



Manulife / Ipsos Reid Health and Wealth Wellness Study 2014



Introduction

Employees who are engaged, productive and committed help businesses thrive. They have the outlook, attitude and self-assurance to achieve goals and help drive company success.

To be strong, productive contributors, employees need to be happy and healthy, both physically and psychologically. Yet, for a large number of employers, the mental health of their employees has become a greater issue than ever before, and it's having wide-ranging effects on their workplaces.

In fact, one in three workplace disability claims in Canada are now related to mental illness¹, and it's the single largest reason that employees remain on short or long term disability. Perhaps this shouldn't be surprising, considering that, according to some studies, almost half of all workers in Canada say they have, or have had, mental health issues².

However, is there a single mental health issue more predominant than others in the workplace? When asked in a recent Ceridian survey what the leading mental health concern was in their workplace, almost 90% of employers identified stress as the most significant³.

But what are the sources of stress for most Canadians? Often, the workplace itself has its share of stressors, as do the demands of modern life outside of work. However, almost three of every four Canadians are holding large levels of debt⁴ and according to Statistics Canada, the average Canadian now owes \$1.65 for every dollar of disposable income earned⁵.

So with consumer debt so high and mental health claims increasing, we wanted to further explore the links between employee financial stress, physical health and mental health and see how that affected performance on the job.

Working with industry leader Ipsos Reid, Manulife recently conducted a groundbreaking national research project to help validate the important contribution financial preparedness makes to employee health and productivity – and to the bottom line of our clients' businesses.

Key terms used in the study

Employee engagement

The term "employee engagement" is used in a variety of different ways. We defined employee engagement as an employee who cares about their work and accomplishing company goals, and isn't working just for the money.

Financially prepared

- Has a financial plan
- Has a debt management plan and appropriate level of debt
- Saving sufficiently for retirement with a retirement savings plan

Financially unprepared

- No formal financial plans
 - High debt levels, maxing out credit, minimal savings
 - Not saving for retirement
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Methodology

The Manulife / Ipsos Reid Health and Wealth Wellness Study 2014 is based on the results of an online survey of over 2,000 working Canadians from across Canada. The survey was fielded in February 2014.

Research objectives:

- Determine if those who are more financially prepared (for retirement, managing debt appropriately, etc.) are also likely to be healthier and more productive on the job
 - Determine whether the converse is also true: those less financially prepared are more likely to be under considerable mental stress, affecting their family life, health and workplace engagement
- Validate that this dual 'health and wealth' perspective can provide real value:
 - To a client's employees
 - To a client's bottom line, through gains in productivity and workplace engagement
- Determine the impact that being in a group benefits and retirement plan has on employee financial wellbeing and health

For the purpose of this research, all respondents were screened as:

- Ages 25-65
- Working a minimum of 20 hours per week
- Half of the respondents owned a workplace benefits and retirement plan
- Half of the respondents did not own a workplace benefits and retirement plan



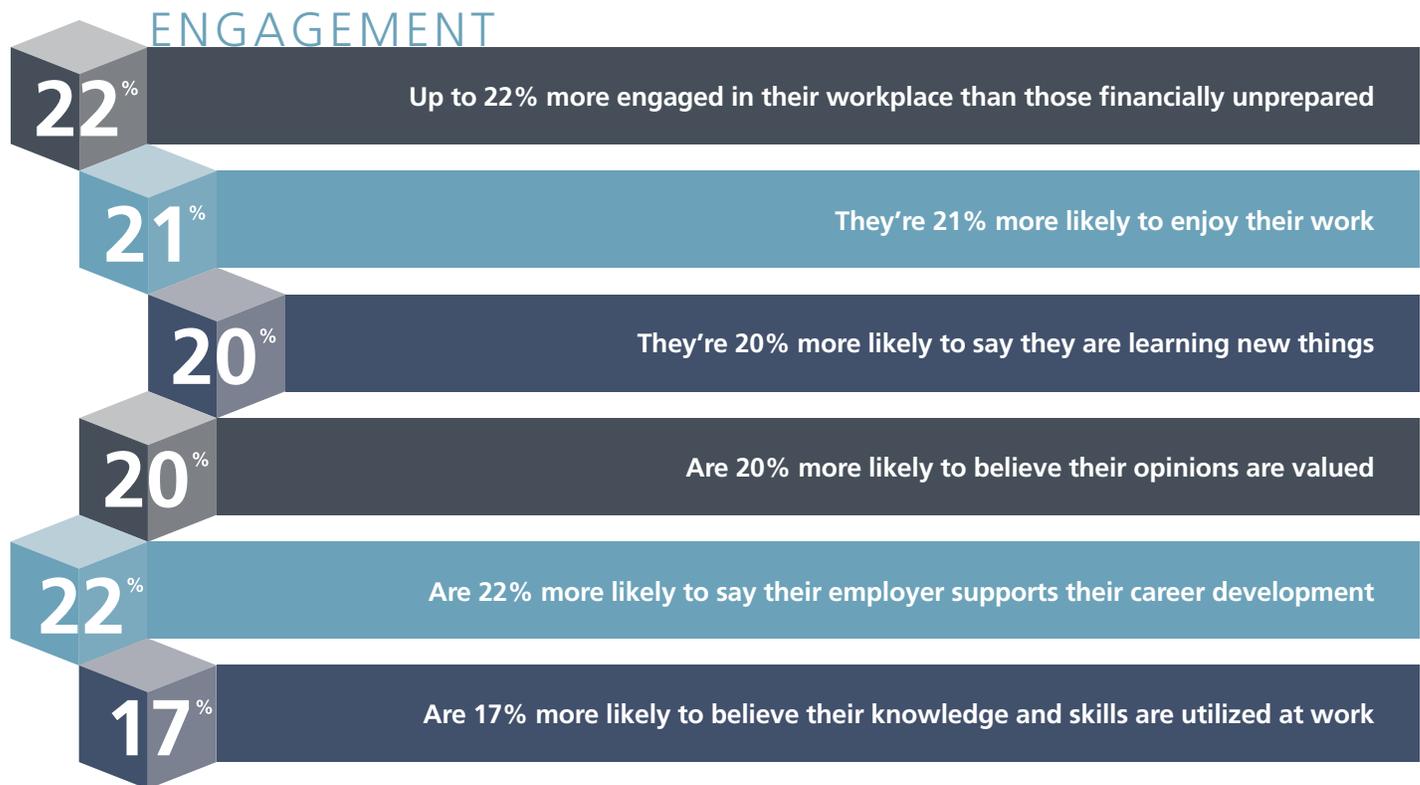
The margin of error for a sample of this size would be +/- 2% for total and +/-3% for each target group (Workplace benefits and retirement plan owners or workplace benefits and retirement plan non-owners), 19 times out of 20.

