

# The state of employee financial wellness: 2024

Insights from 5000 employees and 500 HR professionals on employee financial stress & performance



IT'S LIKE A STORM CLOUD HOVERING OVER THE WORKPLACE

“Stress hacks away at morale. Employees burdened by money matters are nine times more likely to have troubled relationships with coworkers and are twice as likely to be searching for a new job.”

[Salary Finance, Inside the Wallets of Working Americans report](#)

# Financial stress: From home to the workplace

Today's financial landscape is fraught with challenges: inflation, wage stagnation, and a challenging job market. Financial stress has made its way into the workplace—in more ways than many of us may realize.

Financial stress impacts work environments, including the very challenges people operations and HR teams are already struggling with, like: increasing absenteeism, performance management and decreasing morale. As [Forbes](#) put it:



**As leaders, we must recognize that financial stress is not just a personal problem but a critical business issue that affects productivity and engagement at work. Financially stressed employees are often less motivated and less productive.**

But how financially stressed are today's employees, and how does it impact their work performance? What can employers and people leaders do to mitigate the impact of employee financial stress on organizational performance? And, how does employee financial stress impact HR teams in achieving their existing goals?

These are questions that this report answers, with data directly from the source to back it up.



## INTRODUCTION

# A holistic approach to quantifying financial stress

Employee financial stress and wellness is a multifaceted challenge. There are many unique factors that impact employee financial wellness at most businesses. So, a holistic approach is required to accurately discuss it.

In order to create this report, we sought insights from **both the employee and employer side of things** to allow for a holistic picture of employee financial wellness and its impact on employee well being, performance and organizational success.





## WE FACILITATED TWO SURVEYS

01

### Employee survey

We surveyed 5000 employees who work for businesses just like yours. They've shared their biggest financial struggles with us and have made it clear—in no uncertain terms — what you can do to help.

02

### Employer survey

We commissioned a survey of 500 senior U.S. HR professionals about how employees' financial struggles impact HR's ability to operate and what impact financial wellness programs have had on their teams.



**In this report, we will get into how financial stress is already impacting teams just like yours and give you some tangible ways to tackle it right now.**

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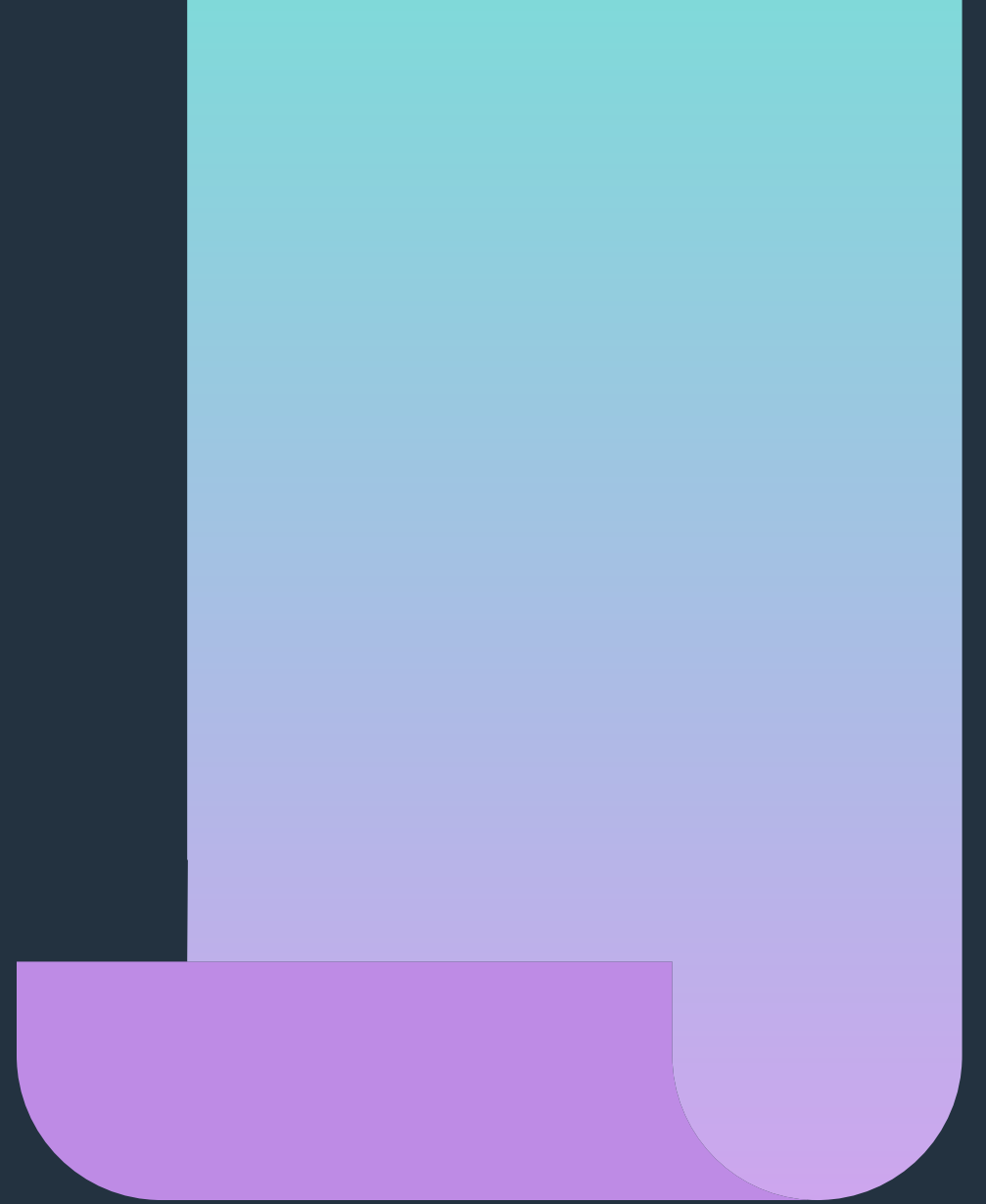
## 36 Concluding takeaways

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 Pages with key info    Employee survey    Employer survey

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# Methodology



# A holistic view of financial wellness in the workplace



## EMPLOYEE SURVEY

5000 employees across 8 industries

We surveyed just over 5000 employees who are ZayZoon customers between February and May 2024 about their:

- Relationship with finances
- Cash flow and opportunities for increasing income
- Financial stress and its impact on their performance
- Financial goals
- Financial habits
- External factors impacting finances

## EMPLOYER SURVEY

500 senior HR professionals across the U.S.

Starting in April 2024, we commissioned an online survey of 500 senior U.S. HR professionals about:

- Impact of employee financial stress and any impact employee performance
- Employees' financial struggles and HR operational efficiency
- Mitigating employee financial stress

### Seniority level

About half of respondents (48%) were at the director level or above, and a quarter (25%) were VPs and above.

### Business revenue

Over half (54%) came from organizations with over \$100 million in annual revenue.

## INDUSTRIES

Both the employer and employee survey included respondents from the following industries:

01 Healthcare

02 Hospitality

03 Quick service restaurants

04 Technology

05 Finance

06 Retail

07 Manufacturing

08 Education



## CHAPTER 01

# The state of employee finances

It's safe to say that since the pandemic began in 2020, the financial landscape has been a challenge to navigate for many employees and businesses alike. In this section, we will get into what impact this has had on your employees, their stress levels and ability to bring their best selves to work.

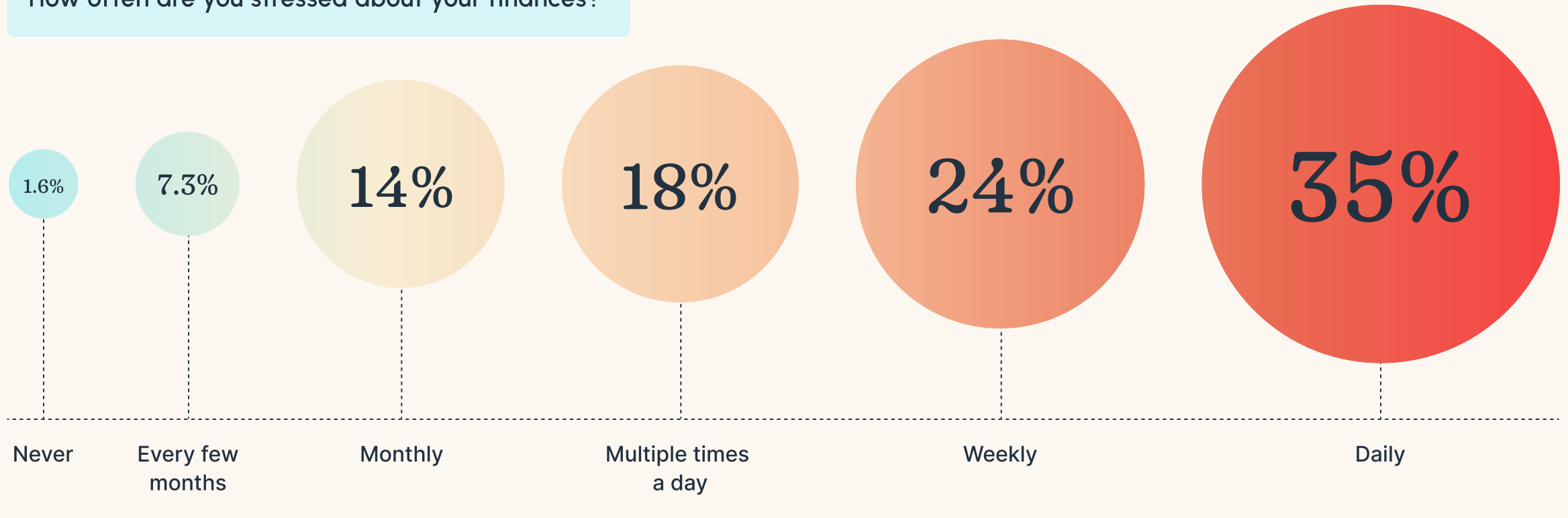


# Are employees financially stressed? If so, how much?

The answer might be a bit more dire than you think.  
We asked employees:

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How often are you stressed about your finances?





