



# Global financial wellbeing report 2023

Why financial education breaks organizational barriers and helps individuals thrive

# Foreword

Our latest research reveals that financial anxiety is a global problem.

Across the world, employees have a lot on their plates. With inflation stubbornly high, the cost-of-living remains a sharp focus. Meanwhile, stock markets are volatile creating retirement fund and investment ambiguity. Financial misinformation and scams are also rife – all adding to anxiety.

In addition, employers have their work cut out trying to balance increasing costs and market uncertainty with a competitive employment market. Recruiting and retaining key talent remains the number one objective of HR leaders.

But there is a solution – a financial wellbeing program – and this research provides the evidence employers need to build the case.

With 51% of employees saying these programs boost their commitment to their employer, the return on investment is clear. We're excited and proud to have unlocked this treasure trove of data on employee attitudes from around the world.

There is extra detail this year from the global benefit leader interviews – collectively responsible for over a million employees. Their insights provide practical advice for us all. We are very grateful!

*Jeremy Beament*

**nudge co-founder**



# Introduction

In 2021, record low interest rates and quantitative easing fuelled economic buoyancy, disguising significant structural financial issues. But when the U.S. stock market lost nearly a quarter of its value and inflation threatened a global recession in 2022, the underlying problems facing employees and organizations were exposed.

**Today, not only are billions of people financially precarious, but they're also acutely aware of the dangers that face them.**

When commissioning this research, the objective was to understand how the world's top employers are improving their employees' financial wellbeing and the role of financial education in the process. This report outlines the key results from a multi-pronged global study, including interviews with HR and benefits leaders, as well as mixed-method qualitative and quantitative analysis comparing the general population against nudge users – accounting for millions of employees in total.

As a result, this research reveals what the optimal financial wellbeing program looks like to achieve maximum impact for both employees and employers. It concludes:



Global people leaders agree on the cross-organizational opportunity of financial wellbeing.



Employees want and expect more from their employers; financial education is more than just a nice to have.



The optimal financial wellbeing program recognizes, and talks to, individual employee needs – providing personalized help to build essential financial knowledge and skills.



Financial education brings wide-ranging positive impacts to the organization, as well as the individual.



# Financial wellbeing has become the whole organization's responsibility

People are aware of the precariousness of their financial situation, and organizations have been called upon to help. The data from employees around the world in fig.1, shows high levels of financial anxiety and debt, as well as low levels of saving and preparation for retirement.

Fig.1

PEOPLE GLOBALLY WHO FEEL ANXIOUS ABOUT THEIR FINANCIAL SITUATION:



“  
What role does education play in financial wellbeing?  
It is everything.  
Benefits leader in Manufacturing with 28,000 FTE

Fig.1 A

PEOPLE GLOBALLY WHO FEEL THEY ARE SAVING ENOUGH:

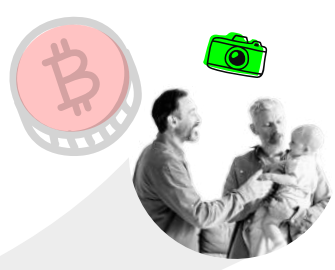


Fig.1 B

PEOPLE GLOBALLY WHO ARE IN CONTROL OF THEIR DEBT:

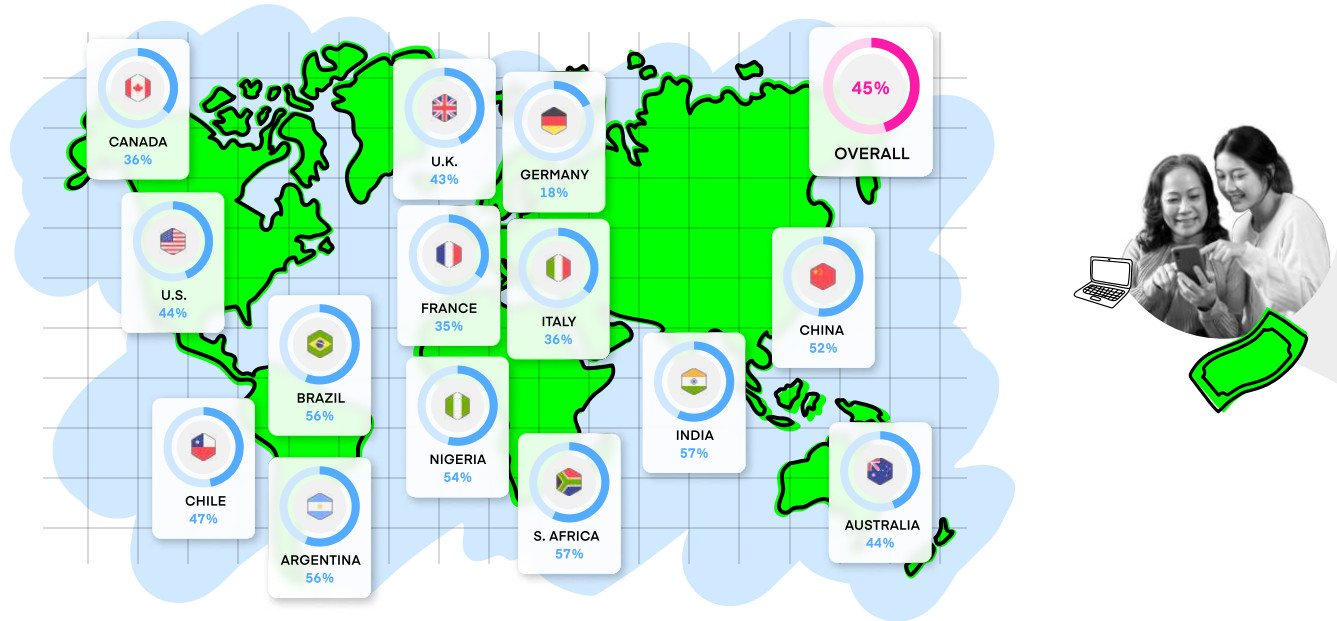


Fig.1 C

PEOPLE GLOBALLY WHO FEEL PREPARED FOR RETIREMENT:



Globally, organizations recognize their responsibility, and the opportunity they have to tackle the problem outlined in fig.1.

89% of the HR leaders we spoke with said improving the financial health of their people was the top priority of their employee benefit and wellbeing programs.



# A cross-organization approach to financial wellbeing

Research<sup>1</sup> found financial wellbeing programs can help employers reduce churn, manage workplace costs and improve productivity. Therefore, the ambition to improve employee financial wellbeing is shared by leaders of multiple teams: C-Suite; Diversity, Equity, and Inclusion (DEI); Environment, Social, and Governance (ESG); and HR. It's consistently recognized to be essential to retaining and engaging employees, ensuring equity within the organization, and helping people achieve overall holistic wellbeing.

However, the research showed that one significant challenge remains for many organizations, initiatives to improve financial wellbeing are siloed. Global and regional teams focused on DEI, ESG, and employee benefits aren't always working together which is causing inefficiencies, as well as making benchmarking and progress difficult. **To improve financial wellness across the organization, leaders must work collectively to break barriers and ensure an integrated approach.**



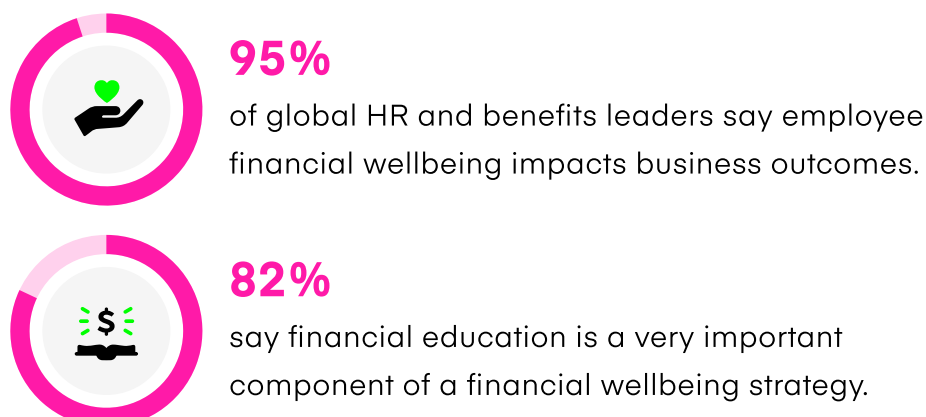
Financial wellness can undoubtedly support DEI... [That's why] It's very important to have financial wellness benefits that provide varied types of support.

