

CFED

Hot Off the Press! New Report Highlights Opportunities to Help Young Workers Thrive

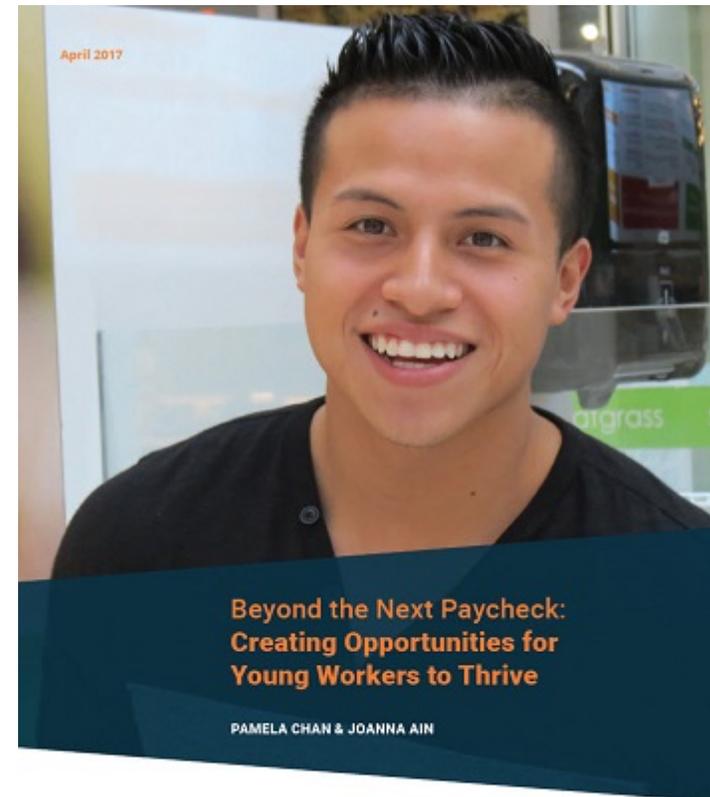
By **Pamela Chan and Joanna Ain** on 04/10/2017 @ 09:00 AM

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Last summer, with the support of the Prudential Foundation, CFED started on a journey to explore the needs of young, lower-income workers across the nation. As we traveled around the US, we talked with an advisory group of national leaders in the field about financial wellness programs to glean an understanding of what employers know about the financial lives of their workers and how they view financial wellness programs. This work and the findings from it have culminated in the release of our new report, *Beyond the Next Paycheck: Creating Opportunities for Young Workers to Thrive*. Our research brings to light a fundamental insight: short-term financial worries are getting in the way of long-term financial security, and employers understand that this mismatch hurts their own bottom lines.

From the young workers we interviewed, we learned that concerns about immediate financial needs top the list of financial worries. Almost all of the workers we spoke to were worried about making ends meet—many had concerns over paying their debt and their low savings. Young people like **Robert** don't always have enough to keep their utilities on. Likewise, workers like **Julia** who are also in school worry about their debt getting higher and higher. But, as we learned from our group of advisors, **employers don't often offer services that focus on these immediate needs**. Financial wellness services tend to be targeted to higher-income employees with longer-term needs.

This disconnect between what is available in the workplace and what young, lower-income workers need must be addressed. We



Click the image above to read the report.

must encourage employers to find programs that they can run directly and that relate to the short-term and immediate needs (e.g., saving for emergencies, budgeting) of their young workers, rather than long-term needs (e.g., saving for retirement). As a follow-up to our new report, CFED is partnering with the [Center for Social Development at Washington University in St. Louis](#) to create a Financial Wellness Program Directory so that employers can find programs that match up with their workers' needs. There, employers will be able to cull through offerings that speak to the needs of their workers, such as emergency assistance and payroll advances. We're also working to provide additional information for employers to learn more about financial wellness programs and how to take the first steps to get one started in their workplace.

To help ease the disconnect between workers' needs and services available, we focused on several other key insights to help guide employers that want to support the financial security of their young, lower-income workers:

- Young workers want financial wellness services that are interactive, individualized, simple and secure. To fit this need, employers should think about services like financial coaching, financial classes, online tools and interactive savings programs.
- Employers can leverage a number of existing programs, services and resources to meet the financial wellness needs of young workers through partnerships with many nonprofit and government programs that are targeted to the specific needs of lower-income workers.
- Employers can and should track effectiveness and impact of services to help demonstrate a return on investment on such programs in the long term.

Employers have an important opportunity to positively influence the financial well-being of young workers. With the release of [Beyond the Next Paycheck](#), we hope that employers can better understand what kind of financial wellness programs young, lower-income workers need in the workplace so that this emerging workforce can be primed for financial security well into the future. Stay tuned for more in the coming months!

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