On a scale of 1-5, how stressed would you say you are about your finances on a daily basis?

Almost 52% of respondents stated they are stressed about their finances daily or multiple times per day. And, a staggering 20% stating they are “very stressed” about their finances on a daily basis. 40% are at least “stressed” about their finances daily.

Almost half of your team could be dealing with money worries so big that it’s a daily focus—taking up valuable time and energy that could otherwise be spent on work.

20%	Very stressed	Score = 1	
19%	Stressed	Score = 2	
30%	Neutral	Score = 3	
14%	Not stressed	Score = 4	
17%	Not stressed at all	Score = 5	

% OF EMPLOYEES

SCALE

VALUES

EMOTION

# HR pros on employee financial stress

You might not recognize some of the telltales of how financial stress impacts your workforce. You might not even believe it's impacting your team. If that's the case, then you're in the minority.

Most HR pros are grappling with the consequences of financial stress. And it's impacting their ability to get things done.

?

**In the past 12 months, have you become aware of any of your employees experiencing the following financial struggles:**

More than half (61%) of HR professionals stated that their employees have been living paycheck to paycheck.

And almost all respondents stated their employees have experienced at least one severe situation due to their finances (homelessness, property repossession, personal bankruptcy, food insecurity, wage garnishment or eviction).

Often when we think of financial stress, it's easy to think that it is simply a worry, maybe of having too little to spend on discretionary costs.

But, as these results show (and will continue to show), today's employees are more than a little financially worried, they're consistently stressed as they are struggling to survive.

**61%** Living paycheck to paycheck

**26%** Wage garnishment

**24%** Facing eviction

**23%** Paying for major medical costs

**19%** Food insecurity

**17%** Personal bankruptcy

**16%** Property repossession

**12%** Homelessness



?

In your career in HR, have you ever experienced any of the following with your employees?

45%

An employee neglecting their own health to work

38%

Employees organizing a “GoFundMe” or similar fundraiser for a coworker in need

37%

Employees missing work strictly due to financial reasons

33%

Had a creditor call or visit employee at work

30%

Checking a prospective employee’s credit as a factor for employment

30%

Employees “donating” time off to a coworker in need

Employees are organizing fundraisers, missing work, donating time off and neglecting their own health due to financial stress. Each of these activities is time consuming, distracting from work tasks and stress inducing—all of which impact your team’s performance.

Fundraisers, missed work, financial troubles showing up at work and time-off donations should not have to be this common. When this financial stress is elevated, all the time spent on these activities can be reinvested in output and success for your team.

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**Look for how to make this happen in Chapter 03**

# Why are employees so financially stressed?

The following results from our employee survey paint a more specific picture into why financial stress is so prevalent for today's employees.

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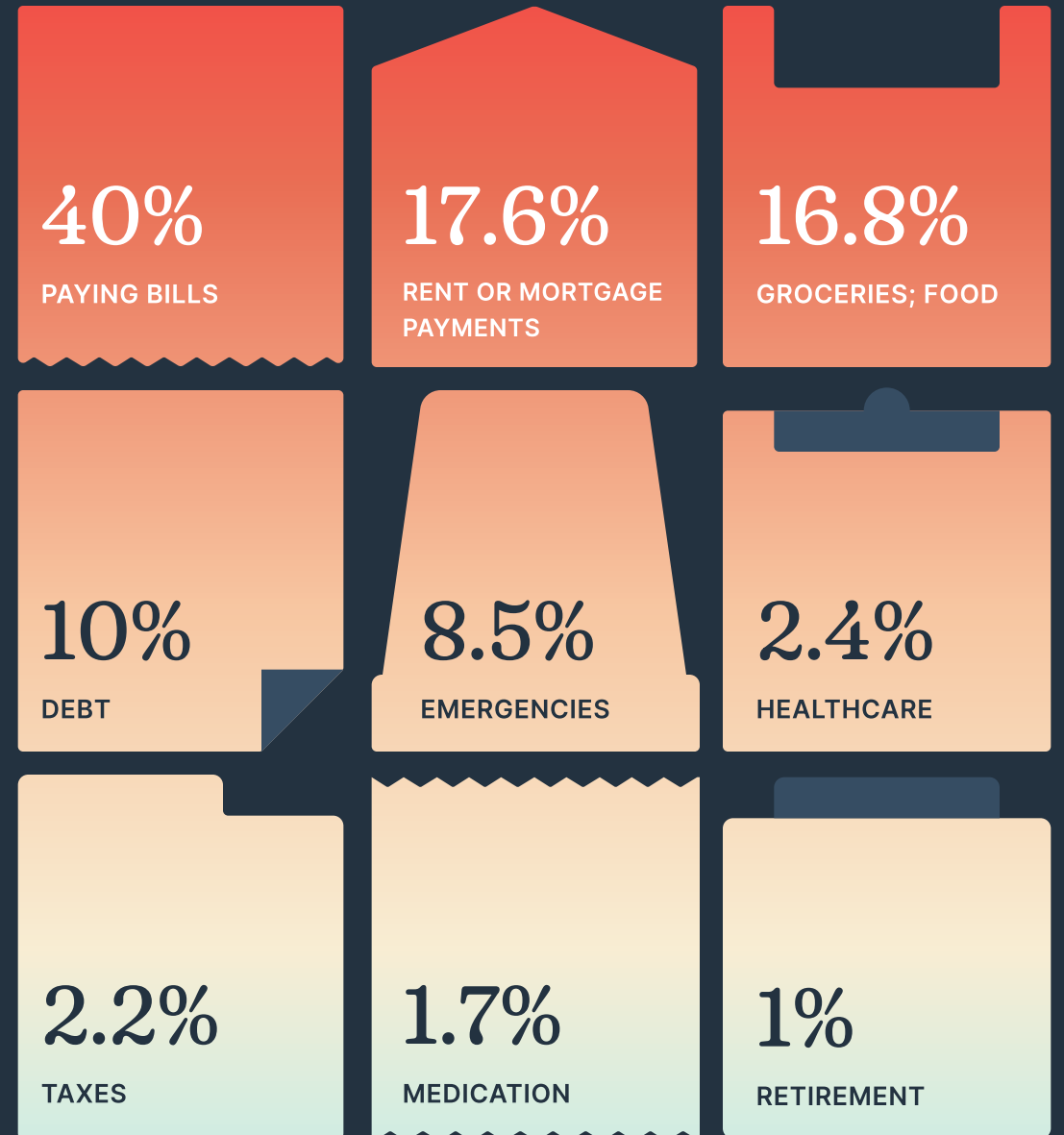
What stresses you out the most about your finances?

Almost three quarters of respondents (73%) stated that covering necessities (bills, rent and groceries) top the list of their financial stressors.

This indicates a **pervasive anxiety about basic needs for today's employees.**

This should come as no surprise, as even those earning well above the poverty line are struggling financially.

48% of those earning more than \$100,000/year live paycheck to paycheck. And according to the [National True Cost of Living Coalition](#), 65% of Americans often considered "middle class" (those earning more than 200 percent of the federal poverty level) are struggling financially today and "don't expect that to change for the remainder of their lives."



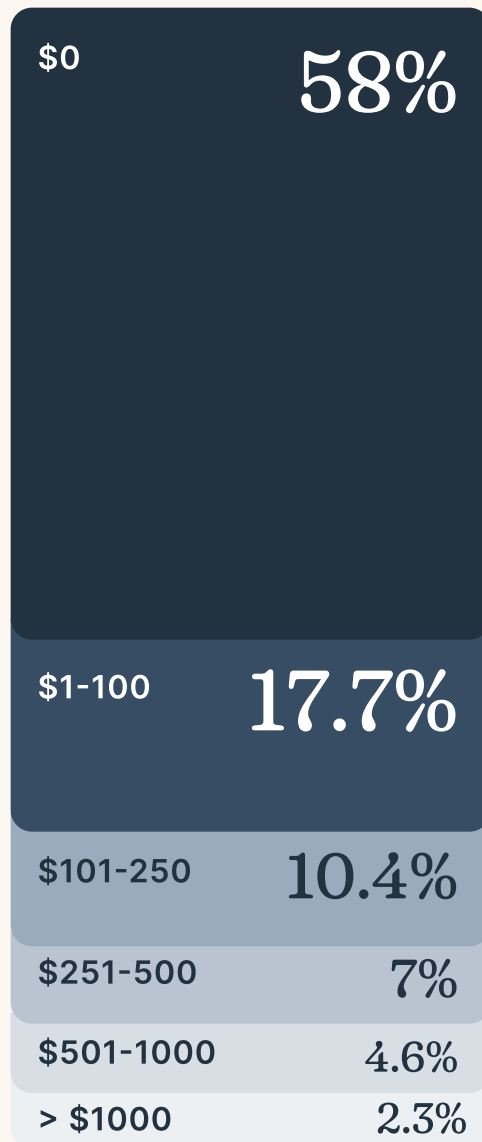


How much do you have saved up for an unexpected expense?

Less than 14% of respondents have **any amount over \$250** saved for an unexpected expense.

**Just over half** (58%) of survey respondents noted that they had zero savings. Meaning, they are struggling paycheck to paycheck and are barely making ends meet.

This means one missed paycheck would put them in, at best, a difficult spot and, at worst, without access to necessities like housing, food or medical care.