Global DE&I leader in Pharma with 20,000 FTE

# Financial wellbeing is a critical component of organizations' business and wellbeing strategies

The research revealed a clear trend: Business leaders recognize the importance of providing employees with financial education (fig.2).

Fig.2



1 | <https://www.pwc.co.uk/pensions/assets/financial-wellbeing-report.pdf>

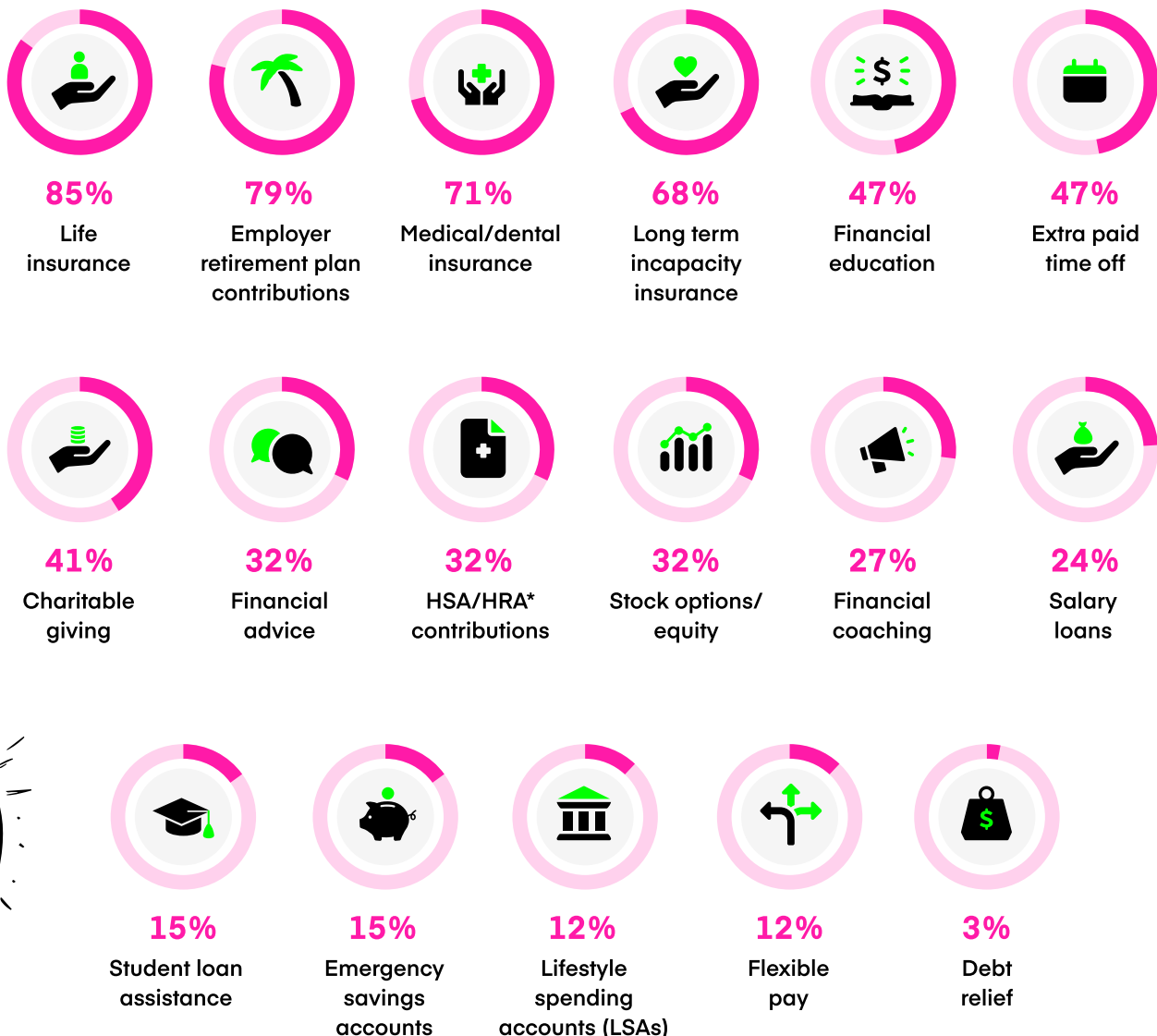
# The financial wellbeing market is crowded, making it difficult to know which tools will have the greatest impact

Because the advantages of improving employee financial wellbeing are so broad, there are many product providers promising to help (fig.3). The research shows that employees are provided with a range of products and services, many of these do not align and conflict with the sponsoring employer’s overarching program objectives.

For example, many respondents commented how salary loan benefits conflicted with their organization’s objectives of improving employee debt.

Fig.3

## FINANCIAL WELLBEING BENEFITS BEING PROVIDED:



\* Health Savings Account / Health Reimbursement Account

# Unbiased financial education is critical

Driven by growing employer demand, an increasing number of financial wellbeing product providers are building 'education' into their propositions. One of the challenges with this is the underlying provider motivation – namely, to sell their products or services.

The U.S. Consumer Financial Protection Bureau warned against this trend a decade ago, but this message is yet to reach many employee benefits leaders. As we will see later, when education is unbiased there are multiple positive impacts to the individual and organization in bringing a global workforce and siloed teams together.

The research shows there's a great opportunity for departments and geographical teams to align to improve employee financial wellbeing. We must now understand and address the expectations from our global employee respondents, which we explore in chapter 2.



## Consider these next steps:

- Align your internal teams, DEI, ESG, payroll, and HR leaders, to agree on your organization's consistent approach to financial wellbeing.
- Take stock of how employee benefits and financial wellbeing support differs country by country.
- Take time, and care, to understand each of your vendors' motivations.
- Design a program that addresses the gaps and opportunities identified from your observations to break internal barriers created by teams and geography.



Not all financial education is the same. We take a long time to suss out our individual vendor's real motivations.

**Global Wellbeing Lead in Technology**  
with 15,000 FTE





# The employee demand for financial education and expectations on employers have increased

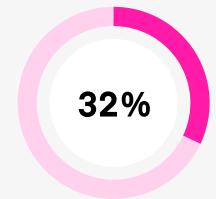
Chapter 2

This chapter uncovers that the need for financial education that is accessible and unbiased is urgent, and employees expect their employers to provide it.

Organizations know that building a strong relationship with their employees is critical to their business success, and fig.4 shows that many recognize that financial education could play a key role in 2023.

Meanwhile, fig.5 shows that employers who provide financial education outpace those who don't with regards to the employee-employer connection.

Fig.4



of HR and benefit leaders say financial education will be the next big employee wellbeing trend for 2023

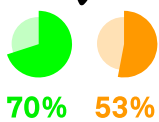
Fig.5

## COMPARING GLOBAL EMPLOYEES WHO HAVE FINANCIAL EDUCATION BENEFITS TO GLOBAL EMPLOYEES WHO DO NOT:

● With financial education    ● Without financial education

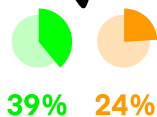


I believe that having diverse benefits helps to build employer-employee commitment.



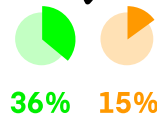
Overall 66%

My relationship with my employer is strong and goes beyond being purely transactional.



