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Personal Finance Worries Continue to Plague U.S. Workers, Creating Concerns for Employers

- 70 Percent of Human Resource Professionals say Workers' Personal Financial Challenges are Impacting Job Performance and Company Productivity –

- Employer-provided Financial Education Programs Seen as Helpful but Cost Can Be a Problem –

May 14, 2014 – New York, NY – Concerns and stress about personal finances are distracting U.S. employees during working hours, impacting their job performance and potentially sapping company productivity, according to a new survey from the Society for Human Resource Management (SHRM).

Although U.S. businesses have begun to recover from the Great Recession, many employees still face significant financial challenges and remain concerned about their ability to cover financial obligations. In the 2014 SHRM survey [*Financial Wellness in the Workplace*](#), human resources professionals with the title of assistant director and above across a range of U.S. businesses and not-for-profit organizations, specified the breadth of financial challenges employees and companies are facing:

- Seven out of 10 indicated that personal financial challenges have a large or some impact on their employees' performance.
- More than 40 percent said an overall lack of funds to cover personal expenses is impacting employees in their companies.
- Almost 40 percent of employees are facing more personal finance challenges now compared with the onset of the recession in 2007.
- Nearly 25 percent of human resources professionals said employees are experiencing more personal finance challenges now compared with 12 months ago.
- The survey found a potentially alarming concern that employees were more likely to request a loan from retirement savings (60 percent) or a hardship withdrawal (44 percent) from retirement savings during the past 12 months compared to previous years.

While some companies provide their employees with “financial wellness” education programs, a number of them experience challenges in doing so. One reason: They are often seen as too costly.

“Business leaders should be troubled that many of our nation’s workers continue to face financial hardships and related stress, especially during working hours,” said Shawn Gilfedder, President and CEO [McGraw-Hill Federal Credit Union](#), which sponsored the SHRM survey. “Companies can and should take action to help employees effectively address their financial concerns, which will help improve the lives of workers and their families and also help strengthen company performance,” he added.

“With the influence that financial challenges have on employees and their performance, the survey suggests that employers will find value in offering financial education to their workforce,” said Bruce Elliott, SHRM’s manager of compensation and benefits.

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Human resources professionals who took part in the survey saw Baby Boomers (70 percent) and Generation X (53 percent) as the generations most likely to participate in financial education programs. Furthermore, Baby Boomers are most interested in retirement planning (77 percent) and Generation X in financial investment planning (44 percent).

“To overcome these challenges, companies must make the Financial Wellness of their employees a priority,” said Gilfedder. “The good news is that there are easily accessible solutions to this problem – some with no cost to employers.”

Gilfedder suggests companies consider a number of actions that can help to reduce employee financial stress, enhance employee retention, build loyalty and ultimately, improve company productivity and performance:

- Employers should offer employees financial education programs and make financial wellness a vital component of organizational culture.
- Financial wellness initiatives should be provided as part of a package which includes employee health and wellness programs to maximize benefits for individuals and organizations.
- Financial wellness programs should be customized to address the specific needs of different generations of workers (i.e., Baby Boomer, Generation X and Millennials).
- One-on-one financial counseling, financial and retirement planning and debt restructuring services should be key parts of every employer’s financial wellness program.
- Partnering with a credit union is an attractive no-cost means for employers to provide financial wellness benefits to employees. Because credit unions are not-for-profit financial institutions, they can provide employees with many low- and no-cost personal finance services including financial planning and counseling, higher interest rates on savings accounts, free checking and usually lower interest rates on loans and credit cards.

“Credit unions’ financial wellness programs are an excellent no-cost benefit for companies to share with their employees,” said Gilfedder. “We work as a trusted partner to deliver financial wellness for employees through a caring, consultative, and prescriptive approach. We offer financial wellness resources that help employees gain greater control of their finances, resulting in fewer financial worries, less stress, better health and increased job productivity.”

The full SHRM survey, executive summary, survey methodology and other information can be found at <http://www.shrm.org/Research/SurveyFindings/Articles/Pages/2014-Financial-Wellness.aspx>.

About McGraw-Hill Federal Credit Union

McGraw-Hill Federal Credit Union, a member-owned cooperative, is a leading and progressive financial institution committed to members and the community at large through financial technology, financial education and literacy, and a consultative approach to banking. The credit union offers a full range of banking, investing and insurance services to more than 20,084 members worldwide and serves more than 120 companies as a valued financial wellness benefit. For more information about McGraw Hill Federal Credit Union follow @McHillFCU on Twitter or visit www.McGrawHillFCU.org. To view videos about McGraw-Hill FCU go to www.youtube.com/McGrawHillFCU.

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