

For scheme sponsors, trustees, their advisors, and consultants use only and should not be relied upon by individual investors.

Workplace Investing Global Thought Leadership

Confidence as a cornerstone of financial wellness

Strategies to support the employee
experience and employer outcomes



Index

Executive summary	3
SECTION 1	
Financial wellness as a benefits strategy	4
SECTION 2	
Confidence and knowledge as cornerstones of financial wellness	7
SECTION 3	
Perspectives on employee financial wellness	11
Financial wellness data summaries:	19
• Global	20
• United States & Canada	21
• Latin America	22
• Europe	23
• Africa & Middle East	24
• Asia Pacific	25
Important information	27

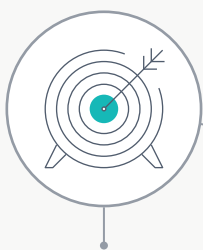
Harnessing the power of financial wellness to support the employee experience and impact key employer outcomes

In an environment marked by increased cost pressures, talent market challenges, emerging technologies, and sustainability goals, we understand the complex challenges human resource (HR) and benefits leaders face in meeting the diverse needs of their employees across geographies and demographics. By supporting employee financial wellness within their benefits strategies, employers can not only take action to meet the complex needs of their employees but also to drive positive business results in today's dynamic global landscape.

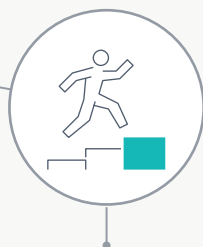
Our research shows that 73% of employers feel very or extremely responsible for their employees' financial wellness, indicating a growing recognition of its importance. Financial wellness is multifaceted in nature, encompassing both subjective elements (e.g., feeling secure about your financial situation) and objective elements (e.g., having money set aside for an emergency). A comprehensive financial wellness approach benefits both employers and employees. Our research and data present a compelling case for employers to consider broadening their definition of financial wellness as a means to achieve their desired talent outcomes (i.e., increased employee satisfaction, decreased employee turnover). It also shows that financial confidence and knowledge are key drivers in strengthening employee financial wellness. This report delves into financial wellness as a component of an impactful benefits strategy.

Amidst the challenges of meeting employee needs and navigating budget constraints, this report serves as a conversation starter for leaders to consider the strategic advantages of prioritising financial wellness in their employee value proposition. By doing so, employers can illustrate their commitment to employee wellness and potentially see a return on these efforts with improved talent outcomes.

4 steps employers might consider to boost financial wellness



Assess whether parts of your workforce are falling short in key areas of financial wellness in order to provide targeted help.



Build financial confidence across those groups with small steps, small wins, and encouragement.



Consider offering and promoting benefits employees need to boost financial wellness (like emergency savings).



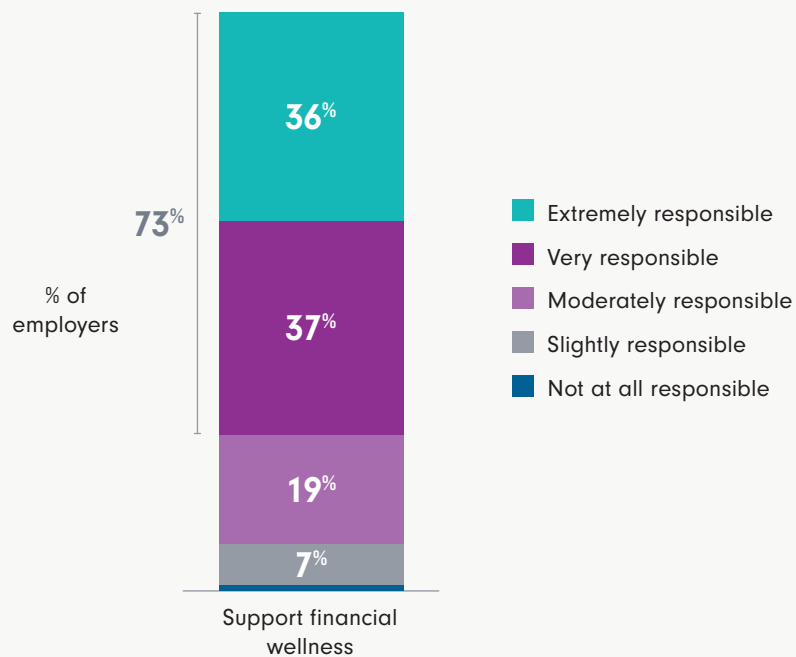
Build social support for financial decision-making through employee resource groups.

Supporting employee financial wellness may now be considered to be standard practice for many global employers

Growing levels of support and responsibility from employers may signal that employee financial wellness has become a vital component of a benefits strategy and a necessary step to remain competitive with peers.

Almost three quarters of employers now say that their business feels highly responsible for taking steps to support employee financial wellness.

Level of responsibility felt by employers to support employee financial wellness

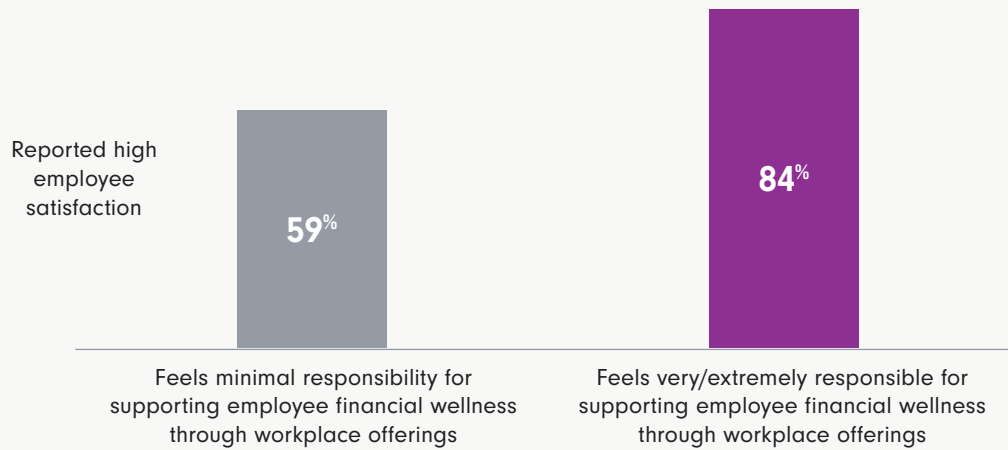


Question: To what degree does your organisation feel responsible for taking steps to support employees' financial wellness?
Source: [The Fidelity Global Employer Survey, 2024](#)

The deep impact of supporting employee financial wellness in the workplace

Employers that have reported taking greater levels of responsibility for employee financial wellness are seeing their efforts rewarded and reporting that their employees are more likely to be satisfied with working at their organisation.

Percentage that reported high employee satisfaction by level of employer responsibility for supporting financial wellness



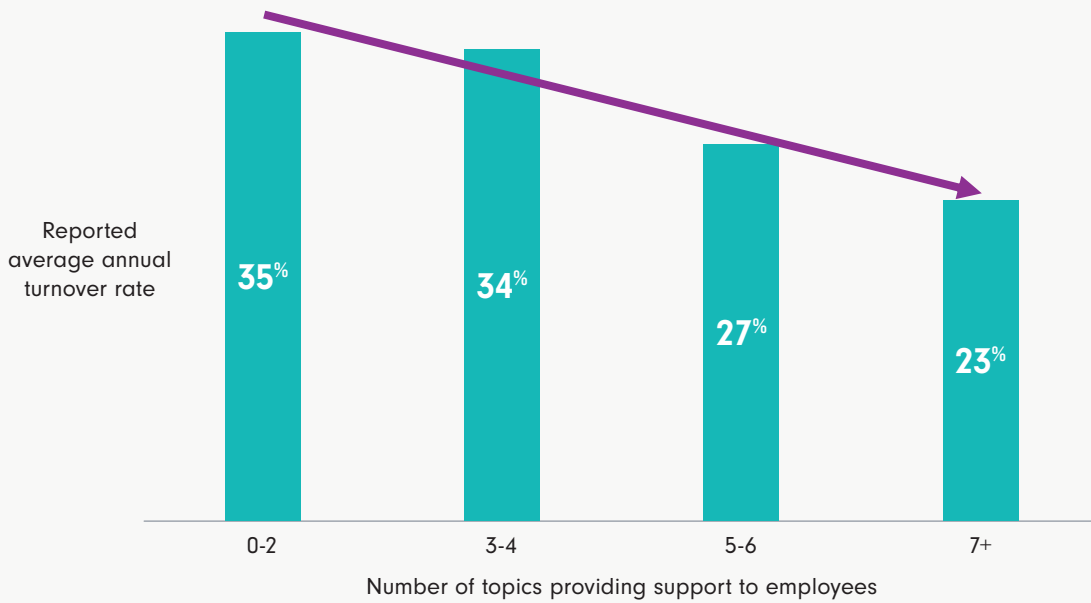
Questions: On average, how satisfied are employees with working at your organisation?
To what degree does your company feel responsible for taking steps to support employees' financial wellness?
Source: [The Fidelity Global Employer Survey, 2024](#)

For some employers, higher employee satisfaction may be considered a positive driver of better workplace productivity, which is a positive consequence of supporting employee financial wellness.