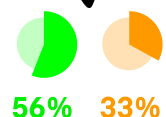
Overall 35%

I believe that my employer is interested in supporting my personal financial goals and will help me achieve them.



Overall 31%

Wellbeing benefits, such as financial education, make me more committed to my employer.



Overall 51%

The data in fig.5 demonstrates that financial education has become a business imperative. Recent research<sup>2</sup> also shows that loyal, engaged employees are more productive, leading to dramatic increases in profitability. But the reverse is also true: When employers don't have loyalty, employees are disengaged and more likely to leave the organization.

2 | <https://nudge-global.com/campaigns/can-we-connect/>

# Employees want, and expect financial education support from their employers

With financial education proven to improve employee engagement, loyalty and retention, it is perhaps unsurprising that employees now expect their employers to provide it.

The data in fig.6 clearly shows that employees want, and expect, employer-provided financial education, this also differs slightly by region (fig.6 A). Additionally, when compared to research conducted by nudge in 2022<sup>3</sup>, we see that the expectation for employer-provided financial education, is accelerating.

**In fact, between 2022 and 2023, the number of people who want employer-provided financial education benefits increased by 62%.**

Fig.6

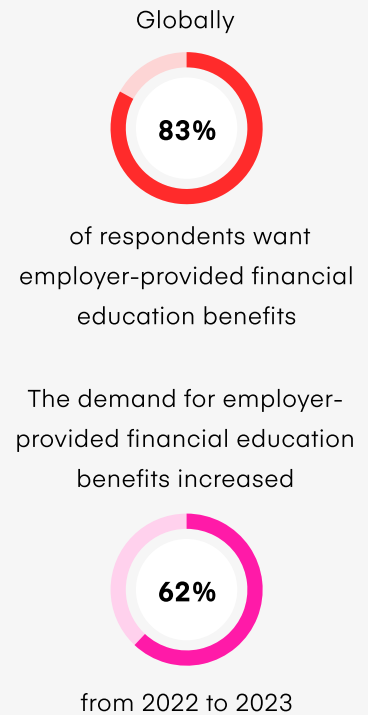
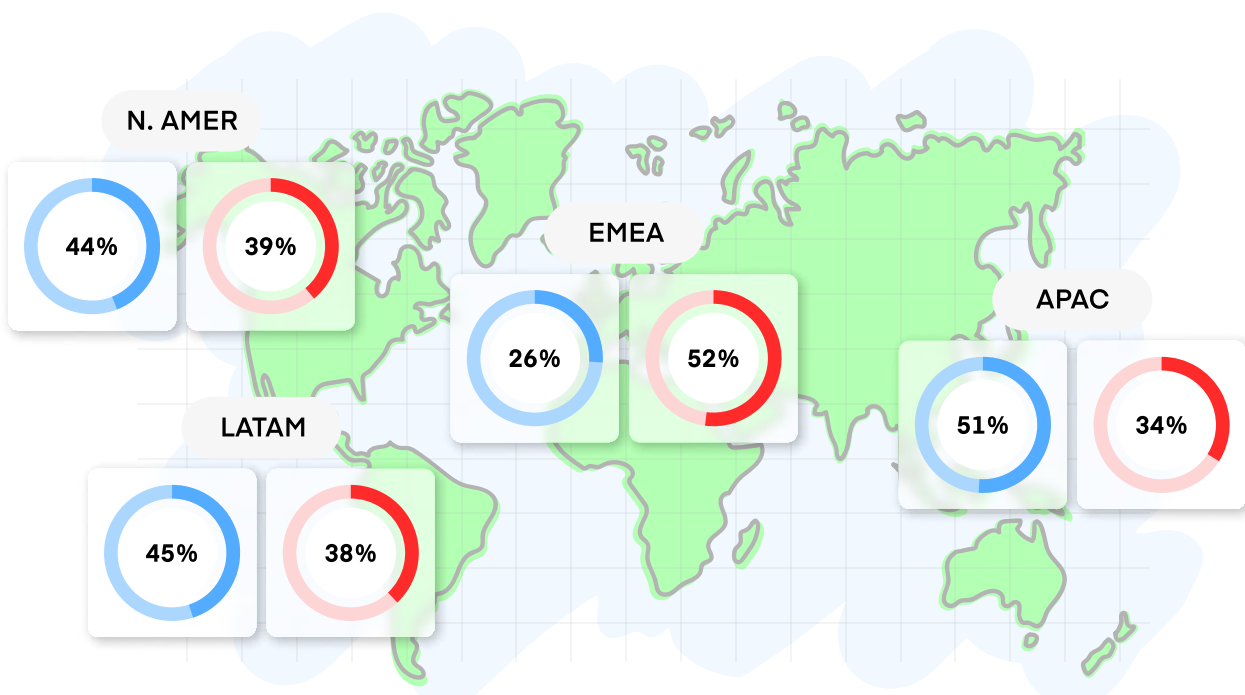


Fig.6 A

PEOPLE WHO WANT FINANCIAL EDUCATION, SPLIT BY THOSE WHO CURRENTLY GET THIS BENEFIT AND THOSE WHO DON'T:

- Do get financial education
- Don't get financial education

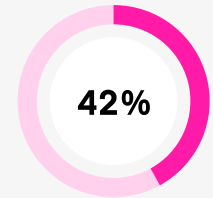


# The power of financial education

Organizations provide a wide range of financial products, from HSAs to student loan forgiveness, and more (fig.3). As we'll explore in chapter 3, **the research shows that financial education has the greatest positive influence on financial wellbeing.** However, fig.7 shows while 42% of respondents want their employer to provide these benefits, only 20% of employers provide them.

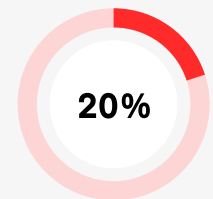
It's not surprising employees want their employers to provide financial education. **Fig.8 shows that when people use financial education benefits, there is a corresponding increase in financial wellbeing. And the benefits compound with greater frequency.**

