



FINANCIAL GYM



**A TIMELY
RESPONSE TO
THE GREAT
RESIGNATION**

SETTING THE STAGE

WHO WE ARE

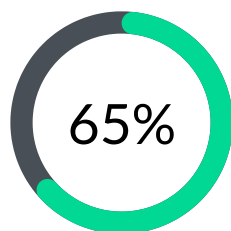
The Financial Gym is a national personal financial services company that takes a fitness-inspired approach to our clients' finances. Certified Financial Trainers™ work with clients one-on-one, virtually, and in physical locations across the country on a regular basis to help them make smarter, more strategic decisions about their finances so they can reach their financial goals. We also work with many employers and their wonderful employees to get their finances in shape. Employees learn financial literacy; specifically, they learn how to be accountable for their money and how to make smarter, and more strategic decisions about their finances, which alleviates financial anxiety and enables a greater focus on their work.

The Financial Gym speaks to topics of financial literacy in a fun, approachable way that your employees can relate to and addresses the stress and anxiety that money matters often bring.

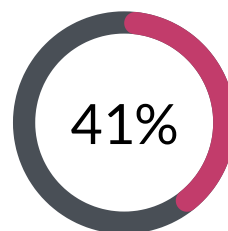
WHY NOW?

Here at The Financial Gym, we have the privilege of fielding personal finance questions from a pre-pandemic world, during the midst of the pandemic, and now how to navigate this new post-pandemic reality. What we can confidently say is the circumstances around money change, but the struggles tend to rhyme across the personal stories that we hear at The Gym. It's no surprise to us that personal financial matters are a national concern and we imagine that they'll continue to be a part of the national conversation moving forward.

"The Great Resignation," as it's been dubbed by many news outlets, has dominated a lot of headlines since early 2021. Employees have been armed with a lot of time to reflect on the circumstance of their work-life balance, stress levels, lack of open communication in their workplace, and are starting to respond in a way that gives them some semblance of control by looking for greener pastures. However, employers can use this time to reflect and evaluate their employee benefits in order to retain employees and attract new top talent by offering a timely tool: personal financial services. According to *Business Insider*, "Sixty-five percent of employers offer some sort of financial wellness program, according to a recent survey by Robert Half International." Additionally, Microsoft research found that 41% of the global workforce is weighing leaving their current employer this year. A strategic game plan is needed to understand and address this growing trend in employee-employer relations and is the main reason this document exists.

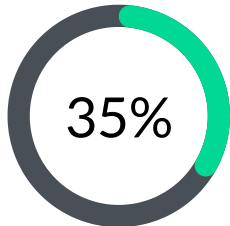


Of employers offer some sort of financial wellness program
- *Business Insider*

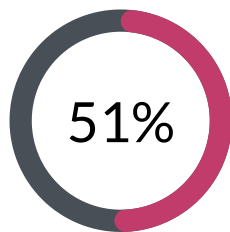


Globally are weighing leaving their current employer this year.
- *Microsoft*

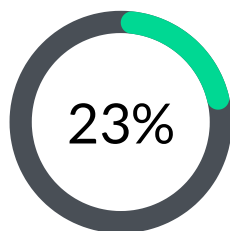
PERSONAL FINANCES: A NATIONAL CONCERN PRE AND POST COVID-19



Surveyed Americans would be unable to cover a \$400 expense with just cash



Responded that the Covid-19 outbreak will make it at least somewhat harder for respondents to achieve their financial goals



U.S Adults with household incomes under \$40,000 are least likely to say they are better off financially

MEASURES OF FINANCIAL HEALTH

The Federal Reserve has sponsored the [Survey of Consumer Finances](#) as a cross-sectional survey of Americans every 3 years since 1983. One particularly interesting question that the survey asks participants is if they would cover a \$400 emergency expense using cash or its equivalent. 35% of adults responded that they would be unable to cover such an expense and the most common approach to cover the expense would be to use a credit card or borrow money from a friend.

