New PNC Bank Survey Finds Inflation Impacts Are Top of Mind Among U.S. Employers, Employees

- 90% of employees surveyed say they are negatively affected by inflation
- 87% of employees worry about personal finances on the job
- 75% of employers surveyed say workers' financial stress negatively affects business
- 96% of employers say financial wellness benefits contribute to employee retention

PITTSBURGH, Aug. 24, 2023 /PRNewswire/ -- PNC Bank today released findings from its inaugural Financial Wellness in the Workplace Report 2023: What Employees Want (and Need), which summarizes survey data and in-depth interviews from a field of approximately 1,000 full-time workers from companies with more than 100 employees, and 500 employers from companies with $5 million or more in annual revenue, as part of a broader study to better understand the financial health perspectives of today's workforce.

Key survey findings show that the majority of employees are stressed about their finances. Across industries and demographics, seven in 10 employees say they experience stress related to their personal finances, and, although they report feeling secure in their jobs, 63% of respondents are living paycheck to paycheck. Inflation is also a key factor contributing to employee stress, with 90% of those surveyed saying that they are negatively affected by inflation, and that their ability to set aside money for savings and cover basic necessities has been significantly impacted.

Employee financial stress carries over to their work, with 87% of surveyed employees admitting to worrying about personal finances on the job, and employees reporting to spend over 150 hours on average annually worrying about their finances. What's more, 75% of employer respondents say their employees' financial stress negatively affects business.

"It's clear that both employers and employees are seeing and feeling the repercussions of financial stress," said Kaley Keeley Buchanan, senior vice president and head of PNC Organizational Financial Wellness. "We believe these survey findings offer business leaders important insights that point to the value of investing in employee financial wellness benefits that could help to balance the needs of their workforce with the financial realities of their businesses."

Although, 96% of employers surveyed believe that their ability to offer financial wellness benefits improves employee retention and the vast majority of employees agree, with 80% reporting that those types of benefit offerings may make them want to stay with their current employer, less than 15% reported to have access to financial education and counseling tools.

Other findings in the survey include:

- Employers should consider offering financial wellness benefits like a free session with a financial advisor to

help meet employees' needs. While the majority (eight in 10) of employers believe their employees are at least somewhat financially prepared for the future, only half of employees say they feel prepared. When asked specifically about retirement, 64% of employees say they are concerned they won't have enough money for retirement and 78% are worried they won't be able to retire when they want to. Further, 78% of employees surveyed say they haven't worked with a financial planner in the last three years.

- **There is an opportunity for more employers to offer matching contributions.** Eighty-six percent of employees surveyed say they would value retirement fund matching, but only 59% of employers consider retirement matching a must-have benefit. That said, 47% of employers who don't currently offer retirement matching say they would consider adding it to their existing programs.
- **Emergency savings accounts top the list among benefits employees would value.** Seventy-four percent of employees surveyed say they would value having an emergency savings account as a benefit, yet only 5% say they currently have access to one through their workplace. Although employers expressed interest in providing emergency savings accounts for their employees, 72% of surveyed employers admitted they don't offer them yet.
- **Employers recognize responsibility for offering quality financial wellness benefits, despite feeling financial pressure.** Ninety-four percent of employers surveyed believe they are responsible for offering their employees financial wellness benefits, but 75% of those surveyed are concerned about the potential for a recession in the near future impacting their ability to do so.

"These findings clearly underscore that both employers and employees are concerned about money, inflation, and potential recession – but the two groups are not always aligned on benefits-related priorities," said Buchanan. "PNC's goal is to provide our clients with industry insights, tailored solutions, and customizable programs to help them, as employers, improve overall employee financial wellness and create a more productive and confident workforce."

More findings, including the complete report and related information are available at pnc.com/WorkplaceReport.

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Methodology

The PNC Financial Wellness in the Workplace Report 2023 was conducted with employees and employers. The Employee Survey was conducted online with a national sample of 1,001 employees ages 21–69 who work full-time at companies with 100+ employees. The sampling error is +/- 3.0% at the 90% confidence level. The Employer Survey was conducted online with a national sample of 500 employers with 100+ employees and annual revenues of $5 million or more. The sampling error is +/- 4.4% at the 90% confidence level. The study was conducted by Willow Research (https://willowresearch.com/), a market research firm.

DISCLAIMER: This report was prepared for general information purposes only and is not intended as specific advice or recommendations. Any reliance upon this information is solely and exclusively at your own risk. NOTE: The sum of percentages may not add to the total due to rounding.

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