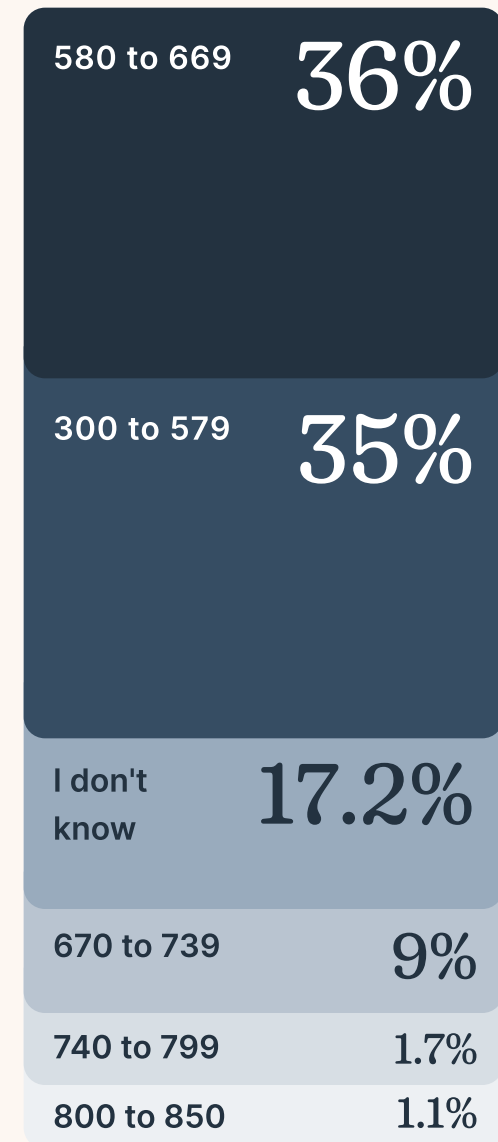


What is your credit score?

300-579 is considered a poor credit score and 580-669 is considered a fair credit score.

**71% of respondents have poor-fair credit scores.** Less than 13% of respondents have what is considered a good credit score.

Your credit score determines a lot about your employee's everyday lives. Such as, the types of homes and loans they can get approved for or the interest rates on their credit cards. Having a poor-fair credit score increases financial stress as it makes it harder to get out of debt and make some of life's most important purchases.





## Payday loans and financial stress

### What happens when these employees experience an unexpected expense or medical emergency?

Unfortunately, too many will turn to high-interest lenders, or payday loans due to limited options for those with lower credit scores, putting them in a worse position than they were in to begin with.

This is why more than [12 million Americans](#) use high-interest payday loans at least once a year when in times of financial hardship.

According to The [Consumer Federation of America](#) 2023 report payday loans have an annual interest rate (APR)

of 400%+ and 390% to 780% APR on short-term payday loans (2-weeks).

In Texas, for example, a \$500, four-month installment payday loan costs \$645 in finance charges at an APR of 527%. The borrower **ultimately repays \$1,145** ([Pew Trusts](#)). On average across all states, charges range from **\$15 to \$30 for every \$100 borrowed for payday loans**.

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Learn more about [payday loans and employee financial wellness](#).

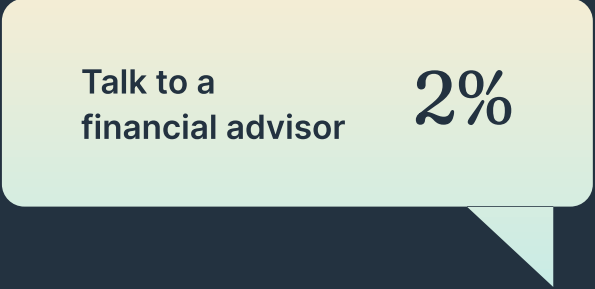
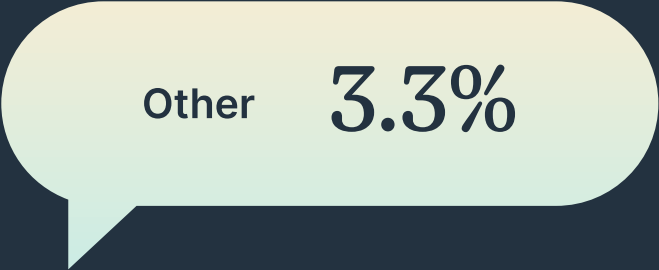
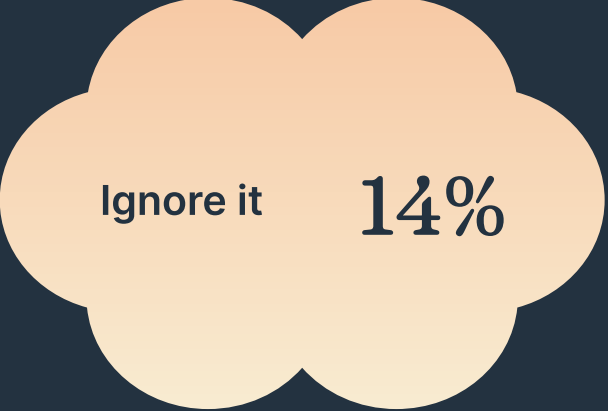




## How do you deal with financial stress?

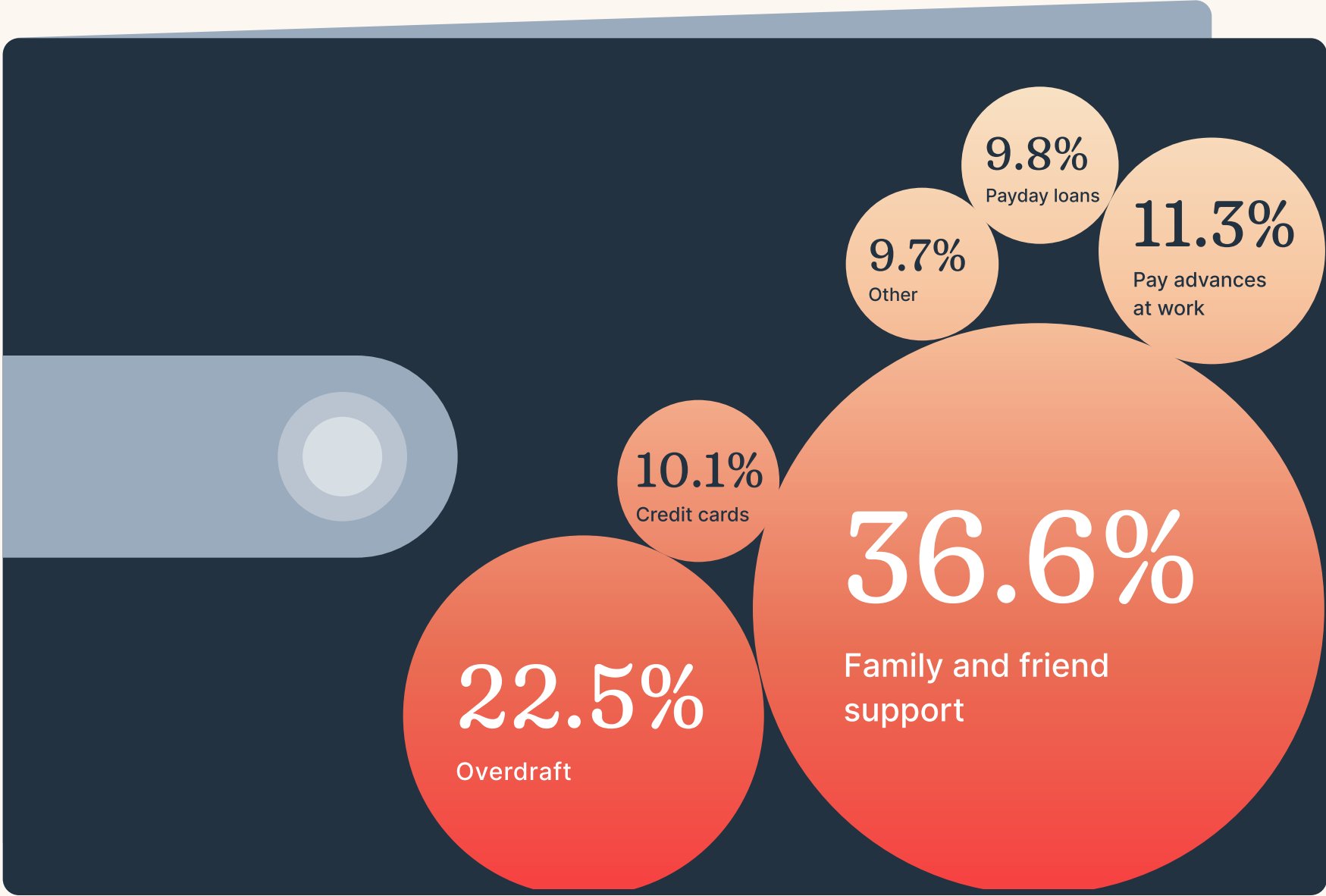
Surprisingly, only 2% of respondents consult an expert to help them deal with financial stress. On the flipside, nearly 14% of respondents simply ignore it.

Almost half of respondents try to tighten their budgets. Finally, 37% (results for “find alternative income sources” and “find another job” combined) look for a completely new job that pays more or another job to supplement their income.





Before ZayZoon, how were you managing cash flow issues?

