

# CALCULATING THE COST OF EMPLOYEE FINANCIAL STRESS ON PRODUCTIVITY



For an organization with 200 employees, employee distraction due to financial stress could cost  
**\$1,000 per employee or just over \$200,000 every year.**



**43%**

of employees say that stress related to personal finances impacts their workplace performance<sup>1</sup>

**43% of 200 employees**  
**= 86 employees who are distracted by their finances**



**46%**

of distracted employees say they spend **3.5 work hours** per week on financial issues<sup>2</sup>

**46% of 86 employees =**  
**40 employees spending 3.5 hours per week on financial issues**



The remaining

**54%**

of distracted employees spend less than 3 hours per week (for this calculation, we will use an average of 30 minutes)

**54% of 86 employees =**  
**47 employees spending 0.5 hours per week on financial issues**

$$40 \text{ employees} \times 3.5 \text{ hours} \\ + 47 \text{ employees} \\ \times 0.5 \text{ hours} =$$

**163.5**

hours lost to financial stress each week



$$163.5 \text{ hours} \\ \times 46 \text{ work weeks per year}^3 =$$

**7,521**

hours lost to financial stress in one year



$$7,521 \text{ hours} \times \text{average wage of } \$27.66^4 =$$

**\$208,031**

lost in a year due to financial stress



This is a conservative estimate of the cost as it does not include other potential costs, such as the cost of absenteeism, turnover, or employees not retiring when expected. You could attempt to come up with a more specific cost for your organization based on a variety of factors or you can use the \$1,000 per employee figure as a benchmark.

[canada.ca/financial-wellness](http://canada.ca/financial-wellness)

1. Canadian Payroll Association, "CPA NPW Employee Research Survey, Profile," prepared by Framework Partners Inc. (2019), p. 8.

2. PricewaterhouseCoopers, "Special report: Financial stress and the bottom line: Why employee financial wellness matters to your organization" (2017), p.11.

3. Organisation for Economic Co-Operation and Development, "Average annual hours actually worked per worker" <https://stats.oecd.org/index.aspx?DataSetCode=ANHRS>. Accessed 12 December 2018.

4. Statistics Canada, "Employee wages by occupation, monthly, unadjusted for seasonality" (August 2019). <https://www150.statcan.gc.ca/t1/tb1/en/tv.action?pid=1410030601>