Fig.7



of employees want their employer to provide financial education benefits

YET ONLY



of employers provide financial education benefits



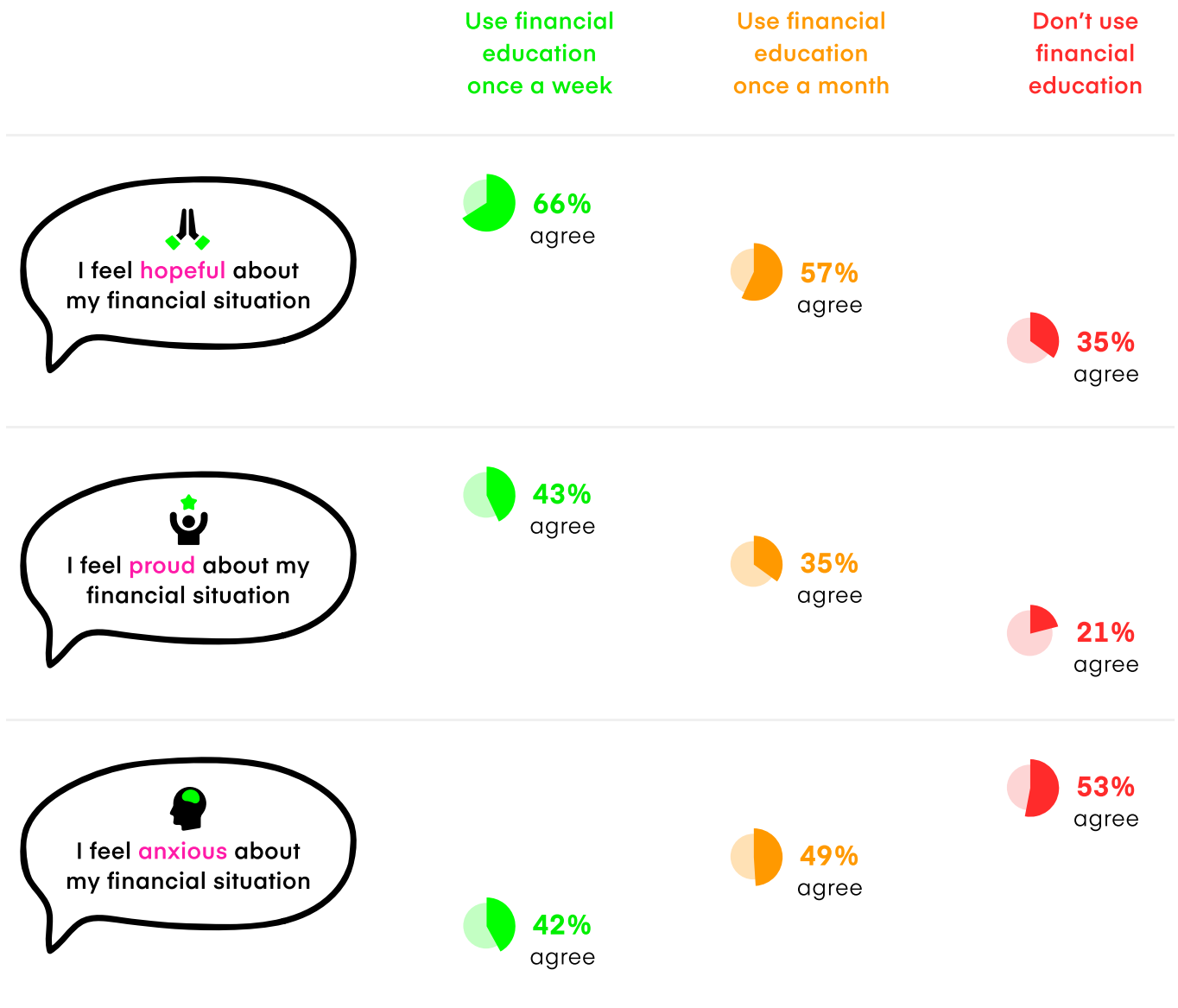
[Financial education] is a needed benefit – I think all employers should be providing this benefit.

Global benefits leader in IT Consulting with 50,000 FTE



Fig.8

The more often people use financial education, the more their financial wellbeing improves.



The research shows there's great impact from, and great demand for, financial education among both employers and employees. But with so many options out there, we must now address how organizations can be sure they select the optimal solution.



**Consider these next steps:**

- Review your current financial education and benefits to improve financial wellbeing. What is the employee uptake and feedback?
- Do your current offerings cater to your global workforce?

# Tangible effects of personalized, frequent financial education



The most impactful financial benefits that we offer are those that are most accessible and personally meaningful.

Wellbeing Lead in Financial Services  
with 5,000 FTE

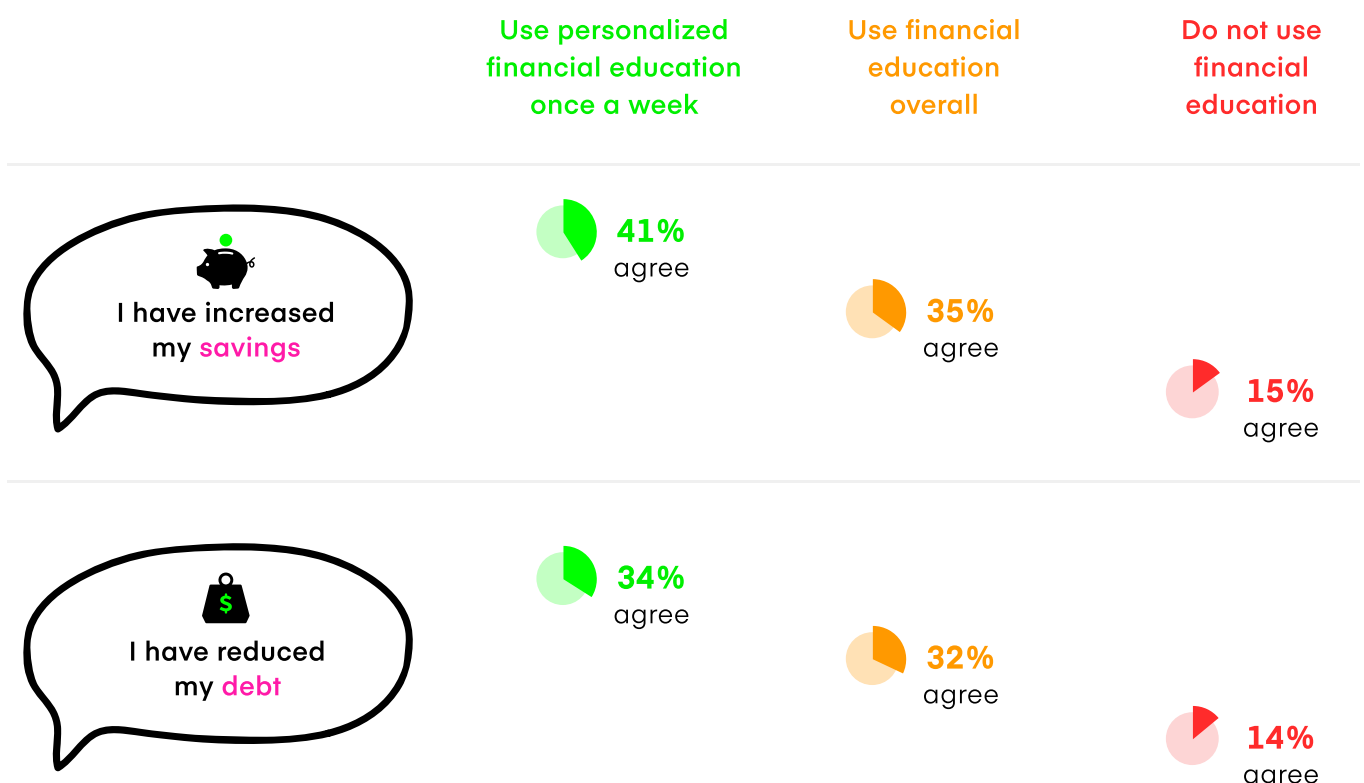
When exploring what the optimal financial education solution comprises of, the research showed that to meet individuals' unique needs, a personalized approach to financial education results in better financial wellbeing.

A personalized approach means that the education has relevant, and therefore relatable, content and the delivery is tailored to the specific geographical locations so that it resonates when the individual consumes it. Fig.8 showed that the more someone uses personalized financial education, the more hopeful and proud they are of their finances. And the benefits go even further – the higher the financial education engagement, the lower peoples' debt and higher their savings (fig.9).



Fig.9

The more often people use personalized financial education, the more their financial wellbeing improves.



# Financial education that is diverse and accessible breaks silos and helps organizations to thrive

With employees spread across the globe, it's easy for employees to become siloed. This can cause friction that many organizations are attempting to remedy through DEI programs or ESG initiatives. But with truly differentiated employee benefits such as financial education, organizations can remain globally relevant while accounting for local nuance and individual need.

Fig.5 showed that when employers provide globally inclusive but localized financial education, this removes the barriers to strong employer-employee relationships.

The interviews, some of which are sampled below, uncovered that personalized financial education solutions help global organizations<sup>4</sup> address the local needs of their people.



As we are growing quickly and globally, moving towards being a global service offering for our clients, we'd love to reach a stage where we're very much borderless, and so we need a global mindset in everything that we're doing.

