From Financial Stress to Financial Success: Turning Unused PTO into a Powerful Financial Safety Net

How Savings Exchange Fosters Workplace Financial Wellness

We're living in an unprecedented financially challenging time. Inflation continues to remain high with little relief in sight for cost-of-living expenses. Wages continue to stagnate, failing to keep up with rapid changes in inflation. This is leaving American workers barely able to keep up, living paycheck to paycheck, relying on credit, and taking out loans to make ends meet.

Employees are feeling the financial stress and bringing it with them into the workplace. According to PWC's 2023 Employee Financial Wellness Survey, 60 percent of full-time employees are stressed about their finances. And among employees earning $100,000 or more per year, 47 percent are stressed about their finances.

Financial stress impacts a wide range of employee health and well-being areas including mental health, job productivity, sleep, and self-esteem. Moreover, the quality of financial wellness benefits offered by organizations directly impact employee retention—if employers aren't offering employees benefits to help them relieve financial stress, they're more likely to see higher turnover numbers.

Employees are increasingly looking to their employers for financial assistance, whether its benefits, financial literacy resources, or any other programs that can improve their financial wellness. According to the Bank of America Workplace Benefits Report, 80 percent of employees think that employers should support financial wellness, while 62 percent of employers feel they need to offer more financial support to their employees.

HR teams and leaders are looking for cost-effective financial wellness benefits to offer as a part of their employees' benefits packages. One benefit is a Savings Exchange, a way to allocate the value of unused PTO to saving for the future.

In this ebook, we'll share why and how Savings Exchange addresses the financial challenges employees face while fostering financial empowerment.

The impact of financial wellness in the workplace

Financial stress extends beyond the bank account to key drivers of health and well-being. Below are the percentage of employees that reported that their personal finances affected some part of their physical and/or mental health:

- Sleep (56%)
- Mental health (55%)
- Self-esteem (50%)
- Physical health (44%)
- Relationships at home (40%)

Moreover, financial stress affects an employee's productivity at work—according to a survey done by CFPB, 81% of workers say financial problems have affected their productivity at work. Competition for talent is fierce— hiring and retaining talent is a key investment area for CHROs, especially in a volatile job market where giving employees a reason to stay with their company is critically important. Financially stressed employees tend to be more distracted, less engaged and more likely to seek another job.

Distractions add up and can cost employers productivity. Among financially stressed employees who are distracted at work because of their finances, 56 percent spend three hours or more per week at work dealing with or thinking about issues related to their personal finances.

Financially stressed employees are also more likely to leave because they are less engaged at work. Only 54 percent feel there is a promising future for them at their employer compared to 69 percent of employees who are not stressed about their finances. These employees are also twice as likely to be looking for a new job (36 percent of financially stressed employees compared to only 18 percent of non-financially stressed employees). And 73 percent of financially stressed employees say they would be attracted to another employer that cares more about their financial well-being compared to just 54 percent of non-financially stressed employees.

Seventy-four percent of employees are seeking some sort of financial guidance. Employers are noting this and starting to provide employees with financial wellness benefits. According to survey data from PlanSponsor's 2022 Participant Survey, 46 percent of those surveyed said their employer offers a financial literacy/wellness program, while 13 percent do not know whether their employer offers this kind of benefit option.

Of those who offer financial wellness programs, 57 percent of workers report that financial education helps boost productivity, and 75 percent of employers plan to expand their financial education and wellness programs.

Building a financial wellness program

There are several incentives for employers to provide financial wellness benefits to their employees:

- Improved job satisfaction
- Higher retention
- Reduce stress
- Increase employee productivity
- Higher engagement

The data clearly suggests that employees are more likely to stay at their current job if their employer offers financial wellness benefits and financial training and resources. In addition, employees with financial literacy or financial wellness programs through their employers find them extremely helpful in improving their financial status and reducing financial stress.

Financial wellness programs can take several different forms depending on employee needs:

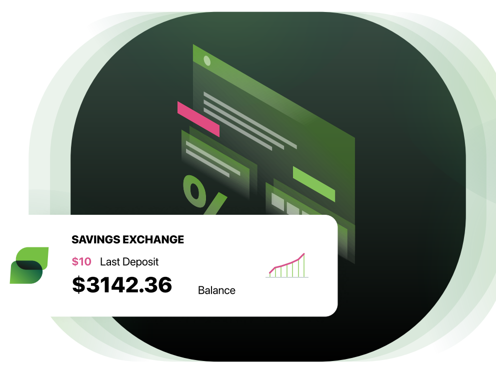
- Digital content and resources
- Employer-hosted training and seminars
- One-on-one guidance from a financial expert
- Financial benefits offered to employees (401(k) matching, reimbursements, etc.)

