

Why An Employee's Financial Wellness Is Your Business Too



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Full transcript

Rob Parsons:

Welcome to PULSE, a Paychex HR Podcast, where HR professionals find insights on today's top issues and inspiration to build and lead effective teams in a healthier workplace. I'm your host Rob Parsons.

Rob Parsons:

Hi, everyone. Welcome to PULSE. We're joined today by Christian Mango, President of Financial Fitness for Life. Financial Fitness for Life is an award-winning financial wellness solutions provider that couples in-person financial wellness coaching and investment education with best-in-class technology and data analytics. Their guiding principles are simple: to improve the wellbeing of every employee and to improve the performance of every organization they work with.

Rob Parsons:

Christian, welcome to the podcast.

Christian Mango:

Thanks, Rob. It's great to be here.

Rob Parsons:

I'd love to start with your firm's guiding principles, specifically improving the wellbeing of every employee. That feels like a big ask.

Christian Mango:

Some days, it does to me, too. Yeah, I think it's interesting. When you think of financial wellbeing, it means something different to everyone, right? So, for some, it's that traditional notion of retirement. For others, it may be something like financial freedom.

Christian Mango:

But think about the average worker that maybe is living paycheck to paycheck, that has debt, no assets, doesn't have an emergency savings account. If you can give them some financial breathing room, get them out of living paycheck to paycheck, that may be financial liberating for them or financial freedom for them.

Christian Mango:

So, I think that's the key, right, is to make it personalized, to understand where everybody is. And for that person that really is struggling, to get them out of living paycheck, to paycheck, that's financially liberating to them. And then you can begin the hard work to sit down with them and figure out goals. And that could be the beginnings of saving for retirement.

Christian Mango:

So, yeah. I think it's hard on one hand. It's daunting on one hand. But on the other hand, I think if you're looking at it individually, it's achievable.

Rob Parsons:

It's an interesting point you bring up, because I think organizations don't do a good job at looking at the individuals. And in fact, they do a good job really of just deciding what they think is right versus actually finding out what people really need.

Rob Parsons:

We've done some research on DEI, some research on wellness benefits, and there tends to be a gap between what employers' think is valuable and important and what employees are really looking for. Have you found that in your business as well?

Christian Mango:

Yeah, absolutely. Almost across the board, there's a gap in understanding. And for larger organizations, that gap is more pronounced, right? I think it's tough to really get the pulse of employees, really understand truly what their needs and wants are.

Christian Mango:

And if you're not doing that, if you don't really understand it, it's hard to make good decisions on behalf of those employees. It's hard to put together benefits packages that meet the needs and wants of those employees. And so, it's tough to do.

Christian Mango:

There are some things that employers can do, right? So, they can do a pulse, employee pulse survey. But financial wellness fits that bill, too, right? So, if you've got a good financial wellness solution and you're really engaging employees in a meaningful way, on a meaningful level, you're collecting a lot of data, a lot of information, and you're able to put together insights into those employees that that employer may not otherwise have. So, I think really focusing on that and, to your point, really understanding what those needs and wants are is really critical to making good decisions about those employees.

Rob Parsons:

Is that where your technology can come into play and then help you educate these employers, these organizations you're working with?

Christian Mango:

Yeah. I think it's interesting. If you think of financial wellness, maybe we're on financial wellness 3.0. But go back to financial wellness 1.0. That's probably like, "Hey, how many employees did you meet with, right? How many meetings did you do?"

Christian Mango:

Financial wellness, 2.0 was, "Did we move the needle? Did we get more employees on track to retirement? Did we get more employees to complete a budget?"

Christian Mango:

Financial wellness to me, 3.0, is really taking all of that activity and distilling it down and thinking more holistically about those employees, observations, insights, all of that stuff, and going back to that employer and providing that. And that could be things like, "Hey, did you know that 30% of your employees are single parents with dependents? What does that mean? As you think about or reevaluate your employee benefits package, maybe you ought to consider subsidized childcare solution," or "did you know that 50% of your employees have student loan debt, and of that 50%, 60% of those people have student loan debt in excess of \$60,000?" That kind of information is helpful in really putting together a benefits package that does truly meet the needs and wants of those employees.

