

# Mind, Body, and Wallet

## Workforce well-being in the pandemic era

10<sup>th</sup> Annual Guardian  
Workplace Benefits Study

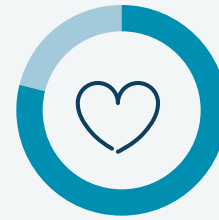


# Introduction

Well-being in the workplace has made great strides in the last century. Initially, employer efforts were focused on physical safety; during the Industrial Revolution, workers in mining, manufacturing, and railroads formed unions to begin demanding better working conditions because of public outcry against rising on-the-job injuries and death rates.<sup>2</sup> In 1970, the Occupational Health and Safety Act (OSHA) was implemented to ensure safe and healthful workplace conditions for future generations.<sup>2</sup>

Now, the global and thorough influence of COVID-19 has brought emotional health to the forefront for many organizations. Lockdowns and the struggle to maintain relationships and normalcy in our lives have made conversations of emotional health and anxiety commonplace. "Mental health" was the trending headline of 2021, both in homes and in the workplace.

While about two-thirds of working Americans say their emotional health stayed the same over the past 12 months, 21% of people in the US (or more than 52 million) are living with a mental health condition — an increase of 1.5 million individuals since 2019.<sup>3</sup> Depression is the fastest growing cause of disability claims among working adults;<sup>4</sup> as a percent of total disability claims, mental health-related claims have doubled in the past decade from 7% to 14%.<sup>5</sup>



**79% of organizations** say that improving the health and wellness of their employees is extremely or very important.<sup>1</sup>



**Each year, 1 in 5 US adults are affected by a mental health condition**

**55%**

**More than half of them receive no treatment<sup>6</sup>**

Workers' physical health is a consistent struggle as well. Almost half of Americans have reported an increase in television viewing and consumption of sugary or fatty foods, which is not being balanced by more exercise.<sup>7</sup> In fact, 42% of working Americans report a decrease in physical activity since the beginning of the pandemic.<sup>7</sup>

In addition, the spike in unemployment, layoffs and furloughs, and "the Great Resignation" have impacted workers' financial health. Even those without a disruption in their employment or their income have felt the pinch. Spending shifted from elective expenses like travel and gym memberships to unforeseen necessities. Many were forced to readjust their finances to pay for extra childcare with school closures, experienced the anxiety-ridden need to stock large amounts of food and paper products, or refurnished their homes with appropriate office equipment.

The US unemployment rate fell steadily throughout 2021 from its peak in April 2020 of almost 15%.<sup>7</sup> But still, at just under 4% in December 2021, the unemployment rate remains well above the pre-pandemic level of about 3.5%.<sup>7</sup> American workers are slowly finding their feet as companies fill widespread vacancies and more workers are expected to be rehired; however, it will take time for workers' wallets to recover.

## US unemployment rate<sup>8</sup>

January 2020 (pre-pandemic)

**3.5%**

April 2020


**15%**


November 2021

**4.2%**

To monitor how working Americans feel about their overall health and wellness, Guardian created the **Workforce Well-Being Index™** (WWBI) in 2016 in *Mind, Body, and Wallet: Financial stress impacts the emotional and physical well-being of working Americans.*<sup>9</sup> The Index measures self-reported emotional, physical, and financial health, as well as attitudes toward well-being among full-time working adults between the ages of 22 and 65.

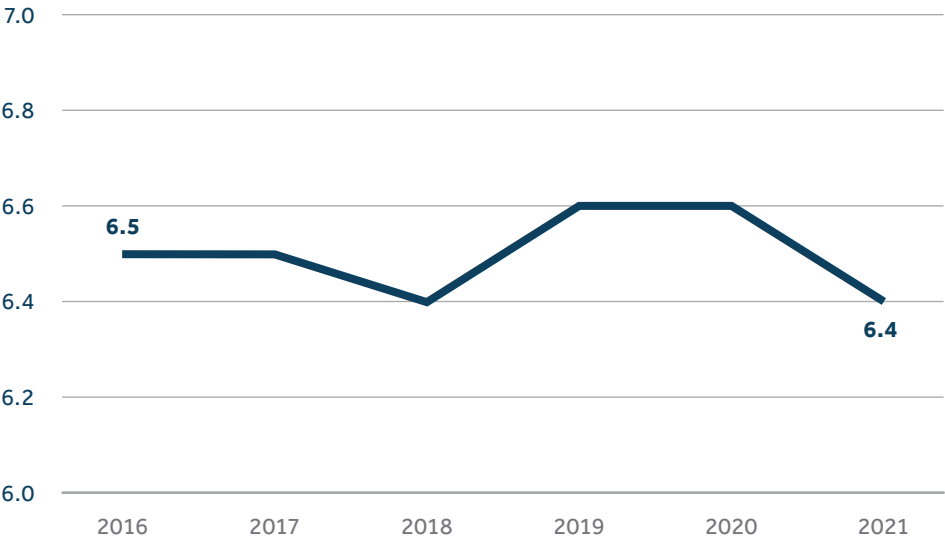
Self-reported overall health among American workers has trended lower since the pre-pandemic highs of 2019 and 2020 according to Guardian's Workforce Well-being Index.





42% of workers report a **decrease** in physical activity during the pandemic

WWBI score among full-time working Americans



This report explores recent trends regarding the three pillars of well-being — emotional (mind), physical (body), and financial (wallet) — and looks at which pillars have shown the greatest increases or decreases, how employers are invested in the positive outcomes of their workforce’s well-being, and which workers seem to be struggling the most. All in all, American workers’ well-being is lower than it was pre-pandemic.



Nearly half of workers say that as a result of the pandemic, having access to benefits through their employer is more important.



# Regardless of income, gender, or generation, COVID-19 negatively impacted workforce well-being

Americans' top sources of stress tend to differ by household income (HHI), age, and health status, but the impact of the pandemic affected most workers and their families. COVID-19 was, and continues to be, a unifying commonality. Even those who maintained a relatively stable quality of life, income, or health status were affected by the lifestyle changes the pandemic required, whether that be suddenly working from home and caring for their children simultaneously, missing out on favorite hobbies, or not being able to socialize with friends and family.



**COVID-19 negatively affected 28% of employees' emotional health**

More than 1 in 4 workers say that COVID-19 has had a significant negative impact on their emotional health, including stress level, mental health, and work/life balance. The blurred lines between work and home life, and the pressure to be "on" — even outside traditional working hours — contributed to workers' burnout.



**Three in four workers cite stress and burnout as their biggest mental health challenges.**

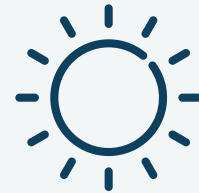
Of those workers concerned about their mental health, about 3 in 4 (77%) cited stress and burnout as their biggest mental health challenges in October 2021, up from 55% only six months prior. The major factor contributing to this worsening stress is an increasing workload — a work-life imbalance.<sup>10</sup> Workers' well-being also varied greatly by industry.



**Only 31% of health care workers report excellent or very good mental health.**

This could be due to hospital workers struggling with major influxes of COVID-19 patients, or to private practices experiencing full closures or a move to a telehealth-only practice. Tech, construction, and financial services, however, reported the highest states of mental health at 48%, 50%, and 55% respectively.

Because the topic of workforce well-being became illuminated to an unprecedented degree, organizations have worked to expand resources and services to help their workforce. Overall, the pandemic has caused 48% of organizations to focus on employees' well-being significantly more than in previous years.



## The state of mental health by industry

Percentage of employees who report their mental health is excellent or very good

Financial services



Construction



Tech



Education



Retail



Manufacturing



Health care



# COVID-19 negatively affected the well-being of underemployed workers to an even greater degree than full-time workers.

Percentage of workers who rate their well-being as excellent or very good  
March 2021



Emotional health



Physical health



Financial health



● Full-time workers ● Underemployed workers

Unfortunately, the pandemic meant underemployment to some degree for many Americans.



## Underemployed workers report lower overall well-being compared to full-time workers.

Compared to full-time workers, underemployed workers — meaning those who were laid off and/or experienced a furlough or reduced hours — report lower overall emotional, physical, and financial health a year into the pandemic. In many cases, fully employed workers experienced a period of unemployment due to layoffs in 2020. Even if they found gainful employment again relatively quickly, being unemployed for any length still negatively impacted their overall well-being.



