

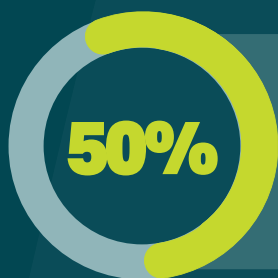


Pay Raise vs Retirement Plan

What's the best way to entice workers to stay without breaking the budget?

Higher inflation is driving up stress and shaping the financial expectations of workers. Despite economic challenges, retention remains a top priority and puts employers under greater pressure to meet compensation requests. Without skilled workers, companies risk revenue and service quality, which can damage their reputation.

So what's the best way to keep employees happy, while retaining top talent? Pay raise or a retirement plan?



of organizations still expect the competition for talent to increase significantly in the next six months, despite macroeconomics.

Gartner, Oct 2022

Financial stress is impacting everyone

The National Payroll Institute expects that employers will lose more than \$40 billion due to workers dealing with personal financial matters at work, up from \$26.9 billion in 2021. To improve productivity and reduce the risk of revenue loss, employers are looking for ways to boost financial wellness.



of Canadians feel financially worse off than last year.

Bloomberg News, Oct 2022



6 in 10 working Canadians feel underpaid.

Robert Half Canada, Sept 2022

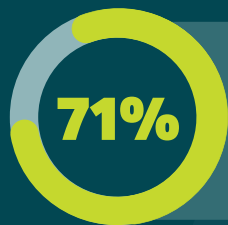
Financially stressed employees lose nearly 30 minutes a day dealing with money matters at work.

National Payroll Institute, Nov 2022



Pay raises don't always impact retention

1/3 of Canadian professionals are planning to ask for a raise if they don't get one by the end of the year, according to Robert Half Canada. While a pay raise offers a quick fix to mitigate the effects of inflation, a modest increase doesn't always have a big impact on take-home pay, and does little to help with long-term retention. Employees often find greater value in help with saving for the future.



71% of Canadian workers are willing to forgo a higher salary for a better retirement plan

HOOPP, May 2021



A retirement plan is a great way to ease financial stress, improve productivity and retain top talent

In a recent HOOPP and Angus Reid Group report, the majority of employers say retirement benefits are a cost-effective way to reduce financial stress, while encouraging staff to stay long-term.

66 % say retirement benefits help **retain talent**



85% say retirement benefits are a cost-effective way to **reduce financial stress**

78% see retirement benefits as an **investment in human capital** than a cost to business

HOOPP, Angus Reid Group, 2022

Boost productivity

Firms with retirement benefits are more likely to report improved productivity than firms that do not. HOOPP, 2022

Reduce turnover costs

Small and medium-sized companies can save up to \$100,000 in turnover costs. Gusto, Oct 2022

Selecting the right plan

Common Wealth offers a modern, digital experience to make retirement benefits easy.

- Digital setup & self-serve enrollment
- Supports all company sizes & income levels
- Automatic payroll deductions
- Dedicated education and support
- Automatic investing
- Employees keep their low-fee plan for life



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commonwealthretirement.com