

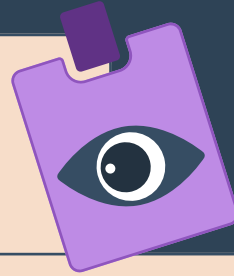
THE RIPPLE EFFECT:

Business costs of employee financial stress



Impacts of financial stress on retention,
engagement and performance

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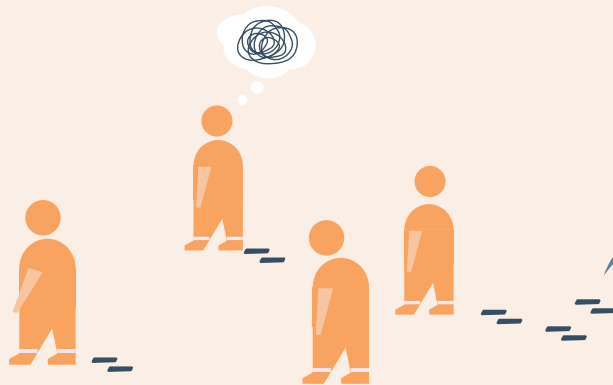
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CHAPTER 06

The future of work is financial
wellness

Executive summary

Employee financial stress is reaching a breaking point, and it's costing businesses.



In 2025

80%

of U.S. employees reported moderate to very high levels of daily financial stress

48%

Nearly half have no emergency savings

2/3

Have less than \$100 left at the end of the month

80%

Are actively looking for higher-paying jobs



Executive summary

This report, based on surveys of over 5,400 U.S. employees and 500 HR professionals, reveals the toll financial stress takes on performance, health, and retention—and what it means for businesses.

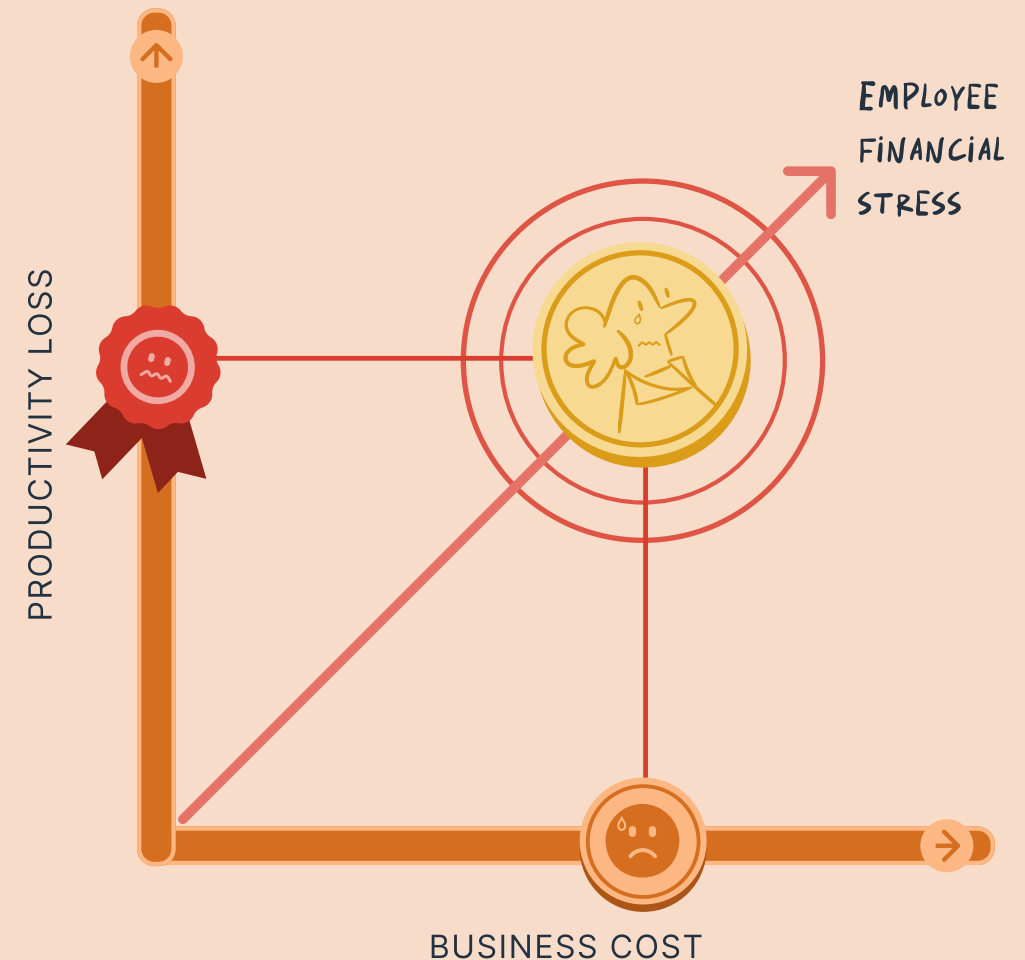
The employee reality?

A daily juggling act of bills, debt, and essentials like food and housing. The top stressors include paying bills (39%), rent (16%), and groceries (15%). Most employees are focused on survival.

The employer impact?

Burnout, disengagement, absenteeism, and turnover. 73% of HR leaders say financial stress hurts job performance. 93% say it has a direct cost to their business, and for 38%, that cost exceeds \$25,000 annually.

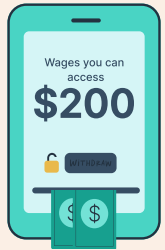
THE RIPPLE EFFECT OF EMPLOYEE FINANCIAL STRESS



Executive summary

But there's good news: employers can make a difference, and even reap measurable returns.

We highlight **three of the most effective solutions** in today's workplace:



Earned wage access (EWA)

59% of employers offer it; 74% report improved productivity, 67% see better morale, and 53% say it aids recruitment.



Financial education

82% of employees want it —especially personalized, everyday guidance on budgeting, debt, and credit



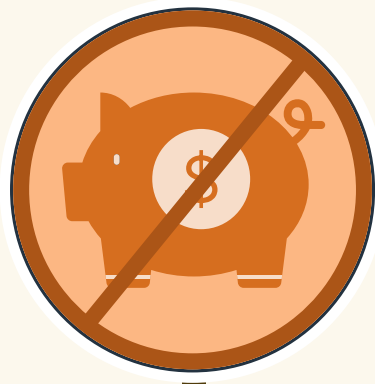
Recognition programs

73% of employees say meaningful recognition motivates them to exceed expectations at work.

Introduction

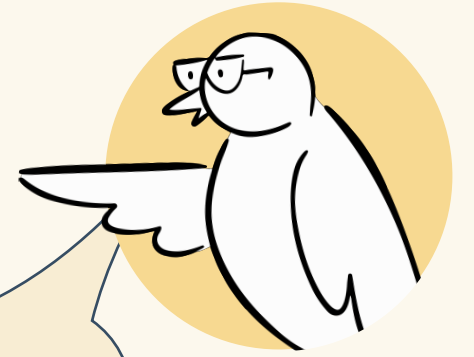
Today's employers are operating in an intensely stressful economic landscape. Inflation, housing costs, and debt are squeezing workers' budgets, and employees across generations are feeling financially stressed.

Many employers want to help, but aren't sure how to start or which investments actually make an impact, especially when they're operating with limited budgets or resources.



This report will answer the following questions:

1. What's the state of employee financial stress in 2025?
2. How is employee financial stress impacting productivity, retention, and the company's bottom line?
3. What can businesses do to support employees' financial wellbeing and see ROI?



Methodology

We surveyed

OVER
5,400
U.S. employees

across industries to understand their day-to-day financial stressors, budgeting behaviors, and financial needs.



500
U.S. HR and payroll
professionals

about how the ripple effects of employees' financial strain impact workplace performance, productivity, and their bottom lines.



CHAPTER 01

THE EMPLOYEE PERSPECTIVE:

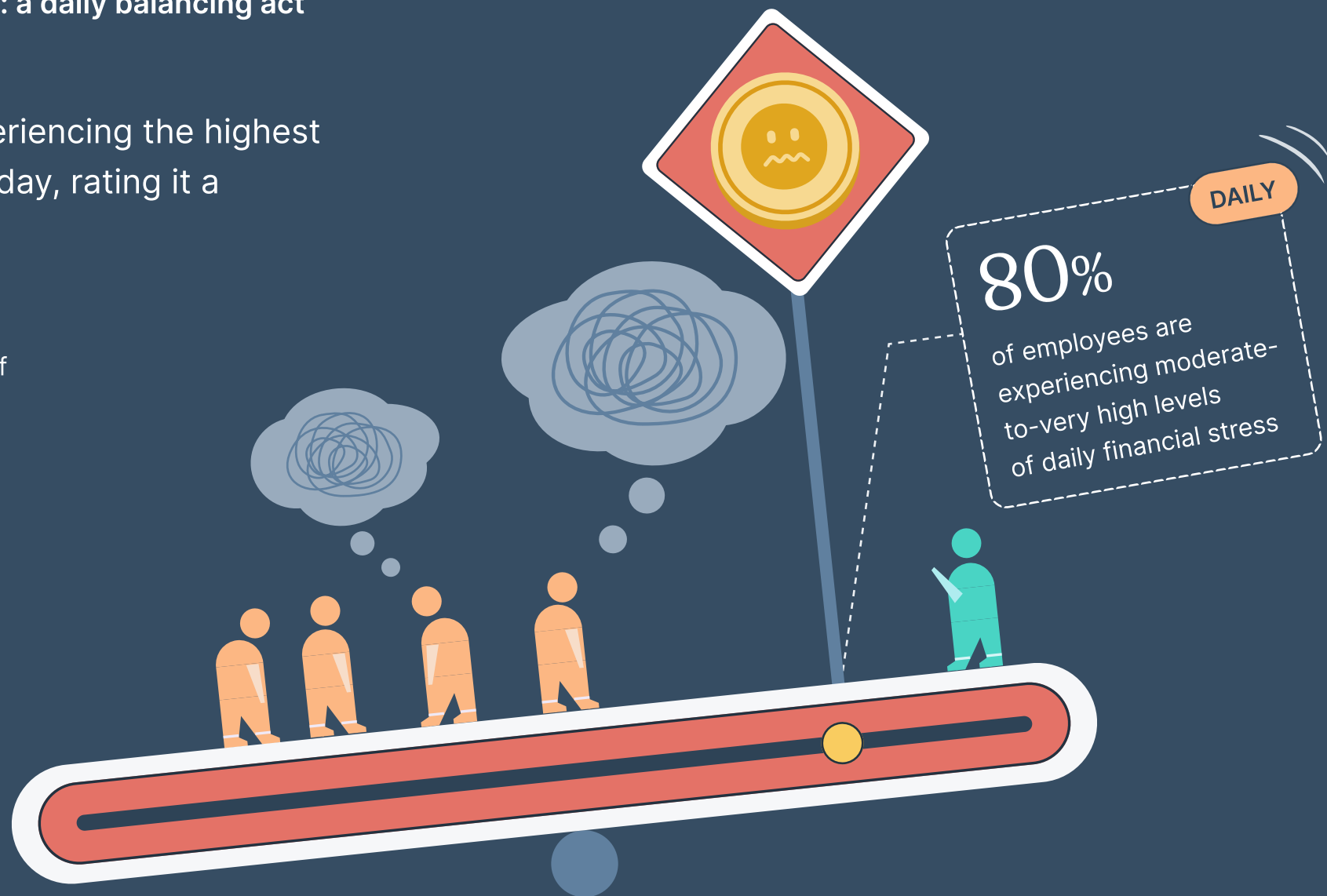
A daily balancing act



—— The employee perspective: a daily balancing act

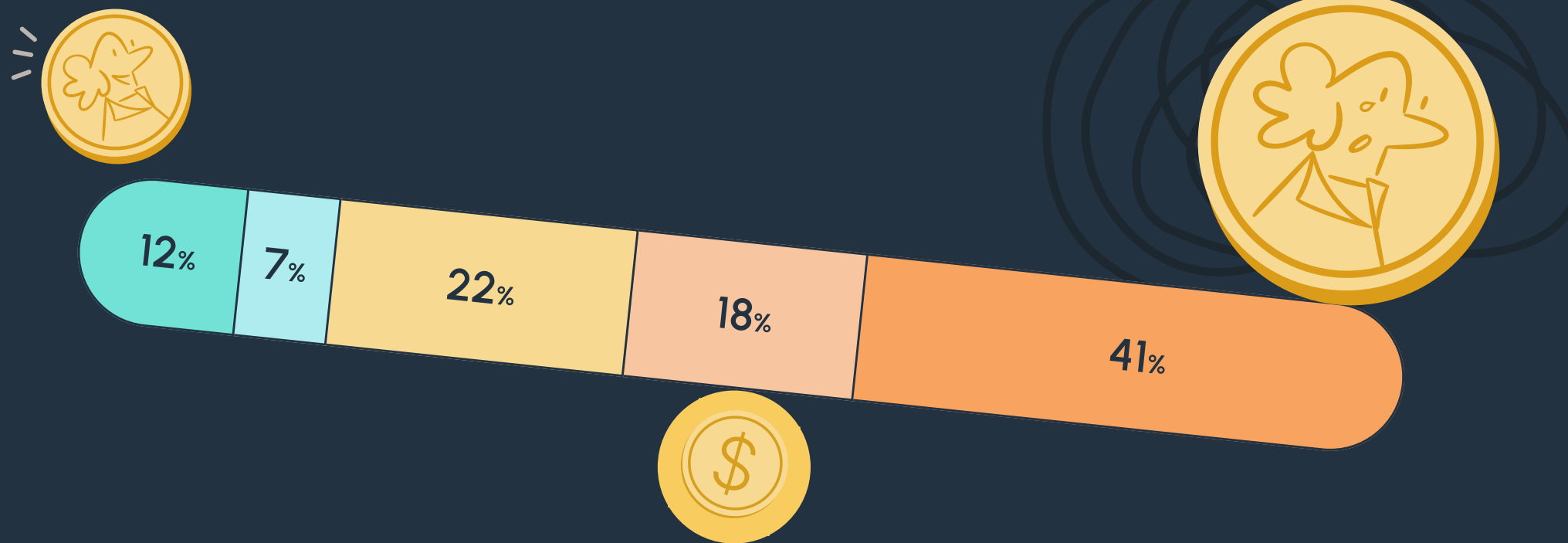
41% of employees report experiencing the highest level of financial stress every day, rating it a 5 out of 5 on a stress scale.

Most employees are experiencing moderate to very high levels of daily financial stress, with a combined total of 80% of employees rating their financial stress as at least a 3 out of 5.



—— The employee perspective: a daily balancing act

Daily financial stress scale



Rating out of 5

1 = Not stressed at all 2 = Not stressed 3 = Neutral 4 = Stressed 5 = Very stressed

—— The employee perspective: a daily balancing act

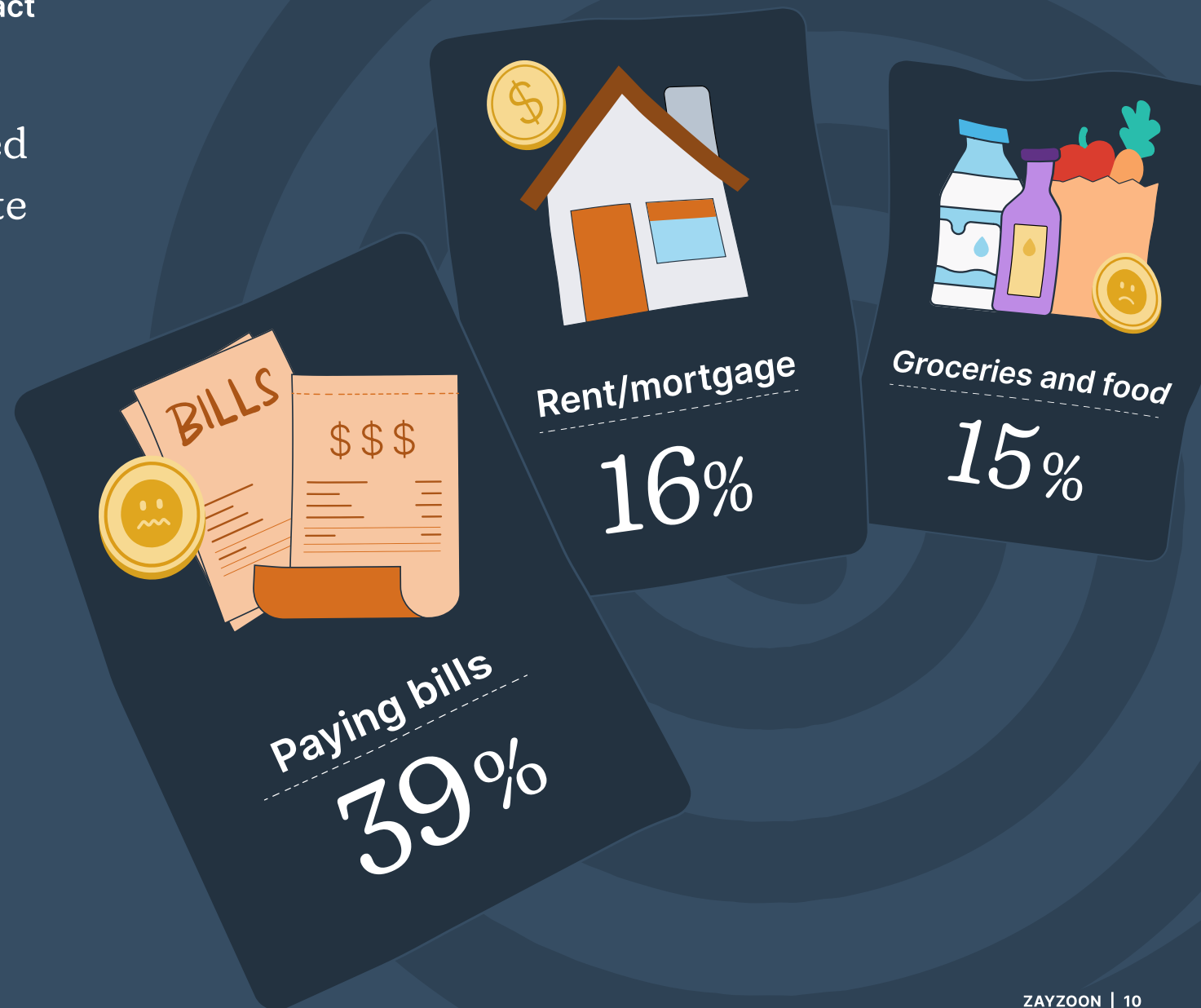
Employees are overwhelmingly stressed about short-term expenses and absolute necessities.

?

When we asked employees about their top financial stressor, these were **the top three responses**:



BUSINESS COSTS OF EMPLOYEE FINANCIAL STRESS



—— The employee perspective: a daily balancing act

Savings are low.

Almost half of all employees have \$0 saved for an emergency, and about one-third have less than \$100 left at the end of the month. Many carry debt from credit cards, student loans, or payday loans, and spend hundreds each month on interest and late fees.



With financial stress growing and wallets shrinking, a **whopping 80% of employees** are actively looking for a new, higher-paying job.

—— The employee perspective: a daily balancing act

?

When we asked employees about their biggest financial goals...

...most were focused on just getting by, with over 80% answering they want to be able to pay their bills or rent.