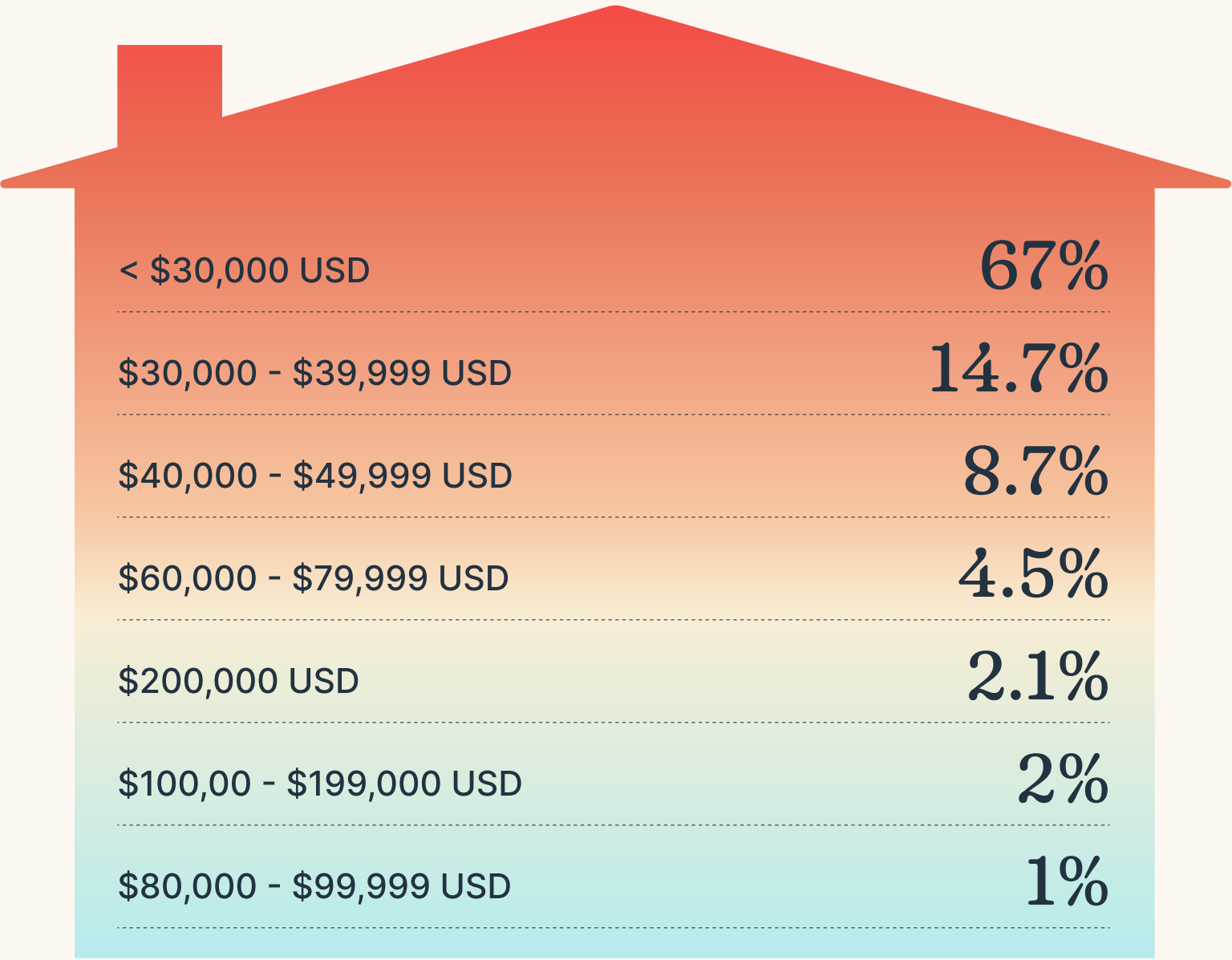




What is the total yearly income from others in your household?

According to the Bureau of Labor Statistics' **Consumer Expenditure Survey**, the average American household spends \$6,081 on living expenses. This is just over \$70,000/year.

In other words, less than 10% of respondents have a total household income that allows them to cover monthly living expenses.





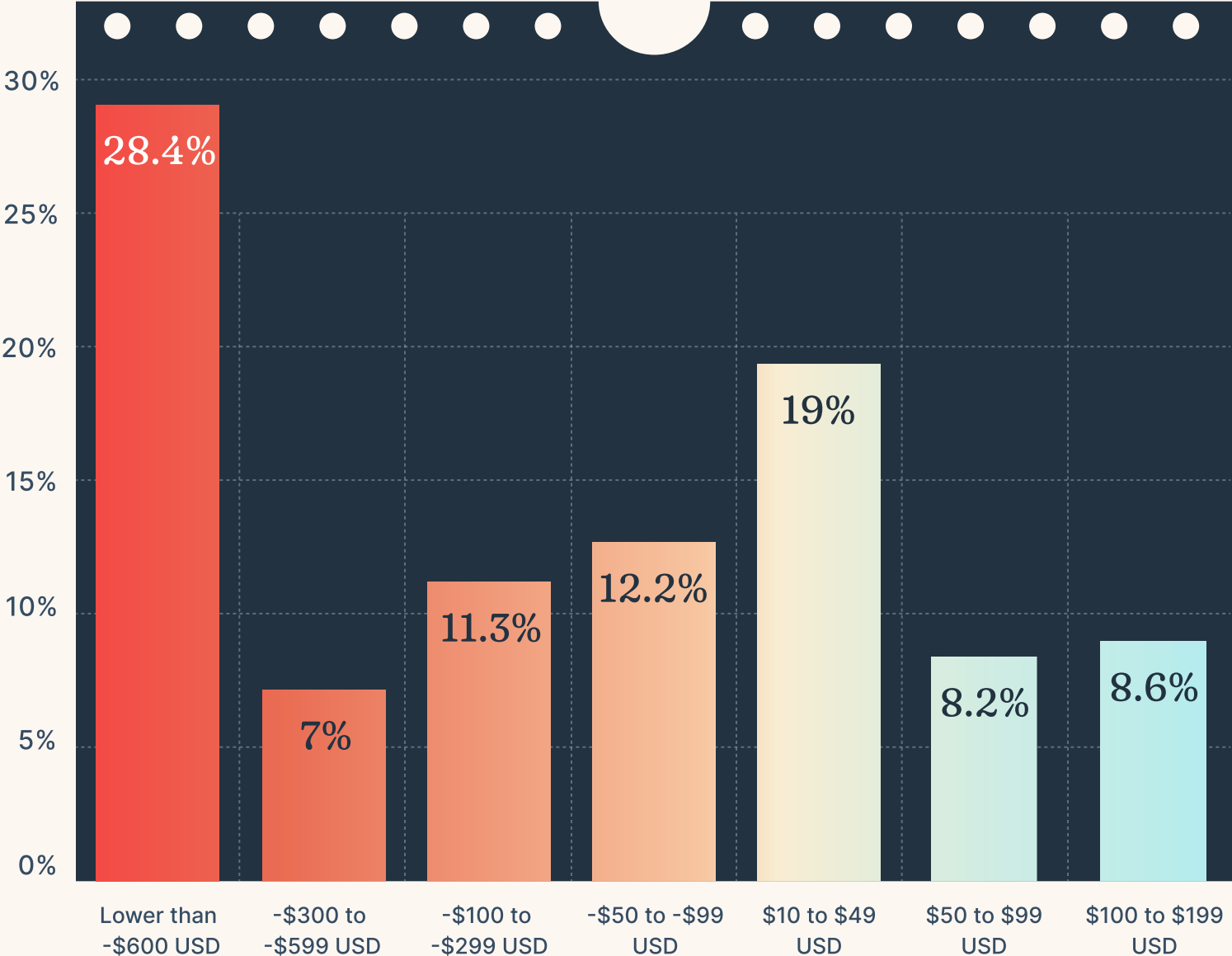
How much cash (or negative cash) do you have left over at the end of the month after bills and required expenses?

One more time for the folks in the back: **almost 30% of respondents have \$-600 left (yes, negative) in their bank account every month.**

**The highest positive amount respondents have is \$10-49 per month (19%), with only 16% of respondents having \$50-99 left in their bank account after required expenses.**

**More than half** of employee respondents have a negative balance after paying their bills and required expenses each month.

Employees are not financially stressed because of a lack of discretionary spending, but rather, their inability to cover their **required spending**.



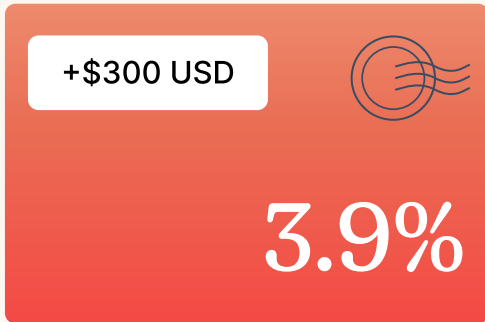
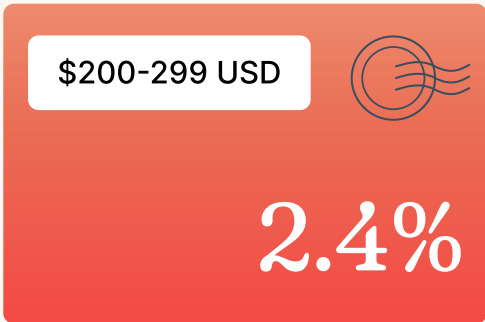
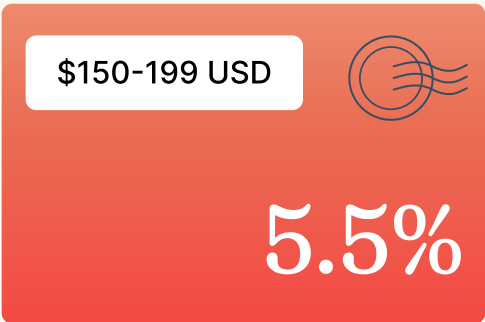
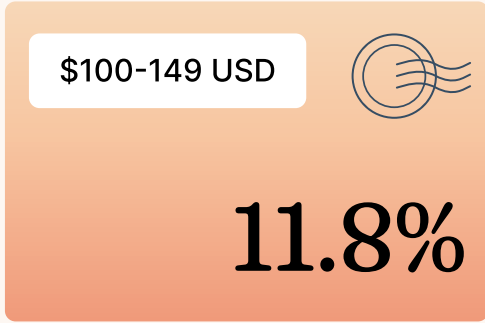
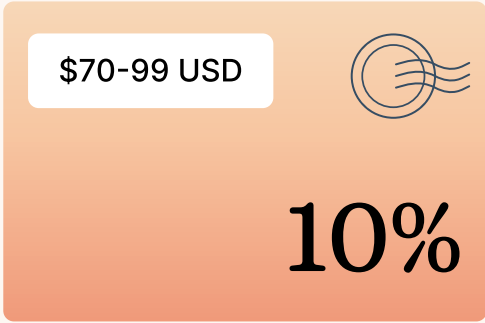
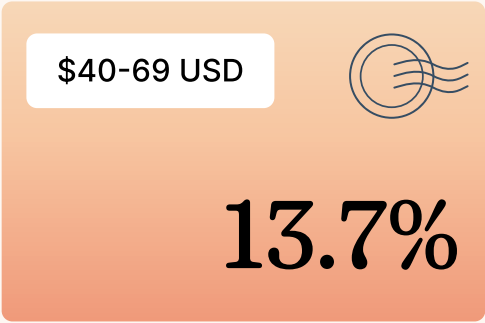
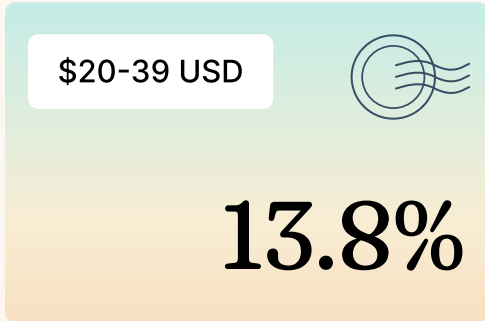
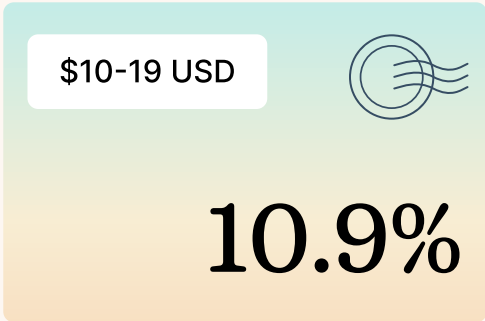