Almost half of working Americans believe their employer isn't doing enough to address **concerns about workforce mental health**; the younger the worker, the worse their emotional state.



# It's not all in your head:

## Self-reported emotional health declined 12% in the last 5 years

Mental health has become a key topic in 2021, deeply entrenched in our personal and working vocabularies. Many working Americans have experienced new — and unasked for — lifestyle changes in the past year: remote work, mandatory homeschool, lockdown, travel bans, mask mandates, and separation from family and friends. These concepts were foreign to most Americans prior to 2020 and now are a part of everyday life. As a result, mental health has experienced a significant drop-off in 2021 from the previous five years, which can be directly tied to the pandemic and worsening financial wellness.

In 2016, money was cited as the number one source of stress for a majority of workers — followed by job security and physical health.

**Now, in 2021, the COVID-19 pandemic and money/finances were the two leading causes of stress in workers' lives.**

### The disconnect between employer and employee perceptions

70% of employers agree that they address employees' emotional health, including stress level, mental health, and work/life balance, extremely well. However, only 47% of employees say their organization offers adequate mental health support.

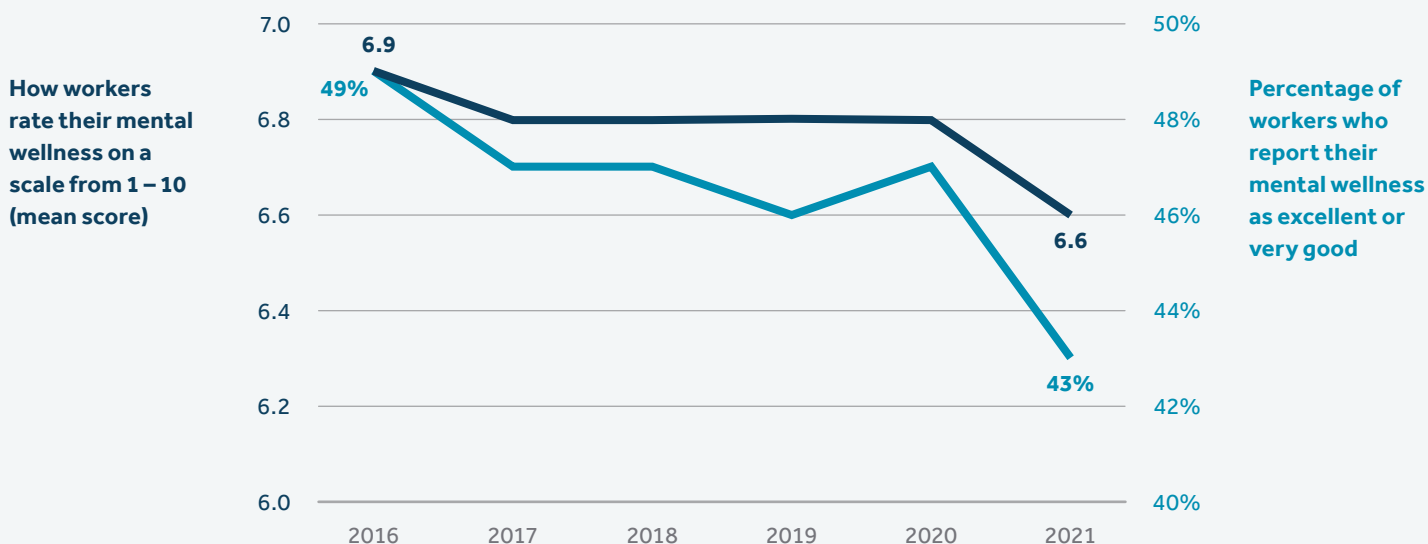


**Difference in perception:**

**70% of employers believe they do an excellent job addressing workforce emotional health.**

**But only 47% of workers agree.**

## Mental wellness through the years



# Since 2016, 50% more employers say that offering flexible work arrangements is extremely important

Many individuals require a period of adjustment to become comfortable working virtually. Now, it seems the return to previous commutes and strict five-day-per-week attendance is presenting new challenges. Workers report that their company's return-to-office plans negatively impacted their mental health. The top two reasons given were the policies regarding in-person versus remote work (41%) and the lack of work-life balance or flexibility based on the policy (37%).<sup>11</sup>

For some workers, such as parents or single workers who live alone, the prospect of spending some time in an office and reconnecting with colleagues is appealing. A desire to return to the office spans across generations, as [42% of workers would prefer to work fully on-site, including 56% of baby boomers and 46% of Generation Z workers](#). Yet, others have become accustomed to working virtually and believe they are able to maintain productivity and personal connections. More than half of all employees would prefer to work remotely at least part of the time going forward. The common denominator for a majority of workers is their desire for flexibility, which organizations are addressing in [a shift to hybrid work models](#) that give the workforce the ability to choose.

In fact, this change in lifestyle and workstyle is so important to the workforce that one of the most important benefits that an organization can provide outside of salary and standard benefits is allowing for flexibility, a positive trend that has seen [a 20% uptick since 2019](#).<sup>12</sup>



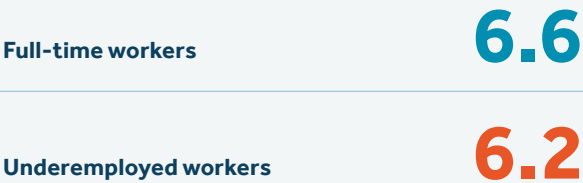
## Women and men have different perceptions about their emotional health.

Forty-eight percent of men report their emotional health is excellent or very good, compared to 37% of women. Generational differences in self-reported mental health exist as well. Even within the millennial cohort, feelings about emotional health vary widely, with 46% of older millennials reporting excellent emotional health compared to only 33% of younger millennials. Perhaps this may be because the younger the worker, the more commonplace it is to discuss one's mental health, with a reduced stigma and a larger vernacular.

Similar to financial wellness ratings, underemployed workers trail full-time workers in their self-reported emotional health scores.

More than 4 in 10 (43%) full-time workers rate their emotional health as very good or excellent (including stress level, mental health, work-life balance) compared to just 34% of underemployed workers.

### 2021 emotional wellness scores



### Percentage of workers who rate their emotional health as excellent or very good

By gender



By generation

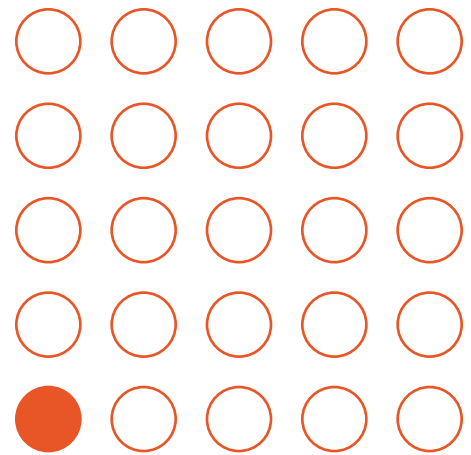


## EAP services are underutilized and often fail to achieve meaningful outcomes

Improving the health and wellness of their employees is now an organization's second most important objective behind offering affordable benefits. Many organizations tackle this objective with Employee Assistance Programs (EAPs), with an emphasis on offering counseling services for workers and their families and to provide wellness resources.

**One in three employees with access to an EAP claim they have not taken advantage of their organization's EAP offering because they don't know enough about how the program works or because of privacy concerns.**

Employer attitudes toward workforce well-being are changing with efforts being made to support the workforce, but at this point the resources are perhaps still lagging behind employees' needs.