Biggest financial goals

80% answered



☒ Just getting by ☐ Saving for the future



☒ Paying bills



☒ Paying rent



The facts



48%

of employees have
\$0 saved for an
emergency



80%

of employees are
looking for a new,
higher-paying job



68%

of employees have
less than \$100 left at
the end of the month



1 in 2

employees say financial
inflation has significantly
affected their monthly
expenses in the last 12
months

The facts



12%

of employees carry
between **\$10,000-\$25,000**
in student loan debt



25%

of employees carry credit
card debt of **\$2000 or**
higher



36%

of employees carry
payday loan debt



37%

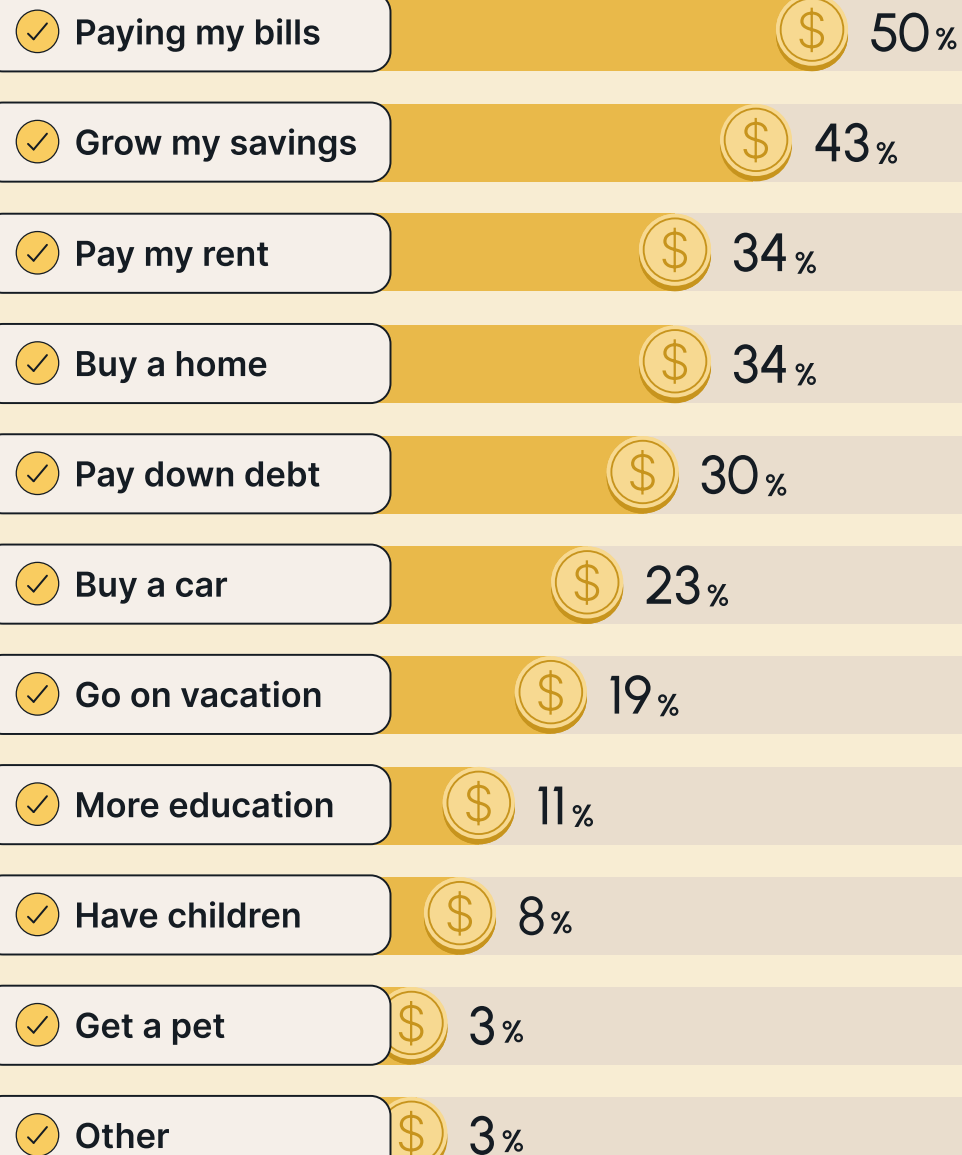
of employees spend **over**
\$100 each month on
interest and late fees

The employee perspective: a daily balancing act

?

We asked employees:
"What are your most important financial goals? Select all that apply."

HERE'S WHAT
THEY SHARED



— The employee perspective: a daily balancing act

Here's what financially stressed employees told us they think about every day

\$\$\$

"Work just to pay bills when you're always behind, everything's too high"

"Bills...bills
...and oh
bills..."

\$\$

\$\$\$

\$\$\$

"Just can't get on top of all of my bills"

"Life's hard"

"I'm always broke"

"I fear if I will have enough money to survive from check to check"

"Make sure my daughter have everything she needs and wants"

"Too much debt and I can't save any money because the cost of living is so high"

"Never enough"

"Not enough food for my family"

CHAPTER 02

THE EMPLOYER PERSPECTIVE:

What HR leaders see

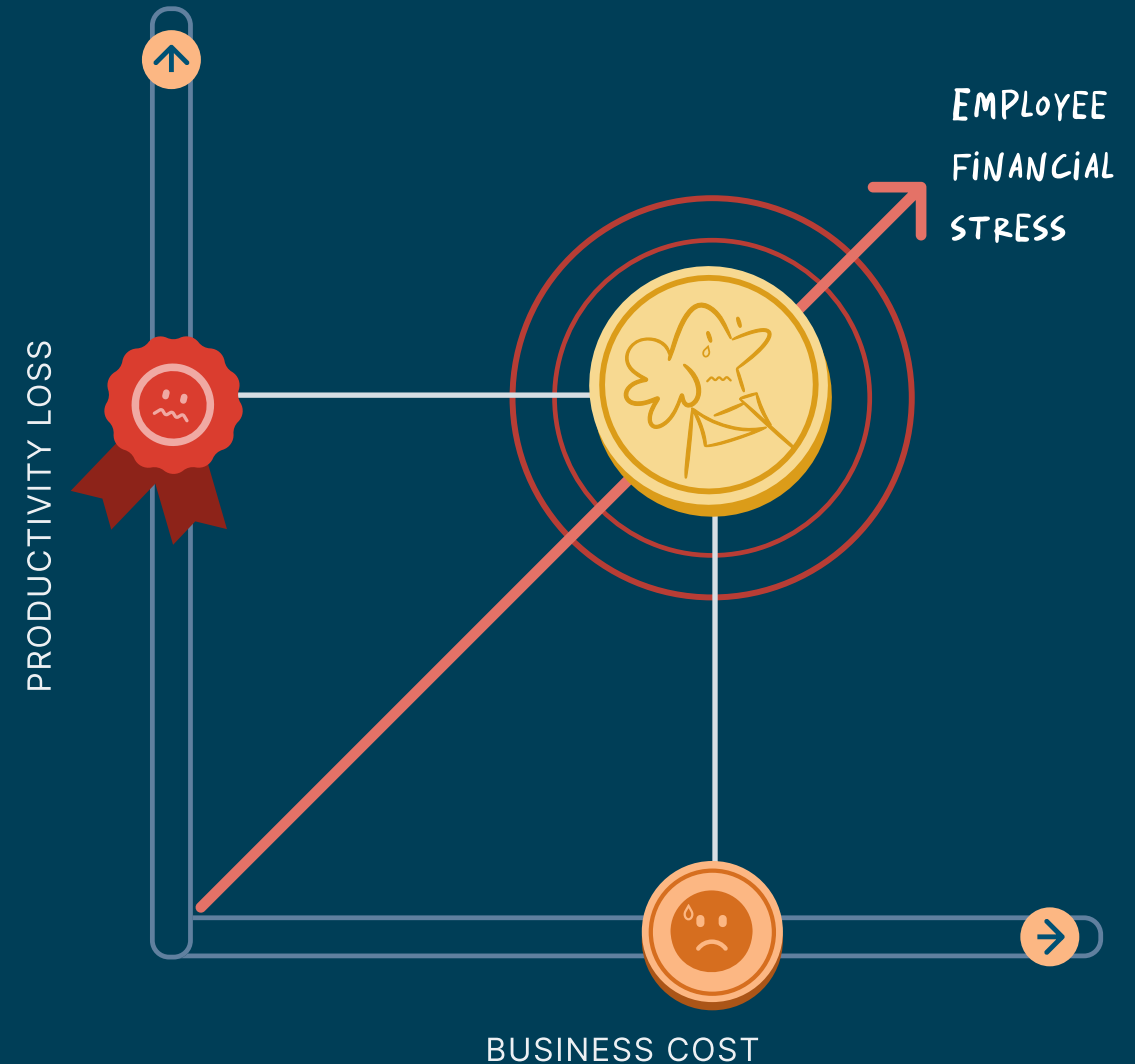


—— The employer perspective: what HR leaders see

According to the 500 HR leaders we spoke to, employees' financial stress measurably impacts team performance and their business's bottom lines.



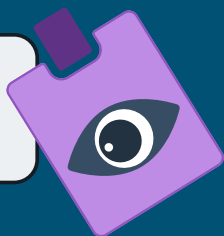
THE RIPPLE EFFECT OF EMPLOYEE FINANCIAL STRESS



— The employer perspective: what HR leaders see



In our HR poll



93%

of HR pros said employees' financial stress has a **financial cost for their company**



38%

said employees' financial stress **cost their business over \$25,000 last year**



73%

of HR pros say financial struggles **negatively impact employees' job performance**



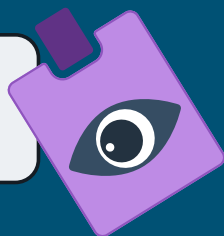
COST CENTRE



— The employer perspective: what HR leaders see



In our HR poll



41%

of HR professionals say that financial stress has a strong negative **impact on overall workplace morale**



45%

said financial stress strongly impacts **employees' mental health**



HR teams told us they're seeing employees neglect their own health, crowdfund to pay bills, or miss work strictly due to financial reasons (i.e., no gas for car, can't afford childcare).

—— The employer perspective: what HR leaders see

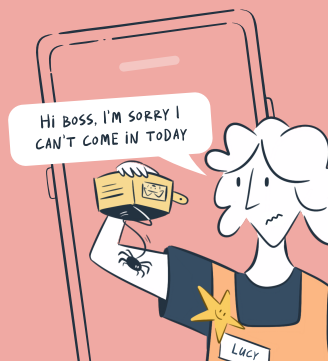
HR-reported workplace impacts of employee financial stress

An employee neglecting their own health in order to work



Employees missing work strictly due to financial reasons

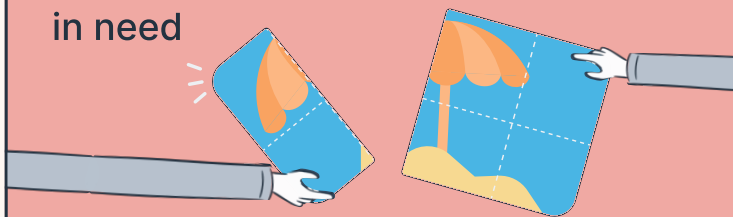
i.e., no gas for car, unable to afford childcare



Employees organizing a "GoFundMe" or similar fundraiser for a coworker in need



Employees "donating" time off to a coworker in need



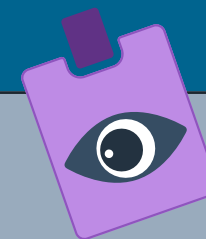
A creditor called or visited an employee at work