Financial wellness as a benefits strategy

In addition, Fidelity research also found that employers that provide support across a greater number of financial wellness topics report lower turnover rates.

Reported average annual turnover rate by number of financial wellness topics supported by employers



Questions: Of the topics you previously selected, for which does your organisation currently offer support or benefits to employees? Select all that apply. What was your organisation's annual employee turnover rate last year? In other words, what percent of employees left your organisation last year?
Source: [The Fidelity Global Employer Survey, 2024](#)

For several years, our research has shown that well-being is at the forefront for many employers as they increasingly recognise the importance of supporting employees holistically. Employers have seen this investment somewhat validated, as employers that take more responsibility for wellness are more likely to report that their employees are highly satisfied working at their organisation.

Building employee confidence and knowledge may be the most effective driver to strengthen financial wellness outcomes

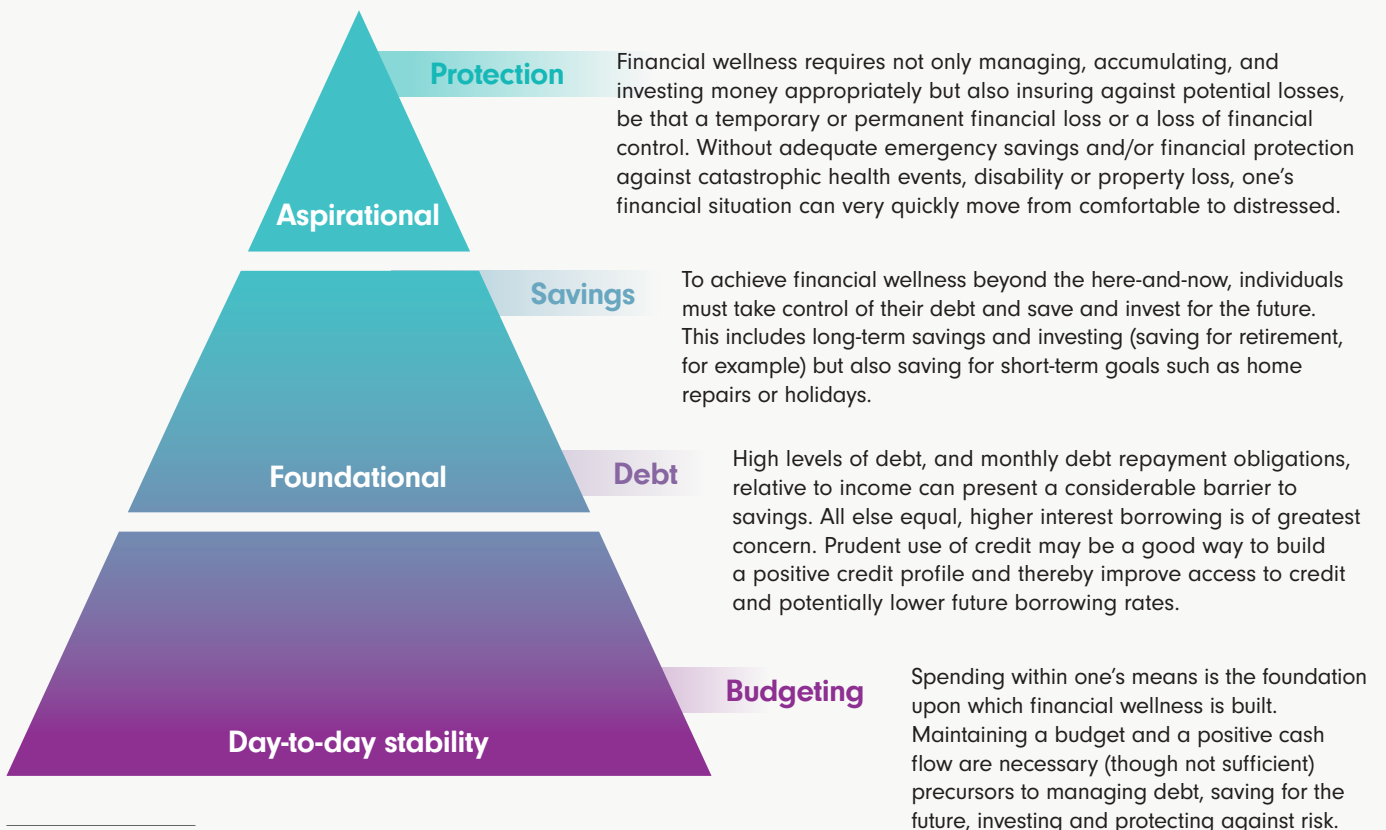
Fidelity’s framework is designed to help employers support financial wellness and identify opportunities to build the confidence and knowledge of their employees.

Fidelity considers financial wellness to be holistic and multifaceted: objectively, it is an individual’s total financial situation and subjectively, it is how the person feels about their financial situation, including their confidence.

Fidelity has identified four common domains of financial wellness, wherever employees are located across the globe: budgeting, debt management, savings, and being financially prepared for the unexpected (in other words, protection).

While all domains of financial wellness are weighted equally, The Fidelity approach uses a hierarchical structure in which focusing on (and controlling) budgeting and debt management precede a focus on savings and protection. For instance, people who are living week to week may be less likely to be saving and investing adequately and might be unlikely to have adequate financial protection against risk.

The Fidelity Financial Wellness Framework



Source: Fidelity Investments

Confidence and knowledge as cornerstones of financial wellness

The path to better financial wellness is employee-centric, *not employee-only*

The methodology behind financial wellness must be understood as employee-centric and not employee-only, as there are other drivers of financial wellness that are not within the control of the employee or even about the employee. Employers and financial firms together have a role to play in supporting employees. Understanding the root causes of a lack of knowledge and/or confidence can help point leaders in the right direction when considering measures to support employees.

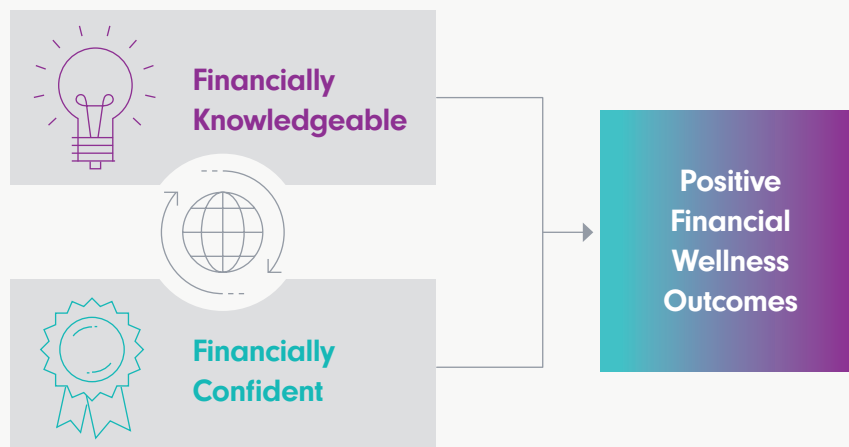
Some drivers of financial confidence and knowledge include:

- Having social support when making complex financial decisions
- Having access to workplace benefits that meet needs
- Having a relationship with a trusted financial firm
- Knowing how to navigate getting help when needed

Financial confidence and knowledge are the most effective drivers of positive tangible financial wellness outcomes

There's growing evidence that financial literacy is a key contributor to making good financial decisions.¹ One way to understand financial literacy is that it has two components: having a solid understanding of financial concepts and confidence in the ability to apply those concepts.²

Consistent with these findings, Fidelity research in the US shows that being financially confident and knowledgeable each have strong and positive relationships with employee financial wellness.



Source: The Fidelity Inclusive Financial Wellness Survey, 2020

¹Lusardi, A. & Mitchell, O. S. (2023). The importance of financial literacy: Opening a new field. *Journal of Economic Perspectives*, 37(4).

