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## How your employer is key to a financially healthy year. New job not required

By Prudential • 4 hours ago



This little piggy went to the office.

From paying down debt to saving more money, improving your personal finances tops many New Year's resolution lists. Most resolutions are forgotten by [February](#), but financial health is important enough to maintain all year. And your work can help you do it.

While money may not be the key to happiness, improving your [financial wellness](#) can enhance many aspects of your life. The reduced [stress levels](#) that come with better money management can lead to stronger mental and physical health and improved relationships.

[Nearly half](#) of employees admit that they spend two to three hours per week on their



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more productive and successful on the job—statistics show that employees who participate in company financial wellness programs experience a [41% increase in productivity](#). As a result, a [growing number of companies](#) are expanding their financial wellness benefits, recognizing that helping their workers feel financially secure can have long-term benefits for everyone—employees, their family, and the companies.

Here are financial goals you should actually tackle this year—and how your employer can help you achieve them:

## **Build a budget and make it sticky**

No matter your overall financial goals, creating and sticking to a budget is the first step to achieve them. But putting a budget in place can feel overwhelming, especially if you're not in the habit of tracking your day-to-day expenses. A [quarter of workers](#) spend their entire paycheck or more each month, but the right budget can help keep you on track.

**How your company can help:** Any effective budget begins with paying yourself first, setting aside savings before you allocate the rest of your money to expenses. Automate those savings by setting up automatic deposits to your 401(k) account through your employer and seeing whether there's an option to split your direct deposits between your checking account and other savings. This way, you'll achieve a step of your monthly budgeting process whether you're thinking about it or not.

## **ICE your wallet, not a headache**

Building an ICE—in case of emergencies—fund increases your overall financial security, but more than [60% of Americans](#) don't have enough savings to handle a \$500 emergency. Having three to six months' worth of expenses stashed in a liquid account means that you're prepared if a financial surprise, such as a leaky roof or a layoff, occurs. Not only will your rainy day fund make such events less stressful, but it will also keep you from turning to more expensive sources of cash, like credit cards or a 401(k) loan.

**How your company can help:** See if your company offers a “sidecar” account, where you can make after-tax contributions separate from your 401(k). Once you hit your



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emergency or short-term savings goal, the contributions begin funneling into retirement savings.

## Make sure your money ages as well as you

If you want to ever quit working, you're going to need retirement savings to see you through your golden years when the paychecks stop. Still, [nearly half](#) of workers ages 32 to 61 don't have any retirement savings at all. Even small contributions on a regular basis can add up, but you should aim to increase the amount you put away as your salary goes up.

**How your company can help:** Make sure you're putting at least enough money into your 401(k) to get any potential employer match on your contributions. Then see if your company offers an auto-escalation option, which will automatically increase those contributions by a set amount each year until you reach a target goal, such as 10% or more of your income.

## Protect your financial wellness from medical illness

Health-related expenses can blow up your budget quickly, even with medical insurance. [One in five](#) Americans with insurance has trouble paying medical bills. By preparing financially for medical related issues, your money will go further when a health concern or accident happens.

**How your company can help:** Take advantage of the health savings account offered by your company if you have a high-deductible health plan. Also, check out supplemental insurance plans whose monthly coverage may cost less than a latte. [Accident](#) pays a lump sum for covered accidents that require medical attention, like \$750 for a broken wrist. Other types include [disability](#), which comes in handy since it can take up to two years if approved to obtain income protections offered by government disability programs.

These employer benefits help you save without overthinking it. But a little guidance goes a long way when it comes to managing your money. Luckily, even financial advice is [more easily available](#) than ever, with services letting you reach advisors with the tap of a finger. If you're unsure which benefits are [best for you](#), then an advisor can help you on your journey



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By taking advantage of employer benefits that make money management as efficient and effective, you'll be able to be more [productive at work](#), free up time and mental capacity to tackle your job, and perhaps eventually secure that promotion you've been wanting—literally putting more money in your pocket in the year ahead.

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