**Less than 4% of employees utilize their organization's EAP<sup>13</sup>**

## Well-being makes the cut

**In 2021, "employee health and wellness" appears on employers' top 5 most important benefits objectives**

### 2021 top 5 priorities

- 01 Providing employees with benefits that are affordable
- 02 Controlling benefits-related costs
- 03 Maintaining compliance in light of changing federal and state regulations
- 04 Improving the health and wellness of employees
- 05 Increasing employee productivity

### 2016 top 5 priorities

- 01 Controlling benefits-related costs
- 02 Providing employees with benefits that are affordable
- 03 Maintaining compliance in light of changing federal and state regulations
- 04 Increasing employee productivity
- 05 Reducing the costs of benefits administration

## Organizational culture can impact workforce emotional wellness

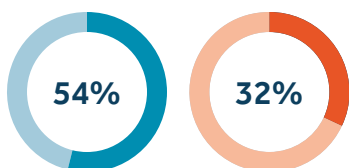
Workers with the highest WWBI scores share some similar characteristics — they are part of a corporate culture that values flexibility and inclusion. While providing the cultural benefits listed below doesn't guarantee a satisfied and engaged workforce, the data shows that emotional wellness at work is higher across the board when these tenets are upheld.

### Percentage of workers who report their organization...

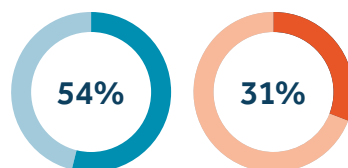
● Those with **high** WWBI scores

● Those with **low** WWBI scores

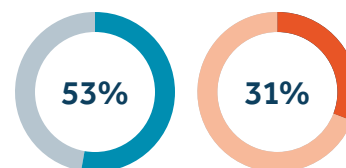
Cares about them



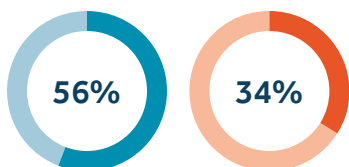
Creates an empathetic culture



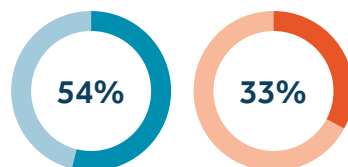
Supports diversity



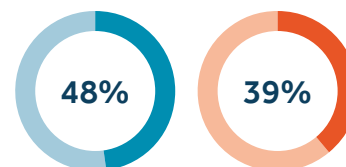
Provides support for caregivers



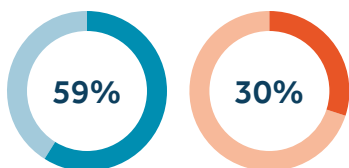
Encourages volunteerism



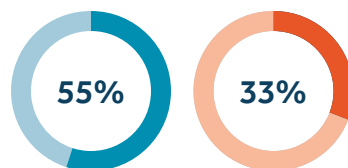
Allows employees to work remotely



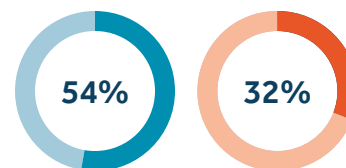
Provides support for mental health



Responds to social justice causes



Is inclusive



### Those in a family unit report greater emotional wellness

Those who are not married or partnered find that their well-being is worse off than their married or partnered counterparts: their emotional health is 38% poorer and their physical health is 26% poorer. They also suffer the greatest financially, as 54% more of those not married or partnered claim that their financial health is poor. The presence of children, while often stressful, does result in a higher state of emotional wellness.



**Workers who are married with children report 32% higher emotional health than workers who are married with no dependents.**

Workers who are married with children report 26% higher emotional health than those unmarried with no dependents. Regardless of marital status, caregivers with dependents who have employer support report 65% higher mental health scores than those with minimal or no employer support.

# Improving workforce mental health is a priority for 35% more employers than in 2016

The most important objective for organizations when it comes to providing employee benefits, is to ensure that they are affordable (85%). Specific to mental health, organizations' priorities focus on how mental health affects their workforce's productivity, engagement, and retention.

Employers recognize that the satisfaction of their employees is now also dependent on how well their personal needs are met.

**With pay, benefits, and a safe work environment the standard, employers must also juggle well-being with productivity.**

There is now a greater sense of duty among employers to provide more than just salary, benefits, and a safe work environment, according to HR professional Jim Link, SHRM-SCP. "Employees are an organization's first and primary customer," he says. "What's going to be required for the future of organizations is to help employees navigate through things that are not only related to work but also to the circumstances of their personal lives."

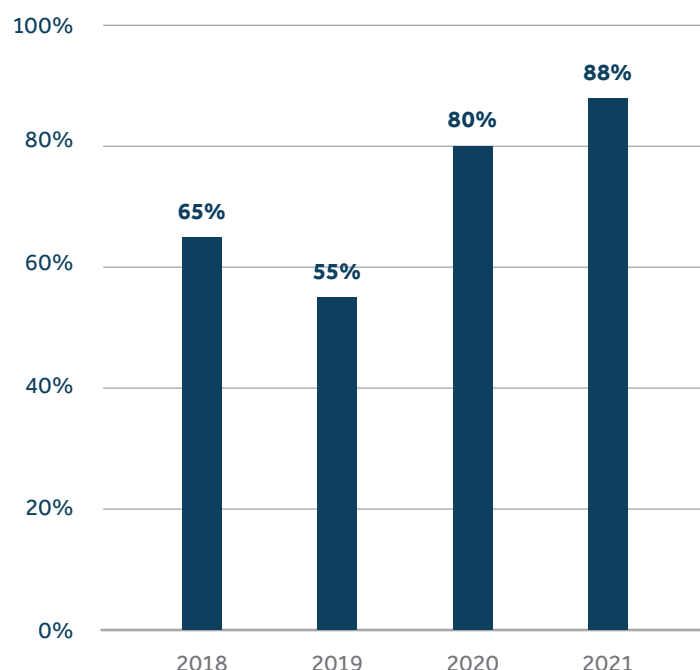
Employers who have increased their investment in mental health benefits have found a 50% increase in retention and half a day of productivity recovered per engaged employee per week.<sup>14</sup>

## Employers expand well-being resources to holistically care for their workforce

In 2016, only 15% of employers surveyed agreed that expanding the use of mental and emotional health resources, including EAPs, was extremely important. Now, in 2021, the emphasis on these resources has more than doubled, with 35% of employers agreeing that it is extremely important.

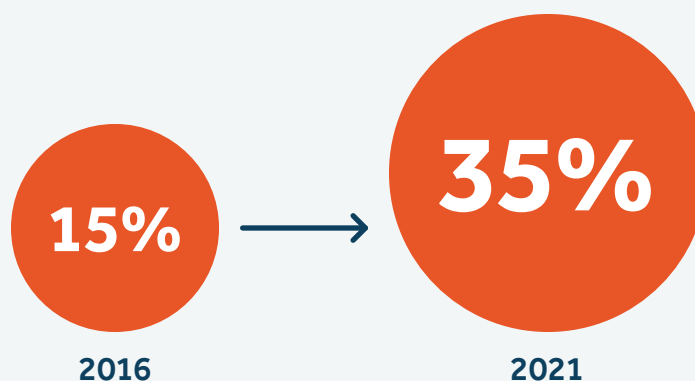
## Mental health investment trends: In 2021, employers are putting more monetary resources than ever behind mental health services

Percentage of organizations increasing their mental health resources for their workforce<sup>14</sup>



## Mental and emotional health resources have doubled

Percentage of employers that agree expanding mental and emotional health resources is extremely important



6 in 10 employers agree that expanding the use of **wellness, preventive, and health initiatives** is extremely important.



# Best laid plans:

## Many workers continue to struggle to make time for physical health

Three in four working Americans believe that maintaining a healthy lifestyle is very important to them. Yet, living a healthy lifestyle remains an elusive goal for many full-time workers, and lack of time is a major factor, especially for single working parents and those with lengthy commutes or demanding work schedules. For some, the pandemic and remote work afforded an opportunity to focus more on physical health, including diet and exercise. But on average, and similar to Guardian findings from 2016, only 1 in 4 workers feel they are doing a good job eating healthy, exercising enough, or maintaining proper weight.

### The disconnect between employer and employee perceptions

Sixty-three percent of companies agree that they address employees' physical health including fitness, weight, and diet extremely well. And minority or women-owned businesses in particular are 32% more likely to offer wellness programs such as health risk evaluations, weight loss, walking or other exercise programs, nutrition, stress management, smoking cessation, or flu shots. However, only 39% of employees say their organization's current benefits address their physical health well.