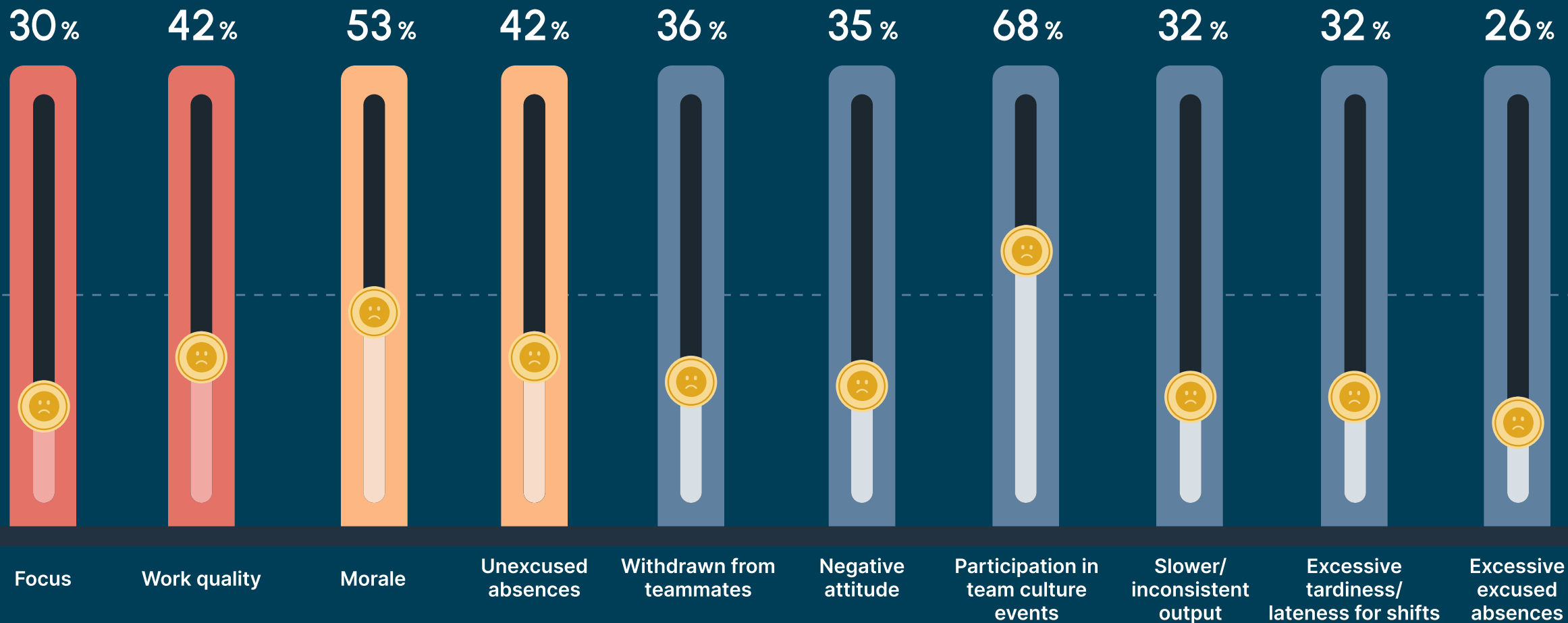
Checking a prospective employee's credit as a factor for employment



—— The employer perspective: what HR leaders see



HR-reported performance impacts of poor employee financial health



—— The employer perspective: what HR leaders see

As a business owner or leader, you may be skeptical about offering financial wellness benefits like earned wage access (EWA) to your workforce. Or you may, rightly so, have many questions, concerns, or gaps in your understanding of financial wellness.

Let's address those concerns
(and do a little mythbusting)

START HERE



—— The employer perspective: what HR leaders see

Commonly raised concerns

MYTH

I'm not sure what financial wellness even means.

FACT

Investing in financial wellness means helping employees feel more in control of their money. A financially healthy employee can handle unexpected expenses, avoid debt traps, and plan for the future.

Impact on business performance and ROI

MYTH

I don't want to promote irresponsible financial management by enabling a habit of employees withdrawing funds early

FACT

Earned wage access is designed to support responsible financial management, not hinder it. Employees are only accessing wages they've already earned, and features like daily limits, flat fees, and built-in financial education help ensure thoughtful, occasional use. Rather than promoting dependency, EWA empowers employees to avoid high-cost alternatives like payday loans or overdraft fees.

Employee demand

Administrative responsibilities

MYTH

We don't have the budget for new employee programs right now.

FACT

Many financial wellness benefits are available at no cost to employers. Benefits like earned wage access and financial education deliver ROI like employee retention and increased productivity without adding expenses.

—— The employer perspective: what HR leaders see

Commonly raised concerns

MYTH

I don't believe that earned wage access (EWA) and other financial wellness benefits have a direct impact on employees' performance.

FACT

Among the 500 HR professionals we surveyed across America, about 60% already offered EWA.

- 74% reported improved productivity
- 67% saw improved morale
- 53% said it helps with recruitment

Impact on business performance and ROI

MYTH

Financial benefits seem like a “nice-to-have,” not a business priority.

FACT

Consider the long-term costs associated with employee financial stress. Providing financial wellness tools can benefit both employees and the business. 38% of HR professionals reported that their employees' financial stress cost their business over \$25,000 last year.

Employee demand

MYTH

I don't believe that earned wage access (EWA) can help me recruit talent.

FACT

75% of HR professionals told us that they believe EWA is a competitive advantage for companies trying to attract top talent.

70% of surveyed employees said they would choose to work at a job that offers EWA compared to one that doesn't.

Administrative responsibilities

—— The employer perspective: what HR leaders see

Commonly raised concerns

MYTH

I worry that offering financial help will make employees think we're meddling in their personal lives.

FACT

Over 80% of the 5,400 employees we surveyed say that they want their employers to support their financial wellbeing and financial education.

Impact on business performance and ROI

MYTH

Employees' personal finances are their business, not mine.

FACT

Employees often bring their financial stress to work, which can lead to poor performance, low productivity, absenteeism, and high turnover rates. All of these issues impact your business's bottom line. 93% of HR pros said employees' financial stress has a financial cost for their company.

Employee demand

Administrative responsibilities

MYTH

Our employees haven't asked for this, so it doesn't seem necessary.

FACT

The 5,400 employees we surveyed represent the average American worker across various industries. 80.1% said they are experiencing moderate to very high levels of daily financial stress.

Offering financial wellness resources proactively can demonstrate care and build trust among your workforce, even if no one's raised the issue directly.

—— The employer perspective: what HR leaders see

Commonly raised concerns

MYTH

It's hard to know which solution is actually effective.

FACT

The financial wellness space is growing, and not all offerings are equally effective. That's why we put together a detailed [buyer's guide](#) to help you spot which companies offering earned wage access deliver on employee impact, compliance, and ROI.

Impact on business performance and ROI

MYTH

I don't want to implement benefits or programs that increase my workload.

FACT

Many financial wellness solutions are designed to require minimal administrative effort by embedding into your existing payroll system, and end up actually freeing up time for HR and payroll teams. For example, 57% of HR pros report seeing increased HR efficiency after implementing earned wage access.

Employee demand

Administrative responsibilities

MYTH

We're a small team. Aren't these kinds of benefits for larger companies?

FACT

Many financial benefits are designed specifically for small-to-medium-sized businesses (SMBs) in mind, offering the flexibility and minimal administrative overhead that small teams require.

CHAPTER 03

Top financial benefits and programs for 2025 and beyond



Top financial benefits and programs for 2025 and beyond

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Employees need four things to feel engaged:

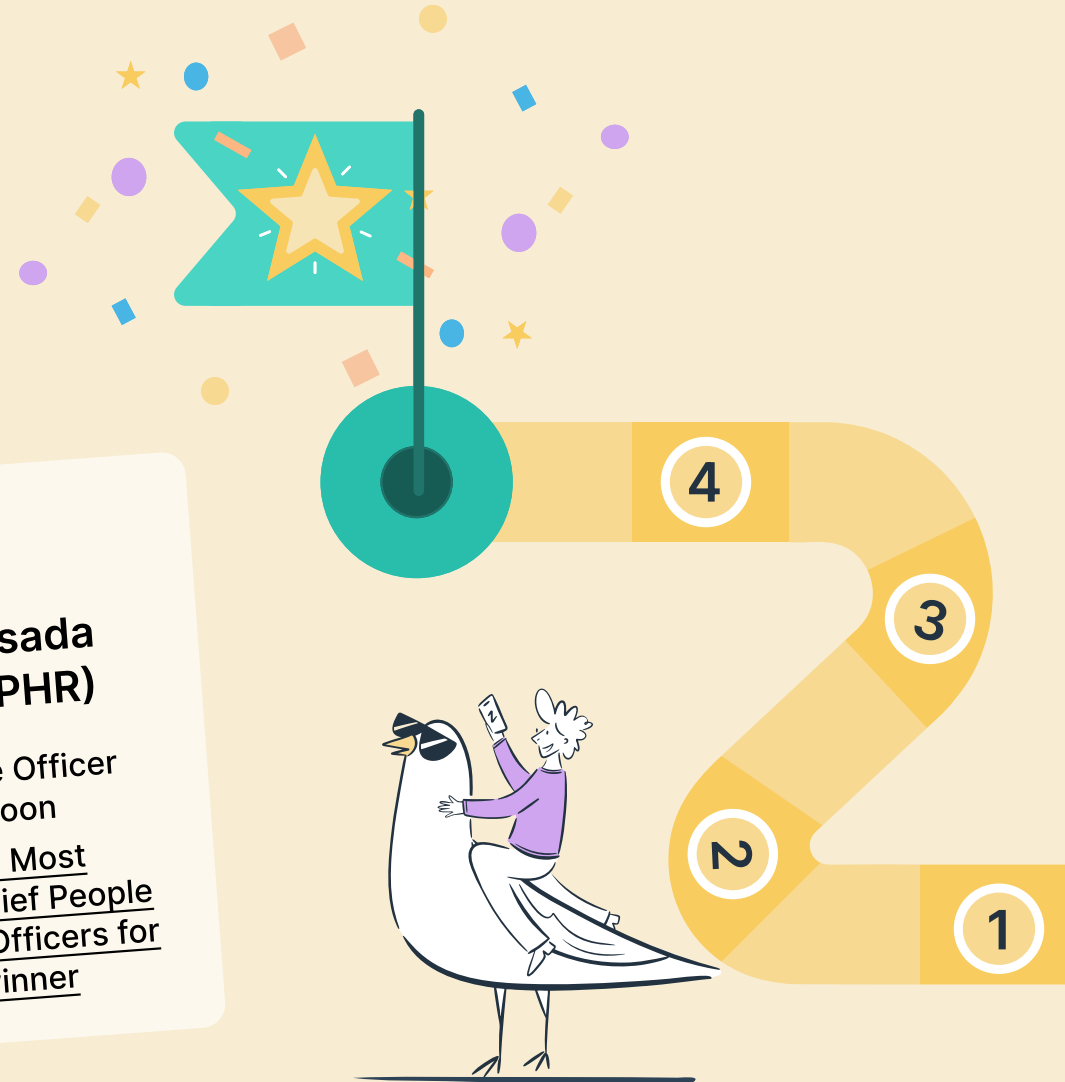
- 1 To do good work
- 2 To have impact
- 3 To grow
- 4 To be recognized”