COVID-19'S IMPACT ON THE OUTLOOK OF PERSONAL FINANCES

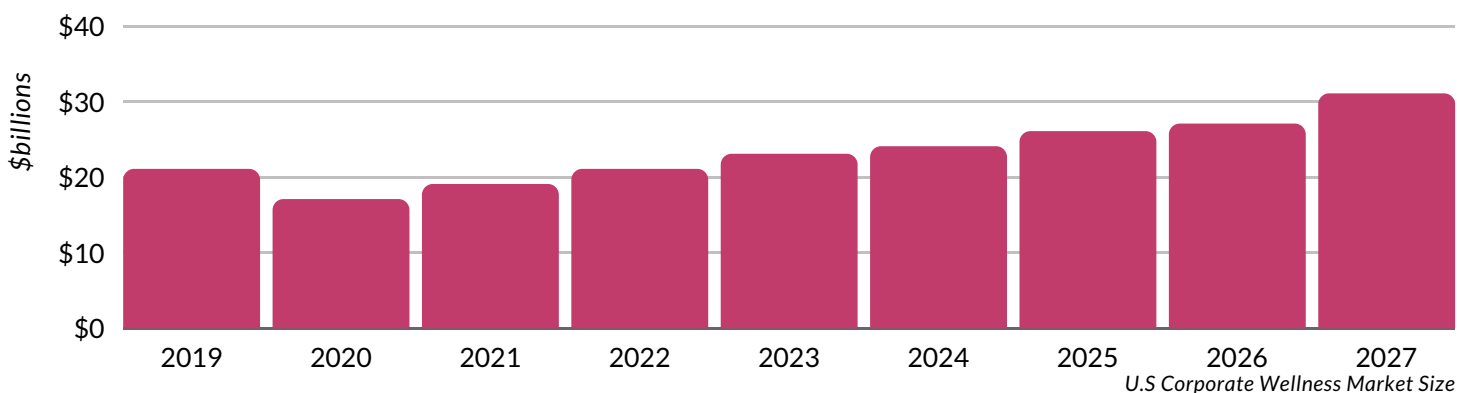
Though the worst of the Covid-19 pandemic feels as if it's over, some working adults have concerns about the economic implications yet to come. Organizations like The [Pew Research Center conducted a study to better understand Americans' financial outlooks](#) and how their personal financial situations have changed amid the coronavirus outbreak. An alarming finding of this study is that "About half of U.S. adults who are not retired (51%) say that, in the long run, the economic impact of the coronavirus outbreak will make it at least somewhat harder for them to achieve their financial goals, with 16% saying it will make it a lot harder." More alarming still, the study found that "Fully three-quarters of non-retired adults who say their financial situation is now worse than it was a year ago believe the economic impact of the coronavirus outbreak will make it harder for them to achieve their financial goals in the long run."

[Gallup has noted the same sentiments regarding respondents' assessments of the personal finances.](#) They find that "Americans across all key demographic groups have become less likely to say they are better off financially than they were last year." A key finding to note, however, is that "U.S. adults with annual household incomes of \$100,000 or more are the most likely group to say they are better off (50%), while those with household incomes under \$40,000 are least likely (at 23%) to say the same."

PERSONAL FINANCES AND THE WORKPLACE

CORPORATE WELLNESS MARKET

In the past couple of years, there has been a rapid increase in the adoption of wellness services in the corporate environment, according to [Cambrian Consulting](#). Companies have increasingly recognized the importance of employees being in a positive state of mind to perform at their best. This is especially reflected by the strong growth of the corporate wellness industry in recent years and its projected growth in the coming years. The market is expected to grow from \$17.8 billion in 2016 to over \$31 billion in 2027. Furthermore, Cambrian Consulting finds that stress management, which is closely related to financial wellness, is expected to be the fastest growing segment in the wellness industry.