For companies, financial training and support are low investment, high output benefits, and when combined with financial wellness products (FSAs, investment options, retirement contributions, etc.), create more stability and peace of mind for employees.

Employers can foster financial well-being with flexible benefits. Employees can easily manage and build financial security by turning unused PTO into several financial programs, such as preparing for retirement, meeting unforeseen expenses, and paying college tuition. By providing this benefit, employers can help their employees gain peace of mind outside the office and better contribute to it inside the workplace.

The Savings Exchange approach

Savings Exchange is an innovative financial wellness platform designed to empower employees to manage their finances effectively and break free from the cycle of living paycheck to paycheck.



Employees can convert their unused PTO or allocate a portion of their pay into a Savings Exchange, enabling them to save for their future.

Allowing employees access to their accrued PTO enables employers can provide more flexible financial savings tools by leveraging an already accounted for benefits expense. Employers don’t have to pay for a new benefit, they are simply repurposing an existing one.

By integrating seamlessly with payroll, HRIS, and employer benefit programs, Savings Exchange not only helps employees save for the future but also addresses immediate financial needs, all while ensuring compliance with Secure 2.0 laws.

Here are a few features of the Savings Exchange platform:

Benefits both employees and employers: Employers can automatically enroll employees in a savings plan with the option to opt-out, ensuring broad participation while respecting individual choice. They can allocate a portion of their unused PTO or wages to a savings exchange, accessible for immediate needs without penalty, reducing reliance on credit cards or payday loans.

Matching and Incentives to create better financial behavior: Employers can offer matching contributions or financial incentives to encourage participation and reward saving habits in compliance with Secure 2.0 provisions. Additionally, employers can allocate a portion of their match either with a matching pool of dollars or with reward tokens controlled by company-designed policy.

Flexible contributions and disbursements: Employees can adjust their savings rates and withdraw from their savings accounts as needed, offering flexibility to meet changing personal circumstances. They can quickly transfer to other financial institutions through ACH, Push to card, Paypal, Venmo, Zelle, or wire.

Security and compliance: Savings Exchange is secure and compliant, ensuring all financial activities and data are handled with the highest level of security and privacy. It's also Soc I and Soc II compliant.

Integration with retirement plans and student loans: Seamless integration with existing 401(k) and student loan institutions, allowing employees to balance short-term needs with long-term goals. Savings Exchange is capable of supporting Secure 2.0 matching to both 401(k) and student loans.

Savings Exchange Benefits for Employers

Savings Exchange empowers employers to cultivate a thriving workforce by enhancing employee satisfaction, increasing productivity, and fostering a supportive work environment. Here's how these core benefits make an impact:

Enhance employee satisfaction

Retaining top talent is a priority for HR leaders. When employees feel financially secure, they experience greater job satisfaction and are more likely to stay long-term. With Savings Exchange, employers show that they prioritize financial well-being, which translates to higher morale and loyalty. Organizations that offer financial wellness programs see a noticeable drop in turnover rates, as employees are more inclined to stay with a company that invests in their personal well-being.

Boost productivity

Financial stress is one of the top distractions for employees, often leading to reduced focus and decreased productivity. Savings Exchange allows employees to alleviate financial stress and to concentrate fully on their work, resulting in higher engagement and output. Studies show that financially secure employees are up to 10% more productive, which can lead to significant gains across teams and departments.

Strengthen workplace relationships

A work environment that values employee well-being goes beyond traditional benefits. Savings Exchange demonstrates a genuine investment in employees' lives by helping them achieve financial stability. This fosters a workplace culture that's more supportive, inclusive, and team oriented. When employees feel cared for, trust grows, resulting in stronger, more cohesive teams and improved overall morale.

Flexible benefits without increasing costs

Do more with less! Savings exchange is a completely free product for employers. Employers can now offer a financially flexible savings tool without increasing spend. Savings exchange repurposes an already accounted for benefit, PTO, and creates a more flexible and accessible financial tool for employees. There is no monthly usage fee or fixed costs associated with Savings Exchange.

