Pay vs. plan: the best way to retain staff in 2023

by Common Wealth
published November 16, 2022

As new trends emerge, the latest data shows that despite economic challenges, retention remains a top priority for employers in 2023. At the same time, higher inflation is driving up employee financial stress – and the number of workers who will be asking for a pay raise.

What's the best way to help your clients meet their retention goals, reduce employee financial stress and keep staff happy? Retirement benefits. This is a great opportunity to show clients how you can help them meet their retention goals, while giving employees a more meaningful way to reduce financial stress.

Pay doesn't always translate to retention

While pay is important, modest salary increases don't always have a big impact on take-home pay and do little to improve retention. Instead of a higher salary, show clients how a workplace retirement plan can make a more meaningful difference to employee financial wellness, and their likelihood to stay.

In anticipation of RRSP season next quarter, now is the perfect time to introduce a plan and help employers prepare for the year ahead.

Help your clients navigate their 2023 compensation decisions

We've rounded up the latest stats highlighting these trends and why a workplace retirement plan can help shore up both your client's retention rate, and their team's financial wellbeing.

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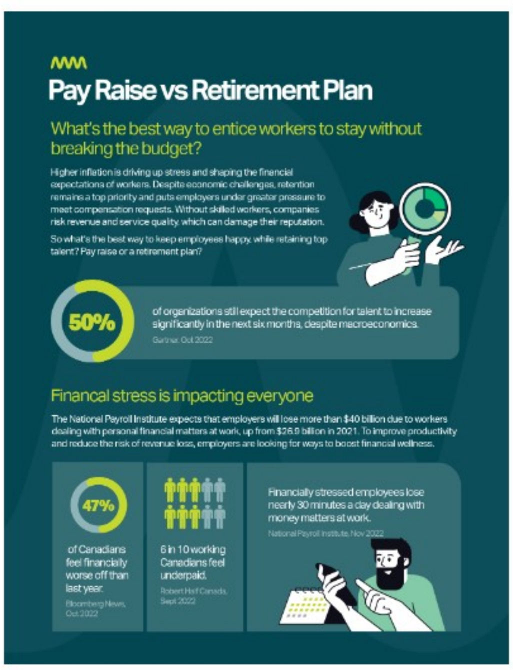

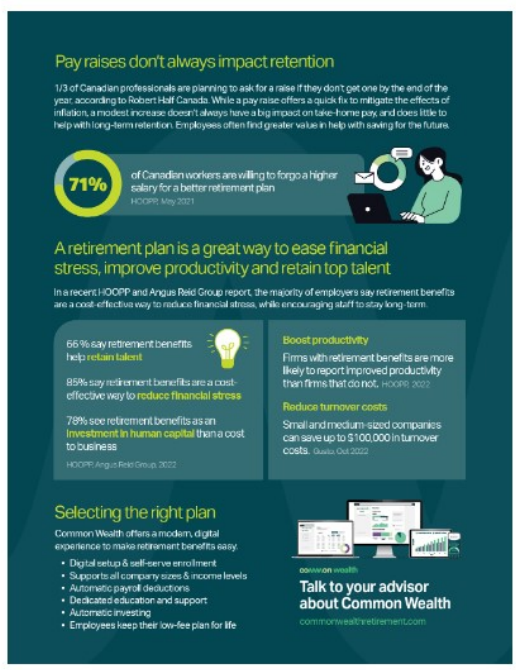

3 conversation-starters for your clients

2023 trends suggest the competition for talent will remain strong, despite economic changes. Half of employers say they expect to have a harder time securing new employees in the next six months. (Gartner)

Financial stress is a productivity drain – and it's gotten worse this year. Financially stressed employees lose about a half-hour of each workday dealing with personal financial matters – that adds up to $40 billion this year.

A bump in pay doesn't always impact retention the way a retirement plan can. Even though 1/3 of Canadian professionals are asking for a raise, 7-in-10 employees would forego a higher salary for a retirement plan.

Clients concerned about costs?

A Deferred Profit Sharing Plan (DPSP) can help incentivize the employee to stay, If employees leave before the vesting period ends, they forfeit the employer's contributions to their plan. Learn more about DPSPs.

Questions?

We're happy to help. Reach out to your Account Executive or book a call with our advisor support team.

Book a meeting