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The High Cost of Financial Stress in the Workplace



A 2024 American Psychiatric Association¹ mental health poll reported that 43% of adults experienced higher levels of anxiety compared to the previous year. Respondents indicated several issues contributing to their anxiety, with the economy (77%) and paying bills or expenses (63%) being the most significant.

These concerns were in line with worries about their health (63%), keeping themselves or their family safe (68%) and gun violence (69%).

According to ComPsych, the world's largest provider of employee assistance programs, anxiety is now the top reason employees seek counseling, surpassing self-referrals for depression, stress, family issues, and addiction. Untreated anxiety has had direct consequences for both employees and employers.

The Society for Human Resource Management (SHRM), referencing MetLife's annual U.S. Employee Benefit Trends Study², reported that "financial concerns and a persistently high cost of living — which other reports suggest are causing a significant number of employees to live paycheck to paycheck — are the top reasons for poor mental health among employees in 2024, cited by 45 percent." This trend has resulted in higher costs for employers. ComPsych revealed that employee leaves of absence due to mental health issues surged by 300% from 2017 to 2023, with absences lasting anywhere from a few days to several weeks. This rise in absenteeism and productivity losses significantly impacts organizations.

These alarming statistics underscore the importance of employers prioritizing financial

¹ [American Psychiatric Association Mental Health Poll](#)

² [MetLife's annual U.S. Employee Benefit Trends Study](#)



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wellness programs as part of a comprehensive benefits package. Such programs might include financial planning workshops, budgeting tools, and debt management programs. Additionally, offering employees access to one-on-one sessions with financial advisors can provide personalized guidance and support for employees struggling with financial stress.

To further support employees' financial well-being, organizations can implement resources such as emergency fund assistance programs and student loan repayment plans. The SECURE 2.0 Act authorized the establishment of pension-linked emergency savings accounts (PLESAs)³, or short-term savings accounts maintained as part of a worker's retirement plan. Available for plan years beginning after Dec. 31, 2023, plan sponsors may auto-enroll their employees into PLESAs, make employee contributions through payroll deductions, and offer matching contributions. Employers may set a contribution limit of up to \$2,500, which participating employees can withdraw without the penalties typically incurred when withdrawing from retirement accounts.

By equipping workers with tools to manage their finances more effectively, employers can help mitigate some of the key drivers of poor mental health. This investment not only improves employee well-being but also benefits organizations by fostering a more engaged and productive workforce, reducing the costs associated with mental health-related absences.

³ [US Department of Labor Issues Guidance on New Emergency Savings Accounts](#)

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