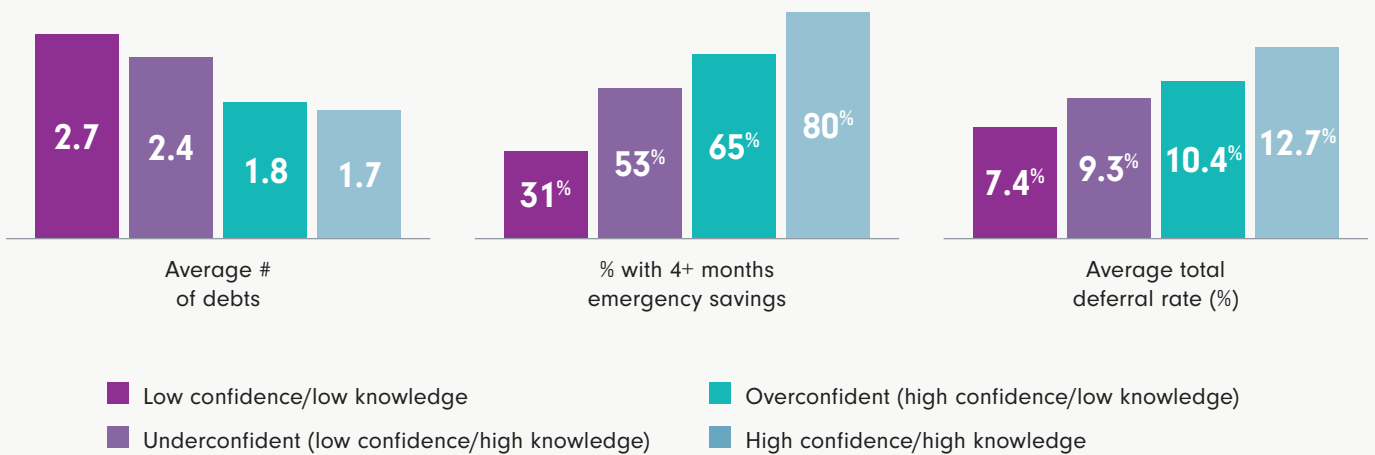
²Huston, S. J. (2010). Measuring financial literacy. *Journal of Consumer Affairs*, 33(2).

Confidence and knowledge as cornerstones of financial wellness

To better grasp the impact of financial confidence and knowledge, Fidelity research looked at a number of key markers of financial wellness across employees with access to workplace retirement savings accounts in the United States. These markers include average number of debts, having four or more months of emergency savings, and deferral rate: (i.e., contribution to a retirement plan).

Employees who were both confident in their abilities and knowledgeable about financial matters reported the fewest number of debts, were most likely to have at least four months of emergency savings, and had the highest total deferral rate.

Being both confident and knowledgeable is linked to the best outcomes



Questions: How confident are you in your ability to manage money day-to-day; pay down debt; make good investment decisions; save for the long-term; save for a financial emergency; plan for health care costs in retirement. How would you rate your overall level of financial knowledge?

Note: Data shown is after controlling for age, gender, race/ethnicity, and household income.

Source: The Fidelity Inclusive Financial Wellness Survey, 2020

Notably, employers may want to recognise the impact of confidence and knowledge together. As shown above, both employees that were overconfident (high confidence but low self-rated knowledge) and underconfident (low confidence but high self-rated knowledge) reported poorer outcomes than those scoring high in both. This finding should be considered when thinking about how to tailor offerings that are unique to the employee population.



In order to support employees' financial wellness, helping to grow their financial knowledge is just the start. It's also critical to help employees build confidence in their abilities to apply that knowledge to achieve their financial priorities.

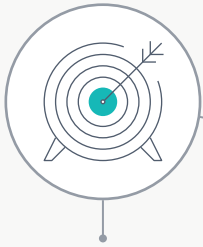


Sarah Raposo, Ph.D.

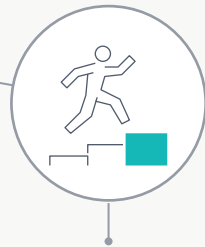
Director, Behavioral Research
Fidelity Investments

Potential considerations for employers looking to further strengthen the financial wellness of their employees

Four next steps employers might consider



Assess whether parts of your workforce are falling short in key areas of financial wellness in order to provide targeted help.



Build financial confidence across those groups with small steps, small wins, and encouragement.



Consider offering and promoting benefits employees need to boost financial wellness (like emergency savings).



Build social support for financial decision-making through employee resource groups.

The four pillars of financial wellness:



Budgeting



Debt Management



Savings



Protection

Examining attitudes and actions of workers around the world can help employers tilt their strategy towards supporting financial wellness in the workplace

As mentioned in the previous section, financial wellness is not just about the objective monetary picture; it is also a function of the subjective picture and how people feel about their finances. The combination of both objective and subjective assessments across these four domains is critical because how an individual is feeling about their financial situation may differ completely from how they are doing.

For instance, doing objectively financially well, like maintaining a suitable budget, saving enough for retirement, and investing appropriately for one's age and risk tolerance, etc., is no guarantee of feeling good about one's finances, nor is feeling good about one's financial situation an assurance of financial success.

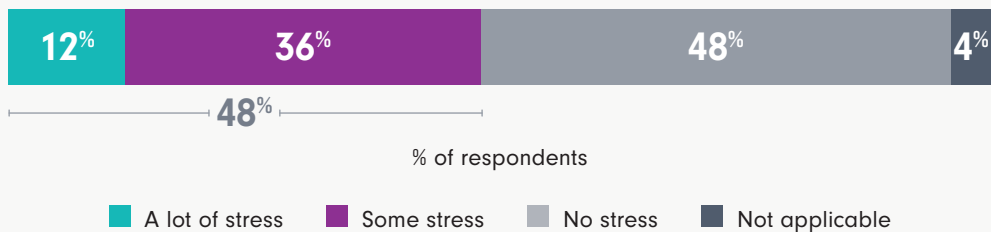
To help employers better understand the current financial wellness and subjective perspective of employees globally, we examined confidence levels and other factors across the four pillars of financial wellness.

Budgeting

Approximately half of workers around the world say that meeting their immediate financial needs causes them stress. Two-thirds of these employees indicated that this stress impacts their ability to concentrate at work.



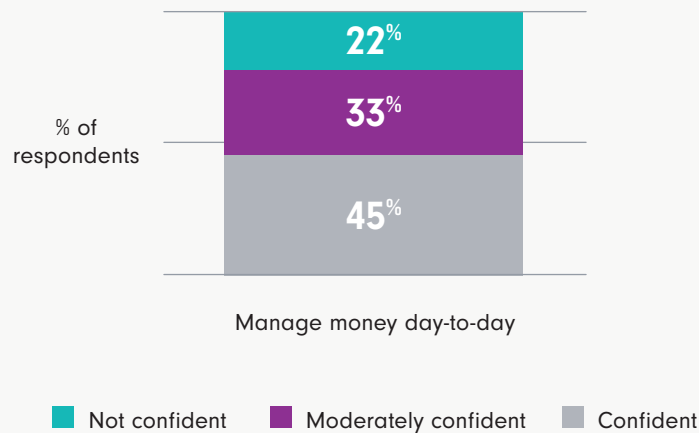
Stress felt regarding meeting immediate financial needs



Question: To what extent are the following causing you stress over the last 6 months? Meeting my immediate financial needs (i.e. food/housing/utilities)
Source: [The Fidelity Global Employer Survey, 2024](#)

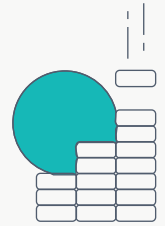
Employees are looking for support when it comes to budgeting. Nearly one in four workers around the world say that their most pressing financial need is budgeting, and just under a quarter of workers were not confident in their ability to manage money day-to-day.

Confidence in ability to manage money day-to-day



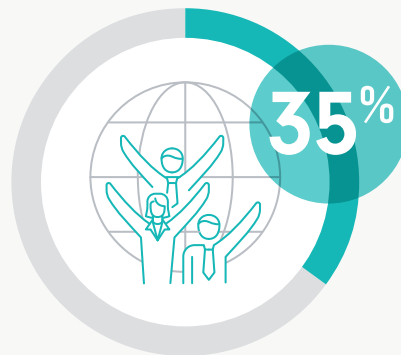
Question: How do you feel about your ability to... manage money day-to-day?
Source: [The Fidelity Global Employer Survey, 2024](#)

Debt Management



More than a fifth of the global workforce say that their borrowing has increased in the prior six months ending in September 2024, and two in five workers state that paying down debt causes them stress.

With the impact of inflation and the rising cost of living, certain essential items are more expensive. The focus on day-to-day living may take precedence over longer-term goals like paying down debt. However, paying down debt is valued among workers, with approximately a third of workers around the world saying that having minimal debt is a component of being financially well.

