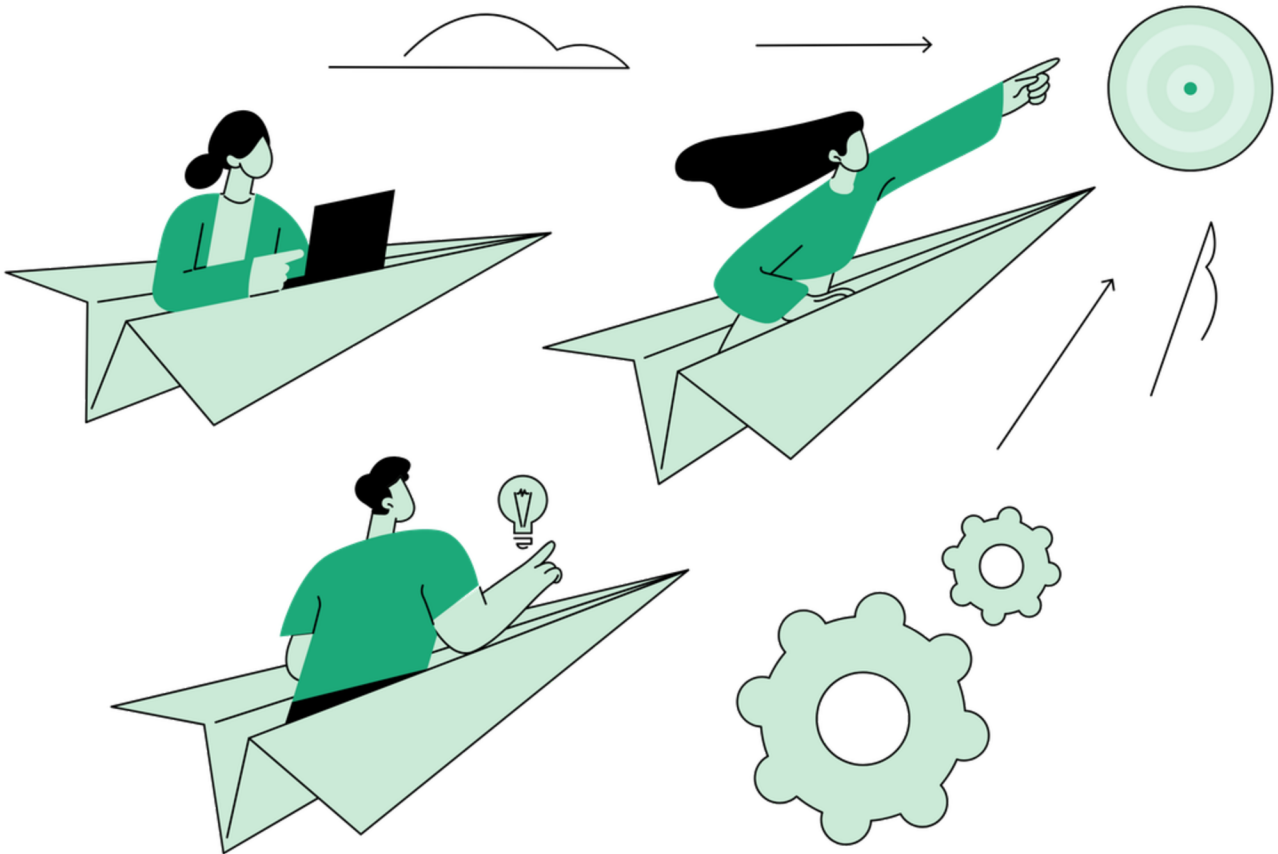


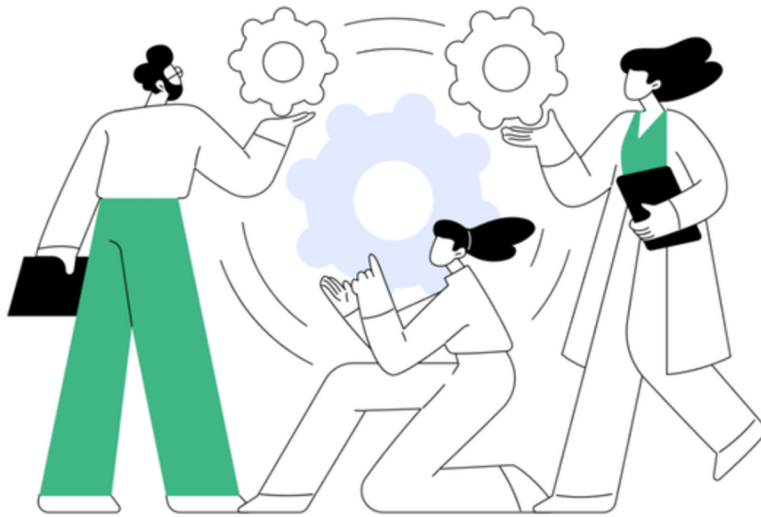
ebook

WHY EMPLOYEES LEAVE AND WHAT ACTUALLY MAKES THEM STAY



PROBLEM FRAMING AND BUSINESS IMPACT

Turnover is no longer a seasonal disruption. For many organizations, it has become a persistent operating condition. Double-digit annual turnover is now common across nearly every industry. In frontline and hourly environments, it often rises far higher.



Across industries, leaders are asking the same questions in different ways.

- “Why does it feel more difficult than ever to hold on to good people?”
- “Why does momentum feel fragile even when business is strong?”
- “Why does turnover seem constant instead of occasional?”

Each departure creates far more than an open job posting. The work shifts to remaining employees. Managers absorb the strain. Productivity dips. Engagement softens. Further complicating the matter, that strain often triggers additional departures and compounds the cycle.

SHRM estimates that replacing a single employee costs between 50% and 150% of their annual salary. Recruiting, onboarding, training, ramp time, and management effort all add up quickly. What these numbers still fail to fully capture is the hidden operational cost of disruption, lost momentum, and institutional knowledge.

At scale, retention is not just an HR metric. It is a business performance issue.

RUNNING FROM

Turnover often appears to be about career movement. In reality, much of today's movement is pressure-driven.

Employees are navigating rising costs that outpace annual raises. Housing expenses continue to climb. Debt loads remain elevated. Savings struggle to keep up. For many households, financial stress is no longer occasional. It is persistent.