Self-reported physical health has been fairly steady since 2016; however, while working from home during the pandemic in 2020, many workers were able to fit in more exercise and healthy eating.



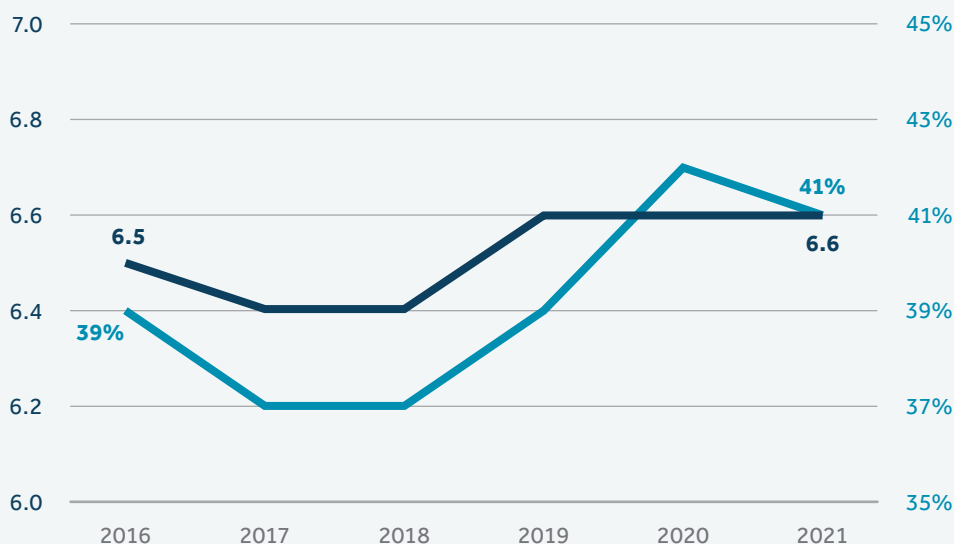
### Difference in perception:

**63% of employers believe they do an excellent job addressing workforce physical health.**

**But only 39% of workers agree.**

## Physical wellness through the years

How workers rate their physical wellness on a scale from 1 – 10 (mean score)



Percentage of workers who report their physical wellness as excellent or very good

# Workers' physical health has remained steady, but could be improved

Younger workers self-report better overall health compared to baby boomers and Generation X. It is Generation Z (46%) and millennials (45%) who attest to having the best physical wellness as far as maintaining a healthy weight, getting enough exercise, and eating a healthy diet. But baby boomers are more diligent about keeping up with routine doctor's appointments and check-ups (54% excellent, versus only 33% Gen Z). This reason may be attributed to Gen Z and millennials' enrollment in high deductible health plans under the assumption that they don't expect to use health care services as heavily as their older colleagues, or because the initial out-of-pocket costs associated with their high deductible health plans are prohibitive.

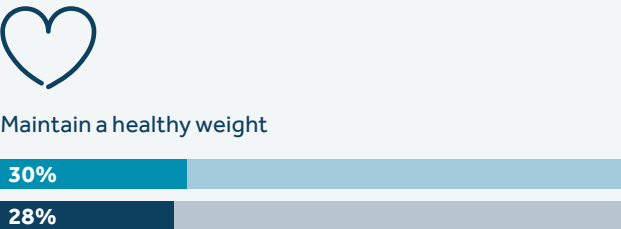
A majority of workers do not feel the pandemic negatively affected their ability to lead a healthy lifestyle; however, about 1 in 5 indicate that COVID-19 contributed to unhealthy habits regarding fitness, weight, and diet. Another 30% say their eating habits have not been as good during the pandemic.



**Only 1 in 4 workers** feel they are doing a good job eating healthy, exercising enough, or maintaining proper weight

## Physical health has remained steady throughout the years

Percentage of working Americans who say they:



**3 in 4 employers believe that improving the financial security of workers and their families is extremely important, up from 2 in 4 in 2016.**



# Shaky ground:

## Money is the greatest source of stress for American workers

Financial wellness has a significant effect on overall well-being and is likely to influence both physical and mental health. Along with COVID-19, it is cited as a top source of stress for a majority of workers.

Americans' financial health has had its ups and downs during the past six years. In 2019, the economic boom and low unemployment rates resulted in high levels of financial wellness, according to Guardian's Workplace Benefits Study research. But two years later in 2021, the pandemic, even for those working full-time, has negatively affected workers' wallets.

### The disconnect between employer and employee perceptions

Six in 10 organizations agree that they address employees' financial health — including their ability to pay bills, debt level, and saving and investing in their futures — extremely well. But there's a major disconnect in this perception. Only about 1 in 5 workers strongly agree that their employer does a good job of educating them on financial planning and how to achieve their financial goals.

It seems many employees believe financial planning is only for the wealthy, as 36% feel that they do not have enough income to work with a financial or insurance professional. Even so, employers aim to disbar this misperception as 58% of them seek to increase employee benefits education and financial advice.



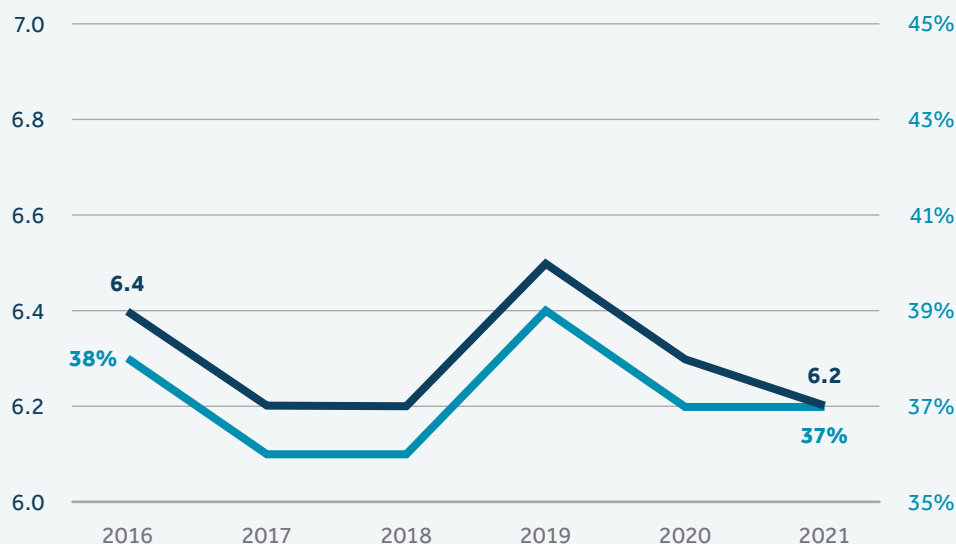
**Difference in perception:**

**60% of employers believe they do an excellent job addressing workforce financial health.**

**But only 22% of workers agree.**

## Financial wellness through the years

**How workers rate their financial wellness on a scale from 1 – 10 (mean score)**



**Percentage of workers who report their financial wellness as excellent or very good**

# Employer-provided resources are key to workers' financial wellness

Underemployed individuals have the lowest financial wellness scores (31% versus 37% of those employed), and of course without employment, they have no access to financial resources that may be available through the workplace. With an overall financial wellness score of 5.6, the lack of access to employer-provided resources is affecting the underemployed by a minimum of 6 percentage points.

Nearly half of working Americans believe that they would face financial hardship if they didn't have access to the benefits they receive through work.

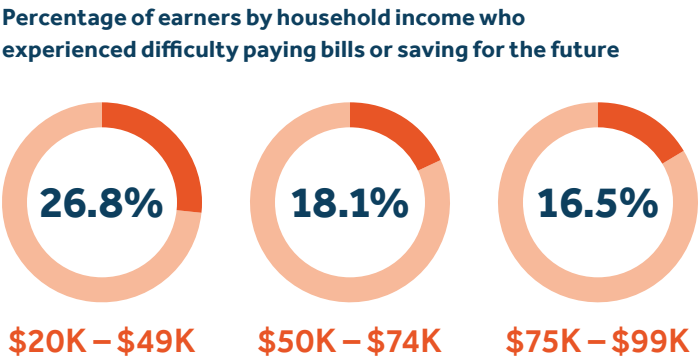


Interestingly, married workers with dependent children report 24% higher financial health than their married counterparts without dependent children.