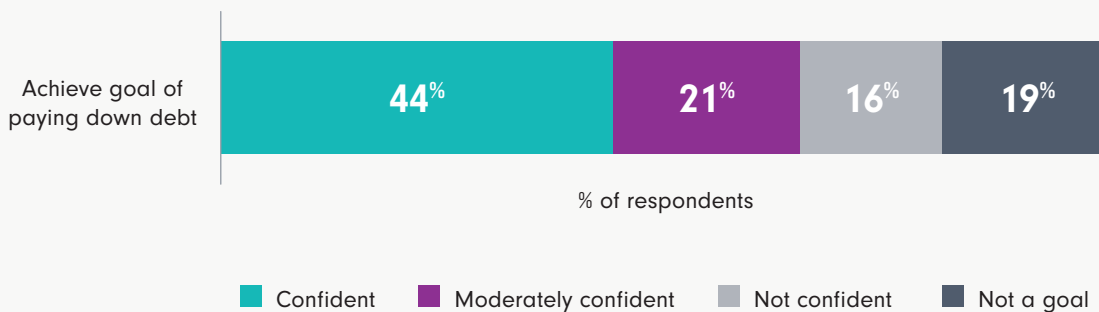


35% of global workers have **minimal debt**

Question: In your view, what does it mean to be “financially well?”
Source: [The Fidelity Global Employer Survey, 2024](#)

Low confidence levels in managing money day-to-day and spending beyond one’s means may be contributing factors to why only two in five workers feel either very or extremely confident about achieving their long-term goal of paying down debt.

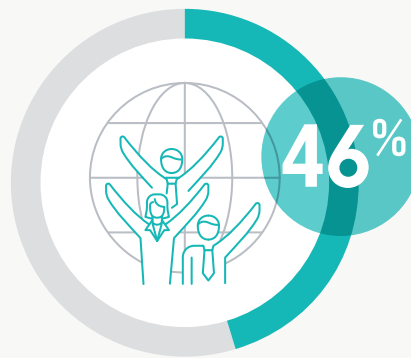
Confidence in achieving long-term financial goal of paying down debt



Question: Which, if any, of the following would you describe as one of your long-term financial goals, and how confident are you about achieving them?
Source: [The Fidelity Global Employer Survey, 2024](#)

Savings

Less than half of workers around the world describe their savings situation as “good,” and nearly 40 state their most pressing need is increasing money for saving and/or investing.



46% of global workers describe their savings situation as “good”

Question: How would you describe the current state of your savings?
Source: [The Fidelity Global Employer Survey, 2024](#)

Overall savings behaviour

Just over a quarter workers are saving less than in the previous six months; half of those saving less are doing so because they are spending more on household expenses. For those who are saving more, they have made cuts in their spending on extras.



Question: In the past six months, have you saved more, less, or the same amount as you did the previous six months?
Source: [The Fidelity Global Employer Survey, 2024](#)

Top reasons for saving more
Spending less on ‘extras’
Spending less on household expenses
Have paid down debt
Got a higher-paying job

Top reasons for saving less
Spending more on household expenses
Paying down debt
Spending more on ‘extras’
Spending more on transportation/commuting expenses

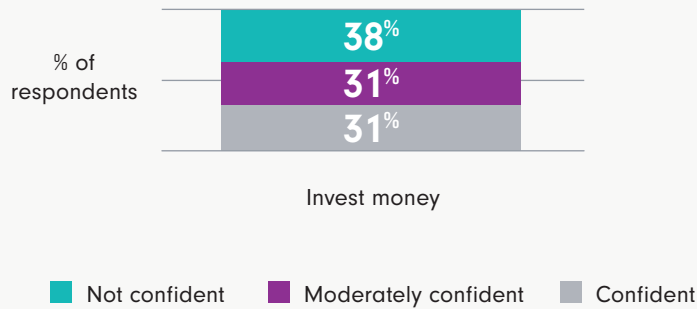
Questions: Why have you saved more in the past six months? Why have you saved less in the past six months?
Source: [The Fidelity Global Employer Survey, 2024](#)

Perspectives on employee financial wellness

Investing

More than a third of workers around the world state that they are not confident about their ability to invest money.

Confidence in ability to invest money

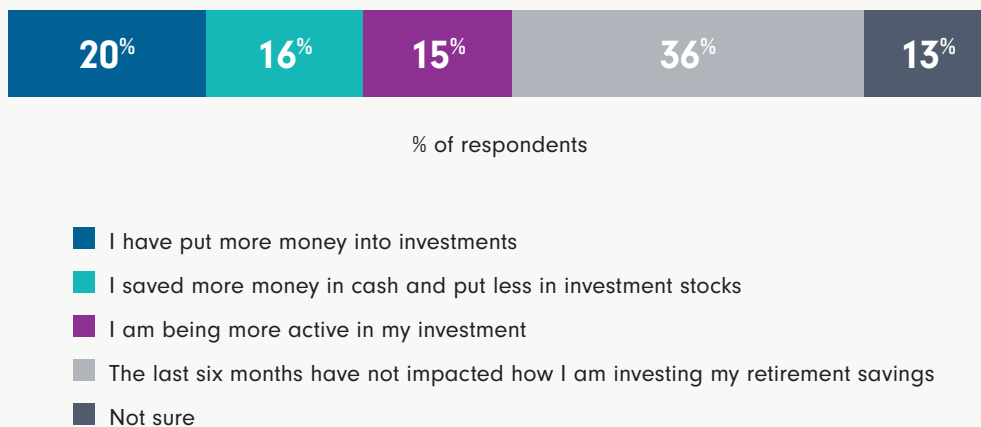


Question: How do you feel about your ability to... invest your money?
Source: [The Fidelity Global Employer Survey, 2024](#)

Saving/investing for retirement

Employees are taking a diverse approach to saving and investing for retirement. One in five workers around the world are contributing more money to their investment portfolios. A sizeable portion of workers around the world are also focusing on saving more cash.

Approach to saving/investing for retirement



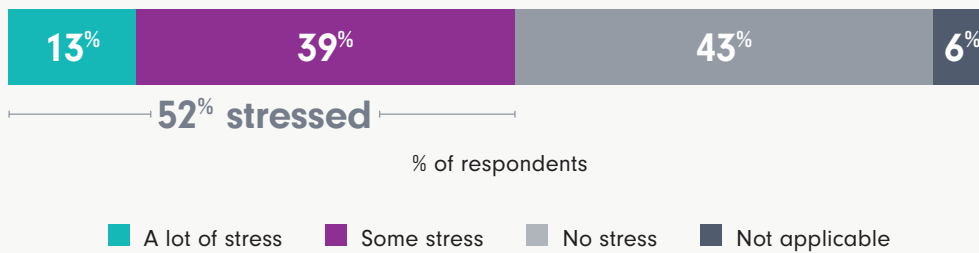
Question: Which of the following statements, if any, apply to your approach to saving/investing for retirement over the past six months?
Source: [The Fidelity Global Employer Survey, 2024](#)

Perspectives on employee financial wellness

Saving for retirement

Being financially comfortable in retirement is nearly a universal goal, with 96% of respondents sharing this long-term goal. However, 52% of workers globally say that saving enough for retirement causes them stress. And more than a third of workers around the world state that they are not confident about their ability to save for retirement.

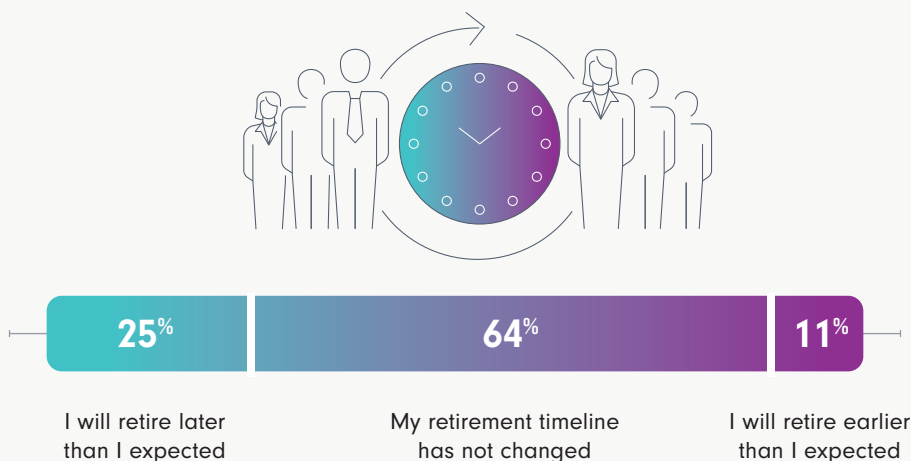
Stress caused by saving enough for retirement



Question: To what extent are the following causing you stress over the last 6 months? Saving enough for retirement
Source: [The Fidelity Global Employer Survey, 2024](#)
Totals may equal greater than 100% due to rounding.