That stress follows people into the workplace. It shows up as distraction, shortened planning horizons, fatigue, and difficult tradeoffs. Over time, those pressures reshape how employees evaluate their options.

While culture, management, and growth opportunities remain central factors in turnover, PwC reported financially stressed employees are twice as likely to be looking for a new job.¹ When financial foundations feel threatened, the likelihood of turnover increases.

RUNNING TO

If pressure pushes people away, security pulls them forward.

Today's workforce is redefining what progress looks like. Advancement is no longer measured only in title, compensation, or perks. Increasingly, it is measured in predictability, control, and long-term footing.

Employees want fewer unknowns in their monthly expenses. They want a clearer path to building wealth. They want to feel that their effort today is creating something durable for tomorrow.²

Traditional benefits still matter. Health insurance protects households from catastrophic risk. Retirement plans protect long-term savings. But for many employees, those benefits no longer address the most emotionally loaded and immediate financial challenge they face.

HOMEOWNERSHIP AS AN EMPLOYEE BENEFIT

A 2025 Northwestern Mutual study revealed that more than half of Americans believe they are likely to outlive their savings. That belief changes behavior. It changes risk tolerance. It changes how people evaluate employers.

Increasingly, employees are not just choosing where to work. They are choosing which environment best supports long-term financial security.



¹ PwC's 2023 Employee Financial Wellness Survey

² Sources include workforce sentiment and financial wellness research from Gallup, PwC, Northwestern Mutual, and Morgan Stanley on employee job priorities, financial stress, and long-term security preferences.

