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An inside look at the labor shortage

The labor shortage crisis has been in the news for months as big and small companies alike are suffering from a diminished workforce. If business is going to return to normal, companies will need to hire new employees to fill 8.1 million empty positions – the highest number of job openings recorded in two decades.¹ As a result, human resource departments are busier than they've ever been.

Ironically, the number of people working in human resources has dwindled too. And the mammoth job of recruiting is sometimes in the hands of a smaller crew struggling to balance the increased demand for new hires on top of the normal workload: onboarding, handling employee benefits, managing 401(k) plans and more. For small business owners who wear the human resources hat along with all of their other responsibilities, this gap may seem even more intensified.

But human resources can't afford to miss a step because it serves both the company and employees and has weighty responsibilities – including legal mandates. So how can it succeed in all its missions in this post-pandemic environment? Read on for two solutions that may help alleviate some of the pressure on employers and their human resources area.

Delegation of responsibilities

Employers face daily challenges running a business and are often stretched thin making it difficult to get to everything. This can often be compounded by a shrinking labor pool, requiring employers and their human resources employees to spend more time filling open positions and less time on other types of responsibilities.

One way to get back some time in their day is to delegate responsibilities of 401(k) management to another party, either contractually or by legally naming that third party to the plan, enabling human resources to focus on its time-sensitive needs. While delegation does not remove an employer's obligations, it may allow them to spend less time on the day-to-day management responsibilities.

Financial wellness for employees

Another solution is to add a financial wellness program to the benefits package, empowering human resources to use it in building a more attractive package. Financial wellness is a benefit that allows a company to help their employees make the best use of a dollar via coaching, guidance and education. It addresses employees' financial concerns throughout their different life stages – whether they're recent grads or approaching retirement.

It can also directly assist them with their debt. Forward-looking companies have adopted financial wellness because it offers personalized solutions to employees' financial issues. And it's the benefit job seekers value most after salary and medical benefits.²

As research shows, financial wellness is a win-win:

- It's **beneficial to employees**: 58% of employees admit they're stressed about their finances, and 50% of those stressed say finances have been a distraction at work.²
- It's **beneficial to companies**: Without it, employees' financial stress would remain unabated, and that stress can lead to lower productivity, increased turnover and affect employee health – all of which can have a negative impact on a company's bottom line.²

Financial wellness can help create a more engaged and productive workforce by offering programs that address specific issues. For example, employers can help pay down employees' student debt with an employer-assisted student loan platform.

In 2020, 45 million Americans owed a record 1.6 trillion in student loans – higher than both credit card and auto loan consumer debt categories.³ Companies that help alleviate the burden of that debt may be more easily able to recruit the caliber of employees they want. And retain them.

Other financial wellness incentives that have potential to yield positive results include employer-assisted college savings, retirement planning, help with rainy day-savings, debt management and more.

Has your company been impacted by the ongoing labor shortage? Contact a financial professional today for help identifying benefit solutions that work for both you and your employees.

1. Mutikani, Lucia. "[U.S. job openings vault to record high in March.](#)" nasdaq.com, May 11, 2021.

2. [PwC's 9th annual Employee Financial Wellness Survey](#), PwC US, 2020.

3. Friedman, Zach. "[Student Loan Debt Statistics In 2020: A Record \\$1.6 Trillion.](#)" Forbes.com, February 3, 2020.

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