A third of workers over the age of 50 have changed when they think they will retire, with a quarter saying they will retire later than expected. The most cited reason for planning to retire later than expected is noticing that their retirement savings are not as much as expected. One in four respondents have no idea how much to expect to spend annually in retirement.

Changes in retirement timeline



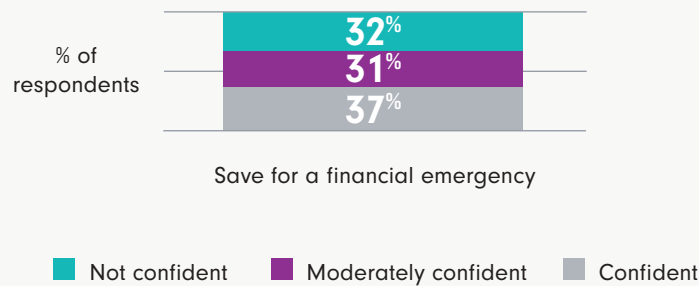
Question: Thinking about the last six months, have you changed when you think you will retire? By retirement we mean no longer working or no longer working for financial reasons.
Source: [The Fidelity Global Employer Survey, 2024](#)

Protection

Approximately a third of workers around the world expressed that they are not confident in their ability to save for a financial emergency.



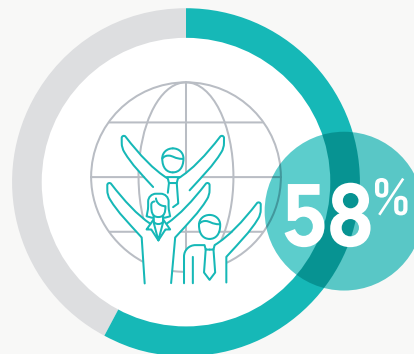
Confidence in ability to save for a financial emergency



Question: How do you feel about your ability to... save for a financial emergency?
Source: [The Fidelity Global Employer Survey, 2024](#)

Being unprepared for the unexpected can quickly lead to increased debt when an emergency arises. By educating employees of the importance of an emergency savings fund or even offering a benefit that helps employees build their preparedness, employers can help workers prepare for the unexpected moments in life.

Many workers understand the importance of having an emergency fund. More than half of workers around the world say that having money set aside for an emergency is a component of being financially well.



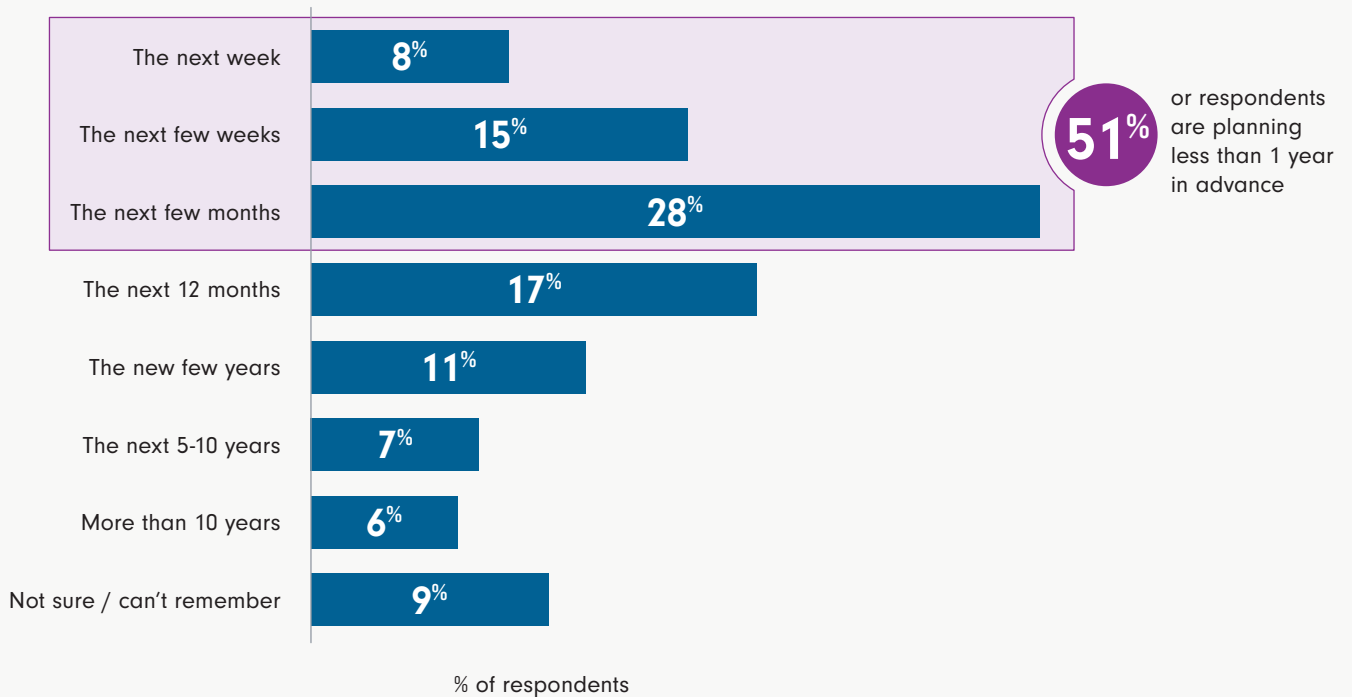
of global workers have **money set aside for an emergency**

Question: In your view, what does it mean to be "financially well?"
Source: [The Fidelity Global Employer Survey, 2024](#)

Perspectives on employee financial wellness

In addition to saving money to be prepared for an emergency, planning with a longer time horizon may contribute to greater preparedness for the unexpected. While taking a long-term view of financial planning may be challenging for some, it may help clarify how to prepare both financially and emotionally for an unforeseen situation.

How far in advance do you plan for your financial needs?



Question: How far do you plan for your financial needs?
Source: [The Fidelity Global Employer Survey, 2024](#)

The bottom line for employees may be connected to the bottom line for employers

Workers around the world face a multitude of competing financial demands, and many are not sure how to prioritise or what steps to take to improve their situation. To address these matters, while potentially decreasing the impact of workers' financial distress in the workplace, Fidelity encourages all employers to consider the benefits of deeply understanding the financial state of workers and supporting them with the solutions they need to build financial confidence and knowledge, in order to strengthen financial wellness.

As the needs of workers evolve, so must the benefits and support offered by employers to drive attraction, retention, engagement, and productivity. For employers, positively changing the financial sentiment of workers isn't just beneficial for their overall well-being, it can be a strategic imperative for good business.

Financial wellness data summaries

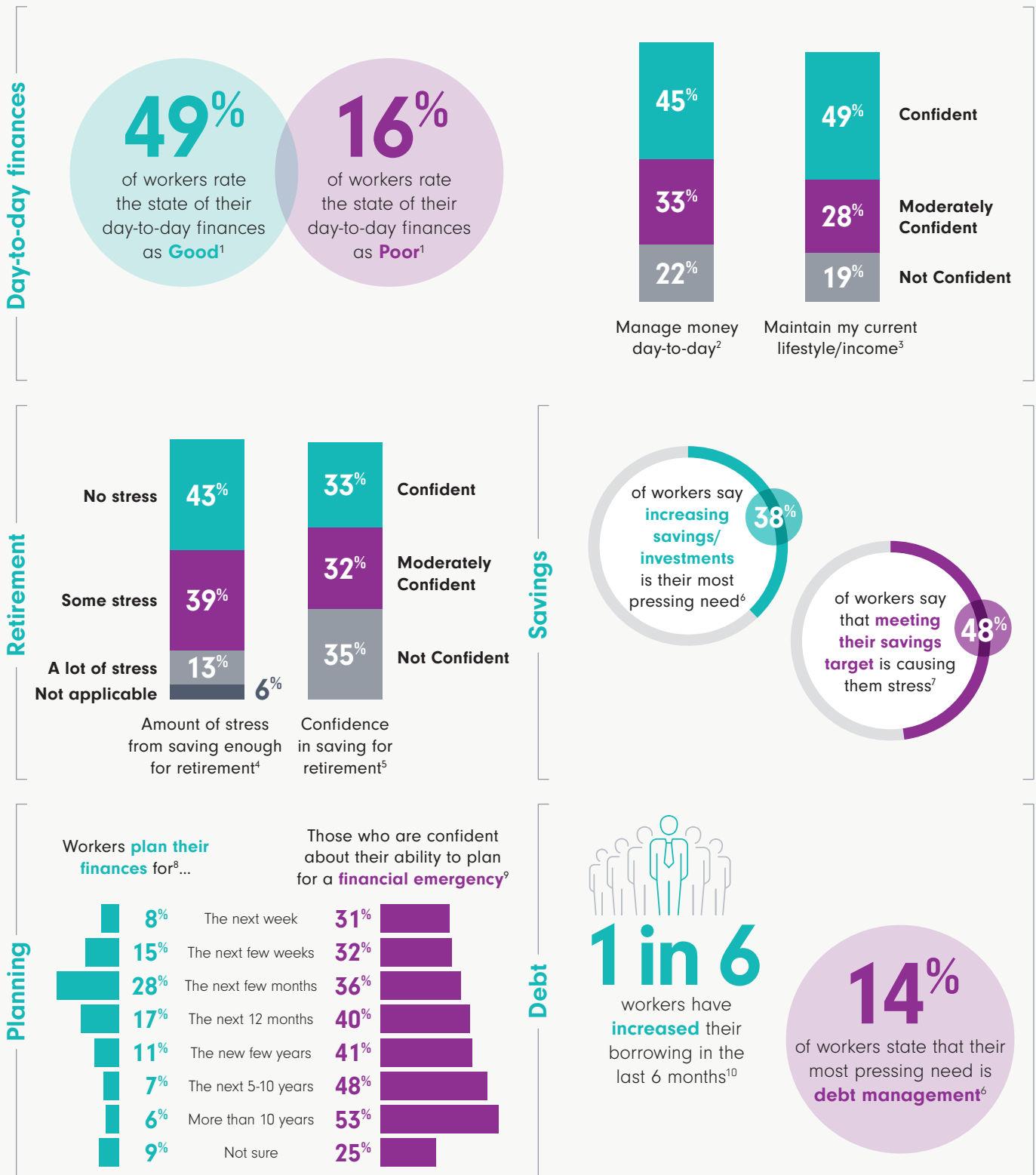
In its fourth year, the annual Fidelity Global Sentiment Survey aims to understand the attitudes and actions of employees in four areas: overall well-being, financial wellness, retirement readiness, and the workplace.