Takeaway 1

There are strong links between how financially prepared an employee feels, and how healthy, engaged and productive they are in the workplace.

The financially prepared employee

We asked a series of questions often asked by HR professionals to measure employee engagement. The results showed that those who are financially prepared are more likely to be productive and engaged in the workplace:





The financially unprepared employee

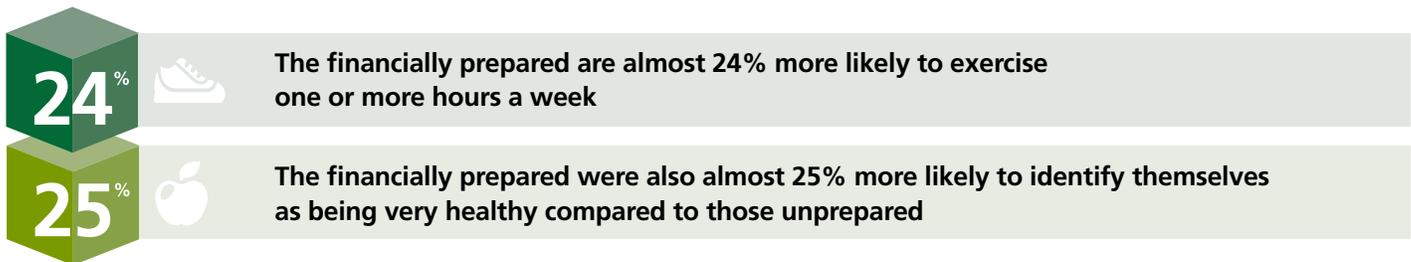


Takeaway 2

There is a positive link between health and financial wellbeing. Employees that are financially prepared are more likely to be healthier than those feeling unprepared.

We also know that employees are more likely to come to work and perform well if they're in optimal physical and psychological health. Through the research we were able to connect some dots to confirm that employees who are financially prepared are more likely to be healthier than those feeling the stress of their personal financial situation.

Our survey results showed:



Takeaway 3

There is a very strong link between having a benefits and savings plan and being financially prepared. In fact, individuals with both a workplace benefits and retirement savings plan are over **50% more likely** to be financially prepared than those without plans.

Having a workplace benefits and retirement savings plan is a way to become financially prepared.



Takeaway 4

Financial advisors improve chances to be financially prepared.

As part of a series of questions looking at the impact that a financial advisor can have on whether someone is financially prepared or not, we asked research participants if they used an advisor for their personal investments and financial planning.

Financial advisors can influence change or behaviours and help their clients not only develop financial goals and plans, but stick to them. These findings help validate the importance of having a financial advisor and show how they can improve an employee's chances of being financially prepared.



Those considered financially prepared were over five times more likely to be working with a financial advisor than those not prepared



The financially prepared are three and a half times more likely to have set retirement goals

To enhance employee well-being in today's work environment, a new, broader approach to overall wellness is required. One that must include financial wellness, as part of an interconnected system that also addresses physical wellness, psychological wellness, social, and emotional wellness. This new approach will help to better foster employee engagement and productivity and it's what

our newly combined Group Benefits and Group Retirement organization is dedicated to providing.

We've connected the dots to help your employees bring their best to work each day.

Look for Manulife to be on the forefront of this new, broader understanding of employee needs.

Visit manulifehealthandwealth.ca to find out more about Manulife Group Benefits and Group Retirement Solutions.

- 1 Sairenen, S., Mantzanke, D., Smeall, D. (2011). *The business case: Collaborating to help employees maintain their mental well-being.*
- 2 Conference Board of Canada survey: *Building Mentally Healthy Workplaces: Perspectives of Canadian Workers and Front-Line Managers* (06/11)
- 3 Government of Canada: *The Human Face of Mental Health and Mental Illness in Canada* (2006)
- 4 Ceridian Workplace Wellness Survey (2013)
- 5 *Financial Post/Bloomberg News*, Mar. 15, 2013