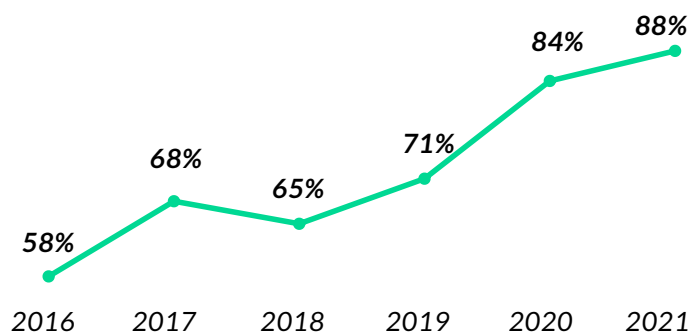
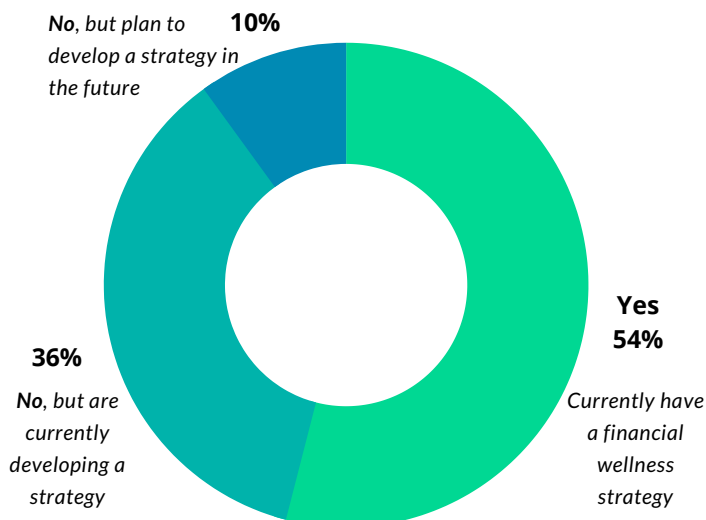


DEVELOPMENT & ADOPTION OF FINANCIAL WELLNESS SERVICES

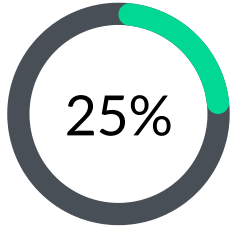
The [Employee Benefit Research Institute \(EBRI\)](#) finds that most companies have a strategy or are developing one to improve their employees' financial wellness. In addition, [Price Waterhouse Coopers \(PwC\)](#) notes the trend in use of financial wellness services offered by an employer over the past decade.

90% currently have or are developing an employee financial wellness strategy - EBRI

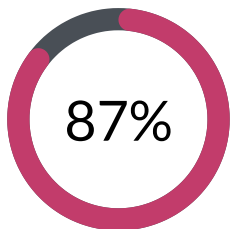
Percentage of employees who responded using financial wellness services when offered by their employer - PwC



THE GREAT RESIGNATION: WORK-LIFE BALANCE & COMMUNICATION



Respondents named work-life balance as the top reason they'd job hunt



Of employees want help with their personal finances

CONCERNS OVER WORK-LIFE BALANCE

One of the consequences of this work-from-home experiment is that employees had a lot of time to reflect on the conditions of their pre-pandemic work-life-balance. Essentially, a sound majority of workers concluded that work-from-home gives them benefits outside of work that were previously thought of as impossible in a pre-pandemic world. As a software developer interviewed by NPR notes, "I do need to pay bills, so I have to work,'he says. But he now believes work has to accommodate life." Furthermore, the Achievers Workforce Institute's fourth annual Engagement and Retention Report found that one if four survey respondents named work-life balance as the top reason they'd job hunt. This same report found that 23% of respondents would stay at their current company if they had work-life balance.

LOSING OUT ON OPEN COMMUNICATION

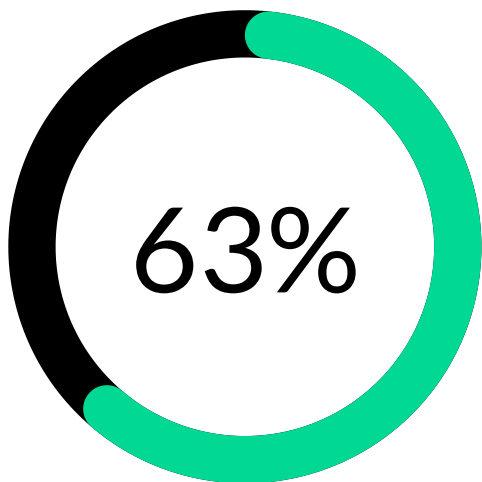
Building and maintaining employee engagement and communication is a top concern or challenge for many employers and their human resources team. One way to achieve this is to facilitate ways to have open communication for the conversations that matter most to your employees. A clear indicator of achieving this is whether or not employers are providing employees with the tools and resources they need in order to address the issues both in and out of work. Price Waterhouse Coopers conducted its 10th annual Employee Wellness Survey of 1,600 full-time employed US adults and uncovered some interesting findings for employers. They found that 1 in 5 employees will wait to seek financial guidance until they experience a financial crisis related to debt, cash flow, unexpected expenses, or job/income loss. Moreover, they highlight that when it comes to personal finances, a resounding 87% of employees want help. Finally, Aytekin Tank, founder of JotForm, a popular online form builder, writes in a Fast Company article: "maintaining employee engagement has always been a top concern for me. And what I've learned over the past year, especially, is that connection comes down to open communication."