How Savings Exchange Benefits Employees

Savings Exchange empowers employees to take control of their financial future by reducing stress, supporting their goals, and encouraging financial independence. Here's how:

Reduce financial stress

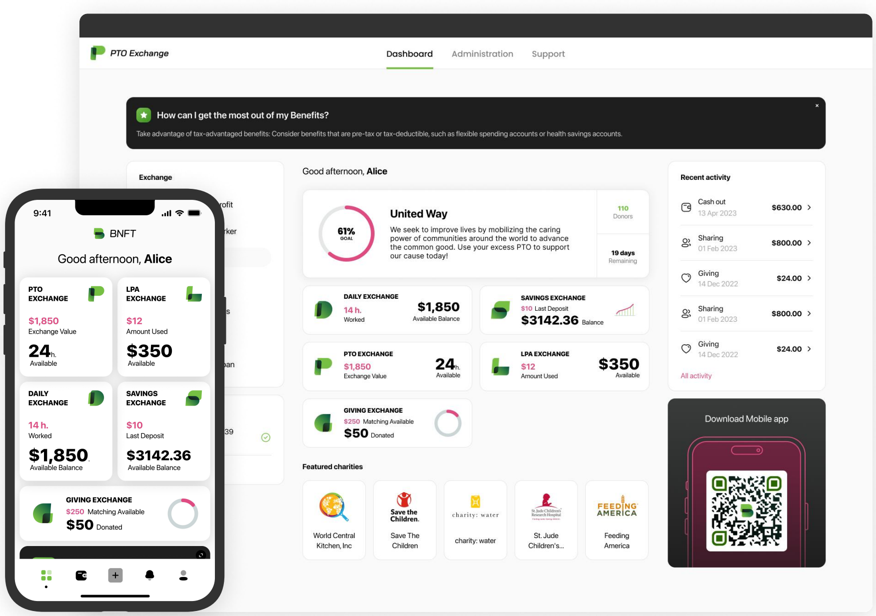
With unexpected expenses often derailing finances, Savings Exchange provides an essential safety net for employees. Through emergency funds and tailored financial education, employees can manage sudden costs, like car repairs or medical bills, without the worry of going into debt. Employees can quickly withdraw from their savings for immediate needs, reducing the reliance on high-interest credit cards or payday loans.

Achieve financial goals

Saving for future goals, whether it's a new home, a vacation, or an emergency fund, can feel overwhelming. Savings Exchange makes it achievable by automating savings and incentivizing contributions through employer matching, helping employees build a strong financial foundation over time. Automated savings and tailored savings plans make it easy for employees to set realistic goals, track progress, and see tangible results. Additionally, matching contributions from employers accelerates savings, helping employees reach milestones faster. Even small matches or rewards can encourage consistent saving habits.

Empower financial independence

Through financial education and tools, Savings Exchange empowers employees with the knowledge and resources they need to make informed financial decisions that drives long-term independence and security. Tools and resources for budgeting, debt repayment, and goal setting give employees a clearer picture of their finances and ways to improve them. With these skills, employees can avoid common financial pitfalls, increase savings, and take control of their financial destiny.



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Build a Financially Empowered Workforce

As financial challenges continue to impact the lives of employees, HR teams have a unique opportunity to support their teams' financial health through proactive, meaningful benefits. Savings Exchange offers a powerful solution by enabling employees to allocate unused PTO toward financial wellness, providing a buffer against unexpected expenses and helping them plan for future goals.

By fostering financial empowerment, employers do more than just improve employee well-being—they also strengthen workforce loyalty, engagement, and productivity. Savings Exchange eases the financial burden on their teams, helping to create a happier, healthier, and more productive workplace.

With Savings Exchange, both employees and employers benefit from a tool designed to reduce financial stress, encourage savings, and provide valuable resources for long-term stability. Together, we can create workplaces that value and actively support employees' financial futures.

GRIFFIN CAPITAL
guardians of wealth

"This is about as easy as it gets! I was able to exchange my PTO faster than my newborn spits up formula - which is FAST! Also, I was holding my newborn when I did it, which shows exactly how fast and easy it is."

Howard Brown Health

"I benefitted from donated PTO many years ago, which was so helpful for my family and me. I was blessed that my coworkers wanted to assist when my family members were significantly injured in an auto accident."

PTO Exchange is a comprehensive benefits platform for employees to unlock the full flexibility and value of their total rewards while providing HR teams with a low cost and easy to use tool. PTO Exchange and LPA Exchange are powered by BNFT, which brings innovative solutions via one platform. Companies will have the flexibility to design cost-effective benefits while also empowering their employees to choose the benefits that support them through their transitions. PTO Exchange is SOC 2-certified and trusted by Fairway Mortgage, Howard Brown. Health, Agile Defense, UCare, Praxis Engineering, STRATACACHE, and others.

AICPA SOC
SOC 1 Type 2 & SOC 2 Type 2
CERTIFIED

STAR LEVEL ONE
CLOUD SECURITY ALLIANCE

Let's transform your employee benefits, one PTO day at a time.

Click the button to learn more about PTO Exchange and schedule a personalized demonstration or scan the QR code

Request a demo