



## Are Your Employees Financially Stressed?

by [Steve Brown](#)

A new study by John Hopkins gathered tracking device data from 12,500 people for a week. It found 19Y olds have the same activity levels as 60Y olds. That's right, younger people these days are sitting around playing videos or doing homework, rather than getting out and running around. The research finds it isn't until the 20's that activity levels increase, only to then decline again at 35. Since physical activity is known to reduce stress, you may want to think about initiating a company baseball team or running club for financially stressed employees.

We bring this up today because more than half (56%) of employees are stressed about their financial situation, according to Bank of America Merrill Lynch's 2017 Workplace Benefits Report. Among those who are stressed, 53% say it interferes with their ability to focus and be productive while at work.

Although these statistics are disconcerting, it's not all doom and gloom. The study's findings also offer a glimmer of hope. It turns out that employers can play a vital role in improving the financial lives of their employees. While the survey wasn't specific to banks, there are several takeaways banks can glean from the findings. Here are some simple steps to help ease some of the financial burden that your workers may be facing.

**Tip 1:** Help them save more for retirement. According to the study, 64% of employees are worried about running out of money in retirement. Banks can help in this effort by providing a compelling company match and auto-enroll employees to increase participation rates.

**Tip 2:** Offer to help manage employee finances. According to the study, many employees said they would take a more active role in managing their finances if they had a regularly scheduled financial review (50%) or a personalized action plan (49%). Notably, 86% of employees said they would participate in a financial education program offered by their employer.

**Tip 3:** Get active with employees. At least 40% of employees say they would like their employers to take a more active role in supporting their financial lives. This could include bringing in financial professionals, offering education tailored to their age and finances and providing access to a personalized financial plan. Community banks are in a good position to help with these needs.

**Tip 4:** Provide stellar health care benefits. As the cost of health care skyrockets it's not surprising that many employees feel stressed out by increasing out-of-pocket costs. What's most worrisome, perhaps, is that among employees whose health care costs have gone up, 56% say they are contributing less to their financial goals as a result.

**Tip 5:** Look into wellness programs. One way to help curb health care costs is to institute wellness programs. Research suggests that carefully planned and thoughtfully executed wellness programs (especially disease management programs such as flu shots and health screenings) can help rein in costs. Other popular wellness programs include gym memberships, smoking cessation programs and weight-loss programs.

**Tip 6:** Take special care of your millennials. The study found that millennials are more than twice as likely as baby boomers to say that financial stress interferes with their ability to focus and be productive at work. Stress also weighs more heavily on younger workers' health. What's more, younger workers dedicate more time each week at work to their personal finances (4 hours on average). That's double Gen Xers and 4X that of baby boomers.

Certainly every bank's needs and those of your employees are different. But, when it comes to relieving financial stress for employees, you are in a good position to help. Survey your employees to better understand the areas of financial stress and look for some simple but effective options like these. From there, you may be on your way to happier and more financially fit employees no matter their age or level of physical activity.

# ECONOMY & RATES

## Yesterday

Yields ended down 1bp as investors reviewed fresh economic data.

Rates As Of: 09/15/2017 04:27PM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	1.03	0.04	0.53
6M	1.17	0.09	0.56
1Y	1.29	0.07	0.48
2Y	1.38	0.05	0.19
5Y	1.81	0.10	-0.12
10Y	2.20	0.09	-0.24
30Y	2.77	0.04	-0.30
FF Market	FF Target	Fed Disc	
1.16	1.25	1.75	
Prime	Unemployment	Oil	
4.25	4.40	\$50	

[More Market Rates](#)

## BANK NEWS

### Marijuana Shift

Bloomberg reports the state of Hawaii plans to be the first state to allow marijuana dispensaries to do sales without cash. The state has asked the dispensaries to ask customers to use a debit payment app to buy marijuana instead of paying in cash. Banks will have to think about how to monitor this activity under BSA-AML rules given how difficult it might be and the fact that the app taps into bank accounts for payment.

### Industry Pressure

The prior CEO of Citibank (Vikram Pandit) predicts 30% of bank jobs could disappear in the next 5Ys, as artificial intelligence (AI) and robotics reduce the need for certain types of jobs.

### Cryptocurrency Fraud

Bloomberg reports Jamie Dimon, the CEO of JPMorgan, called cryptocurrencies like bitcoin a "fraud," "worse than tulip bulbs," and that he would fire any employee for trading them. He said these would eventually blow up and it "won't end well." You can be the judge, but he is in a pretty good seat to see what is going on in the fintech landscape so bankers are taking notice.

### Cyber Risk

The Wall Street Journal reports the Department of Homeland Security has ordered federal agencies to identify and remove products running on government computers from Kaspersky Lab. DHS is concerned Russian intelligence could compromise US systems using Kaspersky cybersecurity software. Community banks should do a quick review with their IT teams to identify any such exposures.

### Higher Rates

Investors expect the European Central Bank (ECB) to announce its plan to reduce quantitative easing purchases at their October meeting with a trigger date beginning in Q1 of next year.

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