THE GREAT RESIGNATION: STRESS LEVELS ON THE RISE

INCREASED EMPLOYEE STRESS LEVELS

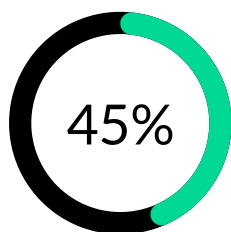
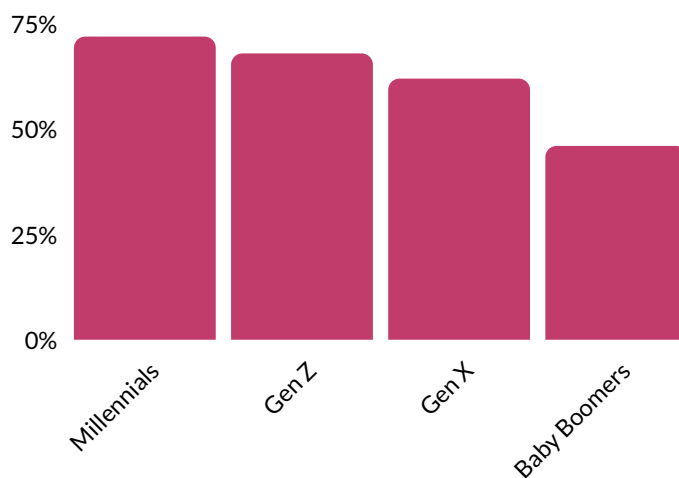
Price Waterhouse Coopers again uncovers some interesting findings around the issue of increased employee stress levels. 63% of employees say that their financial stress has increased since the start of the pandemic. This survey also found that, for those same employees that responded that their financial stressed increased during the pandemic, 45% responded that finances have been a distraction at work, and 72% would be attracted to another company that cares more about financial well-being.

The society of Human Resource Management also conducted a study and found that 83% of HR professionals reported that personal financial challenges had a large impact or some impact on overall employee performance. They go on to claim that financially literate employees tend to have greater focus and less stress, which could result in increased productivity and retention.

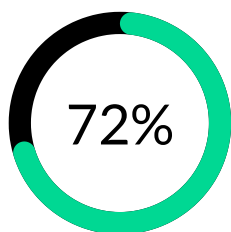


Respondents stated that financial stress has increased since the start of the pandemic

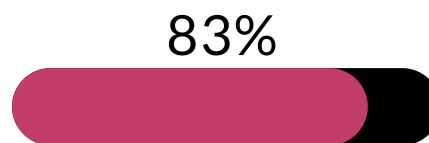
% of Employees Reporting an *Increase* in Financial Stress by Generation



Reported that finances have been a distraction at work



Would be attracted to another company that cares more about financial well-being



Of HR professionals reported that finances have been a distraction at work

A TIMELY RESPONSE: THE FINANCIAL GYM

WE SPECIALIZE IN PLANNING FOR THE LIFE IN WORK-LIFE-BALANCE

Gen-Z and Millennials make up 38% of the workforce right now and that number will increase to 75% of the workforce by 2025). That means a lot of professionals are in their 20s and 30s, years in which a lot of big life events happen, like buying a house, getting married, traveling more, and starting a family. There's a lot of life before retirement. Help your employees sit down with an experienced financial trainer who listens to their needs and can help them plan how to manage all of this *life* in work-life balance. Trainers specialize, for employees at any stage of their career, in trying to unlock more of that important work-life-balance by a series of actionable financial recommendations.

OPEN AND HONEST CONVERSATIONS ARE PART OF THE FINANCIAL GYM MAGIC

Talks around personal finance are some of the most intimate conversations that you can have with a person. As our CEO and Founder Shannon McLay states, "People are more comfortable getting physically naked with somebody than financially naked." The conversations that we have with all of our clients range from the traditional questions around budgeting, retirement, and investing but also more serious scenarios. Some of those situations may be about a partner or spouse taking a pay cut or losing a job, the stress and anxiety that money matters often bring, stress around mounting student loan and consumer debt, and this list can go on. Think of us as a *Genius Bar* for your money and ready to tackle these big questions!