How much do you spend on interest and/or late fees each month?

When paying your bills leaves you so deep in the red, it's easy to get caught in a cycle of late fees, overdraft charges and high-interest payments. It's then even harder to get enough to pay them off in full when your income does not drastically change.

So, the cycle of debt continues, increasing financial stress and the risk of financial crisis.





## What has inflation affected the most for you in the last 12 months?

Inflation rates have decreased in 2024 from their all-time pandemic high. However, the inflation rate for 2024 is predicted to be 3.3%, which will impact employees who are already struggling financially.

Inflation has impacted almost all respondents in areas that are integral to survival, such as food, bills and rent. Almost three of four respondents (73%) said their food costs have been impacted the most.

53% of respondents also stated their gas spend has been impacted by inflation the most. Unaffordable gas prices make filling up tanks and even showing up for work difficult. Inflation and increasing gas prices unfortunately can then lead to **employee absenteeism**.



## CHAPTER 02

# Quantifying employee financial stress & performance

We know that today's employees are financially stressed and it's impacting their personal lives.

But does financial stress impact employee performance and organizational success? The short answer is: big time, and this section will show you how.



# Employee financial stress and its impact on performance

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Employee survey: Does financial stress impact your performance at work?

**36%** of employees said "yes"

This finding underscores a critical challenge facing organizations today: the intersection of financial wellness and productivity.

Financial stressors such as: debt burdens, living expenses, and unexpected costs can create distractions, diminish focus, and increase absenteeism in employees. It's not just about individuals either—low morale and less engagement can spread across your whole team and organization (more on this below).

?

Employer survey: Do employees who struggle financially perform worse at their jobs?

**63%** of respondents said "yes"

It's clear from both the employer and employee side of things: financial stress impacts performance. Balancing personal finances isn't just a headache at home; **it's like a storm cloud hovering over the workplace.**

“ Stress hacks away at morale. Employees burdened by money matters are nine times more likely to have troubled relationships with coworkers and are twice as likely to be searching for a new job.

- [Salary Finance, Inside the Wallets of Working Americans report](#)

# Quantifying financial stress & its impact

## EMPLOYEE MORALE AND MENTAL HEALTH

So, financial stress impacts performance. But how? These results quantify and exemplify some of the tangible impact that financial stress has on your team.

1 in 3 respondents see financial stress as strongly negatively impacting morale and mental health. And **almost 80%** of respondents state financial stress impacts employee morale and mental health at least “somewhat”.

The consequences of poor employee mental health are not to be taken lightly. According to [BerkeleyExexED](#), poor employee mental health can look like:

- High turnover rate
- Employees who frequently call out sick
- Teams struggling to meet targets
- Increased stress or burnout in employees

Employee financial stress has a **strong** negative impact on overall employee...

Morale

Mental health

33%

35%

Employee financial stress has a **somewhat** negative impact on overall employee...

Morale

Mental health

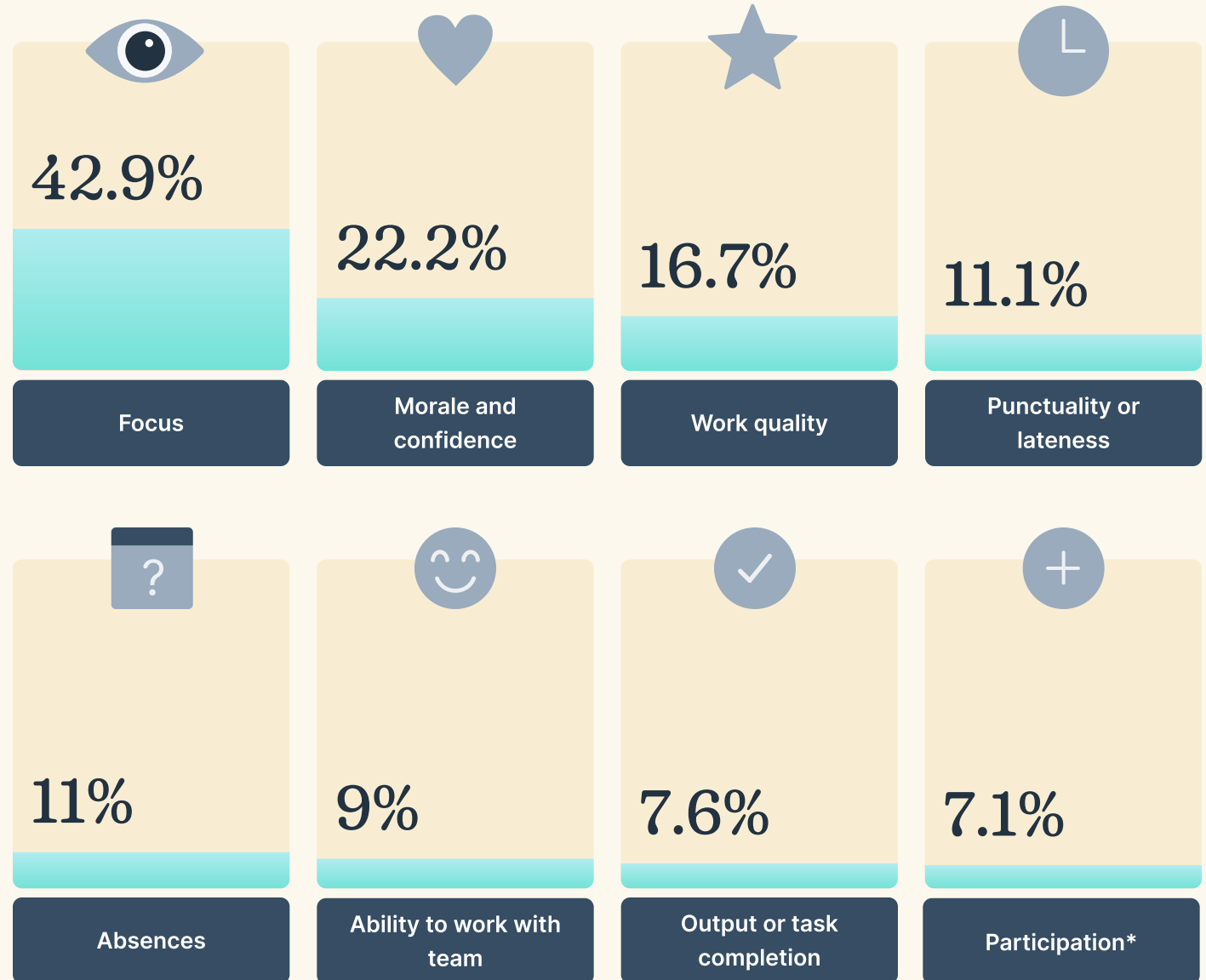
49%

49%

# Unpacking financial stress in the workplace

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Employee survey: How does financial stress impact your performance at work?