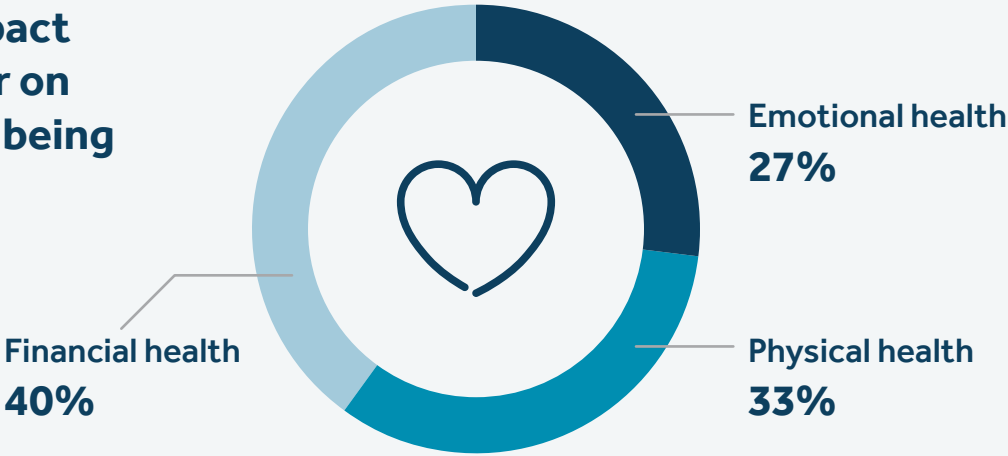
Approximately half of employers offer disability insurance, half offer life insurance, 4 in 10 offer accident insurance, 1 in 3 offer critical illness, and 2 out of 3 offer a 401(k), and a very low percentage (12%) offer student loan reimbursement.

## COVID-19 was the main source of financial struggle in 2021

More than 1 in 5 (22%) employees say COVID-19 has had a significant negative impact on their financial health, including their ability to pay monthly bills (like groceries, utilities, and mortgages) and to save or invest for the future. That percentage is significantly higher for the underemployed (35%). While the impact of COVID-19 on emotional and physical health remained relatively similar across all income levels, it was the impact on financial health that truly separated the poor from the affluent, as 27% of earners of \$20K – \$49K experienced difficulty paying bills or saving for the future. Only 17% of earners of \$75K – \$99K felt the same.



## Relative impact of each pillar on overall well-being



# Under-saved and under-insured: Financial repercussions have diminished Americans' safety nets over the past five years

The financial struggles of American workers have played a role in creating a worsened state of their financial affairs.



## The number of workers with insurance coverage and retirement savings has decreased since 2016.

Monthly bills, debt levels, and mortgage payments took priority over long-term financial planning. This lack of savings plays a significant role in mental health as well, as 79% more of those with a comfortable \$10K+ in emergency savings report good mental health compared to those with less than \$1K.

### Life insurance

In 2016, 1 in 4 working Americans (24%) had no life insurance at all, and of those with life insurance, a majority (57%) owned too little coverage and relied exclusively on their workplace coverage.

In 2021, almost 1 in 3 working Americans (35%) do not own life insurance, and of those with life insurance, most of that coverage (73%) is group insurance through their employer.

### Disability insurance

In 2016, almost 3 out of 5 working Americans owned disability insurance, and the same amount of workers said they could not live off their savings for more than six months if they became ill or injured and unable to work.

In 2021, disability insurance ownership remains low with 2 out of 4 full-time working Americans (54%) without any coverage. Generation Z, or workers between the ages of 22 and 25, are among the least likely to own disability insurance, as only 1 in 4 report having any coverage. However, data shows that 1 in 4 of today's 20-year-olds can expect to be out of work for at least a year because of a disabling condition before they reach retirement age.<sup>15</sup> Furthermore, each year around 5% of working Americans will experience a short-term (six months or less) disability due to illness, injury, or pregnancy.<sup>16</sup>

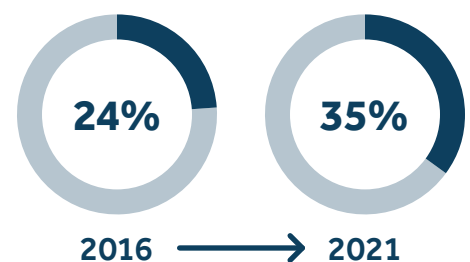
### Retirement savings

Nearly 8 in 10 working Americans feel it is important that they have a guaranteed income stream in retirement and that their savings last as long as they live. Yet, in 2016, 1 in 5 working Americans (21%) had no retirement savings plan, and millennials and single parents were even less likely to be saving for retirement.

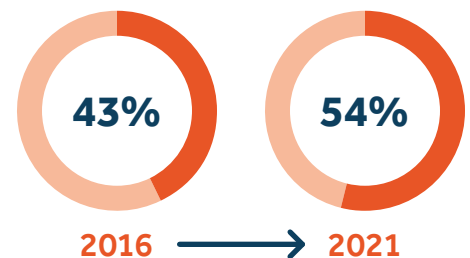
In 2021, 3 in 10 working Americans indicate they do not own a retirement savings plan, with the youngest workers, Gen Z, the least likely to be saving for retirement. They are also the least likely to feel their employer is offering benefits that adequately address their personal financial situation. Gen Z workers view retirement as a future need and less of an immediate benefits priority.

Even among Generation X, the oldest of whom are within four to seven years of Social Security eligibility, roughly 1 in 4 have no retirement savings plan.

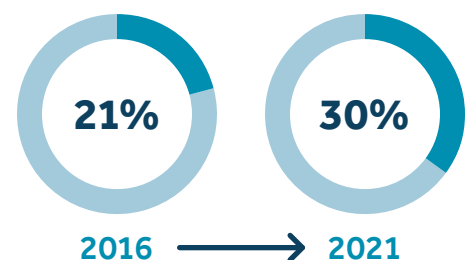
Those who **don't** own life insurance



Those who **don't** own disability insurance



Those who **don't** have a  
retirement savings plan



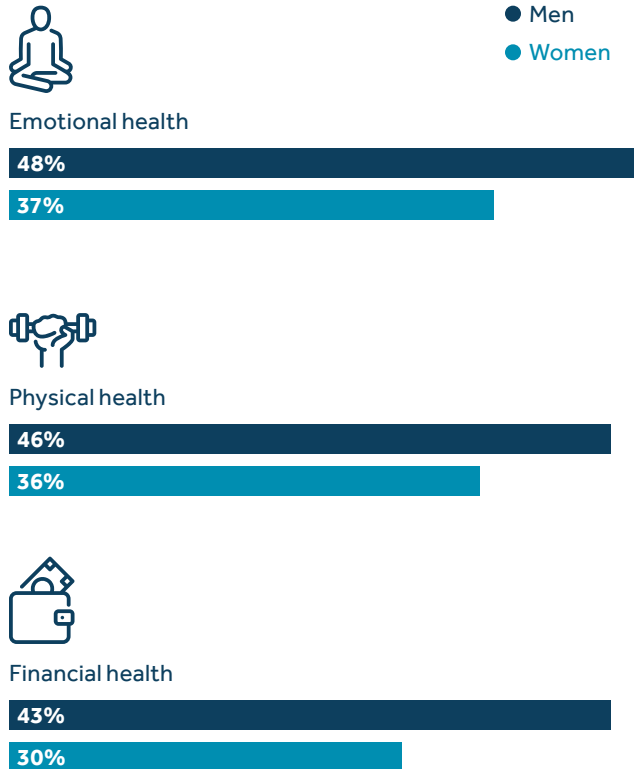
**Women and the youngest generation of workers experience lower overall well-being.**



# Women, particularly single working mothers, report lower overall well-being

Women are reporting lower overall well-being, and feel worse than men about their fitness levels (49% of women rate themselves poor, only 33% of men do), their weight (45% versus 30%), their diet (41% versus 32%), their mental health (32% versus 21%), and their work-life balance (25% versus 20%).

