

WELLNESS

BY TANZA LOUDENBACK

A Stock Market That Freaks Out Workers

PARACHUTE INTO ANY CORNER of corporate America and you'll find an intriguing menu of wellness programs. Mental health, exercise, and nutrition are common themes, with companies offering up seminars, apps, and even stipends to encourage healthy habits. But one area that hasn't gotten a lot of attention happens to be a pretty critical one these days: financial advice.

As global headlines continue to remind us, the

stock market this year has taken one of its worst tumbles in decades, in the process wiping out sizable portions of 401(k) plans. The market has picked up some, but throw in inflation and it's little wonder that a recent survey found that 72 percent of US knowledge employees are stressed out about money.

The stress doesn't just occur at home. By one estimate, employee financial anxiety costs US employers more than \$4 billion in lost productivity—per week.

THE TAKEAWAY

Offering financial advice to workers can be helpful, but it's also tricky.

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That's because the average employee spends seven hours a week—three of them at work—dealing with their personal finances, according to Annamaria Lusardi, a professor of economics and accountancy and academic director of the Global Financial Literacy Excellence Center at George Washington University. Those with low financial literacy, she says, spend twice as much time at work on money problems. "The workplace is an ideal place to do financial education," she says. "There is a role for the employer."

But there's a big difference between offering advice on healthy meals and on the stock market. As a rule, most companies rely on 401(k)-administering firms to also provide financial advice. That advice, experts say, tends to be far more generic, whereas workers want, and are told they need, more personalized care. "It's really important to have a 360-degree view of your finances," Lusardi says. That includes planning around issues like debt and cash flow, along with calculating how market shifts or inflation might affect savings rates or broader financial goals.

What's more, the retirement-plan providers will rely on time-honored advice that can frustrate workers, telling them to wait out the losses they are seeing today and to not time the market. Though many financial experts agree with that strategy, it's hardly an easy approach for most executives, who are used to taking action. Watching from the sidelines, human resources officials say that too much personalized advice can backfire, with workers blaming their own company for 401(k) losses.

There is another way corporations can help workers with money woes: raising salaries. In the era of great labor shortages and the Great Resignation, many have been forced to give hefty increases to talented workers. But with inflation so high, "it doesn't mean the quality of life of your average employee has gone up," says Chad Astmann, senior client partner and co-head of global investment management at Korn Ferry. He sees the advantages of companies providing more financial planning, but also knows that no financial advice is foolproof, especially with the kind of volatility investors are seeing today.

"We're in a purgatory more than anything else," Astmann says. "It's not comfortable to see those losses, but it's part of the rhythm of being in the stock market." ■

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STRATEGIES

BY RUSSELL PEARLMAN

Inventory Woes: Too Little, Now Too Much

A YEAR AGO, THE BIGGEST inventory glut in the world was anchored just off the coast of Los Angeles. More than seventy massive cargo ships floated there futilely, unable—because of COVID restrictions—to offload cargo such as furniture, clothing, and microchips, as well as thousands of other types of raw materials and finished



goods. The organizations that ordered all that stuff sat helplessly, their warehouses and factories empty, their leaders lamenting that a shortage of nearly everything made it impossible for them to sell what their customers were demanding.

The glut, it seems, has finally made landfall. All that stuff has ended up in warehouses—ten of thousands of them, at ten of thousands of companies. Forced to offer discounts or unload their products onto the wholesale