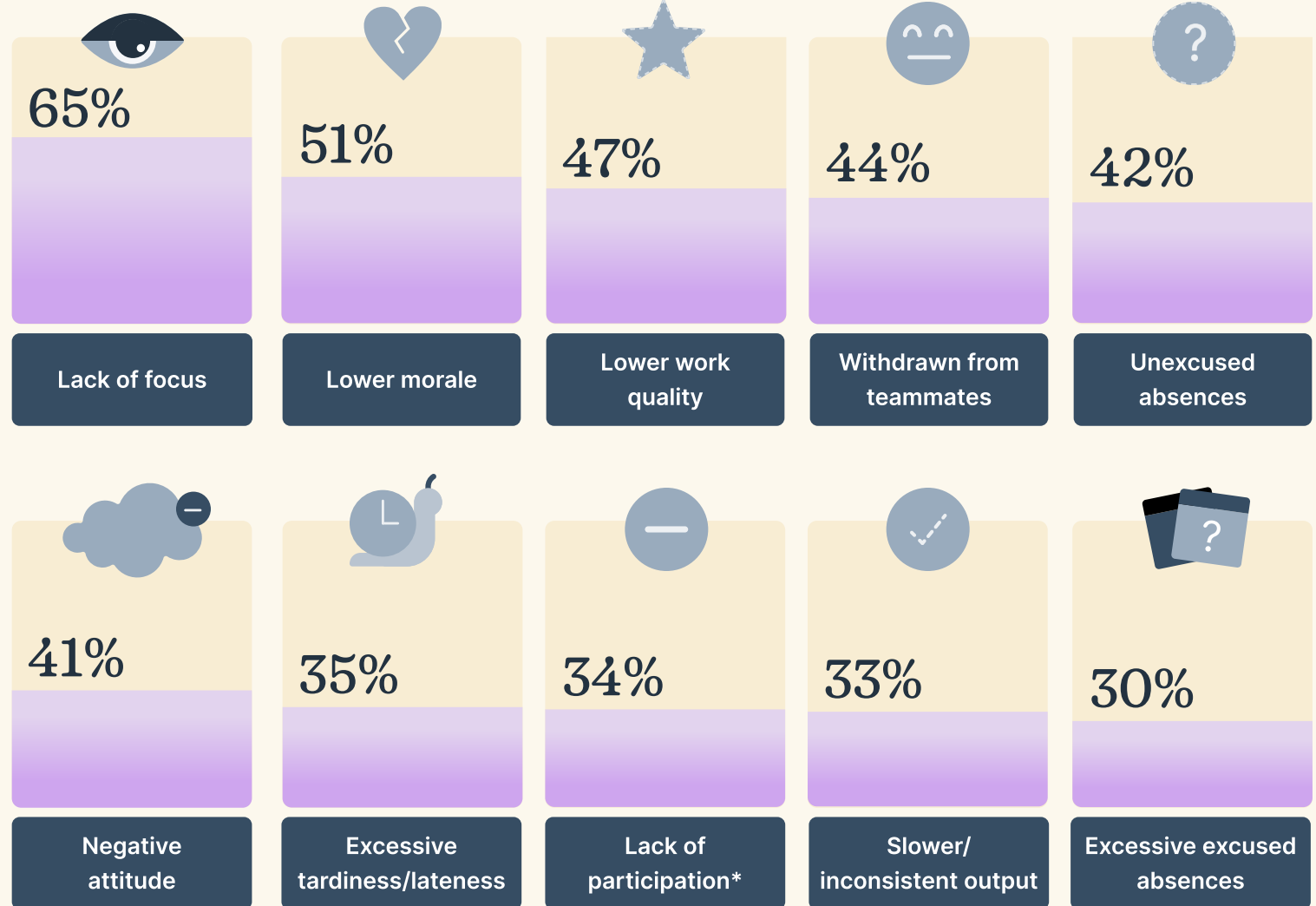
\*in team culture events



# Unpacking financial stress in the workplace

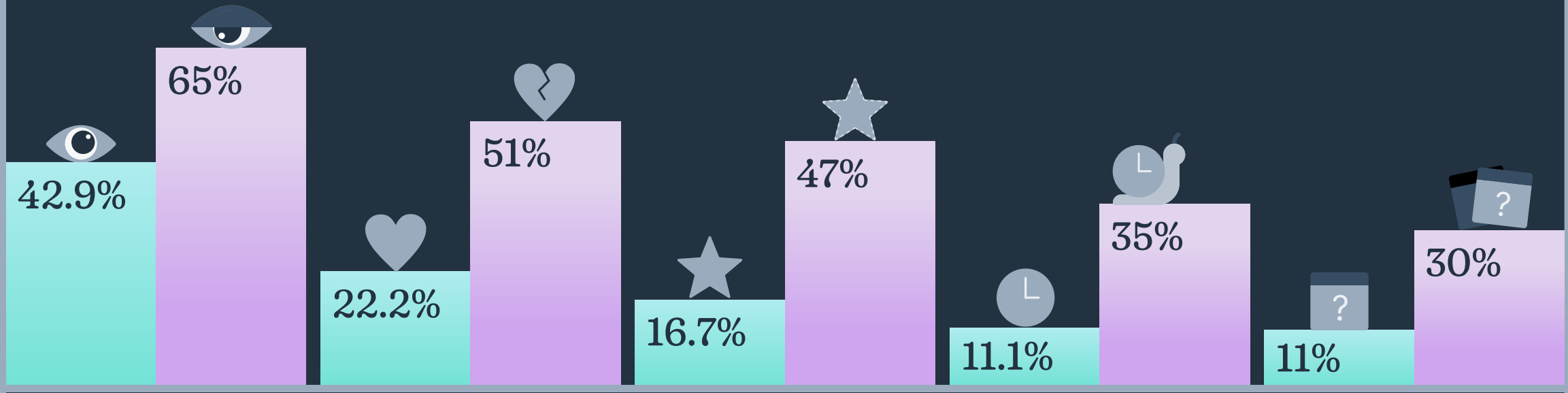


Employer survey: What specific impacts of poor employee financial health have you observed on employee performance?



\*in team culture events

IMPACT OF FINANCIAL STRESS: EMPLOYEE AND EMPLOYER COMPARISON



Focus

Morale

Work quality

Punctuality/lateness

Absences



Employee sentiments: How financial stress impacts employee performance



Employer observations: How financial stress impacts employee performance

## THE SIMILARITIES BETWEEN THESE TWO RESULT SETS IS STARK

Both surveys identify these as the top consequences of employee financial stress:

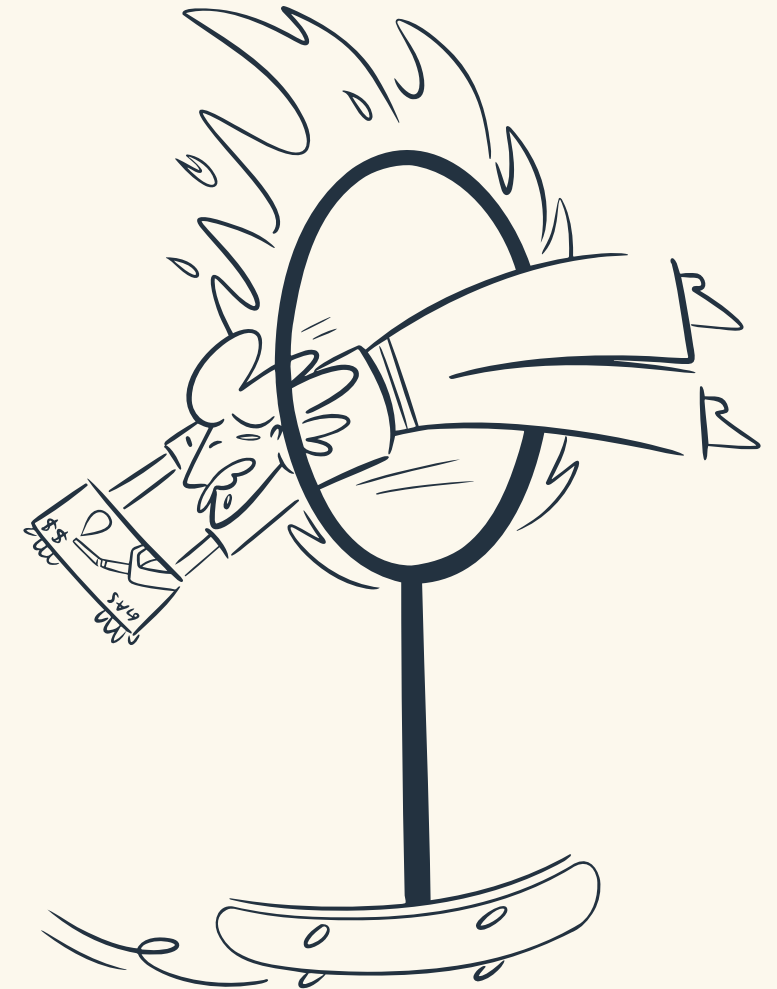
- Reduced morale, focus and productivity
- Decreased work quality
- Employee absenteeism

These consequences of financial stress can ripple from one employee to a whole team and even your whole organization. Further, these are major challenges for a department that already has its hands full with day-to-day staffing and administrative responsibilities.

17% of the surveyed HR professionals stated they have seen first hand how employees' financial stress impacts work quality. This exemplifies how financial stress does not just directly impact employees but the ability of your organization and employees to reach their goals.

Financial stress doesn't just impact individuals, it impacts whole organizations and their ability to function as required.

Businesses that hope to see consistent success, despite what the future holds, are investing in their employees' financial wellness as a path to improved and consistent performance.



## CHAPTER 03

# Mitigating employee financial stress

We know that employees are stressed about their finances and it's impacting their performance at work in more than a few ways. So, where do we go from here?

Businesses are catching up to the fact that they can reduce financial stress and increase performance by financially empowering their employees with **financial wellness programs.**



# What are employee financial wellness programs?

Simply, providing employees with resources and tools to manage their finances. This can include access to:

- Financial educational and literacy resources
- On-demand payment tools like Earned Wage Access
- Budgeting tools
- Debt management resources
- Retirement planning

These resources **financially empower** employees to become more financially literate, reduce financial stress, and achieve their financial goals.



# Earned Wage Access (EWA): A financial wellness & empowerment tool

A popular employee financial wellness tool for employers is Earned Wage Access or on-demand pay.