**Agata Zasada
(MBA, CPHR)**

Chief People Officer
at ZayZoon

Canada's Most
Admired™ Chief People
and Culture Officers for
2024 winner

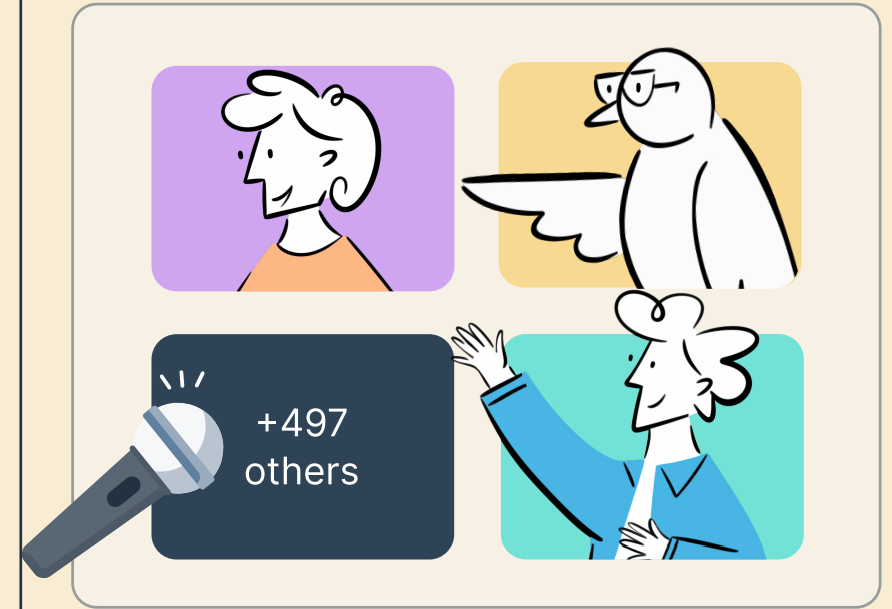


Top financial benefits and programs for 2025 and beyond

Financial wellness benefits drive engagement.

If you want to see more productive, happier, and more loyal employees, you must take on the responsibility of alleviating employees' financial stress.

Thankfully, when it comes to workplace financial wellness, employers have more tools in their arsenal than ever.



According to the 500 HR professionals we surveyed, the top-performing financial wellness benefits and programs in 2025 include:

1. **Earned wage access (EWA)**
2. **Financial education**
3. **Rewards and recognition**

01 Earned wage access (EWA)

According to our poll of 500 HR pros across America, 59% now offer EWA, up from 54% in 2024.

Earned wage access, or EWA, is a financial wellness benefit that allows employees to access a portion of the wages they've already earned before their scheduled payday.

Rather than waiting for the traditional pay cycle, employees can use EWA to cover unexpected expenses, avoid high-interest loans, and reduce financial stress.

For HR professionals, EWA is a tool to support employee wellbeing, improve retention, and boost productivity, without changing your payroll schedule or increasing compensation costs.

Among the nearly 60% of HR pros offering earned wage access:

74% 67% 53%



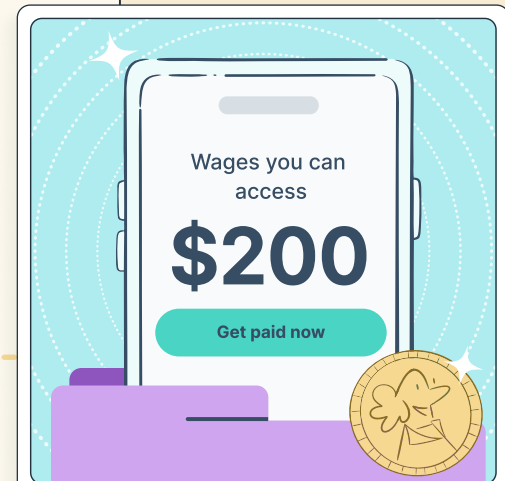
Improved productivity



Improved morale



Improved recruitment

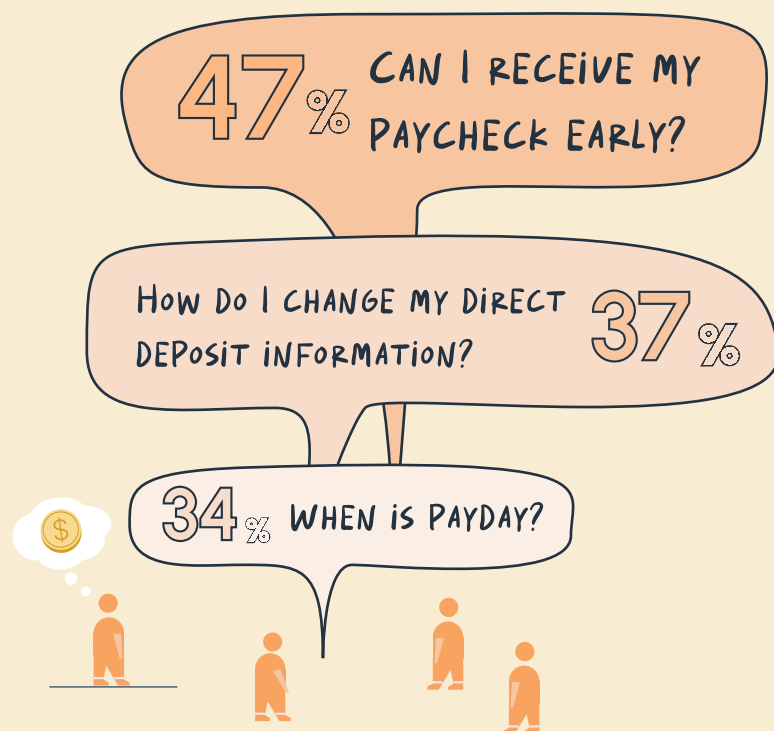


Think of it like automating a pay advance, something we know HR professionals and employers frequently receive questions about.

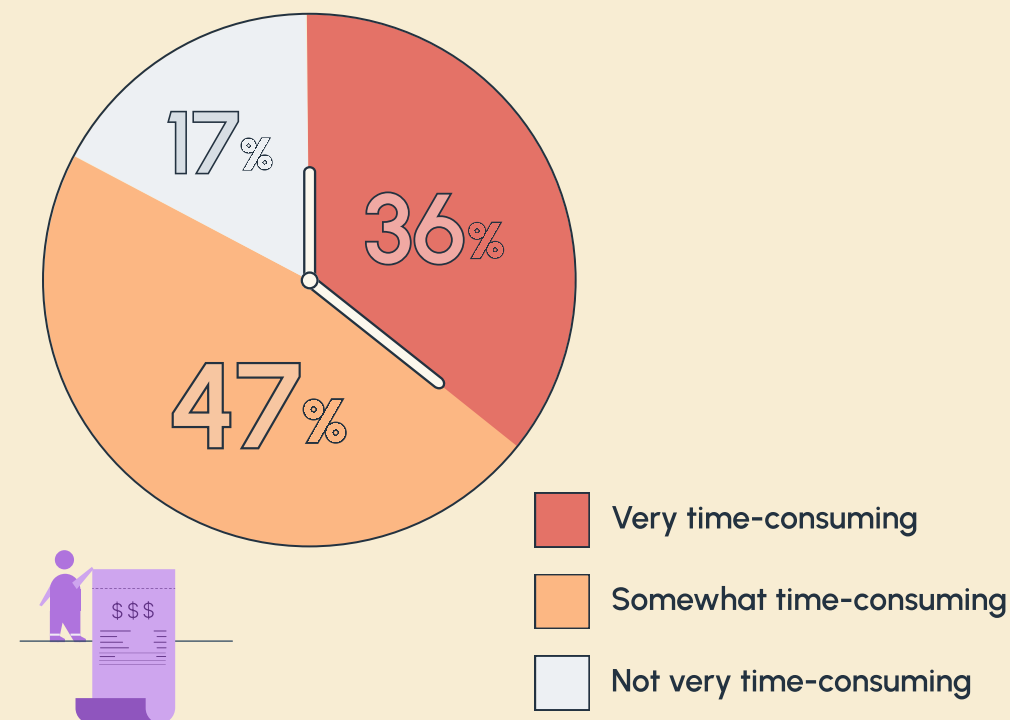
Top financial benefits and programs for 2025 and beyond



Top pay-related questions employees ask you or your team most often



How time-consuming is processing manual pay advances each pay period?



Top financial benefits and programs for 2025 and beyond

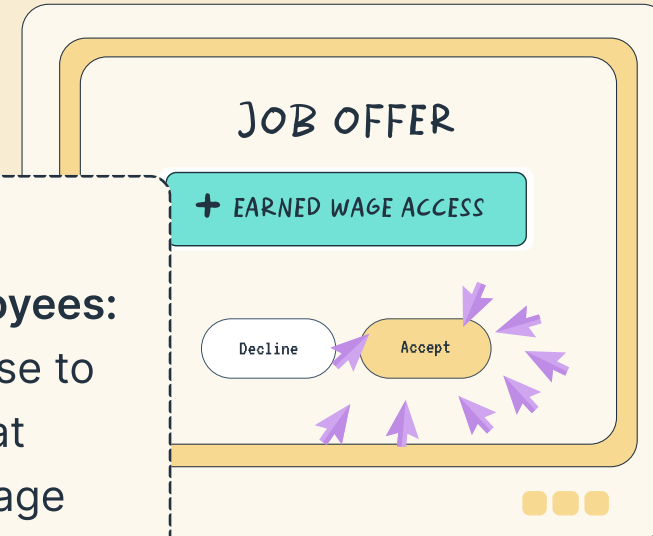
With over half of all HR professionals surveyed offering earned wage, it's clear that EWA is no longer a “trendy” benefit. It's becoming a standard.