The survey provides extensive information from 37,000 working households across 34 international markets. In this section of the report, we consider how workers across the world are managing their day-to-day finances, saving and preparing for retirement, managing debt, and planning for the future.

We examine characteristics (like sentiment, confidence, and stress levels) and actions (like saving and borrowing efforts as well as individuals' financial planning timelines) to provide employers with an overall perspective on employee financial wellness both globally and regionally.

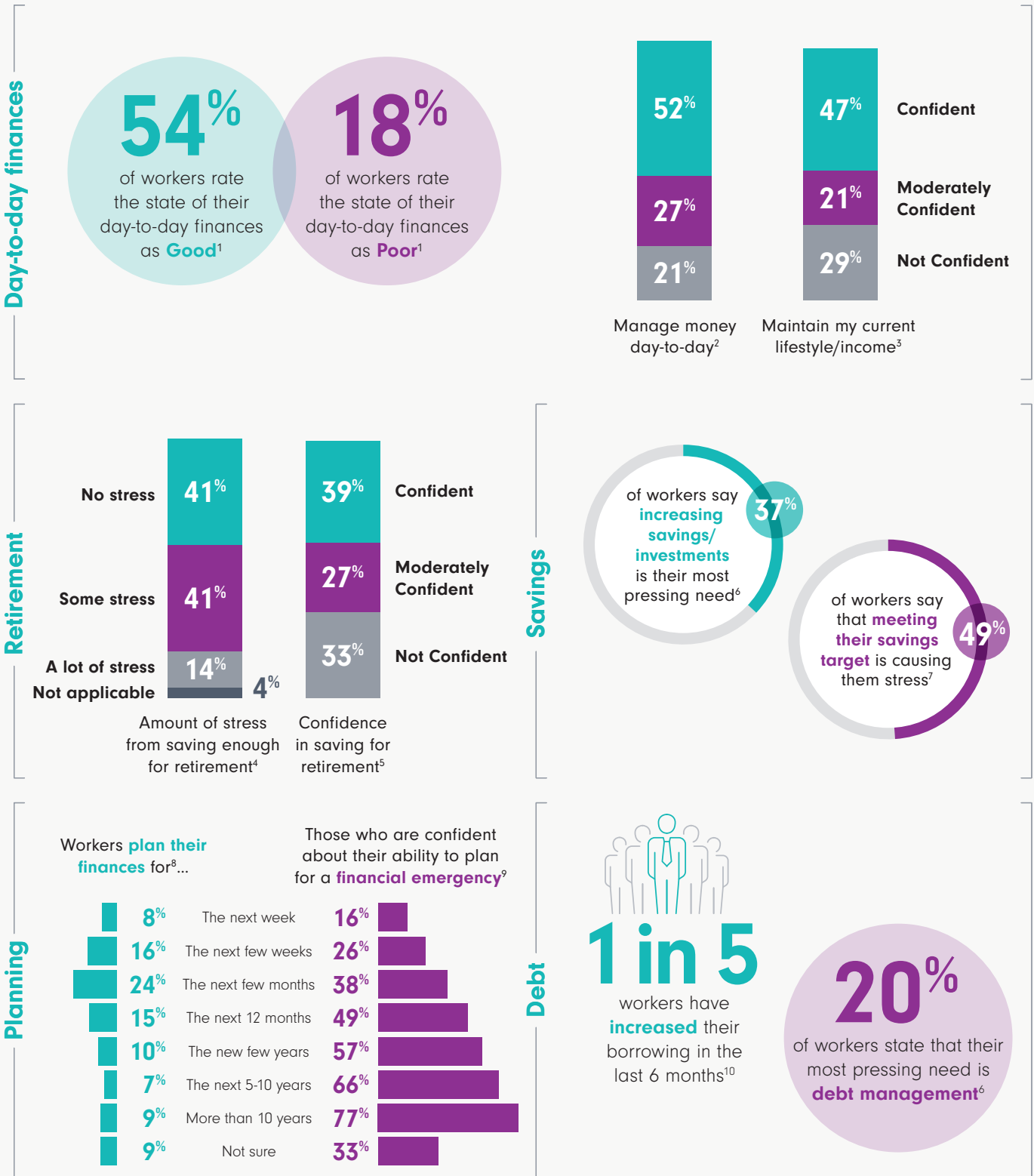


A **global** perspective on financial wellness across 37,000 workers in 34 markets



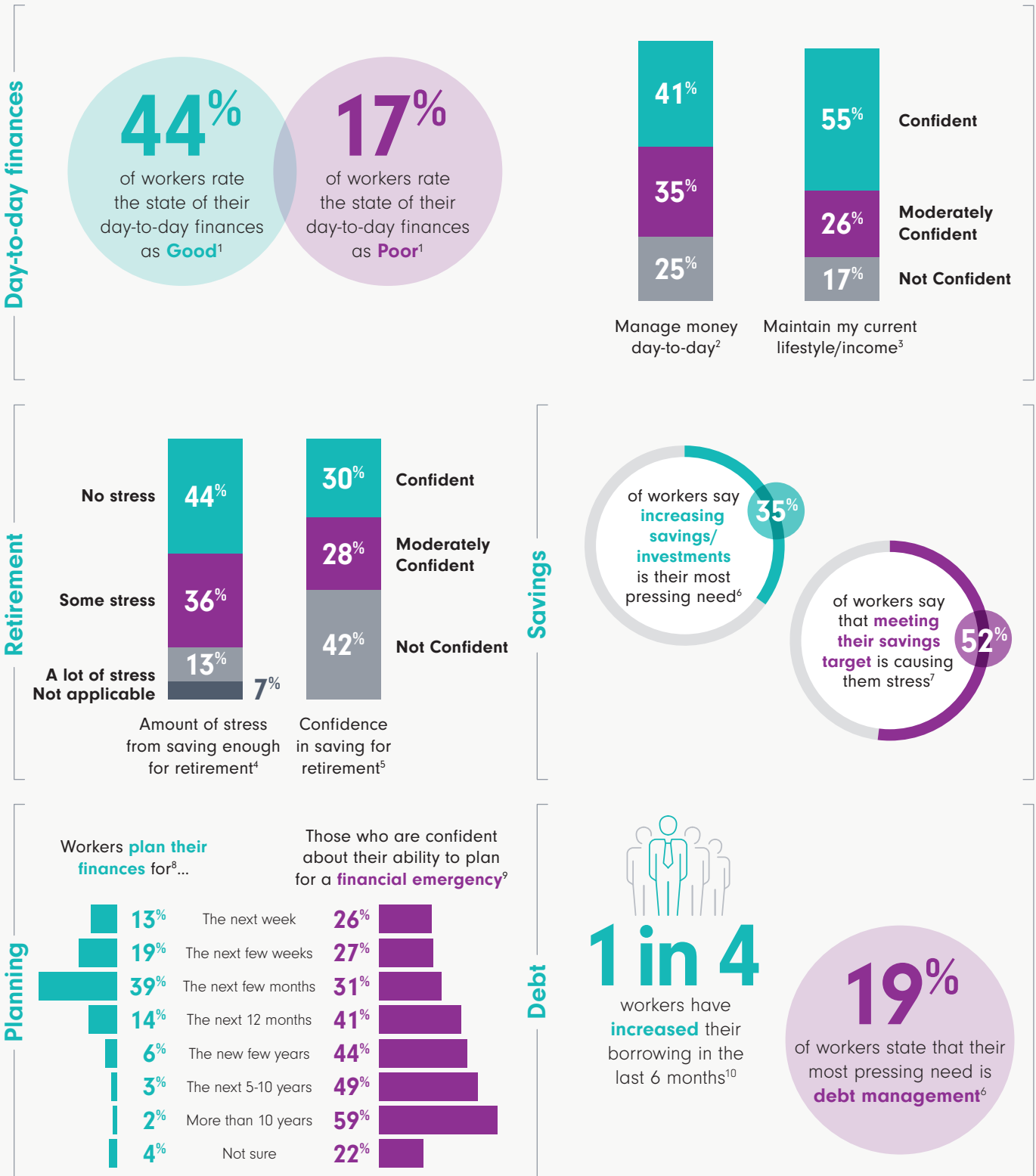
Note: See question index for details of relevant question

