

## Results from the 2016 Financial Wellness Index

Six perspectives on the connection between employees' physical, mental and financial health, and what that means for Canadian businesses. Part of Manulife's ongoing Health & Wealth research.

### Perspective 2:

## How Employees' Financial Confidence Can Help Reduce Stress in Your Workplace

As it turns out, what you don't know can hurt you — in more ways than one. That's among the findings of the **2016 Manulife Financial Wellness Index**.

Our ongoing research on health and wealth, confirmed by our 2016 Index, reveals that Canadians' lack of financial confidence can generate workplace stress. This can have cascading consequences for the employer, including lack of engagement, distraction and, ultimately, impaired productivity and higher absenteeism.

What's more, the 2016 Index suggests a direct correlation between overall financial wellness and investment confidence specifically. Indeed, Canadians who are "financially well" are more than seven times more likely to report a high level of confidence in the way their savings are invested compared to those who are "financially unwell."

### The flip side...and an opportunity

As you'd expect, there's a corollary to the above — with a clear opportunity for Canadian plan sponsors. Promoting greater financial acumen, and therefore increasing investment confidence, has the potential to reduce workplace stress.

Employees confirmed the linkage, reporting that ensuring their "savings are invested wisely" is among their highest priorities. In fact, the 2016 Index reveals that the greater the level of self-reported financial health, the higher Canadians' confidence level in their investments.

But there's an important caveat: the proportion of Canadians who claim to have "expert" financial knowledge is just 5%, with 38% self-identifying as "beginners."

### Confidence is key

How to interpret these findings? For plan sponsors, it's important to differentiate knowledge from confidence. True, deep financial knowledge drives confidence, which can contribute to reducing workplace stress. But few Canadians have the time and, frankly, the interest to accumulate and build this kind of knowledge and expertise.

However it is possible to have confidence in your investments with only limited financial expertise. Consider that, while just 9% of "financially well" Canadians said they're "expert" in financial affairs, 98% of the same group feel their money is invested well ('invested in a way that is right for you'). That's a significantly higher confidence level than those identified as "financially unwell," only 42% of whom feel their money is invested well.

So how does this impact the workplace? The 2016 Index reports that those with poor financial health are more than three times as likely to say financial worries distract them at work.

### What should employers do?

The 2016 Index supplies a partial answer: more than three-quarters of respondents report a desire to improve their financial situation, and 73% want to be more confident in their financial decisions.

For plan sponsors, promoting financial knowledge and confidence can help to reduce workplace stress, with a positive boost to engagement, productivity and, ultimately, emotional and financial health.

All references are from 2016 Manulife Financial Wellness index

Learn more about our health and wealth approach today, talk to your Manulife representative or visit [manulifehealthandwealth.ca](http://manulifehealthandwealth.ca)



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