Rob Parsons:

That really is excellent insight, Christian. Just understanding what people really need is so critical. I would say the flip side of that coin is employees understanding what's even available to them, and are they utilizing these resources to the best effect?

Christian Mango:

Yeah, I think we see that all the time. Employers spend a lot of time, money, resources putting together benefits packages. If those employees don't even understand them or understand how to utilize them, that employer's not getting the best bang for their buck out of that. And those employees aren't using those tools that are at their disposal to improve their financial wellbeing.

Christian Mango:

So, educating on those employee benefits is absolutely critical. And we don't see a lot of employers necessarily doing a great job at that. And it's largely because these employee benefits are sort of a piecemeal approach, right?

Rob Parsons:

Right.

Christian Mango:

There isn't something that ties everything together. And that's hard to do. And again, that's where a good financial wellness solution can sit at the center of those broader employee benefits and really educate those employees on how to use them and really what they are and how they fit into their overall financial picture.

Rob Parsons:

I got to think that's where the personalization and coaching can become really powerful. You're almost an advisor in helping people navigate what's available to them and really help them pick what the right solution is for them, not just for the company.

Christian Mango:

Yeah. Personalization is key, right? We talked about it earlier. Financial wellbeing or financial wellness means something different to everybody.

Christian Mango:

But think about personalization. We all learn differently. Our experiences are different. Our financial IQ is different. We've got different biases and we respond to financial or we have different financial behaviors based on a lot of that stuff.

Christian Mango:

And so, if you're not really approaching it from that perspective and personalizing it to the individual, I don't know how you can be successful. This whole idea of one size fits all, it just doesn't work, right? And so, it really has to be personalized to the individual, but so does the education, right?

Christian Mango:

And so, there's things we know about that, right? Education alone does not really work. It fails to get participants or employees to take action. So, you need to have, I use the phrase a lot of arrows in your quiver, but you've got to have a lot of different ways or mechanisms to be able to pull different levers, to be able to coach an individual. And it could be on site, face-to-face coaching. It could be virtual coaching. It could be technology. And for each person, that may change even over their employee life cycle. And so, you've got to have a lot of different tools at your disposal to be able to provide that education and really make it personalized to the individual.

Rob Parsons:

So, tell me how fit Financial Fitness for Life handles this. I know on the Paychex side, I feel like we have a similar solution model in terms of there's a layer of technology that's very powerful. But we know technology alone is not going to do it. So, there's this other layer of all of our HR business partners out working with individual companies and providing that level of personalization and customization. Do you follow that same kind of approach?

Christian Mango:

Yeah. I think to be effective, you've got to start with a real understanding of what that organization's organizational goals and priorities are. You've got to really understand what their employees look like, including where they're located. If you don't really understand that stuff, it's very hard to provide a solution that really makes sense for that organization.

Christian Mango:

But oftentimes, it is a combination of onsite coaching, virtual coaching technology. But it's really working with that organization, again, to understand their priorities and goals. It's also understanding their communication strategies, what's worked well in the past. It's understanding who can be internal cheerleaders, we call them program champions, but finding people that can really be advocates for the solution. Those are really critical steps.

Christian Mango:

And we summarize that in what we call our onboarding strategy. But if you're not spending a lot of time focused on that, you just setting yourself up for not failure necessarily, but just not as successful as you otherwise would hope it would be.

Rob Parsons:

I like that concept a lot. It's come up in a lot of our talk about DE&I, equity and inclusion. And it was interesting. That's not something you need to bolt on. It's not another thing you should be doing. It's how you should just be operating in general. So, it's a way of approaching your work as an HR professional, not an extra burden added to your task load. Are you seeing the same thing on the financial side?

Christian Mango:

Yeah, I think it's interesting. I was talking with an HR professional just the other day, and we talked about an article that I had read that proclaimed that 2021 was the year of financial wellness. Yet when you look at surveys, on one hand, you've got anywhere between 75 to 90% of employees asking for and demanding a financial wellness solution, but yet only something like 25% to 30% of employers have put one in place. So, there's this gap out there.