Markets: Canada and the United States of America



Note: See question index for details of relevant question

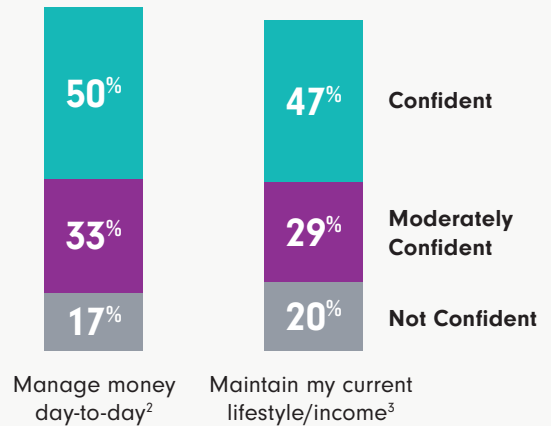
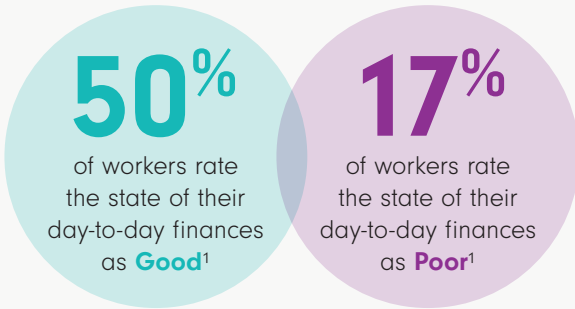
Markets: Argentina, Brazil, Chile, Colombia, and Mexico



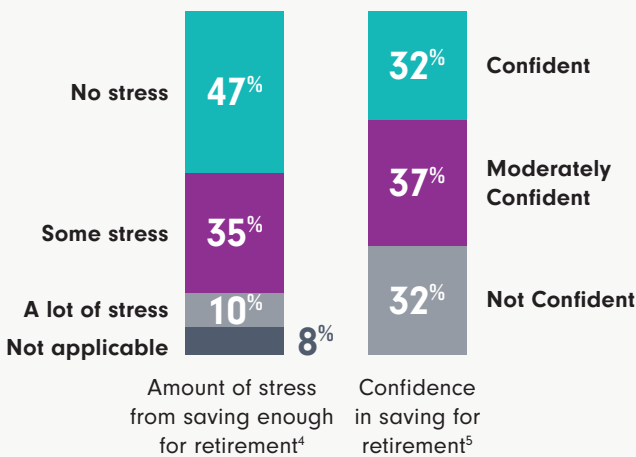
Note: See question index for details of relevant question

Markets: Denmark, France, Germany, Ireland, Italy, Netherlands, Poland, Spain, Sweden, Switzerland, and the United Kingdom