## Percentage of workers who rate their well-being as excellent or very good



Workers of all genders struggle with the proper balance of well-being. But women as a whole [shoulder a larger burden of unpaid work](#). Day-to-day household management and domestic work that largely goes unseen contributes to the imbalance of work, and leave less time for self-care and well-being. The gap is growing, not lessening, with the pandemic.

**In October 2020, 55% of married or cohabitating men said that they are very satisfied with the way household chores are divided between them and their spouse or partner, compared with 38% of women.**

In 2019, 49% of men claimed they were very satisfied versus 39% of women.<sup>17</sup>

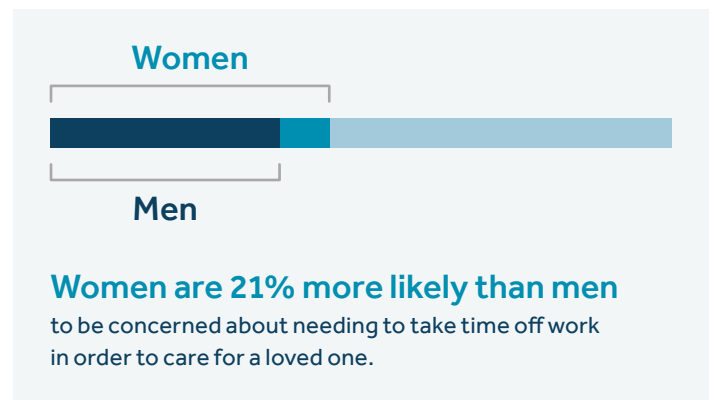
## Single mothers

[Women are overrepresented](#) among single parents and caregivers (someone who provides ongoing care for an ill or disabled parent, spouse, or child). Since single parents and caregivers of all genders have relatively low well-being scores based on Guardian's Workforce Well-being Index™, it's no surprise more full-time working women than men report higher levels of physical, mental, and financial stress. In fact, women are 21% more likely than men to be concerned about needing to take time off work in order to care for a loved one. The double shift associated with working mothers — a full day of work in the office followed by a full evening of caretaking and household labor — became more difficult than ever when the disruption in in-person school attendance and in other childcare services upended their usual ability to cope.

Perhaps the greatest gender disparity identified in this study is a financial one.

**Men are 40% more likely than women to rate their financial health as excellent or very good.**

This may be due to the persistent wage gap, or to the many costs of raising children, which fall more often on the woman, or it may also be due to women being slightly more likely to live paycheck to paycheck.<sup>18</sup> But it may also be because circumstances surrounding their personal lives can result in women working *less*. A study from McKinsey and LeanIn.org found that in 2020, as a result of the dynamics of the work-life balance struggle, 1 in 4 women say they may be forced to either leave their job or cut down on their work. Working mothers, Black women, and women in leadership roles are particularly at risk of leaving their jobs or more inclined to cut back on their work hours.<sup>19</sup>



# Gen Z reports lower overall well-being and happiness at work

At a time when they should have been celebrating graduation and starting their very first jobs, meeting with their teams in person, and enjoying happy hours with colleagues, many Gen Z workers found themselves locked down and isolated. While sitting at home and working quietly at their computers with their virtual teammates, they missed out on opportunities for face-to-face guidance or mentoring. They were unable to launch their careers the way they had imagined and now wish for a change, which seems contrary to popular assumptions about how this generation prefers to interact.



**In fact, nearly half (46%) of Gen Z workers admit they would prefer to work on-site five days a week.**

Lack of in-person social interaction in their personal and professional lives has contributed to increased anxiety and depression among today's youngest workers — more so than among other generations.

## Loneliness as a source of stress

It's the isolation and the impact on their social lives that are causing Gen Z the most stress during the pandemic. Roughly half (52%) of Gen Z workers report that they are extremely or very concerned about their mental health — almost 20 percentage points higher than any other working generation.

## Top two sources of stress for Gen Z

Percentage of Gen Z workers who report being extremely or very concerned about the following:

**Mental health**

**52%**

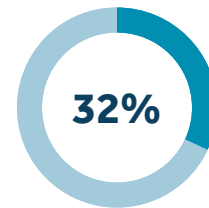
**Social life**

**39%**

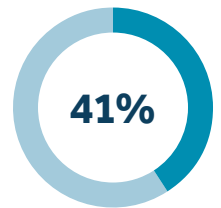


Four in 10 (39%) Gen Z workers are also extremely or very concerned about their social lives. While this is a significant improvement in self-reported stress [compared to 57%](#) in 2020, it's still very high compared to that of millennials (23%), Gen X (14%), and baby boomers (9%). Perhaps the older generations have shifted focus from their social lives to their home lives, and their concerns lie with their spouses and children instead of social activities. But in fact, that shows not to be the case as they place the same level of importance on both their social lives and their home lives. Thrust into solitary virtual work immediately upon entering the workforce, this marks Gen Z as a generation that garners a particular stress from loneliness.

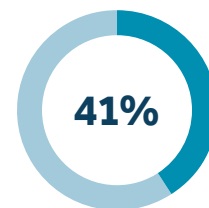
Percentage of workers who rate their emotional health as excellent or very good



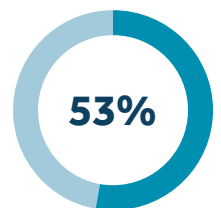
Gen Z



Millennials



Gen X



Baby boomers

Nearly two-thirds of organizations have expanded their use of wellness and preventive health initiatives.



# Organizations focused on creating a culture of well-being are more optimistic about the future of their business

While many employees report that they don't believe that their employer cares about their overall well-being, organizations are putting significant resources and money behind expanding these very programs. In fact, over half of employers (55%) believe that the lines are blurring between work and personal lives among today's employees, which adds pressure for companies to meet their workforce's expectations.

## The disconnect between employer and employee perceptions

Less than half of employees believe that their employer cares about their overall well-being. In fact, when broken down by the three pillars of well-being, only 24% feel their company's current benefits address their emotional health needs, 23% feel their current benefits address their physical health needs, and 22% their financial health needs.

However, organizations are working towards making strides in this area.

## More than half of all employers:

Have expanded the use of wellness, preventive, and health initiatives



Now offer more flexible hours, work schedules, or telecommuting



Provide accommodations to assist employees in returning to work following a leave of absence or serious illness

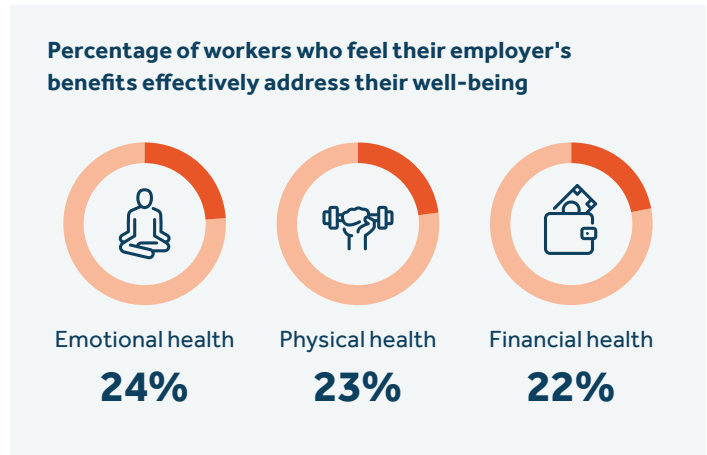


Offer support for employees with caregiving needs



## And to a lesser degree, employers have:

- ✓ Shared resources for exercise and nutrition (32%)
- ✓ Provided employees with tools to support a more ergonomic workspace (37%)
- ✓ Hosted remote fitness classes (20%)
- ✓ Created virtual fitness challenges (19%)



## Well-being benefits mean an investment in employee retention and organizational revenue

These expanded resources come at a cost, with the total amount of monies spent on corporate well-being programs by organizations ranging in size from 5,000 to 19,000 employees reaching an average of \$6M in 2021, up from the average budget of \$4.9M reported in 2020.<sup>20</sup>

## Average spending per employee on well-being benefits increased to \$238 in 2021, up from \$230 in 2020.<sup>20</sup>

This is clearly an investment in an organization's future success, with 65% of employers expecting significant growth in revenue over the next three years (as opposed to only 50% experiencing significant growth in the previous three years). So, it's reasonable to expect that greater revenue and organizational success can trickle down to better and expanded overall resources and benefits for the workforce.

