

# The Role Of The Workplace: Worker Financial Health In The Coronavirus Crisis

COVID-19 has affected every workplace and every worker. While some industries (e.g., retail and hospitality) and worker segments (hourly, LMI, independent workers) are being disproportionately impacted with closures and job loss, COVID-19 has highlighted and heightened the financial health challenges that already existed in nearly every workplace. This brief is intended to help workplaces continue their efforts supporting worker financial health through highlighting what some workplaces are doing today and looking ahead at what workplace financial health may mean in the future. More than ever it is important for workplaces to do what they can to support their people.

## Key Workplace Financial Health Challenges

During this crisis issues concerning access to sick pay, affordable child care, wage and income volatility, and the ability to financially cope with an unexpected emergency – especially for the [71% of US workers](#) who do not have the ability to work from home - have been at the forefront. Job loss is also a critical challenge. After losing a job, workers are thrust into navigating a complicated web of unemployment insurance and making decisions around workplace benefits, such as continuing with employer-based health insurance (or securing new insurance) and deciding what to do with their retirement plans. This, of course, assumes workers have these benefits to begin with, as independent workers and many small business employees do not have the same level of access to these core financial health workplace benefits.

Workplaces, of course, are also trying to balance caring for their workers and operating their business. Organizations that remain open (and where remote work is not possible) are having to rethink nearly all aspects of their operations: changing store or facility hours, altering workplace layouts that can help foster safe social distancing, establishing new safety practices (for their employees and customers), and dealing with staffing challenges brought on by worker caregiving obligations or personal illness.

## Near Term Actions: Supporting Workplace Financial Health

In the face of these challenges, we have seen many employers (mostly large national brands) provide expanded financial health benefits to their workers. For example:

- **Full Pay and Benefits During Closures:** Several retailers, including Patagonia, announced that they will be providing workers with [full pay and benefits](#) during COVID-19 related store closures;
- **Expanded Sick Pay Benefits:** Home Depot is expanding its sick pay benefits for [full time and part-time workers](#), and Google announced that it would be expanding sick pay benefits to [contractors and temporary workers](#);
- **Temporary Pay Increases & Bonus Payments:** Target announced a [\\$300 million spending increase](#) focused on raising its minimum wage to \$15 per hour and issuing bonus payments to workers. Similarly, financial institutions such as [Citigroup](#), [Bank of America](#), [JP Morgan Chase](#), and many others are supporting their workers by also issuing bonuses, especially to those workers in retail branches;
- **Emergency Relief Fund:** Amazon is establishing a corporate [emergency relief fund](#) to help workers and contractors deal with the continuing, and unexpected fallout over COVID-19
- **Expanded Child Care and Food Security:** Starbucks is taking a series of steps to support its workforce including [expanding back-up child care services and also adding a new temporary food benefit program](#).

These are just a few examples (and more can be found at [Just Capital's COVID-19 Corporate Response Tracker](#) or our [Responses for Employee tracker](#) for actions being taken by Financial Health Network Members) of the immediate actions large organizations have taken to address worker financial health during this unprecedented time.

For smaller organizations implementing these types of programs may seem daunting and impractical at this moment. However, we encourage workplaces of *all* sizes to continue supporting and addressing their workers' financial health during these challenging times. To help we have created [a resource that identifies the types of solutions our members provide](#) that may help support workers.

Additionally, many workers are going to be eligible for stimulus benefit checks under the Coronavirus stimulus bill. Employers can play a key role here by proactively communicating what the benefits are and who may be eligible. For workplaces with financial coaching benefits this may be an opportunity to connect eligible workers with those solutions as workers may have questions about what to do with their stimulus funds.

## Looking Ahead: The Future of Workplace Financial Health

The challenges highlighted in this brief existed before the pandemic, were exacerbated by it, and unless we do more, they will remain after we recover from it. It is clear that workplace financial health is broader than retirement, insurance, and financial education programs. And the examples above from organizations expanding and adding new benefits highlight the areas workplaces may focus on coming out of this crisis, including:

- **Short-Term Needs and Emergency Funds:** whether it is emergency savings, employer hardship funds, earned wage access, or other programs that provide employees with affordable, non-predatory access to emergency aid it is clear that helping more people in America have access to cash when they need it can go a long way in supporting their financial health.
- **Financial Coaching / Navigation:** financial coaching helps struggling individuals address immediate financial health challenges – such as debt, job loss or difficulties managing a budget – or pursue financial goals such as saving to build an emergency fund or improving credit.
- **Expanded Daily Living Benefits:** child care, sick leave, and paid time off (just to name a few). These are not simply life events, they are daily living realities. Many workplace financial health programs have focused on major life events as their organizing principle. While major life events (marriage, birth, etc) are important, what this crisis has shown is that the day-to-day events like caring for a loved one have just as big of an impact and deserve just as much attention.

Finally, COVID-19 has underscored some of the systemic challenges facing workplaces and worker financial health. These include issues around portability of benefits, broader access to traditional workplace financial health benefits like retirement plans and insurance coverages (for independent workers and small business employees), and the role of creating, defining, measuring, and maintaining good jobs. We are all in this together, and together we can help support financial health needs today and in the future.

We're Here to Help.

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