Day-to-day finances



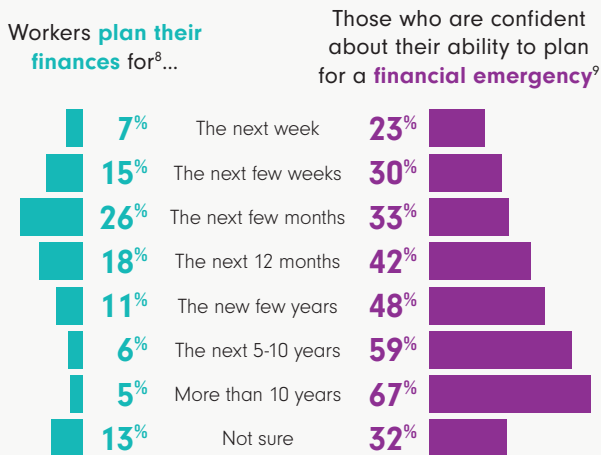
Retirement



Savings



Planning

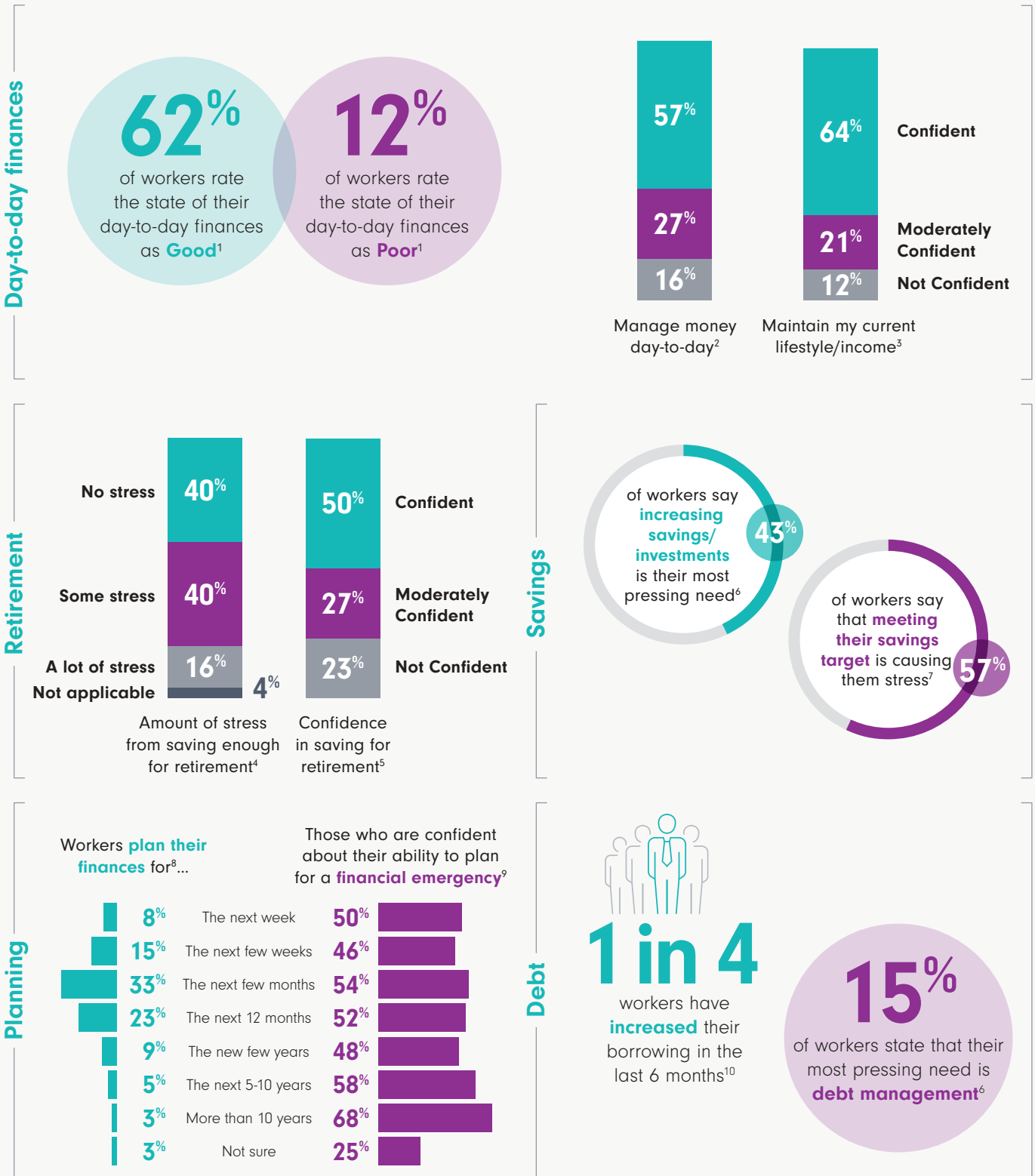


Debt



Note: See question index for details of relevant question

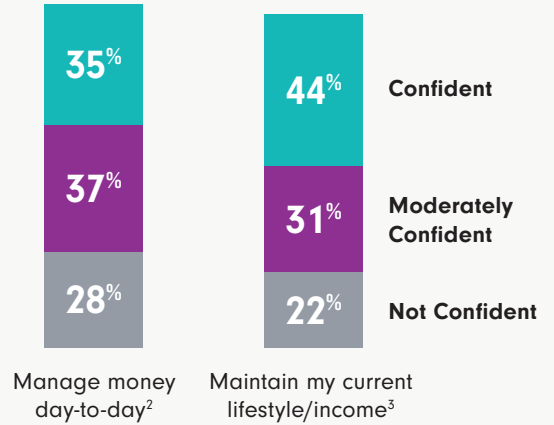
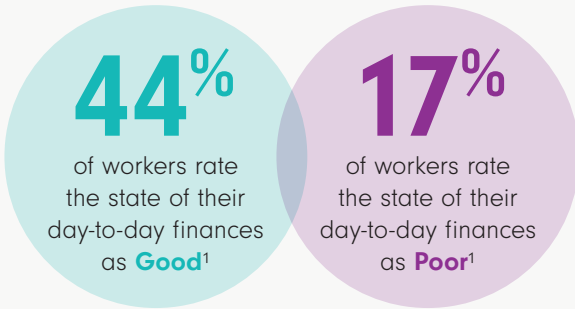
Markets: Nigeria, South Africa, Kingdom of Saudi Arabia, Kuwait, and the United Arab Emirates



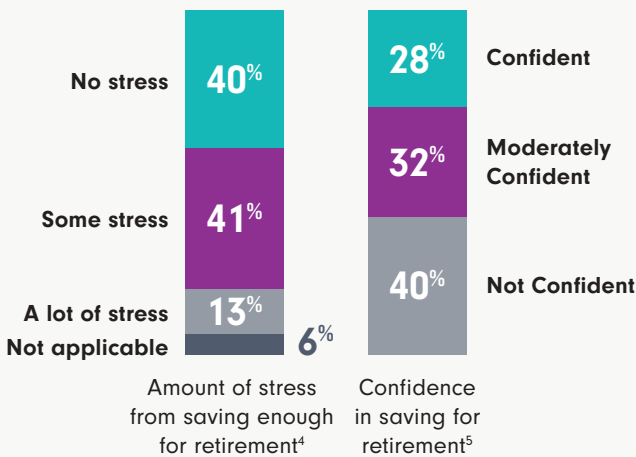
Note: See question index for details of relevant question

Markets: Australia, China, Hong Kong, India, Japan, Philippines, Republic of Korea, Singapore, Taiwan, Thailand, and Vietnam

Day-to-day finances



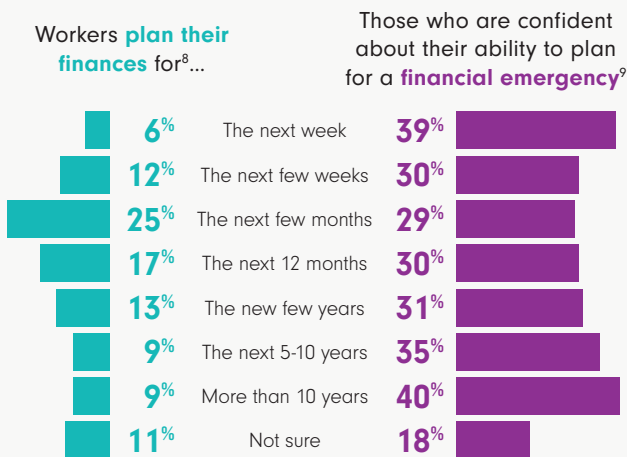
Retirement



Savings



Planning



Debt



Note: See question index for details of relevant question

Question Index

- ¹ How would you describe the current state of your day-to-day finances?
- ² How do you feel about your ability to manage money day-to-day?
- ³ Would you describe maintaining my current lifestyle/income as one of your long-term financial goals, and how confident are you about achieving it?
- ⁴ To what extent is saving enough for retirement causing you stress over the last six months?
- ⁵ How do you feel about your ability to save for retirement?
- ⁶ Which ONE of your financial needs is currently the most pressing?
- ⁷ To what extent is meeting your saving targets causing you stress over the last six months?
- ⁸ How far in advance do you plan for your financial needs?
- ⁹ How do you feel about your ability to save for a financial emergency?
- ¹⁰ In the past six months, has your borrowing increased/decreased/stayed the same compared with the previous six months? 'Borrowing' can infer credit card usage, loans, or access to monies not usually expected from regular source of income. Please exclude any secured debts such as mortgages.

Important information

Endnotes

Data throughout this report was from The Fidelity Global Sentiment Survey 2024 unless otherwise noted.

The Fidelity Global Sentiment Survey was fielded to more than 37,000 working adults across 34 international markets. The sample consisted of respondents with the following qualifying conditions: aged 20-75, employed full-time or part-time and had a minimum household income of:

- Argentina: ARS \$3,000,001 annually
- Australia: AUD \$45,000 annually
- Brazil: BRL \$1,501 monthly
- Canada: CAD \$30,000 annually
- Chile: 3,000,001 CLP annually
- China: CNY ¥5,000 monthly
- Colombia: COP \$7,000,001 annually
- Denmark: DKK Kr.100,000 annually
- France: EUR €20,000 annually
- Germany: EUR €20,000 annually
- Hong Kong: HKD \$15,000 monthly
- India: INR ₹55,001 annually
- Kuwait: KWD ك.د. 6,000 annually
- Republic of Ireland: EUR €20,000 annually
- Italy: EUR €15,000 annually
- Japan: JPY ¥1.5m annually
- Mexico: MXN \$4,500 monthly
- Netherlands: EUR €20,000 annually
- Nigeria: NGN ₦1,000,000 NGN annually
- Philippines: PHP ₱10,001 monthly
- Poland: PLN zł20,000 PLN annually
- Saudi Arabia: SAR ر.س. 4,000 monthly
- Singapore: SGD \$2,000 monthly
- South Africa: ZAR R20,000 annually
- South Korea: KRW ₩1.0m monthly
- Spain: EUR €15,000 annually
- Sweden: SEK kr200,000 annually
- Switzerland: CHF Fr20,000 annually
- Taiwan: TWD NT\$300,000 annually;
- Thailand: THB ฿60,000 annually
- United Kingdom: GBP £10,000 annually
- United Arab Emirates: AED ا.د. 5,000monthly
- United States: USD \$20,000 annually
- Vietnam: VND ₫24,000,000 VND annually

The data collection, research and analysis for the above markets was completed in partnership with Opinium, a strategic insight agency. Data collection took place between June and September 2024. Reporting and analysis took place between August and October 2024. Not all regions were asked about sexual orientation or gender identities (individuals that did not identify as either male or female did not represent a statistically significant sample size and are not presented within this piece).

The Fidelity Global Employer Survey 2024 sample consisted of 1,001 senior leaders at U.S. and non-U.S. based MNCs where the company has a presence in two or more international markets, employs at least 1,000 workers, is for-profit or non-profit (government bodies were excluded), in some cases there may be responses from more than one senior leader from a particular company. The survey was conducted by Dynata, a third-party market research company using their global research panel in conjunction with their partner vendors. The survey was fielded in January 2024. Data is aggregated, and survey responses are not an indication of future outcomes.

The Fidelity Inclusive Financial Wellness Research online survey of 4,615 employees with access to a 401(k) or 403(b). The survey was conducted by CMI Research on behalf of Fidelity in September 2020.

Important information

Contributors

Fidelity Investments

Jason Jagatic
Ali Ahmed
Sarah Raposo
Katlyn Limer

Fidelity International

Andrew Oxlade
Elizabeth Ryan
Alice Lambert



More global workplace research & insights

Visit retirement.fidelityinternational.com

This information is designed for scheme sponsors, trustees, their advisers and consultants use only and should not be relied upon by individual investors.

Fidelity refers to one or both of Fidelity International and Fidelity Investments. Fidelity International and Fidelity Investments are separate companies that operate in different jurisdictions through their subsidiaries and affiliates. All trademarks are the property of their respective owners.

GTL0225/400038/CWIG0112/0226