- ✓ Reminded employees of their existing policies that address their mental health (29%)
- ✓ Had managers conduct more frequent check-ins (29%)
- ✓ Held virtual events for employees to socialize (21%)
- ✓ Increased team-building activities (17%)

# Workers continue to underutilize wellness benefits

A minority of workers take advantage of health and wellness programs made available to them, often at no cost, by their employer.

**More than half of workers (54%) are aware of wellness programs offered through their organization; however, only 28% have taken advantage of those services.**

This could potentially be due to the perceived stigma surrounding well-being; workers may not want to admit to their colleagues, their HR team, or themselves that they could use some “help” by requesting participation in these programs.

Considering the high percentage of workers who feel that their employer does not do enough to support their well-being, the reaction to an offer of wellness resources is unenthusiastic. Only half (50%) of workers would be interested in utilizing wellness resources as a service, and only half (52%) would be interested in financial guidance, even if these services were to be available at no cost.

Gen Z, the youngest generation currently represented in the workforce, reports five times less stigma than their older colleagues associated with mental health services provided by their employer. However, that does not translate into utilization of these services.

**Of those who work at organizations that offer wellness benefits, only 6% of Gen Z workers have actually used them.**

Additionally, it seems that those who need the resources the most are the ones who are least interested in making use of them if they were offered. Forty-seven percent of employees on the lower end of the salary scale, \$20K–\$49K, would make use of financial advice, while 61% of those comparatively well-off with a salary range of \$100K–149K, would be interested.

Physical health is another example of how wellness resources are underutilized. A third of workers (30%) admit that their eating habits have not been as good during the pandemic, and 23% have less opportunity for exercise. That said, minimal numbers of employees actually took advantage of physical wellness offerings from their employer.



**Only 17%**

accessed online wellness resources



**12%**

participated in online fitness classes



**10%**

took part in virtual fitness classes with colleagues



**9%**

participated in online meditation classes



**7%**

received a home office consultation to ensure their work setup is ergonomic



The reason for employees not taking advantage of their well-being resources could be due to stigma or misperceptions in the workplace. But most likely, it is due to a **lack of communication.**



# Ineffective employee communication contributes to low utilization of well-being benefits

We've come a long way societally in the last few years when it comes to attitudes around mental health (especially in 2020), but 47% of people still believe that going to therapy is a sign of weakness.<sup>21</sup> And 30% of employers believe there is a stigma associated with EAP services.

However, it seems that the main reason employees do not take advantage of well-being resources provided by their organization is due to ineffective communication — most workers just don't know about them.

Workers admit that they have not utilized their organization's EAP because they don't know enough about the program.

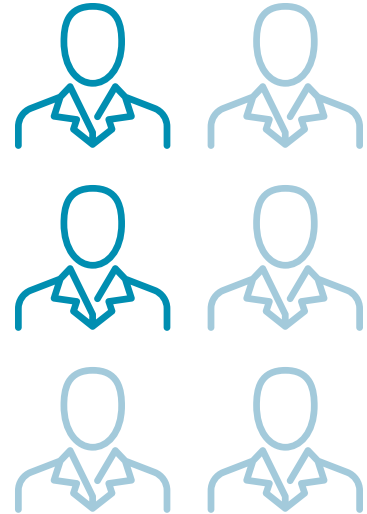
**Less than a third (28%) of employees strongly agree that their employer does a good job of educating them about what benefits are available and how to use them.**

## Communication is mission critical

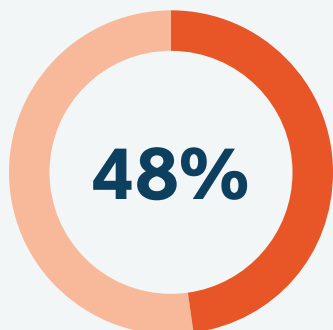
Communication from employers is critical not only to remind employees about the resources available to them, but to normalize mental, physical, and financial health needs.

In addition to frequency, employers need to consider utilizing multiple channels to promote well-being resources to their employees. Employers admit that they could communicate about EAPs with employees more often (48%) and use more channels/methods (42%) to increase usage. Emails or leadership talking points alone are not enough.

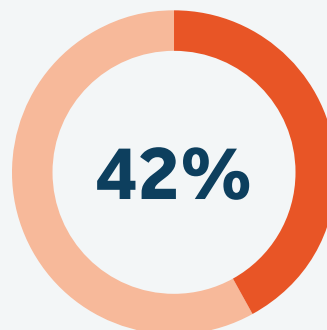
Additionally, well-being resources and offerings can be included within HR policies and employee benefits. Annual enrollment is a great time to remind employees that, along with affordable medical insurance, well-being resources are a major employee benefit.



**Only 32% of employers say that tailoring communication and enrollment for their various employee segments is extremely or very important**



of employers believe they should communicate about EAP offerings **more often**



of employers believe they should communicate about EAP offerings **using more channels**

**64% of employers agree:**  
**“Our organization creates and  
nurtures a **culture of well-being.**”**



# Despite lower well-being, most working Americans claim to be happy at their jobs

While it's true that overall well-being has experienced a dip across all three pillars — emotional, physical, and financial — most full-time American workers are satisfied in their working lives. Over half of workers say they are happy at their current jobs.

Even though WWBI scores are lower across the board, optimism seems to be the trend. Sixty-four percent of companies agree with the statement, "our organization creates and nurtures a culture of well-being."



**Over half of workers (53%) believe that their employer creates a culture that is flexible and empathetic.**

## What's the reason?

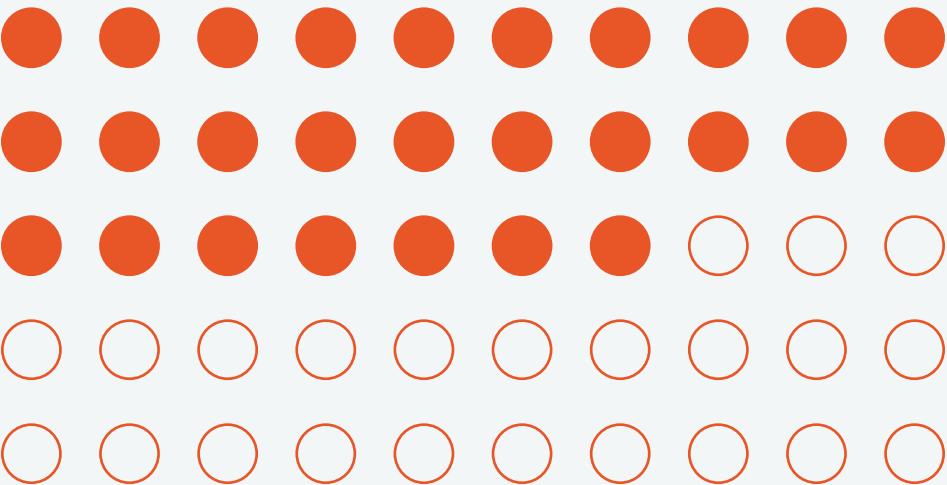
This may be due to gratitude and relief to remaining fully employed or being hired full time during the pandemic. It could also be attributed to the workforce noticing a shift of attitude from their employer as to inclusion, diversity, and their overall well-being. For instance, 57% of employees now believe that their organization fosters an environment that supports diversity and inclusion, particularly tech and finance organizations, or larger organizations with 1,000 or more employees. Over half (53%) believe that their benefits provide adequate coverage for same-sex couples, and those companies who provide a large effort in social justice responses and inclusion harbor a workforce with better emotional health scores than employers who do not. Additionally, 57% believe that with the flexibility, resources, services, and communication offered to them during the pandemic, their organizations handled COVID very well.

Perhaps in another year, this optimism will translate into WWBI scores inching their way back to higher rates.



