Workers’ financial stress is a predictor of financial wellness

Respondents to our latest Retirement Savings and Spending Study detail their stressors:

- 42% of Black and Hispanic workers are more likely to experience higher levels of debt-related stress than white workers.
- 56% of women are more likely to experience higher levels of debt-related stress than men.

But financial stress affects some groups more than others

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Focus on financial stress

Financial Stress and Financial Wellness

Addressing Barriers to Successful Retirement Outcomes

Three ways that plan design can impact financial wellness

1. Choosing plan design features such as auto-enrollment and auto-escalation to help increase both participation and savings
2. Integrating qualified default investment alternatives with plan design features like reenrollment to help improve asset allocation and/or reengage workers who previously opted out
3. Implementing plan design innovations such as matching student loan repayments or emergency savings which can sit alongside the retirement plan

How to make financial wellness programs more effective

- Targeted communications to encourage workers to take financially healthy actions
- Programs and tools to help employees with budgeting
- Measurement and assessment tools that reinforce healthy behaviors and their connection to successful retirement outcomes

For more information on our financial wellness research and insights, read the T. Rowe Price 2022 U.S. Retirement Market Outlook.