**Global CPO**

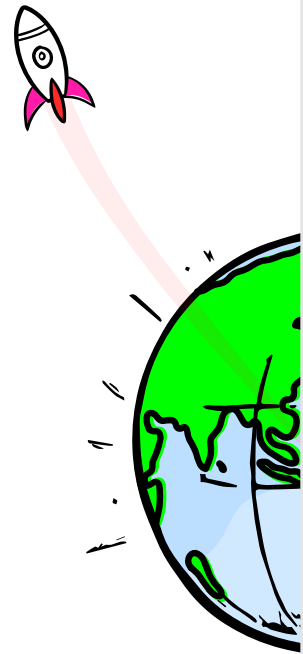


Make it global: when creating new global compensation processes or benefit offerings it is important to ask, what can I do on a global basis that will reach all of my people?

**Global reward manager**



# The importance of a personalized approach to accessibility



Additionally, when asked what learning methods and materials were most important and helpful to global employees, responses varied based on age, region, and income. **To provide accessible financial education to all employees, organizations must ensure they offer a range of learning options and methods to suit and engage each individual.**

Fig.10 outlines the learning preferences of different age groups. Short videos are strongly preferred by those aged 16 to 44. Meanwhile, people who are aged 45 and older prefer television and reading periodicals. Similarly, people’s preferences range depending on where they live, with respondents from Latin America and APAC preferring short videos and respondents from North America most likely preferring to learn using written materials (fig.10 A).

Fig.10

## LEARNING PREFERENCES BY AGE:

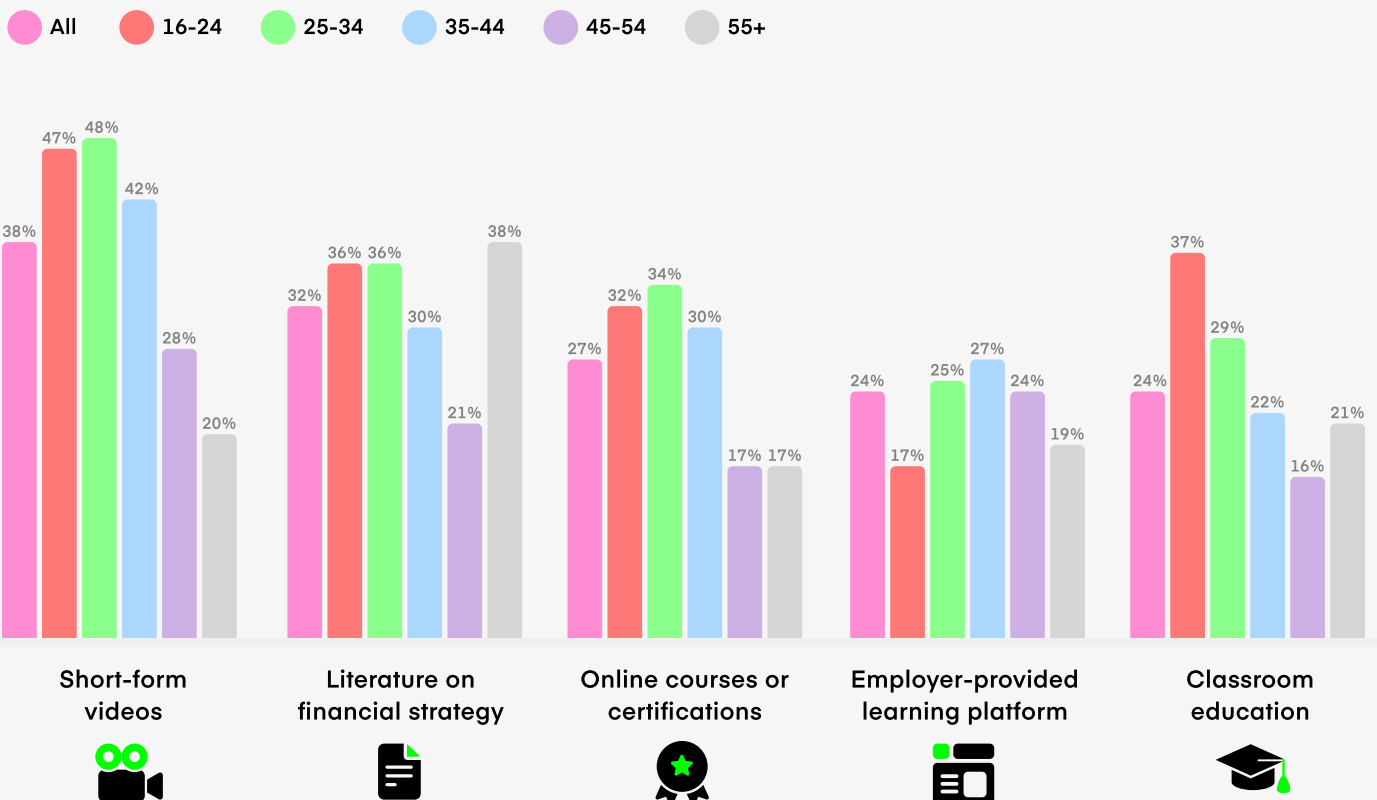
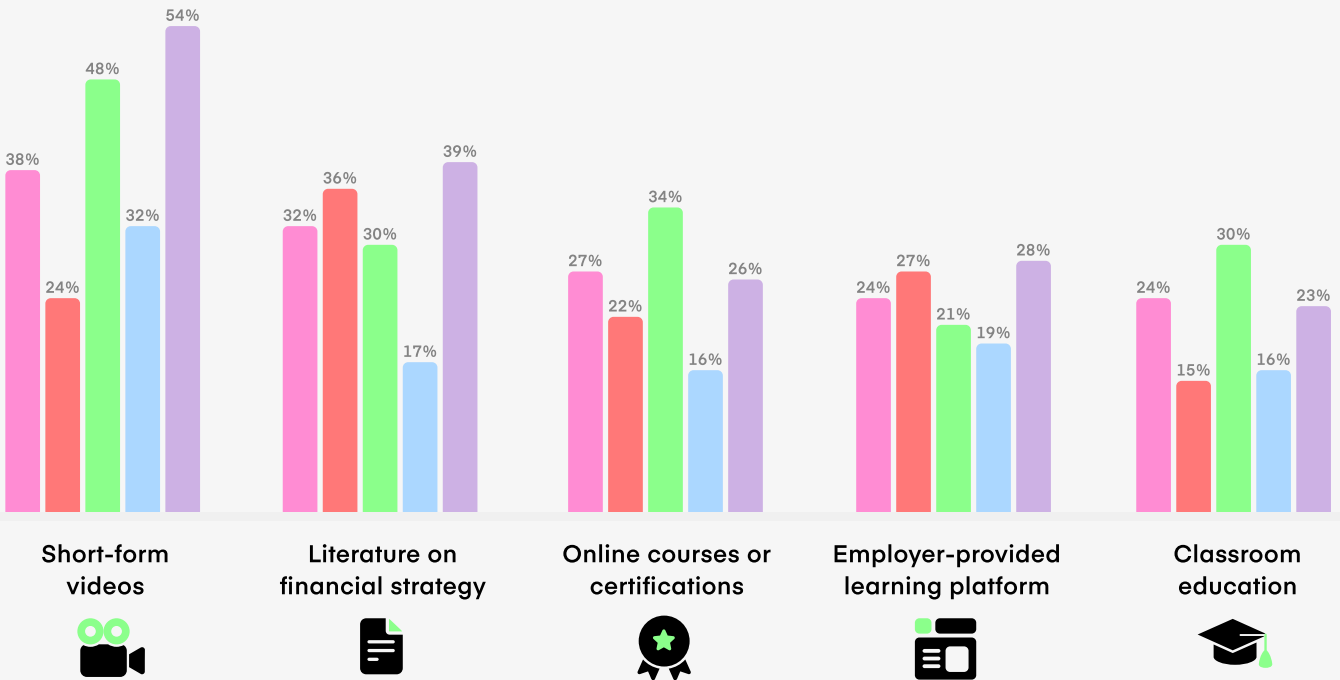


Fig.10

LEARNING PREFERENCES BY REGION:

● All ● N. AMER ● LATAM ● EUROPE ● APAC



**The data is clear: A one-size-fits-all approach to financial education doesn't work.** This is especially true if your employees are spread around the world.