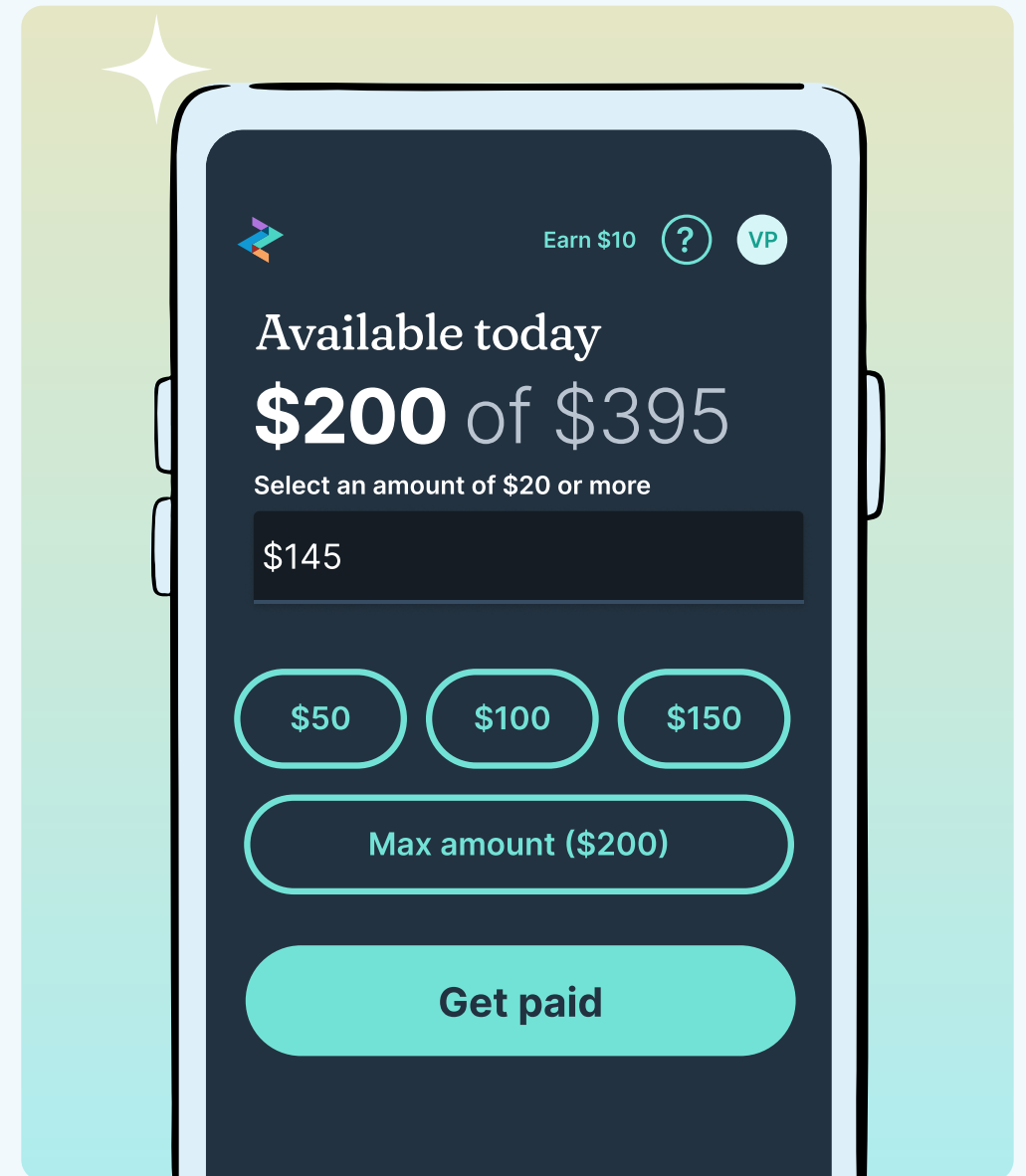
EWA allows employees to access their earned wages ahead of payday. Employees can access a percentage of the wages they've already earned whenever they want, interest-free.

In 2023, we asked almost 2500 employees who use ZayZoon's Earned Wage Access:

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Has Access to Earned Wage Access improved your overall financial well-being and financial stress?

**74%** said yes, with almost half (47%) citing *significant* improvement in financial stress





# Employer investment & employee financial wellness

Employee financial wellness programs that include EWA address financial stress but are also a benefit that employees are hungry for and desire.

In our employee survey, we asked employees:

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Should your employer invest in your financial wellness and literacy?

**81%** of employees said "yes"



Here are some of the tangible impacts investment in employee financial wellness programs could have on your team.

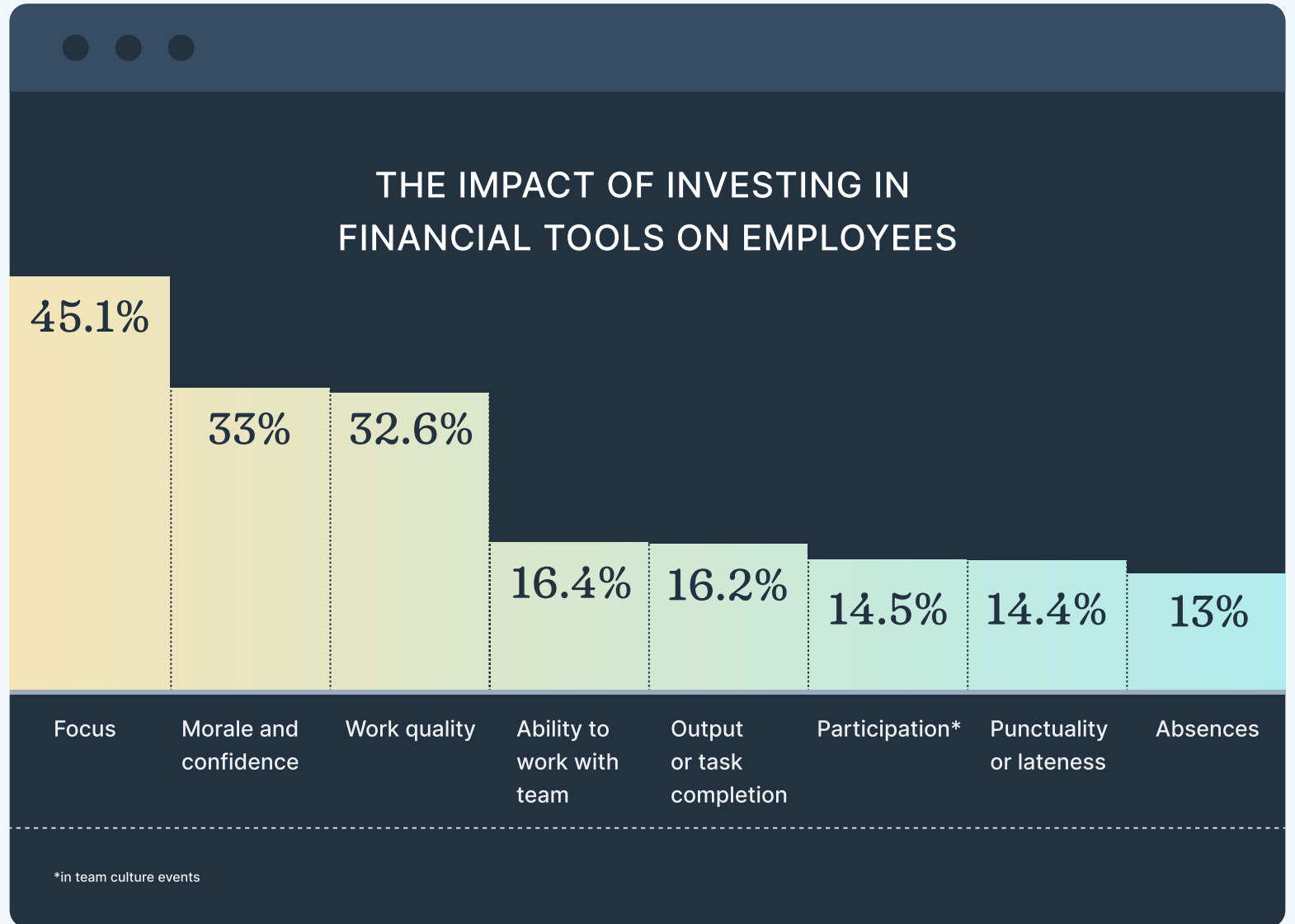




### Employee survey: If your employer invested more in your financial wellness and literacy, how would your performance improve at work?

Almost half of respondents state they would be able to improve their focus at work if their employer invested in their financial wellness. 32.6% report their work quality would improve, 16% would complete more tasks, and 13% would show up for work more.

When teams are able to focus and be present more, their ability to produce more quality work will naturally increase. And their ability to innovate and get to work on your company's next winning idea increases.



# HR pros on the impact of EWA and financial wellness programing

We asked HR professionals who offer EWA about its impact on organizational success.

This data makes a compelling case for EWA as a practical solution to increasing the impact of your HR or people operations teams. EWA can bring you closer to the goals you're already working towards this year like employee retention, talent acquisition and performance management.

Further, by addressing employee financial stress, financial wellness programs with EWA are a critical piece in creating a more adaptable, responsive payroll and operational system that meets the critical wellness needs of today's employees.



## ORGANIZATIONAL IMPACT OF EARNED WAGE ACCESS

### Morale and productivity boosts

- 64% of HR leaders who have used EWA say their workplaces experienced increased morale
- 63% of workplaces report a rise in productivity after adopting EWA

### Absenteeism decrease

25% of employers offering EWA saw decreased absenteeism

### Reduce employee stress

46% of respondents observed a reduction in employee financial stress when offering EWA

### Ability to attract talent

- 42% percent of employers found that offering EWA helped attract top talent
- 81% of HR leaders believe that offering EWA provides a competitive advantage in attracting skilled employees

### Reduced turnover

29% of companies using EWA also saw a decrease in turnover

# Increased operational efficiency & EWA

Nearly half (**47%**) of surveyed HR professionals whose organizations use EWA say it has made their operations more efficient.

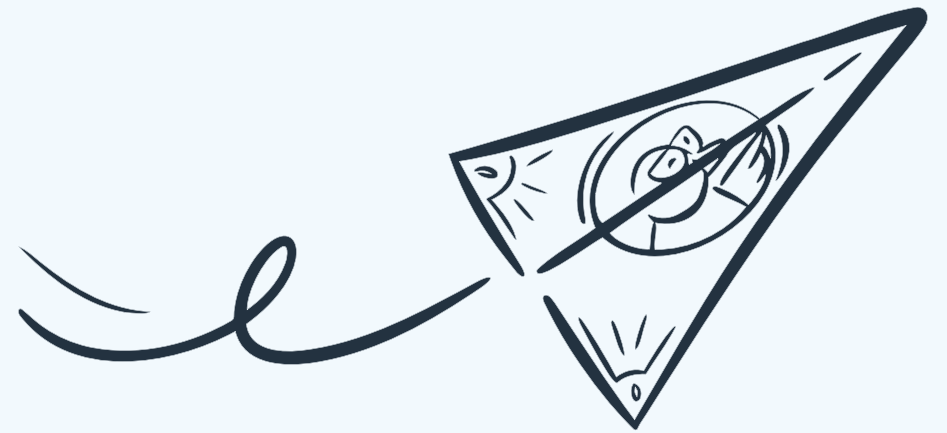
Earned Wage Access improves efficiency by improving productivity and mitigating issues HR teams are already struggling with, as discussed.