Businesses that don't offer earned wage access are being left behind and may find themselves ranked as a second choice when hiring against competitors who do offer EWA.



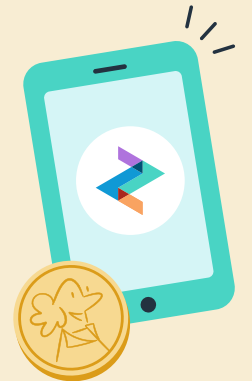
We asked 5400 American employees:
Would you choose to work at a job that offers earned wage access compared to one that doesn't?

Yes: **70%**
No: **11%**
Indifferent: **18%**



70%

of employees with access to ZayZoon's EWA say it has improved their overall financial wellbeing and levels of financial stress



02 Financial Education

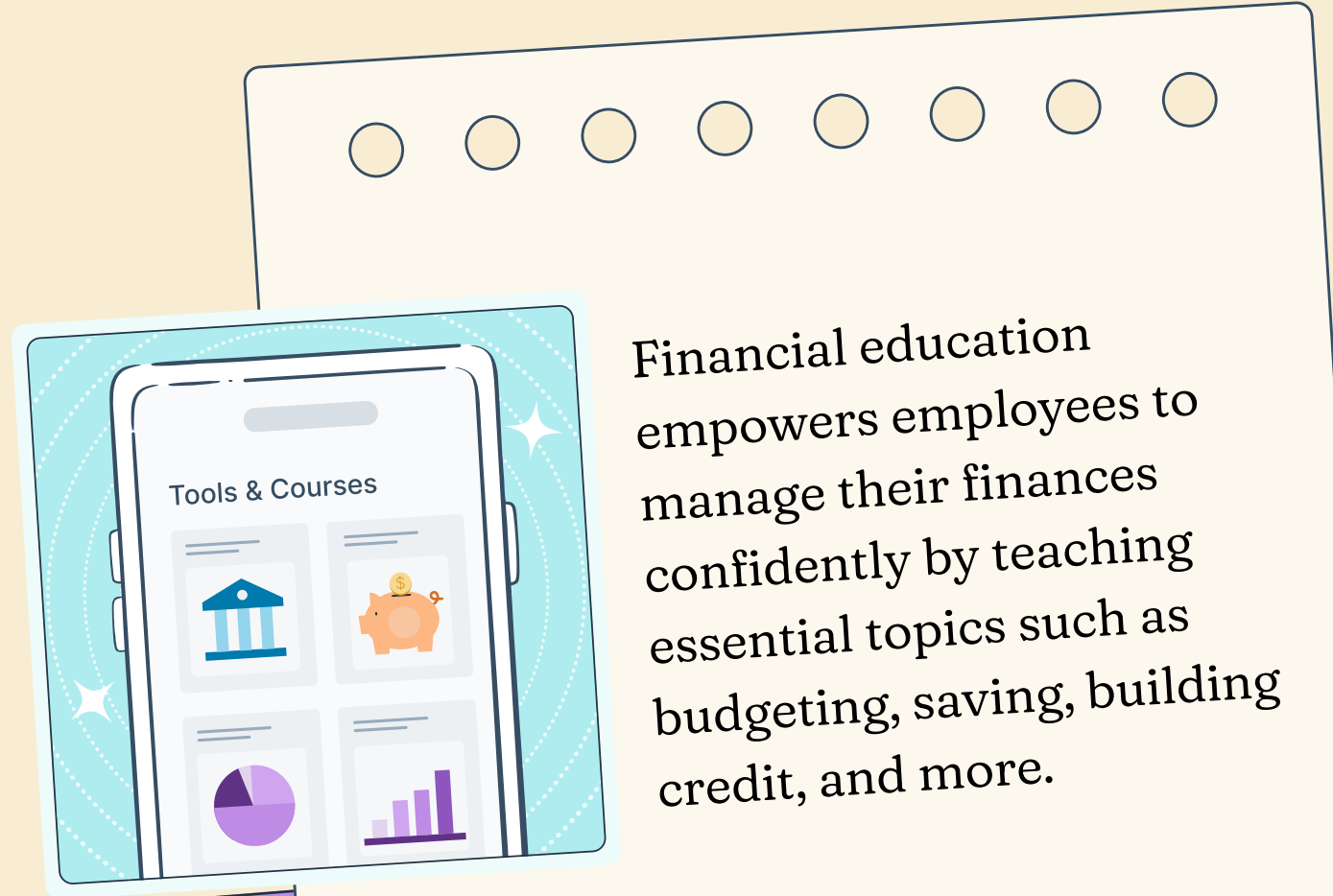
Over 60% of employees reported not keeping a personal budget.

This isn't due to a lack of responsibility, but a lack of tools and knowledge. Employees want their employers to help with budgeting, credit-building tips, and practical financial guidance.

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82%

of employees said employers should support their financial wellness and financial education.



Financial education empowers employees to manage their finances confidently by teaching essential topics such as budgeting, saving, building credit, and more.

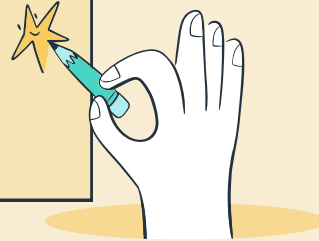
Top financial benefits and programs for 2025 and beyond

But what kind of financial education are employees actually looking for? Employees want actionable, personalized resources—guidance they can use in their everyday lives.



Based on the financial goals of the 5,400 employees we surveyed, educational topics can include:

- How to create and manage a budget
- Strategies to improve credit scores
- Building savings and an emergency fund
- Understanding debt repayment options
- Planning for major life expenses like buying a home or paying for school



Financial education that's relevant and approachable makes a significant difference in employees' lives, enabling them to show up at work feeling more engaged and less stressed.



ZayZoon's Money Mindsets quiz was developed with employees in mind.

It's a completely free financial education resource that helps employees discover their spending personality, financial strengths and areas of improvement approach to money and meets them where they're at.

Check it out: www.moneymindsets.com

03 Rewards and recognition

Of the 5,400 employees we surveyed, 65% reported that they wish they were recognized more often at work. 34% said they feel like they are almost never or rarely recognized.

This gap in workplace experience presents an opportunity for employers to boost engagement and wellbeing.

Implementing a rewards and recognition program for employees can tangibly improve workplace satisfaction and productivity. Recognition—when it's meaningful and consistent—helps employees feel seen, valued, and motivated.

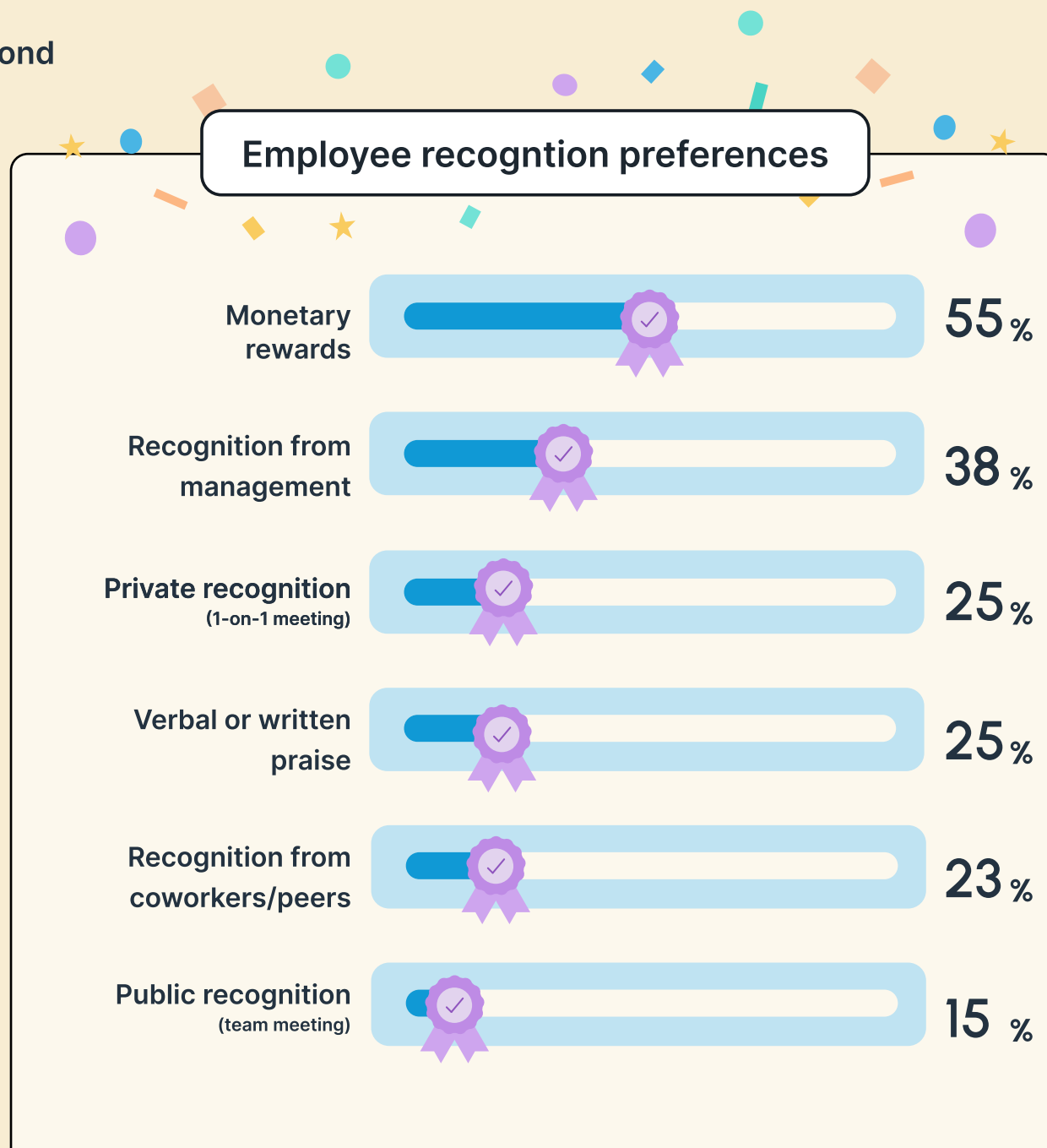


Top financial benefits and programs for 2025 and beyond

When we asked employees what kind of recognition they would like to receive, 55% chose monetary rewards or bonuses, showing that financial incentives are a powerful motivator.

However, many also chose non-monetary forms of recognition.

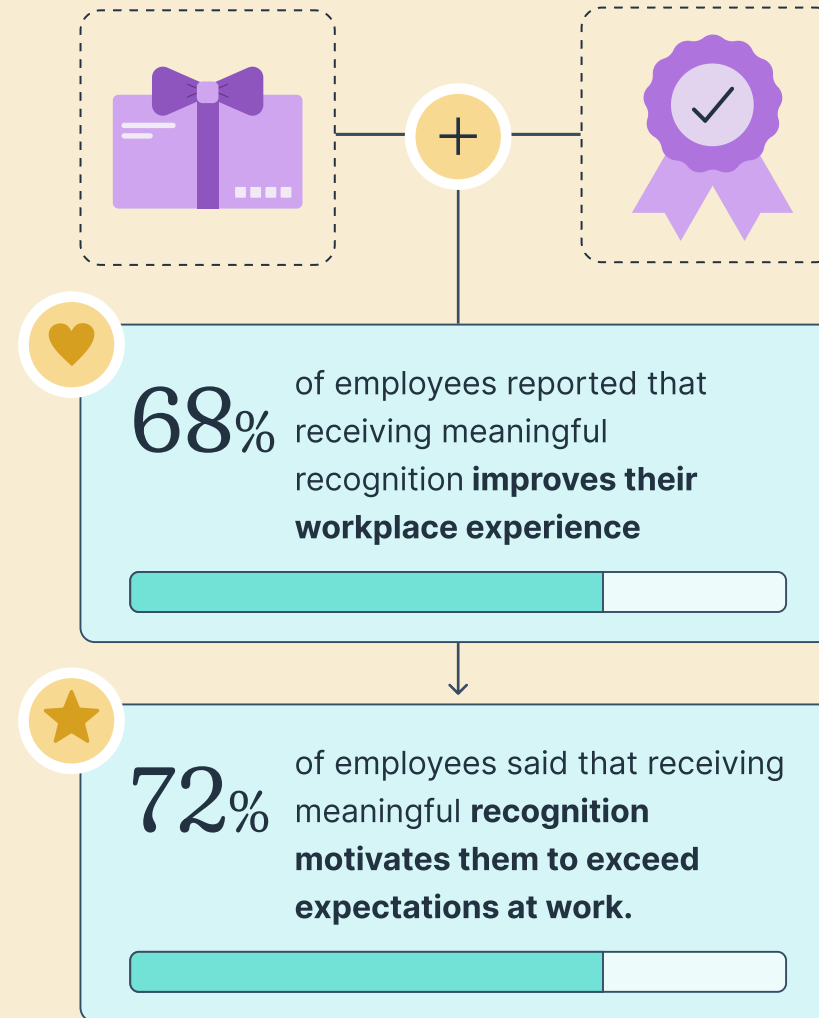
A mix of approaches is effective when it comes to recognition. Recognition does more than just say, “thank you.” It reinforces positive behaviors, fosters a culture of appreciation, and a sense of emotional security.



Top financial benefits and programs for 2025 and beyond

Where the budget allows, pairing that with financial rewards like gift cards is extra effective, and the outcomes are clear.

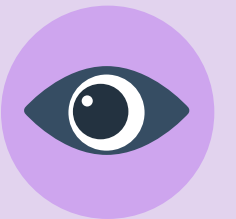
Recognition helps employees feel appreciated, and that sense of appreciation contributes to their financial wellness, motivation, and long-term loyalty. In times of economic uncertainty, even small gestures of appreciation can make a big impact.



CHAPTER 04

TAKING ACTION:

A roadmap for employers

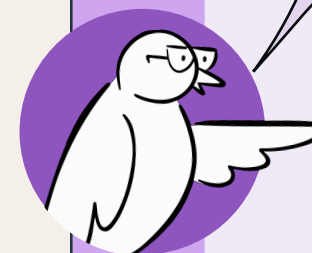


A thoughtfully designed benefits program is one of the most powerful tools employers have to attract, retain, and engage talent.

According to our report on the top voluntary benefits in demand in today's workforce, **more than 91% of employees say benefits are important or very important in their decision to accept a job. And, over 1 in 5 would take a pay cut for better benefits.**

Financial wellness benefits, in particular, are no longer optional for employee engagement.

With 93% of HR professionals acknowledging that financial stress is costing their organization thousands of dollars each year, it's time to take decisive action.



Here's how employers can get started on building a benefits program that truly makes a difference for their employees and their business's bottom line.



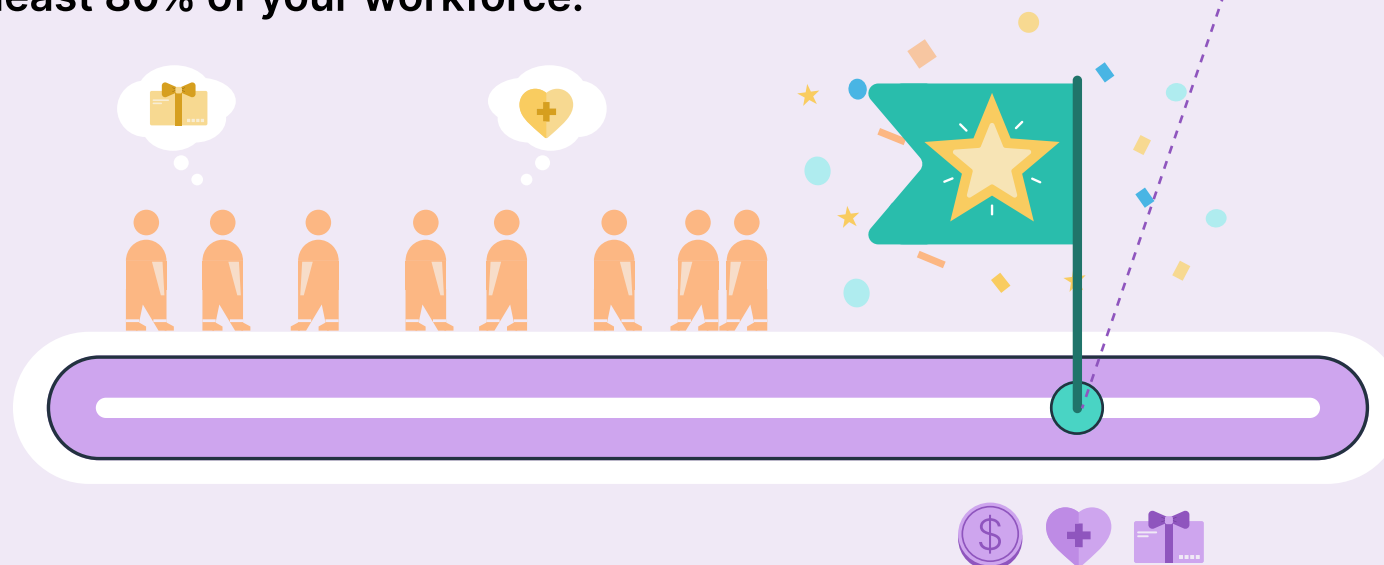
01 Prioritize high-impact, needs-based benefits

Start with what matters most to your people.

As ZayZoon's Senior VP of People and Culture, Agata Zasada, puts it, **a successful benefits program should address the needs of at least 80% of your workforce.**

TIP

Use surveys and direct conversations to identify the stressors your employees face, such as the daily financial stress that affects over 80% of employees.

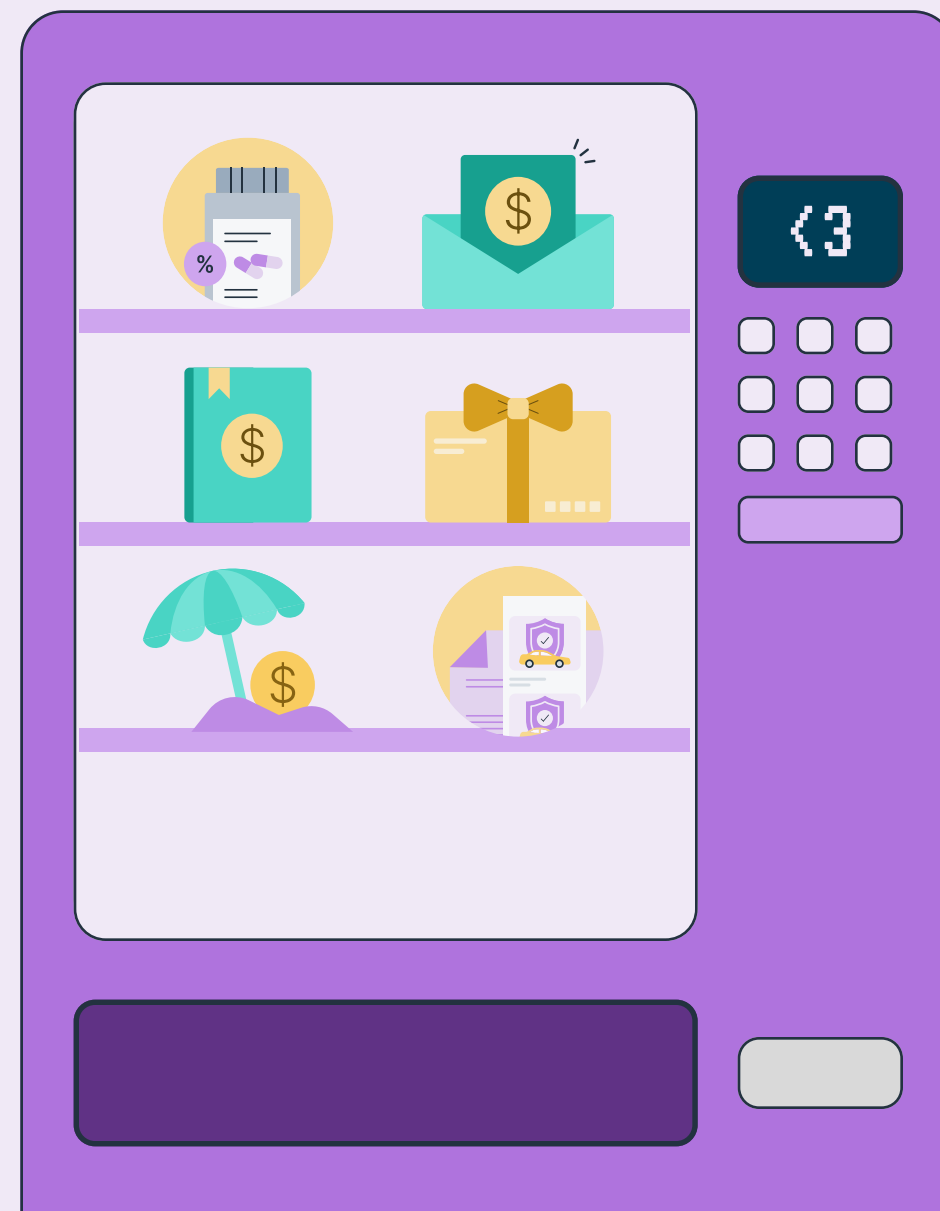


02 Keep it simple and self-serve

The best benefits programs empower employees without creating new headaches for HR. Start with awareness. HR teams can begin by recognizing the signs of financial stress, like increased absenteeism, reduced productivity, or quiet disengagement.

“To keep people engaged, we want them to like what they’re getting,” says Zasada, “but also be able to use it easily.”

Solutions like ZayZoon’s EWA are self-serve and private, allowing employees to access their earned wages on demand without needing to go through payroll. Other low-lift options include self-led financial education, financial perks that employees can explore as needed, and rewards and recognition tools that streamline the process of acknowledging employees’ achievements and fostering a culture of gratitude.



03 Make your values visible through benefits



Benefits aren't just perks—they're signals of a company's culture and attitude towards its employees. At ZayZoon, core values like "trust" are reflected in policies such as flexible time off and no-meeting Wednesdays.

Aligning your offerings with your culture reinforces that your company sees employees as capable adults who deserve autonomy and support. This alignment builds trust and helps employees feel psychologically safe, which is key for motivation and retention.

04 Choose benefits that are easy to adopt and measure

Even the best benefit can fall flat if employees don't know about it or don't know how to use it. That's why it's critical to choose solutions that are intuitive and come with built-in adoption support.

Choose solutions that easily build into tools you already use—for example, an earned wage access provider that embeds directly into your payroll system.

ZayZoon's Employer Connect, for example, gives HR leaders access to real-time utilization metrics and easy-to-share promotional resources. This clarity ensures that benefits aren't just available, they're actually used and make an impact.



05 Evolve with your employees

Your team's needs today won't be the same a year from now. Economic shifts, life changes, and workplace trends all shape what employees value.

Build in regular feedback loops such as quarterly surveys, one-on-one conversations, or anonymous polls, and let the results guide your benefits roadmap. Be proactive, not reactive. By tying program improvements to measurable outcomes like engagement and turnover, you'll be better equipped to make the business case for continued investment.



In short:

Don't build a benefits program based on assumptions. Build it with a benefits provider that's willing to truly partner and prioritize empathy, strategy, and a deep understanding of your workforce. The payoff—lower turnover, higher performance, and a culture of care—speaks for itself.



CHAPTER 05

LOOKING AHEAD:

Financial wellness in 2026 and onward



—— Top financial benefits and programs for 2025 and beyond

The financial landscape of 2025 is shaped by volatility, such as rising inflation, unaffordable housing, and widespread debt.

Yet within that uncertainty lies an opportunity for employers to become powerful agents of stability and support.



Our survey data paints a clear picture:

- **93%** of HR professionals said that employees' financial stress cost their organization money in the past year.
- **80%** of employees are experiencing moderate-to-high levels of financial stress, and that stress is impacting their performance at work.
- Employers who offer earned wage access (EWA), financial education, and recognition programs tangibly improved productivity, morale, and retention

Top financial benefits and programs for 2025 and beyond

This is not a call for charity.
It's a call for leadership.

In the coming years, financial wellness will become a pillar of workplace wellbeing. With over 50% of HR professionals already offering financial benefits such as earned wage access (EWA), employers who stay ahead of this curve will not only attract top talent but also retain productive and engaged employees.



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It's time to move beyond one-size-fits-all financial wellness solutions. Tailored tools that align with employees' financial mindsets help them play to their strengths and work toward lasting financial stability.

Tate Hackert,
Co-Founder and Chief Strategy
Officer at ZayZoon





Here's what to expect on the horizon

1. EWA becomes the standard.

With 59% of employers already offering earned wage access and 75% seeing it as a competitive advantage, EWA will move from “nice-to-have” to a baseline expectation.



2. Integration into the total workplace experience.

Financial wellness is becoming a foundational component of modern total rewards strategies and the workplace experience. Employers are beginning to embed financial tools like earned wage access (EWA), financial education, and savings programs into broader initiatives that support recognition, retention, and performance.



Here's what to expect on the horizon

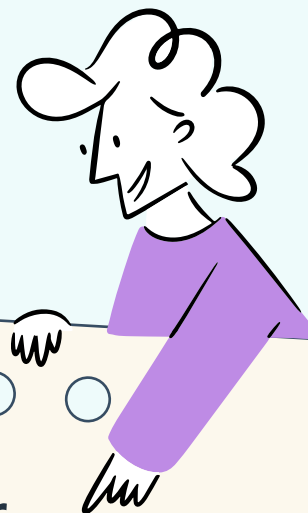
3. Personalization over generalization.

Employees want tools that reflect their realities. Financial tools will need to be as dynamic as the workers they serve.



4. A shift in employer mindsets

Financial wellness is now viewed through a more strategic lens as a buffer against turnover, burnout, and absenteeism. Employers are realizing that doing nothing is the real risk. The most forward-thinking companies are shifting from reactive cost-cutting to proactive care and investing in financial wellness, not just because it's compassionate, but because it's essential to their business's success.



CHAPTER 06

The future of work is financial wellness



Top financial benefits and programs for 2025 and beyond

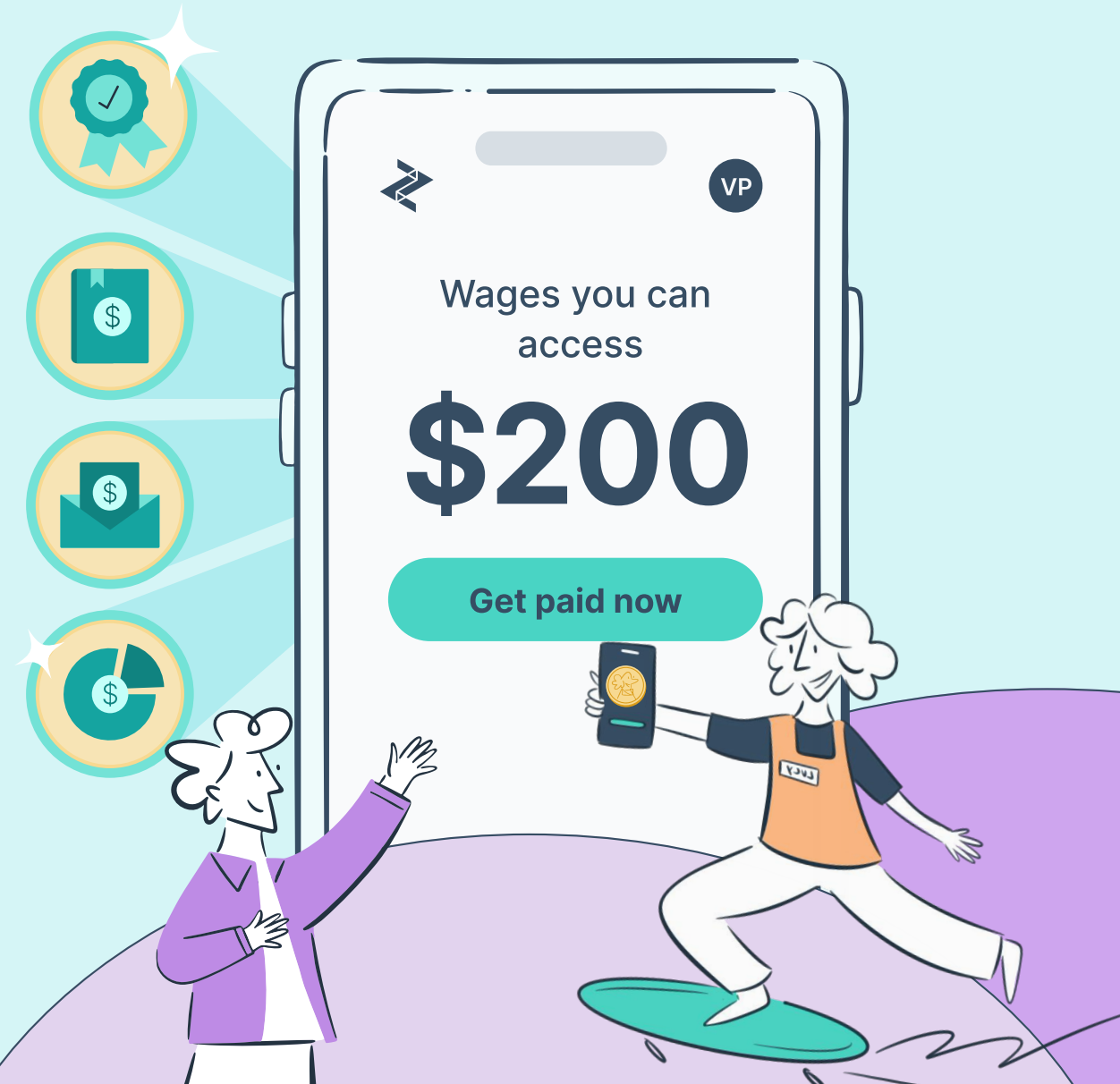
Employee financial stress is not just a personal problem. It's a business risk.

But it's also a business opportunity.

Employers who choose to invest in their employees' financial wellness aren't just supporting their people; they're actively building more resilient, engaged, and high-performing organizations.

As we've seen throughout this report, the tools are stronger than ever. Earned wage access, financial education, and meaningful recognition aren't fringe benefits. They're foundational to a successful workforce in 2025 and beyond.

When employees feel financially secure, they don't just show up, they thrive—and so do businesses.





About ZayZoon

ZayZoon is North America's leading Earned Wage Access solution for SMBs with deskless workers, offering early access to wages through seamless integrations with 200+ payroll providers. As workplace expectations evolve, ZayZoon helps employers stay competitive with a comprehensive suite of modern benefits—including financial education, rewards and recognition, and perks like savings on prescriptions and insurance—to boost retention, engagement, and overall employee satisfaction.

zayzoon.com