Inclusive financial education breaks barriers, unites your global workforce and brings teams interested in financial wellbeing together. As explored in chapter 1.



[We're] Trying to understand what a diverse population of employees at different stages in their careers and with different life circumstances need, and then connecting these individuals to the information that is relevant to them and necessary for them to succeed. [Financial education needs to be] Customizable, relevant, accessible, tailored to people's needs.

Benefits leader in IT Services with 300,000 FTE





## The importance of behavioral psychology and interactivity to drive personal finance action

Financial education engagement is greatest when it is interactive and built on the science of behavioral psychology.

Interviews with HR leaders revealed several ways that financial education can leverage interactivity and behavioral psychology to drive engagement:



Direct users to think about, share, and commit to their goals.



Ask users questions about their financial and overall wellbeing so they can self-assess and have clear next steps on how to improve.



Allow users to personalize the kind of content and engagement they get from the platform so it is relatable and actionable.



Provide users with interactive money management tools to turn learning into action.



Most importantly, use prompts to drive action.



## The importance of prompts to drive engagement

With money topics changing daily, the opportunities and gains of engaging with financial education are constant. Leaders should therefore consider solutions that prompt employees to get involved on an ongoing regular basis.

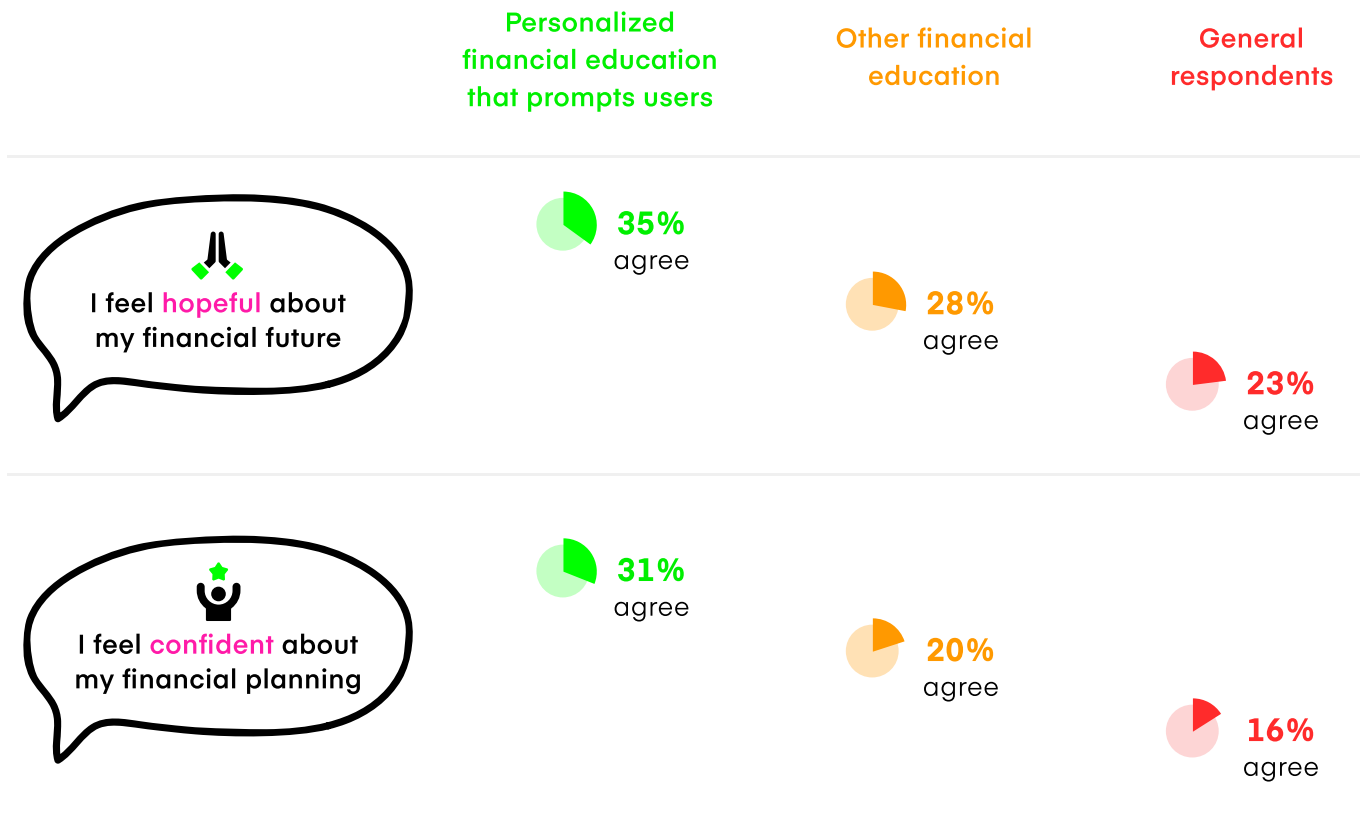
Behavioral scientist BJ Fogg's thesis<sup>5</sup> on persuasive design underscores the importance of prompts as a driver of behavioral change. Providing a user with a prompt when motivation and or ease is highest are the most effective, resulting in highest engagement.

Users of the optimal solution are “nudged” when their engagement dips. As Fogg’s scholarship suggests, there are practical benefits to this approach:

Users who are prompted to use personalized financial education are more likely to act, and experience greater financial wellness.



Fig.11



# The importance of benefits education as part of a financial education solution

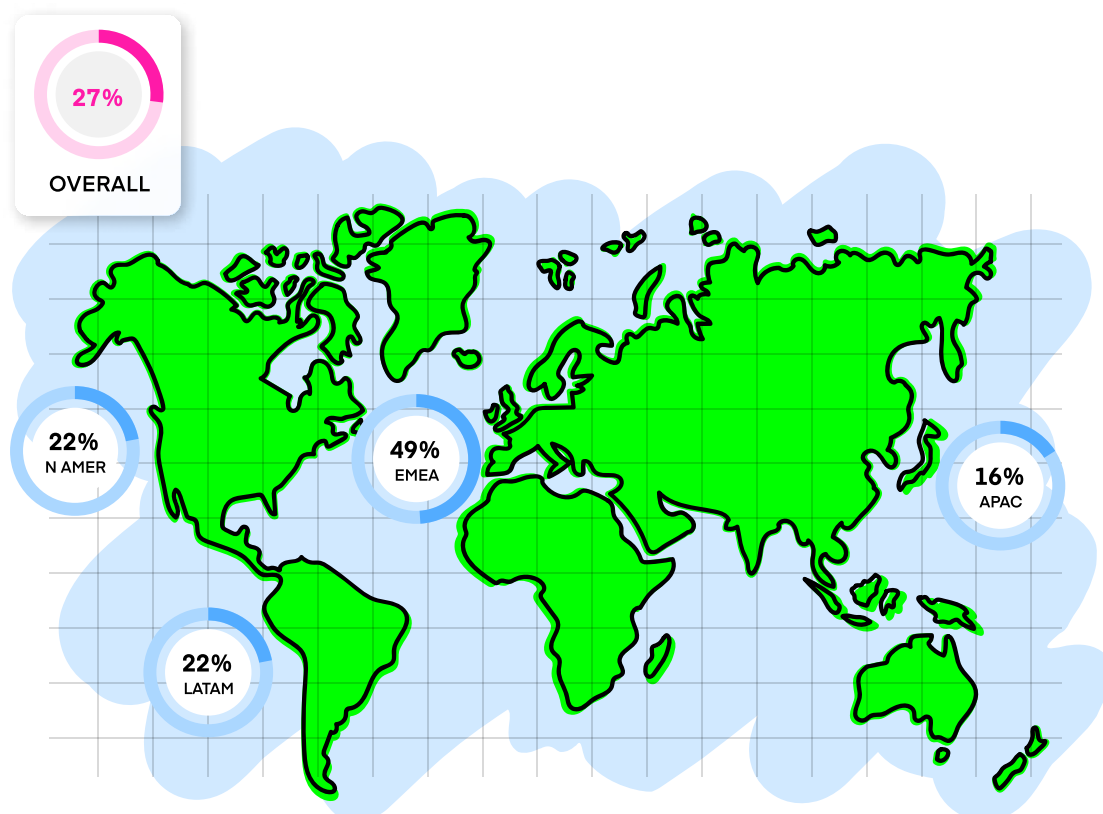
The final characteristic of the optimal solution is the inclusion of education on the support available, from both employer provided benefits and government programs.

