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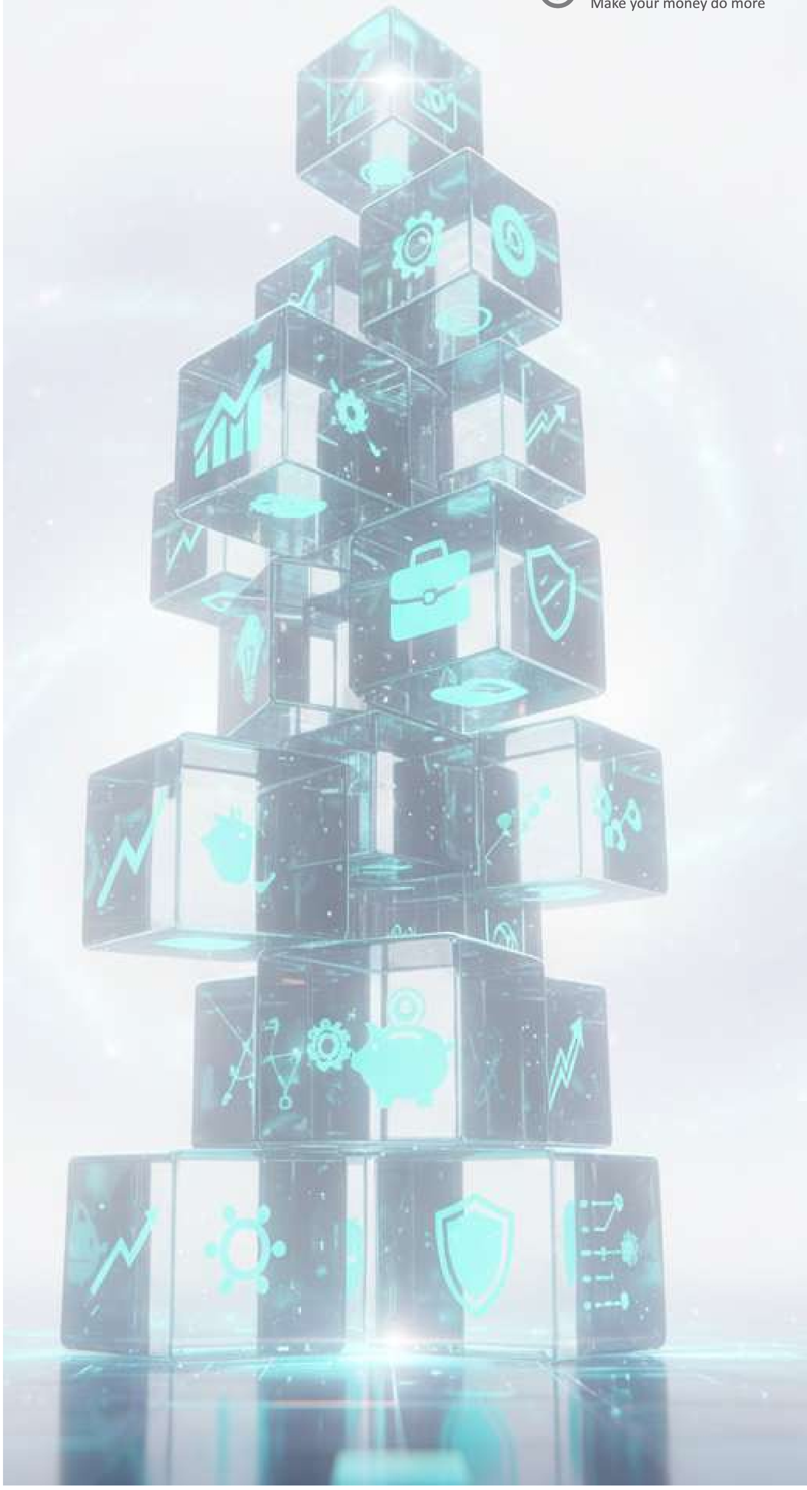
State of **Financial Wellbeing** *at the Workplace Report*

FY 2024-25

Exclusive

In this Report



Disclaimer

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Foreword

Over the past decade, I have witnessed how money choices ripple far beyond balance sheets: they shape confidence, health, productivity, morale and relationships. As India's workforce stands at the intersection of opportunity and uncertainty, financial resilience has become the bedrock of sustainable success.

This year's survey, with **4,335 participants**, reflects both progress and persistent challenges. We see a workforce bold enough to invest, yet not always equipped to invest wisely; ambitious in goals, but vulnerable in preparation. This paradox should not be seen as a weakness, but as a call to action.

At Finsafe, we have had the privilege of **training nearly half a million individuals**, empowering them with the skills to build financial security. Time and again, we see a profound shift after employees engage with our sessions, platforms, and counselling: a newfound confidence in managing money and the ability to look at money the right way. These transformations reaffirm our belief that financial literacy is the most powerful tool to unlock human potential.

Organizations that embed financial wellbeing into their culture, go way beyond reducing stress in unhinging creativity, loyalty, and sustained performance growth over time. The challenge before us is clear: amid shifting macroeconomic conditions and rising financial pressures, organizations must financially future-proof their associates with the tools, knowledge, and safety nets needed to stay secure, resilient, and deeply committed to their long-term goals.

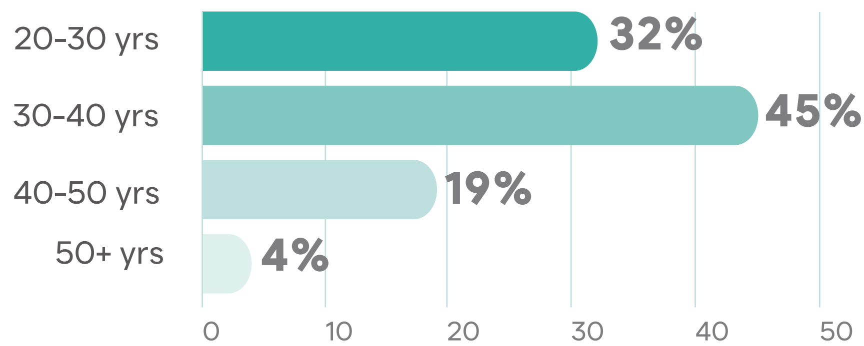
Empowered decisions stem from financial security. When people feel safe about tomorrow, they bring their best to today.

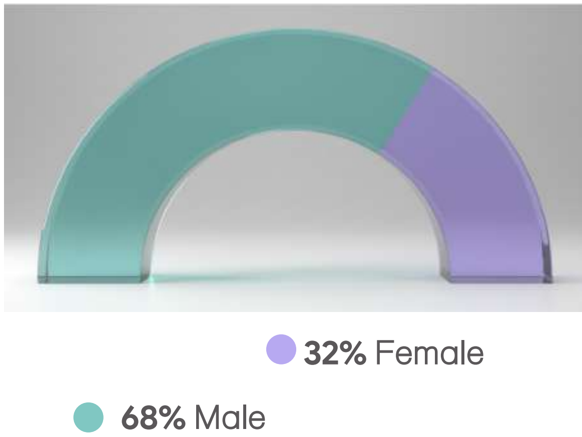
Mrin Agarwal
Founder, Finsafe India

An Anxious Workforce Doubles Down on Markets

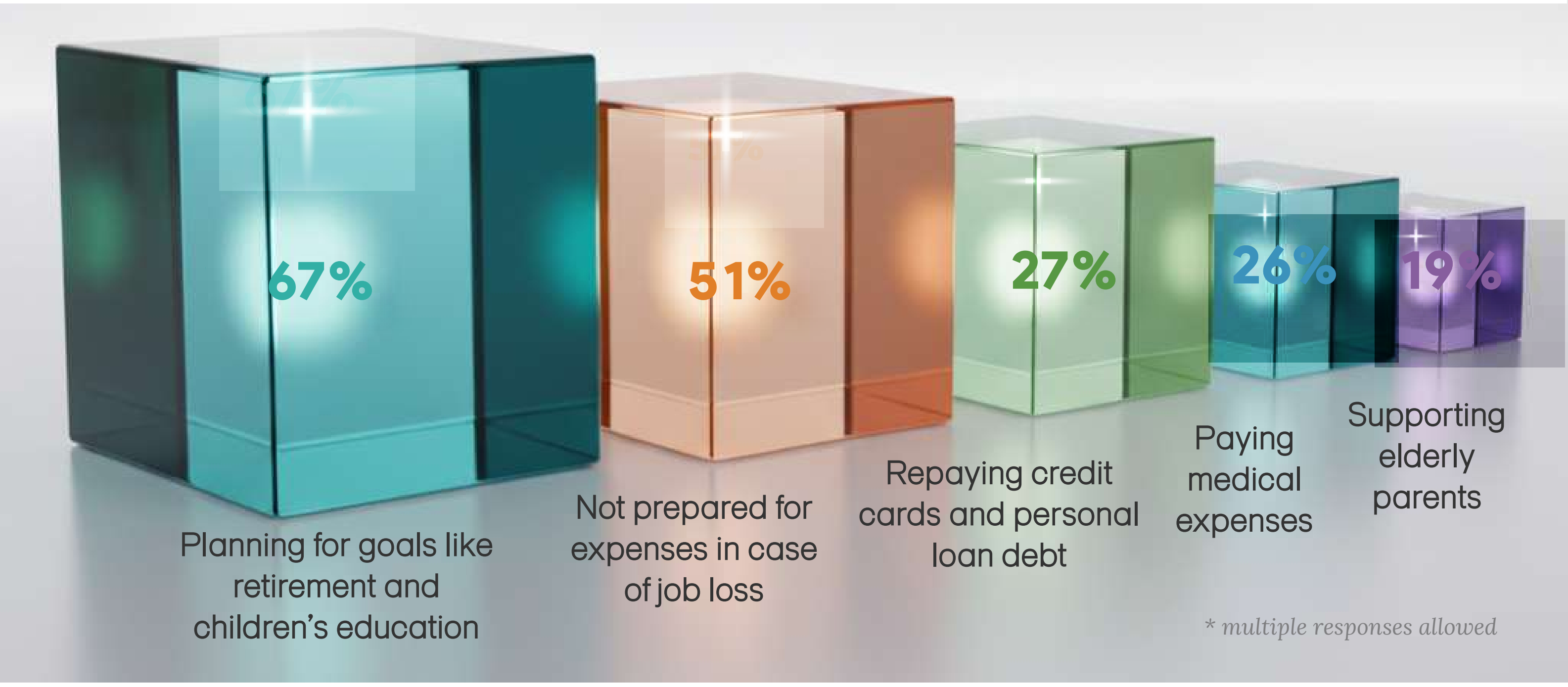
Despite heightened financial anxieties, Indian corporate employees are more actively investing than ever, highlighting the paradox of high market participation coupled with low financial confidence. This year's survey tells a story of employees striving to secure their future, even while many lack the knowledge and safety nets to effectively do so. Key findings from the FY 2024-25 data: include:

Survey Demographics





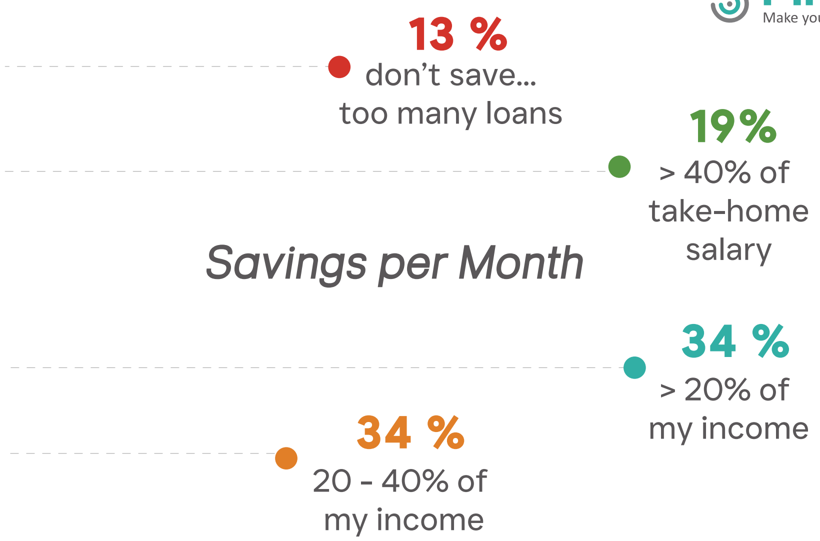
Top Financial Challenges



Long-Term Security vs. Job Insecurity

Retirement and children's education are the top financial worries (67%), closely followed by job loss fears (51%). This shows a workforce anxious about the future, juggling ambitions for long-term stability with immediate career uncertainty.

Savings per Month



Debt Strains on Saving

27% name paying off credit cards/personal loans as a major challenge, and **13%** say they cannot save due to loans. This reveals a debt burden directly undermining the ability to save, trapping many in a cycle of borrowing. Notably, one national survey found 27% of Indians struggling to repay debt, and 68% have not planned for retirement mirroring our respondents' worries around debt and inadequate long-term planning.

Investment Preferences

Mutual funds or stocks	56%
FDs, Insurance policies	34%
Don't know where to invest	34%
Diversified portfolio	12%
Trending investments	5%

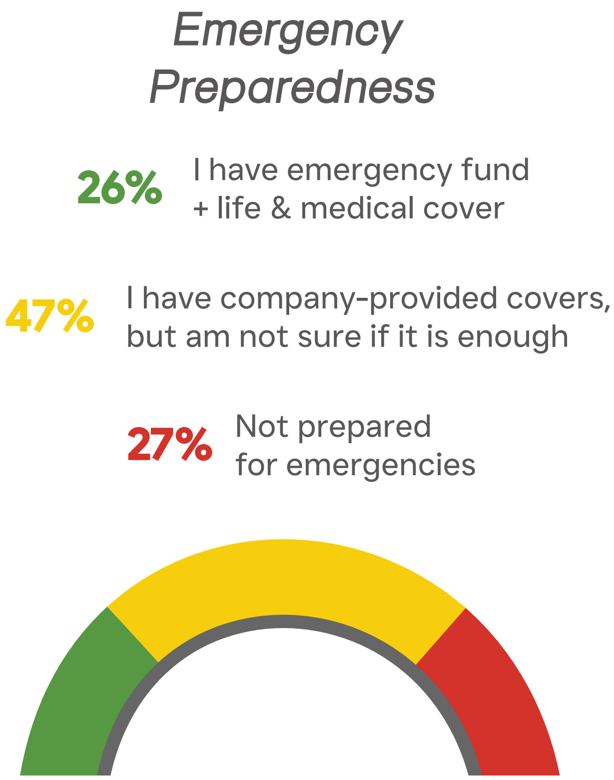
* multiple responses allowed

Investing High, Learning Low

A remarkable **56%** of employees now invest in mutual funds or stocks, yet an overwhelming **98%** express interest in learning about mutual funds and taxes. This gap suggests an "invest first, learn later" phenomenon. Employees are jumping into markets without adequate knowhow. Globally*, 70% of retail investors are under 45 (our survey's median age group is 30–40), but only around 33% of adults are financially literate. The result is a generation of DIY investors who need knowledge to match their enthusiasm.

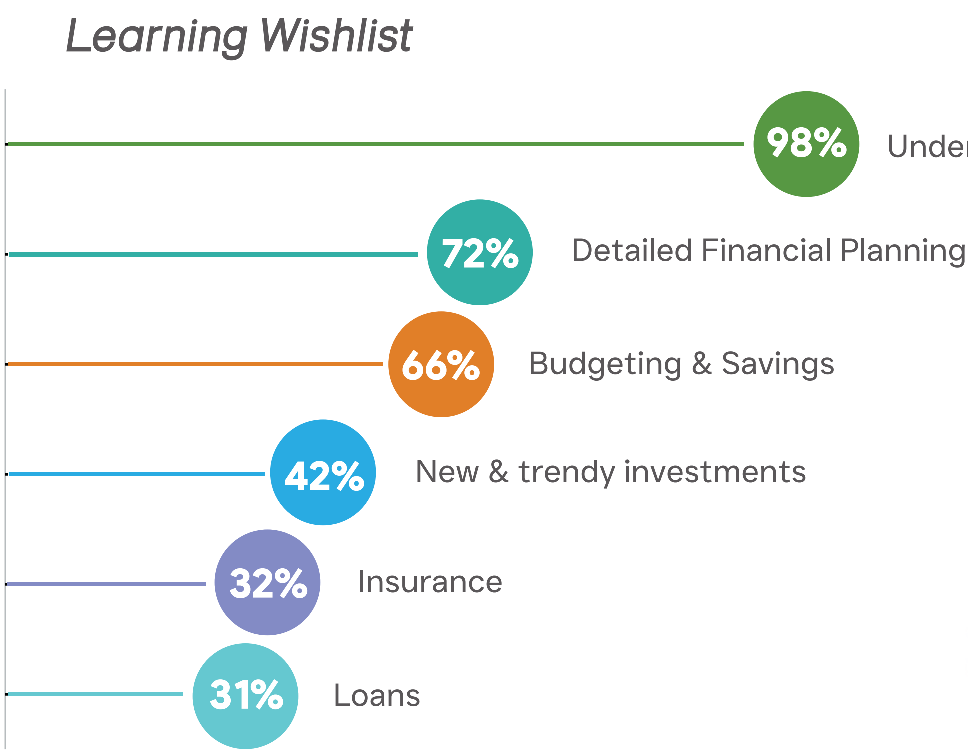
The Emergency Prep Paradox

Only **26%** of respondents feel fully prepared for emergencies (with an emergency fund plus adequate life/medical cover), while **27%** admit they are not prepared at all. This means roughly three in four employees would be vulnerable in a crisis; a statistic echoed by external findings that at least 75% of Indians lack any emergency fund. Yet, despite this precarious reality, **42%** of employees are curious about “new & trendy” investments (like crypto or P2P lending). This signals a risky prioritization of high-return pursuits over basic safety nets.



Reliance on Employer Benefits

Nearly half the workforce (**47%**) rely on company-provided insurance covers for security but are unsure if these are sufficient. This may be a potentially risky blind spot: employees may be overestimating employer coverage and under-preparing on their own, leaving families vulnerable if a layoff occurs.



** multiple responses allowed*

The Anatomy of Financial Anxiety

India's corporate employees are most anxious about long-term goals like retirement and children's education, alongside job insecurity. Those in their 30s, the age of home loans, career growth, and child-rearing, feel this acutely. They're striving for future stability while vulnerable to short-term income shocks, where a layoff or salary cut can derail carefully built plans. Without adequate emergency savings, job uncertainty directly threatens their ability to meet financial milestones.

Essentially, the very group working towards long-term security is also the most vulnerable to short-term income shocks. The data underscores why job-loss anxiety and long-term goals go hand in hand: without adequate emergency buffers, career uncertainty threatens one's ability to achieve financial milestones.

Debt deepens this anxiety, acting both as cause and symptom. Many employees struggle with high-interest loans and credit card debt that erode savings capacity and trap them in recurring repayment cycles. For a significant share, debt prevents any saving at all, undermining long-term wealth creation. Breaking this cycle requires better credit management tools and access to debt counselling that helps employees rebuild financial confidence and resilience.

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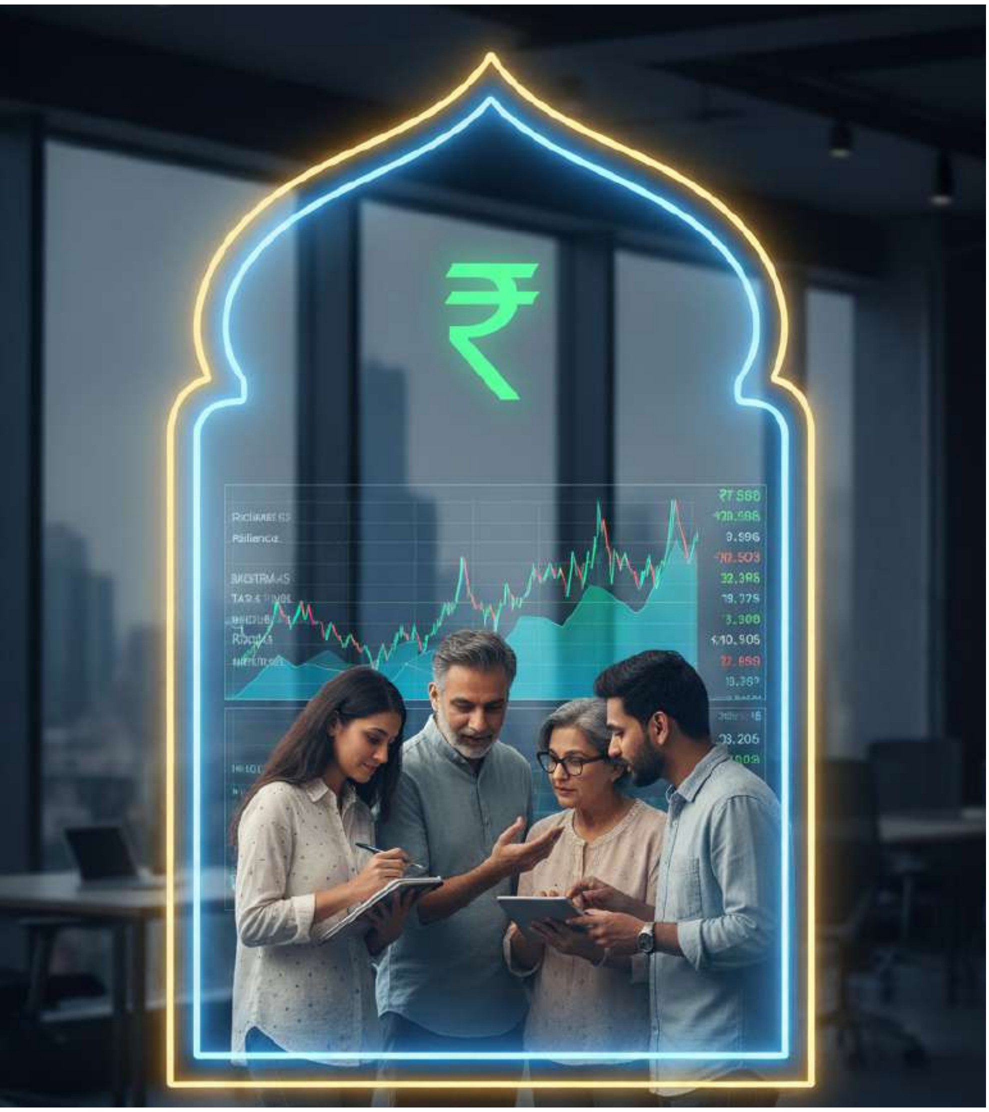
The Investor's Paradox: High Participation, Low Confidence



Employee participation in investing is soaring, but confidence lags. Over half of employees now invest in mutual funds or stocks, yet nearly all want to learn more about these very products. The "invest first, learn later" trend shows how easy apps and social media hype drove many into markets before they truly understood them. This enthusiasm rests on shaky knowledge. Globally, fewer than half of young investors consider themselves financially literate.

Employees are eager to invest, but not equipped to invest wisely. This gap can lead to suboptimal decisions, misuse of products, and anxiety.

Even as market participation rises, a third of employees still say they don't know where to invest, revealing that knowledge hasn't kept pace with access. Many follow trends without clear strategy, unsure whom to trust. The craving for guidance on mutual funds and taxation reflects both confusion and aspiration. Employees fear missing out yet fear the unknown; turning this anxiety into confidence demands accessible and unbiased financial education.

The Risk & Readiness Gap

“The more you learn, the more you earn.”
~ Warren Buffett

Our survey uncovers a concerning mismatch between risk-taking and preparedness. Only a quarter of employees are fully protected with adequate insurance and emergency savings, while most are unsure of their cover or entirely unprepared. Despite regular incomes, corporate workers lack basic safety nets, mirroring national trends* where most households have no emergency fund. Yet 42% are drawn to “new and trendy” high-risk investments like crypto or peer-to-peer lending. This contrast: low protection but high risk appetite, suggests many chase quick gains without securing financial stability first, driven by optimism bias and the allure of modern investment fads.

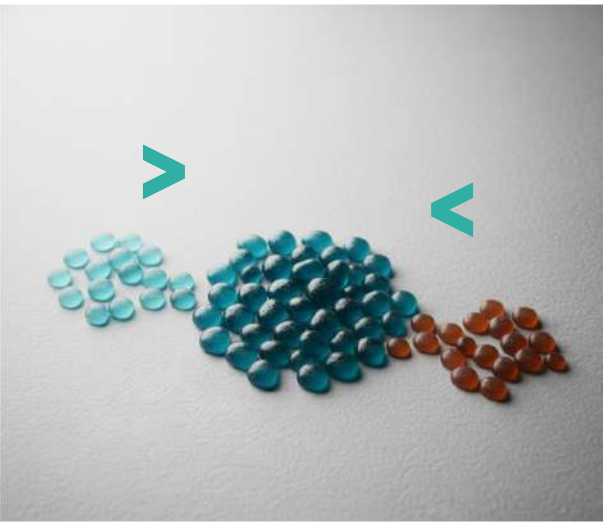
Employees might not realize that a lack of emergency planning is itself a huge risk that no high-return investment can offset. This sounds an alarm for employers: the messaging of “first build your rainy-day fund, then invest in the sun” hasn’t sunk in for a large chunk of the workforce.

Nearly half of employees rely solely on company-provided insurance, uncertain whether it’s enough. Corporate health and life covers often end with employment and may not match individual needs, leaving gaps such as no coverage for parents or inadequate sums assured. This creates a false sense of security, where having “some” cover feels sufficient but isn’t. Employers can play a pivotal role by clearly communicating policy limits and encouraging employees to assess personal gaps. Expanding financial wellness programs with options for top-up insurance, elder-care benefits, or emergency savings can close this readiness gap. Supporting financial protection not only builds employee resilience but also reduces stress and improves productivity.

Financial Tides: Waves of Change from FY 2023-24 to FY 2024-25

Financial resilience is lagging even as financial adventurousness surges; a disconnect that employers and policymakers must urgently help resolve.

The Great Consolidation in Savings:



Saving habits are converging toward the middle. The share of employees saving 20–40% of income rose sharply from 34% to 47%, while high savers (>40%) dipped slightly. This suggests that low savers have improved discipline, while some high savers faced rising costs or eased their savings pace. The net effect is a healthier middle: fewer people at the extremes. While the trend is encouraging, continued efforts are needed to pull the 13% indebted non-savers into the saving category.

The Equity Rush:

Last year showed an equity investing boom among employees, with participation in mutual funds and stocks rising from 46% to 56%, a 10% leap in a single year. Bullish markets, digital access, and growing awareness have fuelled this boom, but knowledge hasn't kept pace.

Interest in learning about mutual funds and tax planning nearly doubled, from 53% last year to an unprecedented 98% this year. We're essentially seeing a democratization of investing, followed by a scramble to build literacy. Organizations might harness this by offering tailored workshops on mutual funds, tax-efficient investing, and portfolio building, riding the momentum of interest to create more informed investors

Shifting Family Burdens:

Employees are notably less concerned about supporting aging parents: down from 26% last year to 16%. This drop likely reflects a younger survey cohort, improved financial independence among seniors, and pandemic-related emergencies behind us. The trend also aligns with India's shift toward nuclear families. However, the issue isn't resolved; it's simply less urgent as new worries like debt and emergency savings dominate. With an aging population, this concern may resurface in future years.

Persistent Precarity:

Some financial challenges remain unchanged. Only 26% of employees are fully prepared for emergencies, 2% up from last year, while job-loss anxiety stays high at 51%. Despite better saving and investing habits, structural pressures like rising costs, job uncertainty, and inertia in planning keep vulnerability entrenched. Many may even invest more from fear, hoping returns will offset insecurity. The stubbornness of these challenges signal a need for targeted action on emergency readiness and contingency planning.

Bridging the Investor's Paradox: Empowering the Enthusiastic but Uninformed Investor

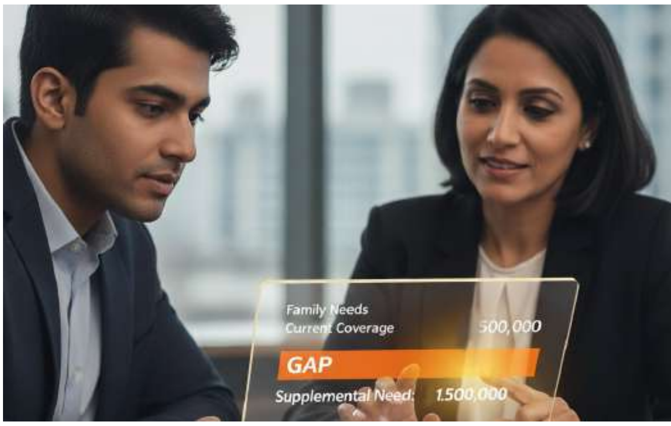
All insights point to the pivotal role of employers' in improving employees' financial wellbeing. The data highlights urgent educational needs and gaps in preparedness that corporate programs can strategically address. Below are recommended interventions to bridge the "Investor's Paradox" and close the "Risk & Readiness Gap" identified in our analysis:`

Scale Up Financial Education:

True financial future-proofing requires financial education that moves beyond one-size-fits-all sessions. A hybrid approach combining group workshops, one-on-one counselling, and digital tools can deliver hyper-personalized guidance. Programs should be informed by employee financial-risk assessments and surveys, with targeted sessions for financially stressed cohorts or specific journeys such as becoming debt-free or achieving financial freedom.

Just-In-Time Guidance:

Provide employees with access to impartial financial counsellors who can offer on-demand support during key decision moments such as tax planning, benefits enrollment, or debt-reduction choices. This ensures timely, unbiased guidance rooted in employees' best interests.



Trusted Information Channels:

With social media full of unreliable "finfluencers," employers should curate resources. Prioritize unbiased financial content and trusted educators over complimentary sessions from insurance brokers or banks that may carry sales agendas. By directing employees to impartial sources, employers protect them from potential misinformation, and avoid doing greater harm by amplifying conflicted advice.

Closing the Risk & Readiness Gap: Building True Financial Resilience

Emergency Fund Initiatives:

Employers can boost financial resilience through payroll-linked emergency savings, where a portion of pay automatically goes to a dedicated fund, possibly with employer matching. Auto-enrollment, gamified challenges, and milestone rewards can further encourage building 3–6 months of savings.

Insurance Assessment and Education:

Nearly half of employees rely solely on company insurance without knowing if it's adequate. Embedding insurance literacy into wellness programs - covering topics such as evaluating health, life, home, and pet insurance, empowers employees to identify coverage gaps and safeguard themselves against risks like illness, natural disasters, or theft.

Link Risk to Reward in Communications:

Employers should reshape financial wellness messaging to emphasize preparedness. By making readiness "cool" and using measurable milestones such as risk protection, investment readiness, or retirement preparedness, organizations can help shift mindsets and curb reckless investing driven by hype or misplaced confidence.

Holistic Wellbeing Programs:

Without financial security, even the best physical or mental health initiatives fail to make an impact – because stress over money erodes all aspects of life. Yet, it remains the most overlooked pillar of holistic wellbeing. Employers must recognize financial wellbeing as the foundation on which all other aspects of wellbeing stand.

In conclusion, the findings from FY 2024-25 underscore that while employees are taking bold steps in their financial lives, investing more and aiming for ambitious goals, they need guidance in building a solid financial foundation. Companies must invest in data-driven, risk-assessed and solution-oriented financial wellbeing initiatives over generic financial awareness sessions to reap the rewards of a healthier, happier, and more secure workforce, poised to drive business success.

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