WHY HOUSING SITS AT THE CENTER OF FINANCIAL STABILITY

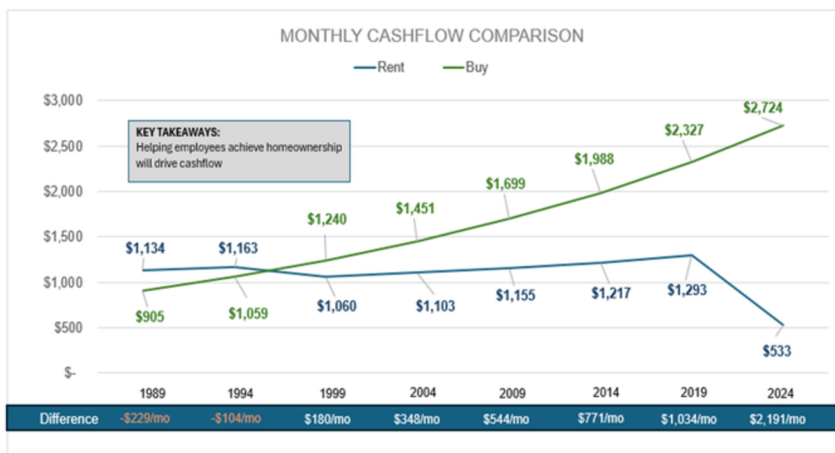
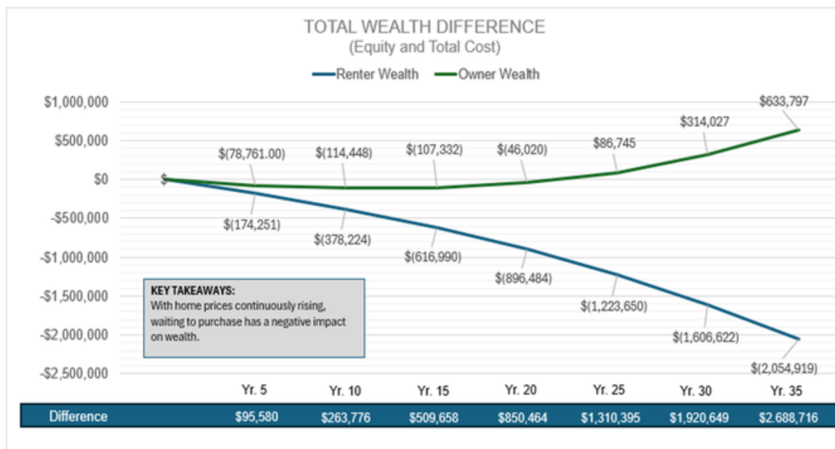
Average, lifetime of healthcare costs
~\$414,000

VS

Lifetime housing costs
\$1,000,000+

For renters, housing expense builds no equity and creates no long-term asset. It is a permanent drain on monthly cash flow and a major source of long-term financial stress.

Homeownership changes that equation. It converts the largest recurring expense into a structured investment. It builds equity. It introduces tax advantages. It stabilizes housing costs. It accelerates net worth over time.



HOUSING IS BOTH A NEED AND AN ASPIRATION

Stable housing provides a foundation of security and control. When people feel grounded in where they live, anxiety declines and focus, performance, and commitment tend to rise. At the same time, housing is not only about basic security. It is also deeply aspirational. For many, it represents progress, independence, and a tangible marker of forward momentum.

This dynamic aligns closely with **Maslow's Hierarchy of Needs**, a long-standing framework that describes how human motivation progresses from basic survival to personal fulfillment. Housing is one of the few forces that maps across that entire range. It supports physical safety, emotional stability, financial confidence, and ultimately a sense of purpose. In that way, housing functions as both a foundational need and a powerful aspirational anchor.

	Human Motivations for Each Level		HOW Housing Maps to this Model
1	At the top of the hierarchy is the desire to grow, realize one's full potential, and live a meaningful, purpose-driven life.	Actualization	Equips individuals with the tools and confidence to build a future aligned with their values, aspirations, and long-term purpose..
2	People strive for respect, recognition, achievement, and the confidence that comes from reaching goals.	Importance	Achieving homeownership and financial mastery creates a sense of pride and personal accomplishment.
3	Humans need connection—relationships, friendships, community, and a sense of belonging with others.	Belonging	Strengthens social connection and belonging by fostering community through group workshops and helping participants establish roots
4	Once basic needs are met, people seek safety and stability through financial security, health, housing, and protection from harm.	Security	Builds financial security through savings tools, credit guidance, and education on long-term economic stability
5	These are the most basic human needs—such as food, water, and shelter—required for physical survival.	Survival	Helps individuals secure stable shelter by supporting their journey to homeownership.