**67% of organizations agree:**

**"Our organization prioritizes and creates an environment that supports diversity and inclusion."**



**54%**  
of full-time workers  
are **happy** at their  
current jobs

# Looking ahead:

## The pursuit of emotional, physical, and financial wellness

From initial strides in physical safety over a century ago to today's advent of emotional awareness, US employers have come a long way in tending to workforce well-being. Even a cursory search for related articles and studies on the topic will show that the pursuit of well-being is not only a relevant topic in a pandemic world, but an increasingly accepted one. Well-being benefits were formerly a "nice-to-have" and now they are a "requirement-to-thrive." And for working Americans looking to belong to an organization that cares about the well-being of its workforce, such policies and benefits are expected. Organizations winning the battle for talent in the next few years are more likely to survey their workforce to identify their greatest concerns and causes of stress and then respond accordingly.

2021's Workforce  
Well-being Index™  
score:

**6.4** out of 10



### Mind

- **Mental health resources** — from access to therapists and counselors to cognitive behavioral therapy to meditation apps — are key to helping employees cope with stress during the pandemic and beyond.
- **Employee assistance programs (EAPs)** typically offer a range of services, including mental health and substance abuse counseling, crisis intervention, and financial, legal, and other wellness services like nutrition and exercise guidance.
- **Work-life balance benefits**, like a hybrid model, will help to satisfy the individual worker's desire to work in or out of office.
- **Flexible scheduling** allows employees to adjust their work hours to accommodate their personal situation, such as paid parental/family leave, caregiving responsibilities, child care, or health conditions.
- Employers can **dedicate in-office resources or designate time** for meditation or counseling.



### Body

- **Wellness initiatives** that promote better nutrition, fitness, and overall health awareness are popular with employees and provide a way to supplement care from medical professionals.
- **Incentive programs** for fitness and/or annual checkups encourage not only physical wellness, but also peer accountability.
- **Offer in-office educational programs** like nutrition seminars or talks by medical specialists.
- **Rebates** for gym equipment and fitness center memberships will ease the financial output for typical fees associated with physical wellness.



## Wallet

- **Offer access to financial professionals** who will be available to the workforce either in-office or virtually to provide instruction on tax planning, personal finance, budgeting, will preparation, savings, and estate planning.
- **College tuition savings plans** and loan repayment benefits can help provide a long-term financial plan.
- Offer an array of **employer-paid and employee-paid products and tools to improve financial wellness** for workers and their families, such as life insurance, short-term and long-term disability, and supplemental health.



## Normalize a culture of well-being

- **Incorporate well-being dialogue** into the day-to-day workforce.
- **Lean on leadership** to make well-being a legitimate priority by organically and consistently addressing it in announcements, emails, and Town Hall meetings.
- **Include behavioral health resources in HR and workplace policies**, employee benefits offerings, and employee communications.
- **Provide training workshops**, employee resource groups (ERGs), or other peer and colleague support units.



## Revisit your communication strategy

- **Measure the effectiveness** of your organization's communication efforts by engagement and/or utilization rates of well-being resources.
- **Clearly define** what well-being resources are available and how much they cost, if anything.
- **Provide training or education** on mental health topics for employees, managers/supervisors, and senior leadership to assist in communicating a well-being dialogue to their team.
- **Establish an "always-on" communication strategy using multiple channels:** email, internal corporate intranet, informational videos, employee-focused social media and podcasts, and verbal mentions from HR and leadership in Town Halls and other meetings.
- **Utilize annual enrollment** to remind employees of their well-being benefits.
- **Invest in digital decisioning tools** to help employees understand which benefits to enroll in given their needs.
- **Introduce benefits administration platforms** to expedite the shift from paper-based to digital benefits processes and make enrollment easier for employees to understand and to access.



# Appendix

## Methodology and sample characteristics

The Guardian 10<sup>th</sup> Annual Workplace Benefits Study was fielded in February and March of 2021 and consisted of two online surveys: one among benefits decision-makers (employers) and another among working Americans (employees), allowing us to explore benefits issues from both perspectives. Survey data collection and tabulation were managed for Guardian by Zeldis Research, an independent market research firm located in Ewing, NJ.

### Employer survey

Employer results are based on a national online survey of 2,000 employee benefits decision-makers. Respondents include business executives, business owners, human resources professionals, and financial management professionals. The survey covers all industries and is nationally representative of US businesses with at least five full-time employees. For the purposes of this report, small businesses were defined as having fewer than 100 employees.

Data shown in this report have been weighted to reflect the actual proportion of US businesses by company size, based on data from the US Census Bureau. The margin of error at the 95% confidence level is +/- 2.2%.

### Employee survey

Employee results are based on a survey conducted among 2,000 employees age 22 or older, who work full time or part time for a company with at least five employees. The survey sample is nationally representative of US workers at companies of at least five employees.

Data shown in this report have been collected in a way to reflect the actual proportion of US workers by gender, region, race, ethnicity, education level, household income, age, and employer-size, based on data from the Bureau of Labor Statistics and the Census Bureau. The margin of error is +/- 2.1% at the 95% confidence level.

Guardian's Workforce Well-Being Index™ (WWBI) measures consumer attitudes in three core areas: financial wellness, physical wellness, and emotional wellness, and ranks them on a 10-point scale.

Unless otherwise noted, all information contained in this report is from the 10<sup>th</sup> Annual Guardian Workplace Benefits Study, 2021, and all information specifically noted as 2016 data is from 4<sup>th</sup> Annual Guardian Workplace Benefits Study, 2016.

# References

- 1 10<sup>th</sup> Annual Guardian Workplace Benefits Study. Unless otherwise noted, all information contained in this report is from the 10<sup>th</sup> Annual Guardian Workplace Benefits Study, 2021.
- 2 [United States Department of Labor](#)
- 3 State of Mental Health in America Report, Mental Health America (MHA), 2020
- 4 National Alliance on Mental Illness, 2019
- 5 Guardian internal disability claims analysis, 2021
- 6 [National Alliance on Mental Illness](#)
- 7 2021 Working Americans' State of Stress Report, Grokker Innovation Labs
- 8 US Bureau of Labor Statistics, September 2021
- 9 Mind, Body, and Wallet: Financial stress impacts the emotional and physical well-being of working Americans, Guardian 4<sup>th</sup> Annual Workplace Benefits Study, 2016
- 10 [The Conference Board](#), October 2021
- 11 [Harvard Business Review](#), October 2021
- 12 Inflection Point, Guardian 10th Annual Workplace Benefits Study, 2020
- 13 [Mental Health America](#)
- 14 Spring Health, 2021
- 15 Social Security Administration, Disability and Death Probability Tables for Insured Workers Born in 1999, June 2020, <https://www.ssa.gov/oact/NOTES/ran6/an2020-6.pdf>, Table A
- 16 Integrated Benefits Institute, IBI Benchmarking Analytics Series: Which Diagnoses Drive STD Incidence, Costs and Lost Time?, Jan 2019, <https://www.ibiweb.org/which-diagnoses-drive-std/>
- 17 Pew Research Center, October 2020
- 18 Workforce 2020: Women and well-being, Guardian 8<sup>th</sup> Annual Workplace Benefits Study, 2020
- 19 [Women in the Workplace](#), McKinsey & Company and LeanIn.org, 2020
- 20 [SHRM](#), June 2021
- 21 Mental Health Access, Vida, August 2021



**The Guardian Life Insurance  
Company of America**

**guardianlife.com**

Material discussed is meant for general informational purposes only and is not to be construed as tax, legal, or investment advice. Although the information has been gathered from sources believed to be reliable, please note that individual situations can vary. Therefore, the information should be relied upon only when coordinated with individual professional advice. Guardian, its subsidiaries, agents, and employees do not provide tax, legal, or accounting advice. Consult your tax, legal, or accounting professional regarding your individual situation. Links to external sites are provided for your convenience in locating related information and services. Guardian, its subsidiaries, agents and employees expressly disclaim any responsibility for and do not maintain, control, recommend, or endorse third-party sites, organizations, products, or services and make no representation as to the completeness, suitability, or quality thereof. SHRM-SCP is not an affiliate or subsidiary of Guardian.

The Guardian Life Insurance Company of America (Guardian), New York, NY. GUARDIAN® is a registered trademark of The Guardian Life Insurance Company of America. © Copyright 2021 The Guardian Life Insurance Company of America.

2021-130464 (Exp. 1/24)

Guardian Workplace Benefits Study — 10<sup>th</sup> Annual