BUILDING AN ACTIONABLE PLAN TO DECREASE FINANCIAL STRESSORS

Building actionable financial plans is what we specialize in! Employees learn financial literacy: specifically, they learn how to be accountable for their money and how to make smarter, more strategic decisions about their finances, which alleviates financial anxiety and enables a greater focus on their work. Our one-on-one sessions respond proactively to the stress that accompanies the weight of financial conversations.

The Financial Gym programming includes:

Personalized one-on-one coaching

Financial education webinars

On-demand financial coaching

Customized financial content



Today, I finished paying off over \$15,000 worth of credit card debit, while managing to build up savings, organize all of my retirement and investment accounts, feel financially secure during a global pandemic, and actually live my life.

-Sasha



I was absolutely desperate when I reached out to Financial Gym. The walls were closing in and I had no idea what to do. Shannon and her team got me on track and in less than a year, I've met my biggest goals and am on track to buy a house and send my son off to college with no stress

-Kathy



We feel lucky to be able to at least take our plan with us so when our income gets back up we can confidently get back in track! I wish I had financial gym in my 20's, I think I would have learned so many things earlier and been in a better position now.

-Ashley



MEETING PEOPLE WHERE THEY'RE AT

In the following pages, we'll share some of the stories that our clients share with us when they begin their journey here at the Financial Gym and notice if they sound familiar to some of things shared by co-workers, colleagues, higher-ups, or a personal financial journey. There are different types of people in all different types of organizations and The Gym is keenly aware that their unique financial needs should be met at every level. As ADP puts it, "for these financial wellness programs to be successful, they must address the needs of all employees, even those for whom saving is more of a challenge and who are struggling with more basic financial challenges."



MEET NATALIE

Natalie works as an hourly cashier at her local juice bar and loves to travel! Throughout college and her 20's she opened numerous credit cards and said yes to all of the trips and vacation suggestions from her friends and family (plus a new outfit or two for each trip). She's still figuring out how to vacation on a budget (she splurged on a bachelorette in Mexico last month, which set her back a little) and is looking forward to being able to travel hack in the future. Natalie knows that it will be a long journey to financial independence that will require time and dedication, but she's up for the challenge!

\$19K

Starting median assets for clients that have a similar story to Natalie

\$52K

Starting median total liabilities for clients that have a similar story to Natalie

661 pts

Starting credit score for clients that have a similar story to Natalie

MEETING PEOPLE WHERE THEY'RE AT



MEET JACK AND TRACY

Jack is an Occupational Therapist and Tracy works as a Project Manager. Both of them have over 10 years of experience and are paid competitively. However, it's not all work! They are avid foodies and adrenaline junkies, always looking to the next great adventure whether it's mountain biking, scuba diving, or hitting the slopes. They regularly pick up new (and expensive) gear along the way. They are trying to find ways to maximize their credit card rewards commonly known as credit card hacking. Both of them worry that they don't have as much saved as their friends or family and aren't in a position to make big financial moves, but it feels hard to discuss without the conversation getting tense. Jack and Tracy needed to hit their first goal of establishing an emergency fund, but they were able to hit it in only a few months!

\$29K

Starting median assets for clients that have a similar story to Jack or Tracy

\$41K

Starting median total liabilities for clients that have a similar story to Jack or Tracy

744 pts

Starting credit score for clients that have a similar story to Jack or Tracy

MEETING PEOPLE WHERE THEY'RE AT



MEET JEN

Jen is the Head of Marketing at her current company and is in her mid 50's. She's been smart with her investments and retirement savings for a long time, and came to the Financial Gym to get some accountability with preparing for retirement in the next 5-10 years. She is working on balancing her own goals with trips to see her family in Seattle every few months, contributing to her grandchildren's college funds, and helping her daughter pay for her student loans. She has a plan to help her daughter manage her student loans and is considering helping her pay down her debt aggressively. She's also started updating and renovating her home to get it ready to sell and is keeping an eye on the condo market in her area.

