16</sup> Carrie Leana, Xue Yang, Daniel Berkowitz, & Daniya Kamran-Morley, [“In The Effect of an Emergency Savings Program on Employee Savings and Work Performance: A Two-Year Field Intervention,”](#) Industrial and Labor Relations Review, 2025.



## Financial Health as the Foundation of Overall Well-Being and Business Performance

Financial health plays a central role in workplace well-being. Paying a fair wage and providing affordable, comprehensive benefits are critical to reducing financial insecurity and improving overall employee well-being.<sup>17</sup> The more people feel equipped to handle their finances, the more likely they are to report higher levels of overall well-being and engagement.<sup>18</sup>

Improving the financial well-being of workers also delivers financial benefits to employers, who hemorrhage billions of dollars a year in lost productivity.<sup>19</sup> This brief reinforces what may seem commonsensical: Individuals with stable financial lives often have more resources to maintain their well-being, which reduces their stress and the risks of mental and physical health challenges that cost employers.<sup>20</sup> Indeed, as more families – including middle-income households – face an affordability crisis for essentials like housing, healthcare, and childcare, the importance of financial health as the base of overall well-being will likely grow even stronger.<sup>21</sup> If you are struggling to pay your rent, buy food, cover medical bills, and afford other basic essentials, it is difficult to imagine how you are able to bring your best self to work.

Employers who improve the financial health of their workforce are best-positioned to improve overall worker well-being, while also reaping the benefits of improved worker engagement, productivity, and loyalty.<sup>22, 23</sup>

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<sup>17</sup> Supra footnote 4 and 12.

<sup>18</sup> Ibid.

<sup>19</sup> Supra footnote 2 and 7.

<sup>20</sup> Gordon M. Sayre, G. M., & Samantha A. Conroy, [“The other side of the coin: An Integrative review connecting pay and health,”](#) Journal of Applied Psychology, 2024; Lisa Berdie, Meghan Greene, & Riya Patil, [“Firsthand Perspectives Exploring the Mental-Financial Health Connection,”](#) Financial Health Network, 2024.

<sup>21</sup> Meghan Greene & Lisa Berdie, [“Financial Health Frontiers: Households Under Financial Pressure,”](#) Financial Health Network, September 2024.

<sup>22</sup> [“2024 Edelman Trust Barometer Special Report: Trust at Work,”](#) Edelman, 2024.

<sup>23</sup> Supra footnote 20.

### Case Study: [PayPal and the Financial Wellness Initiative](#)<sup>24</sup>

In 2018, PayPal embarked on a journey to understand how it could better support the overall well-being of its workforce. Financial health emerged as the primary employee concern. This came as a surprise to PayPal's business leadership, as they had long paid above-market wages, benchmarked their benefits against industry peers, and felt the market was guiding them in a positive direction. Instead, they discovered those same market forces were not working for significant portions of their workforce. The company decided to make employee financial health the cornerstone of its overall wellness program, creating a four-point financial wellness plan:

1. Raise wages where appropriate.
2. Reduce healthcare premium costs for its lowest-paid employees by 60%.
3. Offer a one-time equity grant that made every full-time employee a shareholder.
4. Launch a complimentary financial wellness coaching program focused on educating employees on compensation and benefits, and provide resources for new digital tools.

Following these investments, PayPal saw turnover at its customer service centers fall from 19.4% in 2019 to 7.3% in 2020. Overall employee engagement scores went up by 4 points, putting PayPal in the top 5% for engagement among all technology companies. PayPal also saw productivity and its net promoter score (a measure of customer loyalty) improve. In addition, employee participation in programs like the employee stock purchase plan and 401(k) enrollment improved during this period.

Yet perhaps most meaningful were the responses and personal anecdotes the company heard from its people. One employee told company leaders she was now able to afford health insurance and no longer had to worry, "Do I take my child to the hospital now? How bad is it?"

## Next Steps for Employers

Within the workplace, it is possible that too many employers are skipping over the essentials (livable wages, affordable benefits, and humane working conditions) in pursuit of broader wellness and productivity goals. Yet poor worker financial health may be the reason so many wellness programs do not work, while businesses also suffer by failing to realize the gains generated from a financially healthy workforce.

By building overall well-being programs on a foundation of employee financial health, we believe employers can stem the tide of increased burnout, declining engagement, rising financial precarity,

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<sup>24</sup> Zeynep Ton & Sarah Kalloch, "[PayPal and the Financial Wellness Initiative](#)," MIT Sloan School of Management, August 2022.

and concerns over low productivity and its myriad ill effects. We suggest several approaches that can help organizations in this endeavor:

- **Impact-Based Benchmarks:** Market-based benchmarks for compensation and benefits are valuable, as they help organizations better understand what they need to offer to get people to take available roles. But these benchmarks do not tell you what *impact* your wages and benefits have on the workforce. By including more impact-based metrics – such as [living wage data](#) – employers can start to better assess the effects of their wages and benefits on their employees' lives.
- **Outcomes, Not Inputs:** How many different benefits and well-being programs does your organization offer? Estimates indicate the average employer has 22 programs offering more than 50 types of benefits.<sup>25</sup> As noted, the level and breadth of employers' investments in well-being programs are not netting the outcomes they seek. Focusing on outcomes, and not inputs – like the number of programs offered – can help organizations prioritize their spend on solutions that are more likely to move the needle.
- **New Assessment Frameworks:** No single solution is likely to be the key to unlocking financial and overall well-being. Rather, what are the solutions or combinations of solutions that are most effective in driving well-being for your specific workforce? What are the *essential benefits* workers need to achieve financial stability? These are among the frontier questions shaping the future of workplace financial and overall well-being. Answering these questions may require a reimagination of how workplaces assess the quality and impact of their programs. New measurement approaches – ones focused on impact – may lead the way in helping organizations better design and implement programs that actually work.

*At the Financial Health Network, we will continue to explore the impact job quality, wages, benefits, and workplace practices have on financial health through research, conversations, and engaging directly with companies. We welcome ideas from you to explore opportunities for collaboration across sectors and industries. To engage with Financial Health Frontiers and stay up to date about financial health in the U.S., please sign up for our newsletter at [finhealthnetwork.org/programs/financial-health-frontiers](https://finhealthnetwork.org/programs/financial-health-frontiers).*

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<sup>25</sup> ["2023 Hot topics in employer wellbeing."](#) Alight Solutions, 2023.