Housing is not just a financial lever. It is a stability lever.

DIFFERENT INDUSTRIES. DIFFERENT CONTRIBUTIONS. NEAR IDENTICAL OUTCOMES.

Fannie Mae

In the 1990s, Fannie Mae introduced a housing grant of up to \$10,000 for eligible employees to use toward down payments or closing costs. Over time, the program helped more than 2,200 employees achieve homeownership.

Before the program, turnover hovered around 20%. After implementation, turnover dropped to single digits. **That represents nearly a 50% reduction.** Based on workforce size alone, they were able to avoid significant replacement cost.³



Aurora Health

Aurora Health implemented a different model using a ~\$3,000, 0%-interest forgivable loan for down payment and closing cost assistance.

Between 2004-2007, the turnover rate for employees who participated in the program was **50%-65%** lower than those who did not participate.⁴

Workforce Data Confirms the Demand

1/3

employees spend 3+ hours a week on personal financial matters during work hours.⁵

#1

household expenditure is housing, accounting for a whopping 33% of income.⁶

41%

would change careers to work for an employer that provides housing assistance.⁷

³ Employer Assisted Housing: A solution for companies, employees and communities
⁴ Ross L.M., Quantifying the Value Proposition of Employer-Assisted Housing: A Case Study of Aurora Health Care, Center for Housing Policy, 2008.
⁵ PwC's 2023 Employee Financial Wellness Survey
⁶ U.S. Bureau of Labor Statistics (BLS) "Consumer Expenditure" data
⁷ JW Surety Bonds 2024

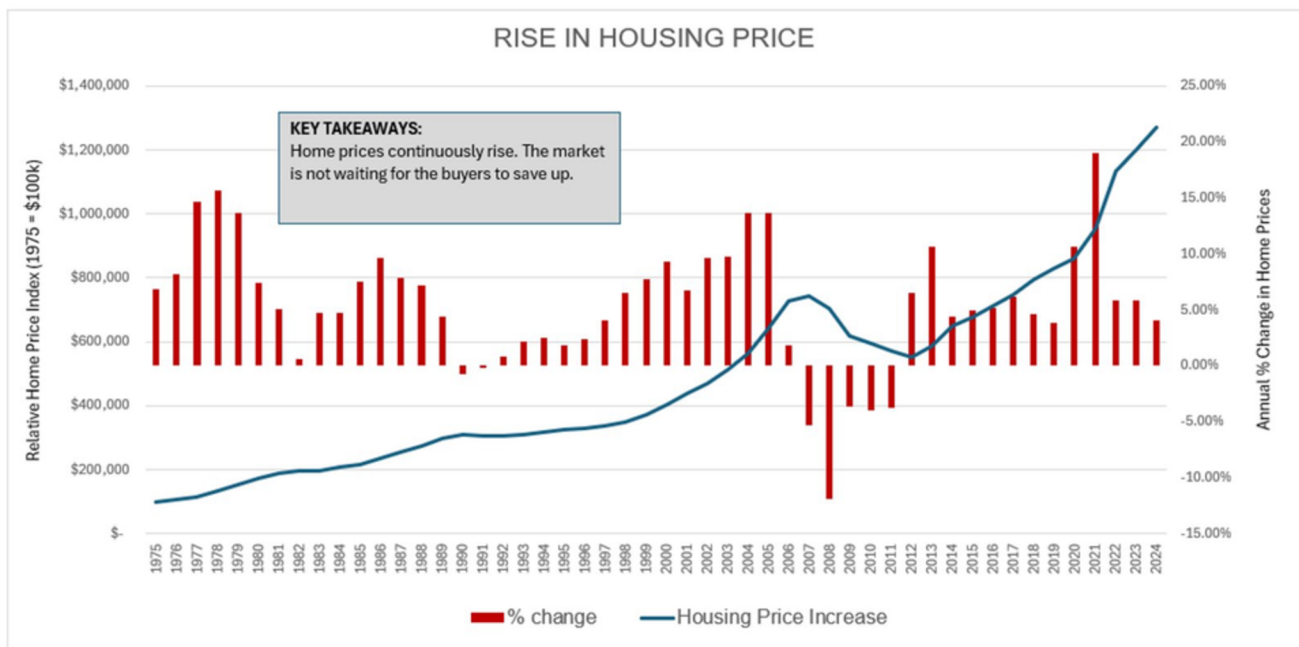
THE BENEFIT GAP AND CURRENT OPPORTUNITIES