Christian Mango:

And so, you ask the question, "Why is there that gap? Is it a cost constraint or budget constraint? Is it that employers don't even know where to start? Or is there something more?" And we've seen a pretty traumatic two-year period for a lot of HR professionals that are dealing with things that they've never had to deal with before. Their plates are full.

Christian Mango:

And so, while financial wellness and those types of benefits may be important to them and it may be on a priority list, it may be further down that priority list than we would hope as a financial wellness provider. But the key, I think, and what we uncovered in having this conversation is let's talk about those things that are higher up in the priority list and how might financial wellness help you either achieve some of those goals and priorities or deal with those things that are higher up on the list.

Christian Mango:

And the obvious thing would be retention, right? So, if there's high turnover, right, with a Great Resignation, what things are you doing to address that? And financial wellness certainly has an impact on turnover and retention.

Christian Mango:

So, I think it's really understanding where that HR person or professional is, what their goals and priorities are, and where you rank in that list of overall goals and priorities.

Rob Parsons:

When we talked a few weeks back, you spoke very movingly about holistic financial wellness. Does this play into that? Because you talked about how it helps employees, it helps employers. There's a lot going on there that we should be thinking more about, versus just another thing to bolt on.

Christian Mango:

Yeah. There's clear evidence through surveys and statistics that employers that do embrace holistic financial wellness solutions, they see improvements to retention and turnover. They see benefits to employee morale and loyalty. They see lower healthcare costs. There's tons of surveys that would demonstrate and show that employees that are offered a financial wellness solution are generally happier, healthier, more engaged, more productive. That's a good thing for an employer.

Christian Mango:

And so, we talk a lot about, "Hey, this is not only the right thing to do for your employees, but it makes good business sense." And again, there's a lot of statistics on what the productivity impact that financial stress has on employers. And it's anywhere from, depending on what statistic you look at, but one to two hours a day potentially in lost productivity, accumulating in roughly \$500 billion in lost productivity to you to American employers. That's significant.

Christian Mango:

And so, I think they need to look at where does a financial wellness solution fit in their overall benefit strategy. We just talked about the Great Resignation. That battle for top talent is fierce, right? And so, a lot of employers

need to think about their approach to retention and attracting top talent. They're looking at benefits. And benefits, I would suggest, historically have been an underutilized tool.

Christian Mango:

And so, as employers begin to think about or rethink about their benefits package, they ought to be thinking about financial wellness. It is an important benefit and it's in high demand. And depending on what demographic you look at, it is generally in the top two or three most requested benefit for employees. And so, it does fit. Employers need to think about where it fits in their overall benefit strategy. And they need to be doing it now, because there is an opportunity for them to set themselves apart from other employers out there in this battle for top talent,

Rob Parsons:

I love that. We've got research that says the exact same thing, the importance of financial wellness benefits. And I loved when you said happy, healthy, engaged employees...

Christian Mango:

Yeah.

Rob Parsons:

... drive better business. We've found the exact same thing. And it's just such an important consideration now. We cannot take employees for granted.

Christian Mango:

Yeah.

Rob Parsons:

They aren't just a dime a dozen. They are engines that drive our business. And the better we can take care of them, the better they'll take care of us.

Christian Mango:

Absolutely. Yep. Agreed.

Rob Parsons:

Christian, thank you so much for joining the podcast today. You brought some great insights around financial wellness, and the organization sounds like it's really doing great work. I really appreciate it.

Christian Mango:

Yeah. Thanks, Rob, for having us. I appreciate it. It was fun.

Rob Parsons:

Love it. And thank you to our listeners. We'd love for you to tell us what you want from this podcast as well. Please visit payx.me/pulsetopics to submit guest and topic ideas. That's P-A-Y-X.me/pulsetopics.

Rob Parsons:

Thank you once again, Christian, and thank you all for listening today. Please stay happy and healthy.

Announcer:

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