\$120K

Starting median assets
for clients that have a
similar story to Jen

\$6,601

Starting median total
liabilities for clients that
have a similar story to Jen

791 pts

Starting credit score for
clients that have a similar
story to Jen

THE IMPACT ON OUR CLIENTS FINANCES: BY THE NUMBERS

Closing the year from March 2020 through March 2021, data was collected and analyzed internally by all Financial Gym Trainers and support staff in order to better understand the impact our services have on the financial lives of our clients. The report quantifies and illustrates the financial impact that our membership program has on our clients' ability to get financially fit, both on paper and in their relationship with money.

These are some highlights:

231%

Increase in a clients overall net worth after 6 months

13 pts.

Client credit scores had a median increase of 13 points in 6 months

44%

Median decrease in unsecured debt after 6 months

144%

Median increase in emergency savings after 6 months

75%

Of clients surveyed reported a decrease in financial anxiety within 3-6 months since starting with The Financial Gym

96%

Of clients surveyed reported an increase in confidence in their finances within 3-6 months of starting with The Financial Gym

TO SUMMARIZE...

CONCERNS OVER WORK LIFE BALANCE

Coming out of the pandemic, many people took stock of their work-life balance and are starting to weigh that more heavily when it comes to deciding on a new position or staying at their current company.

LOSING OUT ON OPEN COMMUNICATION

A feeling of increased communication doesn't always have to come directly from your leadership team. Most important is to facilitate ways to have open communication for the conversations that matter most to your employees. One way to achieve this is for employers to provide their employees the tools and resources they need in order to address the issues both in and out of work.

INCREASED EMPLOYEE STRESS LEVELS

According to a Price Waterhouse Coopers survey of 1,600 employees, 63% of employees say that their financial stress has increased since the start of the pandemic. 45% of those respondents reported that finances have been a distraction at work, and 72% would be attracted to another company that cares more about financial well-being.

WE SPECIALIZE IN ADDRESSING THE LIFE IN WORK-LIFE-BALANCE

Help your employees sit down with an experienced financial trainer who listens to their needs and can help them plan and maximize the life in work-life balance.

OPEN AND HONEST CONVERSATIONS ARE PART OF THE FINANCIAL GYM MAGIC

When a company helps its employees feel confident about their financial wellness, the company benefits by having a workforce that focuses on their work rather than concerns over their mortgage, rent, or groceries. Trainer on Demand allows your employees to have a 'Genius Bar' at their disposal to answer all their personal finance questions filled with empathy and a judgement-free zone.

BUILDING AN ACTIONABLE PLAN TO DECREASE FINANCIAL STRESSORS

Through our multiple touch points, employees learn financial literacy by learning how to be accountable for their money decisions, make smarter and more strategic decisions about their finances, which alleviates financial anxiety and enables a greater focus on their work.

TALK TO YOU SOON

We hope you've learned a thing or two from the insights in this report and that it gave you actionable recommendations for how respond to this critical time in employer-employee relations.

Wondering where to go next?

We'd love to talk to you about how we can provide interesting solutions to the present challenges facing your company

[Get in touch](#)

Reach out directly to:

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AUTHOR

This report was researched and written by:

HECTOR LOPEZ

Hector became passionate about personal finance when he started to get his own finances in order. He is a teacher at heart, and works diligently towards making sure clients understand the power and freedom to be gained from financial literacy. In both big and small ways, in the short or long-term, he is excited to partner up to help others reach their financial goals

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[Linkedin](#)

ADDITIONAL CONTRIBUTORS:

JOY LIU - HEAD OF TRAINER ACADEMY

Joy's passion for personal finance sprouted from the power and agency she felt after learning the principle of paying yourself first and building up her emergency fund. The emergency fund gave her the freedom to leave a toxic job without already having another one lined up. She then decided to dedicate her life to helping others gain that same sense of financial confidence to make life choices based on what was right for them and not be at the mercy of a paycheck.

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GEORGINA MURI - HEAD OF IMPACT AND CSR

Georgina discovered the sense of accomplishment that comes with mastering your finances in grad school, covering her tuition and paying off \$30k+ in additional student loans while working as a server. After working in a variety of other sectors, Georgina became a financial trainer in order to share her knowledge, make financial wellness more accessible, and help clients use their money to create the changes they want to see in the world, no matter how much they have. Georgina is passionate about impact investing and social entrepreneurship and is an advocate for financial inclusion, small business, and women's empowerment.

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APPENDIX

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