Why Traditional Benefits are No Longer Enough

Health insurance, HSAs, and retirement plans remain essential. But more than half of Americans believe they may outlive their savings.⁸ Employees want financial stability now, not just decades from now. Housing directly addresses that desire.

The Housing Affordability Reality

Home prices have increased steadily for five decades, with the exception of a short decline during the Great Recession driven by failed lending practices that no longer exist in the same way today. Waiting for a housing collapse is not a viable affordability strategy. The longer individuals delay entry into homeownership, the more distance grows between income and asset growth.



Employer Opportunity

By helping employees stabilize their largest monthly expense, employers can shift households from reactive survival to proactive planning. That shift impacts stress, loyalty, engagement, and long-term retention. When employers champion financial stability at this level, the relationship between company and employee fundamentally changes.

⁸ Northwestern Mutual 2025 Planning & Progress Study

⁹ Graph source: Federal Housing Finance Agency (FHFA) House Price Index, 1975–2024

THE RETENTION PROBLEM IS NOT WHAT YOU THINK



Enable

A PwC study shows that roughly 30% of employees spend 3+ hours a week dealing with personal financial matters during work hours. That distraction directly impacts productivity and engagement.

Thus, employees need tools to manage money with intention. But tools alone are not enough.

Instead of treating personal finance as an individual sport, create alignment among stakeholders who can see the employee's progress, reinforce behaviors, and provide timely guidance, employees succeed at meaningfully higher rates.



Empower

Homeownership is complex. Rules change. Financing shifts. Market conditions evolve. Without guidance, many capable employees delay simply because the process feels overwhelming.

Education removes that friction. When employees receive structured, ongoing guidance from qualified professionals, confidence replaces hesitation. They make better decisions, avoid costly mistakes, and move forward with clarity.

Just as important, education signals something deeper. The employer is not just offering a benefit. They are actively investing in long-term financial stability.



Motivate

While many employees are self-motivated, well-designed incentives accelerate action and deepen commitment. Contributions toward a down payment or mortgage paydown move the goal from someday to something real.

Incentives also must make business sense. Effective models align support with workforce demographics, turnover risk, and financial return. When contributions are designed strategically, they avoid becoming a cost center and instead become a retention lever that often pays for itself through reduced churn and stronger engagement.

STRATEGIC SUMMARY AND PATH FORWARD

Employees are not leaving at random. They are moving away from financial instability and toward long-term security.

Housing now sits at the center of that decision. It is the largest monthly expense most employees face. It is the greatest source of long-term financial stress. And it is increasingly the factor that determines whether work feels sustainable or temporary.

At the same time, employers continue to absorb the growing cost of turnover. Recruiting, training, lost productivity, and disruption compound quietly with every departure.

The data points in a clear direction. When housing is supported in a structured, strategic way, retention improves. Loyalty deepens. Productivity stabilizes. And financial stress declines. Case studies from major organizations confirm that this is not a theory. It is a proven outcome.

The opportunity for employers is no longer whether housing should play a role in financial wellness. The opportunity is how to integrate it in a way that aligns with workforce needs and business performance.

The organizations that act early will not only reduce turnover. They will redefine what stability means inside their workforce.

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