

New Financial Wellbeing Employer Survey Report Focusing on Small Businesses Finds Value Alignment With Large Employers on the Importance of Worker Benefits

- Yet, differences in size result in smaller employers less likely to offer core, voluntary and financial wellbeing benefits -

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(Washington, D.C.) – A new Financial Wellbeing Employer Survey report focusing on small businesses, published today by the Employee Benefit Research Institute (EBRI), found that both large and small employers have developed a sense of responsibility to help workers’ mental, physical and financial wellbeing, while also sharing a focus on helping workers address day-to-day financial issues.

The report, “Small but Mighty: An Analysis of the Small Employer Sample in the Financial Wellbeing Employer Survey,” also found that smaller employers lagged behind larger employers in the likelihood of offering various core, voluntary and financial wellbeing benefits.

While a majority of employees in the United States (55%) work for a company that employs over 500 workers, the U.S. Census Bureau estimates that about 98% of businesses in the United States employ fewer than 100 workers. Understanding how small businesses conceptualize, design, implement, prioritize and analyze financial wellbeing benefits is essential to developing a complete understanding of the financial wellbeing benefits offered in the workplace.

“From basic money management to retirement preparedness, creating a workplace culture that prioritizes financial literacy and planning is incredibly valuable for both employers and employees, especially in smaller organizations that are looking to compete with larger businesses for talent,” said Michael Majors, Paychex vice president of human resources solutions. “As this research validated, benefits that support financial wellness can have a direct impact on business results and productivity. Workers who feel financially stable are more likely to be satisfied in their work and less likely to be absent or tardy.”

Key findings in the new survey report include:

- Both large and small employers have developed a sense of responsibility in helping their employees across three dimensions of wellbeing -- mental health and emotional, physical health and financial.
- Costs of financial wellness initiatives may be a barrier for wider adoption of financial wellbeing initiatives. Nearly three in 10 small employers cited costs to the employer as a challenge in offering financial wellness initiatives and nearly one-quarter cited costs to the employee as a challenge. Additionally, small employers were more likely than large employers to report that their financial wellbeing initiatives were fully paid by workers, which may have an adverse effect on enrollment.

- Both large and small employers viewed employee benefits as successful in both improving the wellbeing of workers and in driving business outcomes. A majority of both large and small employers viewed efforts in improving worker physical, financial, emotional and social wellbeing as very good or excellent. Also, a majority of small employers viewed financial wellness benefits as very effective in driving certain business goals, such as improving worker productivity, attracting/retaining workers, improving employee satisfaction and reducing absenteeism and tardiness.

“Like large employers, small employers are concerned about their employees’ wellbeing. However, on average, small employers do not offer as many financial wellbeing benefits as larger employers. Smaller businesses cannot leverage economies of scale and may also lack financial resources, as well as internal resources to research, analyze and make available benefits for their workers. Perhaps as a result of resource constraints, they are more likely to require workers to pay the full cost of financial wellbeing initiatives,” said Jake Spiegel, senior research associate, EBRI. “Still, small employers have a role to play in improving workers’ financial wellbeing. Small employers behave similarly to large businesses in several key factors. