

FINANCIAL PLANNING

Money issues top source of stress: Survey

Offering financial planning help to employees can ease worries, particularly for senior executives

By Susan Stefura

We recently had a controller at a medium-sized company ask if we could help one of their senior executives. He had been going through financial difficulties, which were causing him a lot of stress. It was a small company that didn't have an employee assistance program (EAP) in place and was looking to provide outside professional help for this employee.

This story is not unique. The 2013 Sun Life Canadian Health Index showed stress is a health issue for many Canadians. In fact, 77 per cent of the 2,400 Canadians surveyed by Ipsos Reid on behalf of Sun Life experienced excessive or uncomfortable levels of stress. More importantly, the top driver of excessive stress is personal finances — which ranked even higher than the stress of personal relationships (see sidebar).

This has potentially serious implications not only for the health and well-being of employees, but also for employers. More than one-half (52 per cent) of the respondents in the Sun Life survey, who said they were experiencing uncomfortable levels of stress said their productivity at work had been affected.

Financially stressed employees are less productive, less engaged and spend more time away from work compared to employees who have less financial stress.

Here's where financial planning can help. Whether it's short-term financial counselling or ongoing financial planning, working with a professional to sort through diffi-

cult financial issues goes a long way toward relieving the financial stress employees are feeling.

Workplace-based financial education programs can be effective in helping employees make better financial decisions about their employer programs as well as other personal financial decisions.

For example, providing a retirement planning workshop for employees within 10 years of retiring can help relieve any financial anxiety about retirement. I'll never forget one client who told me that, in reviewing and discussing his retirement plan, he didn't want me to use the word "retirement" — clearly, the very thought of retirement was a terrifying concept to him.

Problem amplified in C-suite

For a senior executive responsible for the success of an important division of a company, financial stress and distractions can have serious consequences for the company. Bottom-line productivity and profit can be directly impacted by a financially stressed senior executive.

A senior management group can benefit from more personalized financial planning. Senior executives know the importance of planning and being in control of financial outcomes. For this reason, they are often very interested and engaged in the financial planning services offered to them.

Senior executives often don't fully understand or pay attention to all of the different elements of their total compensation packages. These can include short- and long-term performance incen-

STRESSFUL SITUATIONS

Sources of excessive or uncomfortable stress

Top drivers of excessive stress, according to the 2013 Sun Life Canadian Health Index.

Personal or household finances	41%
Trying to maintain a budget	29%
Personal relationships	29%
Personal health issues	28%
Unexpected expenses	26%
Work life	25%
Saving enough for retirement	23%
Trying to maintain a healthy diet	21%
Family member health issues	20%
Not enough time in the day	19%
Government spending and cuts	15%
State of the economy	14%
Trying to find a job	14%
Caring for dependent children	9%
Caring for dependent adults	7%
Daily commute	6%
Other	6%

Source: Sun Life Financial

tives, share purchase plans, stock options, deferred share units, retirement compensation arrangements and supplementary pension plans, to name a few.

How all of these programs and benefits fit into the senior executive's overall financial plan is even less clear.

Offering comprehensive financial planning to a senior executive

— as part of his total compensation package — can help make sense of it all. The senior executive will emerge with a better understanding of his compensation package and how it ties into his total financial picture.

More importantly, a less-stressed executive will not only be happier but will also be more focused on his role, which can only mean good

things for the long-term success of his employer.

The potential benefits to a company of providing workplace-based financial planning include:

- increased productivity
- greater employee engagement and retention
- satisfaction with salaries and compensation
- increased benefit and pension plan participation
- reduced absenteeism and disability leave
- potentially lower drug plan costs.

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