Earned Wage Access programs also help employers transition from outdated methods like manual tracking for time and attendance, [paper checks](#) and manual pay advances.

**62%** of surveyed HR professionals state manual pay advances are “somewhat” to “very time consuming”

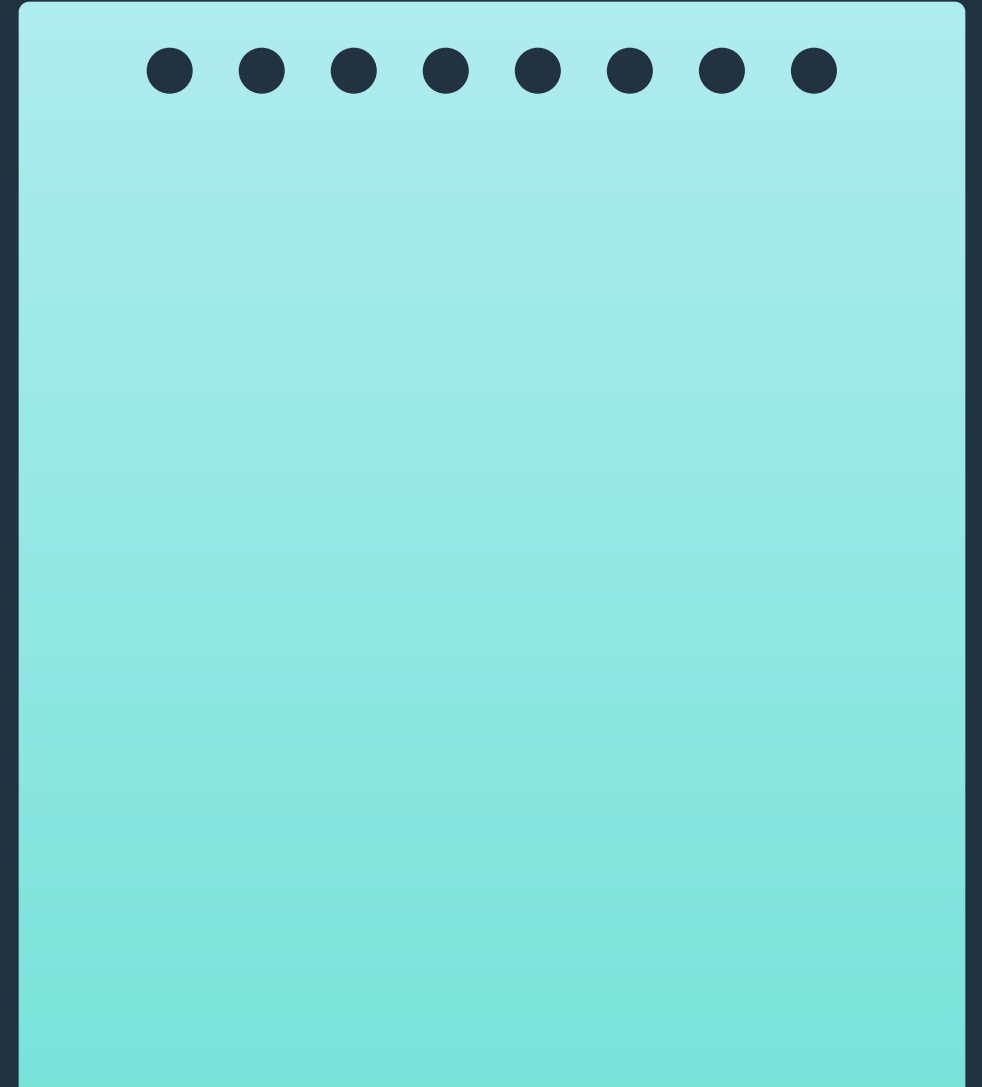
As you know, giving your team time back by eliminating outdated or extremely time-consuming activities is a direct path to increased team impact and effectiveness.

Integrating EWA and employee financial wellness into your payroll processes isn't merely about adopting a new system—it's about embracing a strategy that aligns with the core goals of any HR department: **to foster a more supportive, efficient and productive work environment.**



# Takeaways

Now that you've made it this far, you should have a deeper understanding of the financial stress your workers are under and its implications for your team. As it turns out, financial stress impacts your business (and HR team) as much as it does your employees.

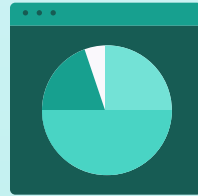




# Here are some key results from this report to remember (and even share!)

## FINANCIAL STRESS:

### Impact on performance



Over half (50%+) of served employees experience daily financial stress, which employees and HR professionals alike note negatively impacts employee focus, morale, and overall work quality.

## FINANCIAL STRESS:

### Moving from the home to office



Financial stress doesn't just stay at home; it follows employees to work, impacting team dynamics and your ability to achieve company goals.

## FINANCIAL STRESS:

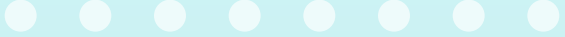
### Solution



Investing in financial wellness programs can significantly improve employee performance, from better focus and work quality to enhanced team collaboration and reduced absenteeism.

# Takeaways

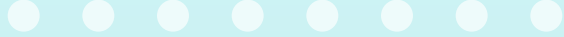
As far as takeaways go, here are three things you can do right now to help your employees and set your business apart.



## 01 Identify your employee's unique financial stressors

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Identify the biggest financial stressors your employees are dealing with. Struggling to pay for meds? Gas prices too high? Cash flow issues? Use this report to guide and inform you.



## 02 Review financial wellness benefits in market

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Take a deep dive into the financial wellness benefits landscape and see if there are any solutions that might work for you.



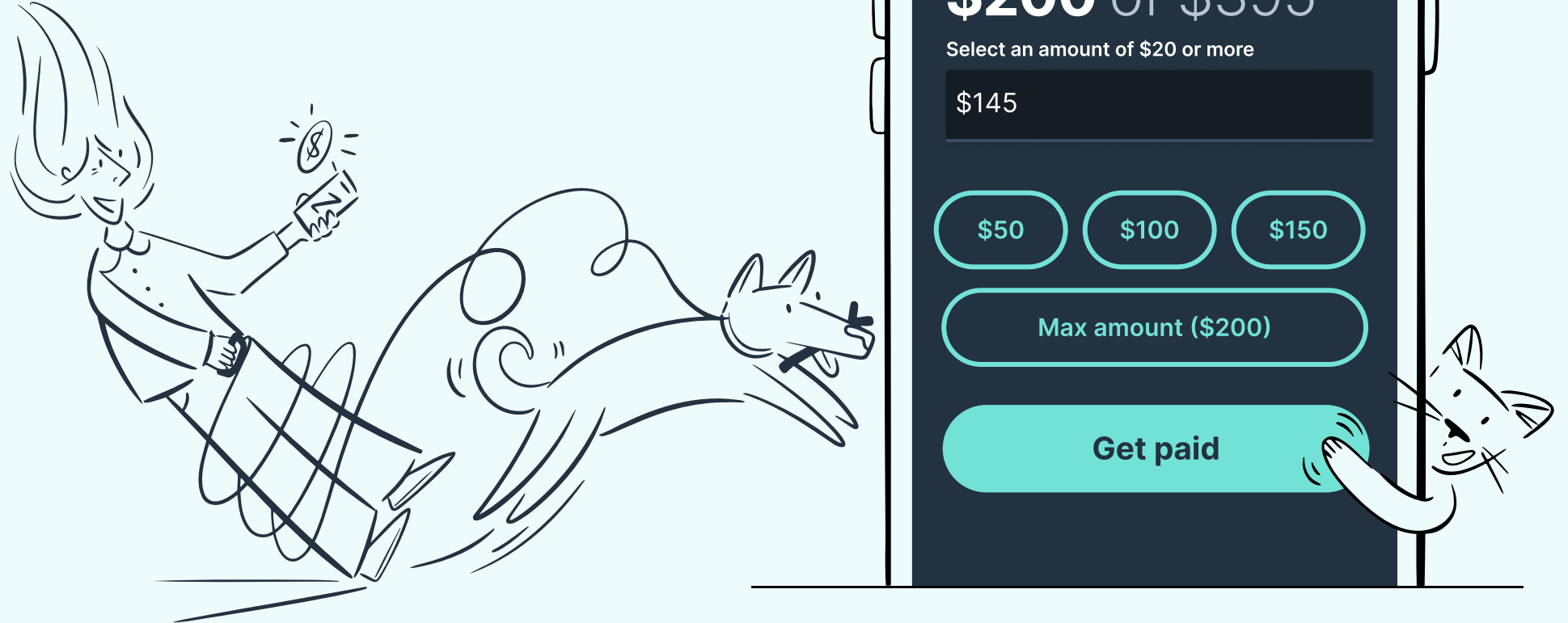
## 03 Reach out

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If EWA is on your wishlist, definitely read **our buyer's guide**. We provide you with guidance on what to look for, questions to ask vendors, and an in-depth comparison of the space's top vendors.



If you'd like to speak with a real person to learn more about empowering your employees, financial wellness programs, Earned Wage Access, or how ZayZoon can help alleviate your employees' financial stress, please don't hesitate [to reach out](#). We're always happy to have a conversation.





ZayZoon is the financial empowerment platform for SMBs. With ZayZoon, payday finally comes with the push of a button. It's free for employers and takes only 30 minutes to implement. Employees can use ZayZoon to get paid whenever, however. The platform also offers educational resources and tools to help workers break the paycheck-to-paycheck cycle. And it works. 74% of employees who use ZayZoon report less financial stress and employers who offer ZayZoon boast a 29% reduction in turnover.

[zayzoon.com](https://zayzoon.com)