

Employee financial wellness



Lingering COVID-19 effects are likely to impact employees as they return to work.

It's the beginning of the calendar year and a time when most of us start making short and long-term goals of what we envisage we will achieve this year. Some are also recovering from the January woes and the back-to-school mania for most parents and caregivers. For employers, this time of year presents us with an opportunity to look into solutions in the market that better support our employees to get their finances in shape for the new year and start building financial wellness. What we have learnt is that the pandemic has made employers sit up and take note of their employee's financial health now more than ever before.

For millions of South Africans, the Covid-19 pandemic was a financial shock. The loss of loved ones - some of whom were the primary providers/breadwinners coupled with job losses as companies went under or were forced to scale back their operations, has left many financially reeling. Those who fared better financially during these turbulent times were those who had emergency funds set aside or access to financial instruments that helped them weather the storm. Covid-19 has brought into stark focus the importance of having good financial habits. Those who were best poised to weather the crisis had emergency funds set aside or access to financial instruments that aided them through the storm.

It would be fair to say that financial stress is at an all-time high in the wake of Covid-19. What does this have to do with employers? Well, financial stress directly impacts business performance and employers would do well to consider financial wellness as part of their broader employee wellness agenda.

Studies have shown that financial stress is a major driver of poor mental health. The World Economic Forum estimates that poor mental health results in lost productivity of \$1 trillion each year. Loss of earnings from depression is estimated at a total of R40 billion (or 2.2% of South Africa's gross domestic

product). Whilst money trouble is but one cause of stress, it is a significant one.

Driving change towards a financially well workforce

As a Human Capital Executive, I'm always searching for ways to not only improve the holistic employee experience but to add value as well to my stakeholders. My role is always to drive the change towards a financially well workforce by thinking innovatively about problemsolving for some of our toughest challenges i.e., absenteeism, reduced productivity, unengaged workforce - all of which are direct consequences of financial stress on employees. It makes business sense for employers to adopt new ways of working and leverage tools like Floatpays to help employees build their financial wellness muscle.

Financial stress and the human creative condition

In today's operating environment those businesses that have a workforce that can creatively problem solve and innovate, win. Chronic financial stress prevents people from bringing their best selves to work and stifles their ability to think creatively or innovate. Rick Hanson PhD, neuropsychologist and author of 'Just One Thing: Developing a Buddha Brain One Simple Practice at a Time' states that chronic stress can cause numerous capabilities required for creativity and innovation to deteriorate. It's harder to think outside of the box and be agile in response to change.

The Floatpays platform helps build financial wellness by helping people reduce their reliance on debt, save and learn how to manage their money better. This nifty platform offers:

On-demand access to accrued pay serves as an alternative to credit for people when they exhaust their salaries/wages before their next paycheck. A savings feature offering employees an interest-bearing savings account where contributions can be made directly from their salaries/wages. The saving feature not only helps employees prepare for emergencies but also enables them to generate a return on their investment, providing a little boost to their income.

Pre-paid vouchers for living essentials such as electricity, airtime/data, private medical care and more are fee-free, helps employees save money on the things they need most especially during these trying times. Floatpays offers free financial education through their app, which is focused on equipping people with practical information related to personal finance e.g., understanding how interest works and what a credit score is.

Floatpays has complimentary budgeting tools that are designed to encourage better money management behaviour.

Enabling people to manage their financial lives and pursue their dreams plays a crucial part in employee wellness. Financial stress harms both the personal and professional lives of your employees - and by extension on your organization. Worrying about finances can result in a wide range of (serious) health issues for employees, varying from depression and anxiety to ulcers and even heart problems. In other words, if you can take your employee's financial worries out of the equation, that's one step closer to a healthier and happier workforce. Employers and leaders who focus on employee wellness (physical, mental, financial wellbeing) and make it part of their workplace culture will be the real winners and not only the survivors in the next iteration of workplaces in the marketplace. This will be a major differentiator for talent attraction and retention and a key facet of the employer value proposition and

employment brand.