The data shows that employees who engage in financial education are much more likely to understand, and therefore use, employee benefits and government-provided support.

Fig.12 shows that a significant population do not understand their employer-provided or government benefits. This is a problem across all demographics and particularly seen in EMEA.

Fig.12

**EMPLOYEES WHO DO NOT UNDERSTAND THEIR EMPLOYER-PROVIDED BENEFITS OR GOVERNMENT PROGRAMS:**



But, employer-provided benefits that include financial education play an important role in improving understanding.

**19% of global respondents who use optimal financial education say they have a strong understanding of their employer benefits**, and 13% say they have a strong understanding of government programs. Only 5% (employer-provided) and 3% (government) of respondents who don't use financial education could say the same.

Additionally, the research showed that those who use financial education more frequently have significantly greater awareness and understanding of their benefits.

What does this mean in practical terms? With financial education, people utilize their benefits more, which will add to their holistic wellbeing. As an example:

Fig.14

**RESPONDENTS WHO HAVE INCREASED THEIR CONTRIBUTIONS TO RETIREMENT SAVINGS:**

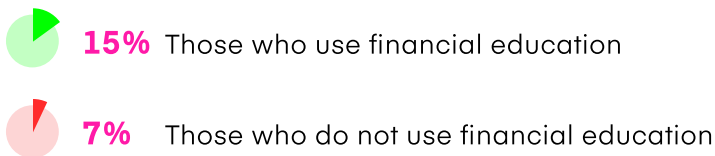
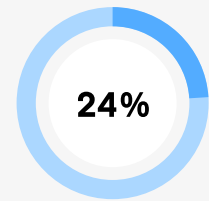


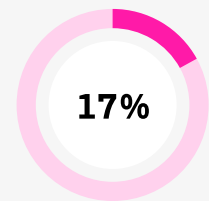
Fig.13

Employees **who use** financial education once a week, have a



improved understanding of their **employer-provided benefits**

Employees **who use** financial education once a week, have a

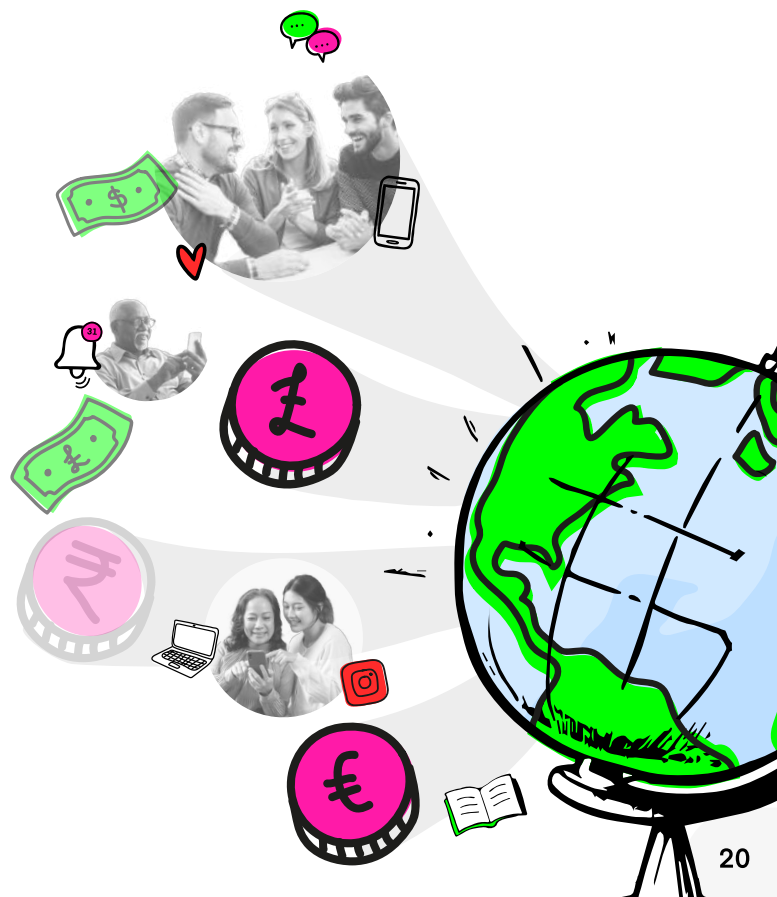


improved understanding of their **government programs**



Financial wellness is a brilliant example of how an employer can provide differentiated benefits and recognize the diversity of a population.

**Retirement Leader in Manufacturing with 75,000 FTE**



# The optimal solution: Meet employees where they are and empower them to thrive

As we have seen, financial education has the power to impact employees and employers, organization-wide. But, the data shows that in order to move the needle, the optimal financial education solution must be:



Personalized

encouraging people to take the next best action on their finances



Frequent



Diverse



Accessible



Interactive

using behavioral psychology to drive action



Integrated

with relevant employee benefit education

**Get this right and you're able to improve the financial wellbeing of a diverse workforce on a global scale.**

The data shows that the optimal solution must be personalized, accessible and be underpinned by behavioral psychology. We must now uncover the impact of this for the individual and the organization.



**Consider this next step:**

- Review the communication, prompts, and frequency of your financial education benefits against the components of the optimal solution.



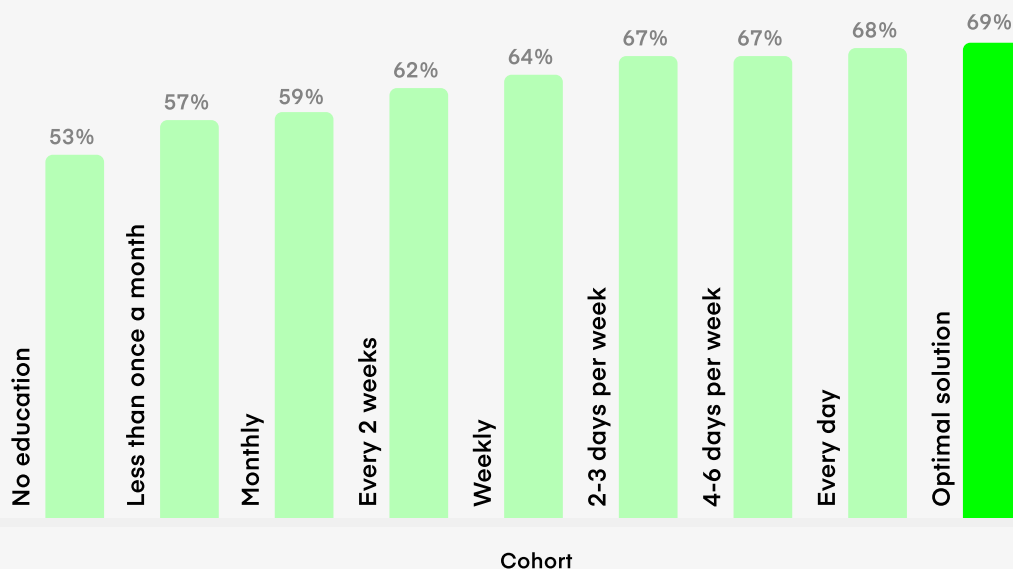
# The impact: Financial education breaks organizational barriers and helps individuals thrive

The evidence is clear - engaging, accessible, relevant financial education has a positive impact on individuals and organizations.

Fig.15 compares the financial health of general employees against those using financial education, and employees using 'the optimal solution' (personalized, frequent, diverse, accessible, interactive and integrating benefits education). We can see that those who regularly use financial education, achieve greater financial wellness.

Fig.15

FINANCIAL WELLBEING SCORE BY EDUCATION FREQUENCY:



The **financial wellbeing score** is out of 10 and based on an evaluation of 11 criteria within five pillars of financial wellness: learning, spending, planning, borrowing, and saving. Respondents rated their confidence and readiness in key everyday financial functions, with higher scores attributed to higher confidence and readiness. The final score is a percent average of the 11 questions.

# Practical benefits of personalized financial education and interactive tools on financial health

The deep analysis of users of the optimal solution (personalized, frequent, diverse, accessible, interactive and integrating benefits education), found that they experience many benefits compared to those not using financial education, outlined in fig.16.

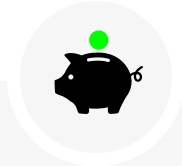


Fig.16

## Actionable outcomes

OPTIMAL SOLUTION USERS ARE:

- 79%** more likely to have 6+ months of salary saved
- 50%** more likely to feel they are saving enough
- 21%** more likely to pay their bills on time
- 35%** more likely to feel confident about financial planning
- 81%** less likely to feel overwhelmed by their debts
- 33%** less likely to rely on month-to-month borrowing

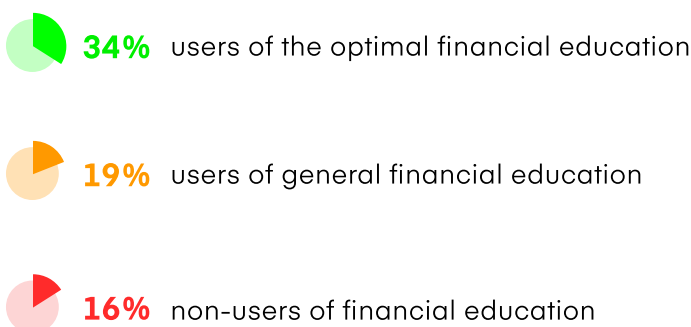
# Increased use of employer-provided benefits

When employees have access to personalized, interactive financial education, the benefits are broad. And leaders are taking notice. When we asked HR and benefit leaders about their plans to implement a financial wellness program, **35% said their organization has, or is planning to, because they believe it will improve awareness of existing benefits.**

Fig.17 also shows that people who use the optimal financial solution are more likely to use their employer-provided benefits, leading to greater overall wellbeing.

Fig.17

UNDERSTANDING OF EMPLOYER-PROVIDED BENEFITS:



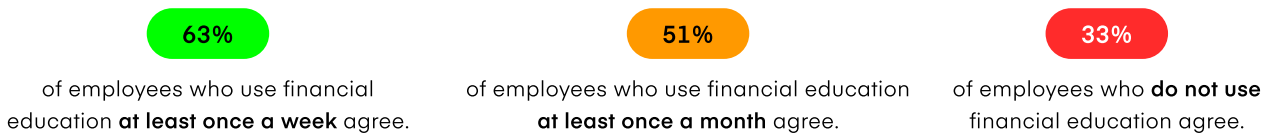
# Increased employee loyalty

In addition to increasing wellbeing, the research shows that users of 'optimal' financial education are more loyal to their employers. As we have seen, employee loyalty also leads to better retention and engagement, driving business results.

The results in fig.18 show just how important financial education is to improving employee loyalty. Furthermore, once again, the benefits of financial education increase substantially with greater frequency of use.

Fig.18

## FINANCIAL EDUCATION BENEFITS MAKE ME MORE COMMITTED TO MY EMPLOYER:



### Consider these next steps:

- Ensure your provider gives regular pulse checks on employees' financial health.
- Agree and set organizational goals and KPIs.
- Use data to prove impact.



# The optimal solution: Personalized, interactive financial education

Half of global employees are anxious about their personal finances, as well as the state of their country's economy. People are looking for answers, and they're turning to their employers for help.

The research indicates that the most successful organizations provide their people with financial education benefits to help them achieve financial wellness. But education comes in many forms and can achieve varying levels of success.

With this in mind, we set out to learn what components are most important to help employees feel more confident in their finances, save more, and otherwise improve the state of their finances. Through mixed-method qualitative and quantitative research, we learned the optimal solution includes:



An integrated, personalized approach to financial wellbeing to meet the diverse needs of global employees and break down silos between individuals, teams, and leaders.



Interactive, accessible financial education resources and prompts to encourage engagement are critical to meet individuals where they are in their financial wellbeing journey.



The impacts of financial education are compounded with more frequent learning engagement, interactivity, benefits education, and prompts.



When combined, these components lead to improved financial health, benefits engagement, and increased loyalty among employees, driving business success.

With so many people concerned about their finances and the state of the global economy, employers need to take a personalized, proven approach to financial education to achieve financial wellness.

# Methodology

Censuswide surveyed over 1,500 people around the world to learn about their experiences with financial education, segmenting respondent data by age, region, income level, access to financial education, and frequency of engagement with financial education. They then compared this data with financial health checkup data from approximately 1,500 nudge users. They also surveyed 34 global HR and benefit leaders to get targeted insights.

To provide even more insights, they interviewed eight regional and global benefit, wellness, and employee experience leaders working in a range of industries, from manufacturing to information technologies to education.

The research included organizations whose reach spans 46 countries.

## Countries surveyed:



**Get in touch today**

to learn how you can break  
organizational barriers and  
help your people thrive

[FIND OUT MORE](#)



## Impartial, global financial education for all

For employees, customers, members and, well, anyone - anywhere

nudge provides impartial, global financial education for all. Drawing on behavioral psychology and data, our platform offers personalized, engaging financial knowledge and skills to educate and delight anyone. A global solution that is unaffiliated with conflicting financial products, our inclusive approach is trusted by hundreds of thousands of people across the world.



### nudges

When there's something you need to know, or a financial action you ought to take, we send you a personalized, timely nudge to remind you to do it.



### Financial education feed

A personalized feed full of bite-sized financial education posts and snackable articles, all curated to circumstance and interests.



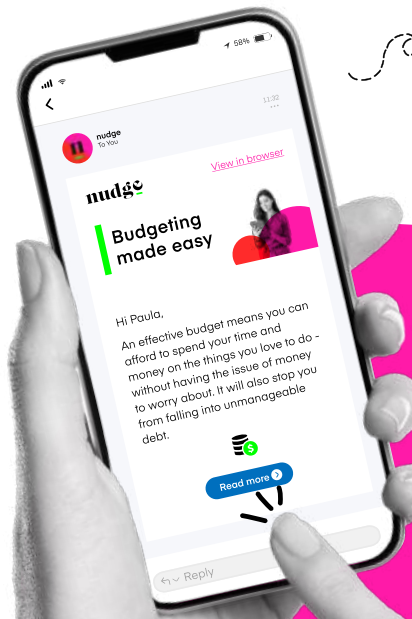
### Tools

Our interactive tools help you plan, prepare and organize your finances from the unexpected to the expected.



### Stories

Step inside our library of dynamic financial learning stories, created to help you achieve what you want in life. It could be buying a home, saving for a holiday or getting out of debt.



LEADING BRANDS USE NUDGE AS AN EMPLOYEE BENEFIT



GET IN TOUCH



www.nudge-global.com

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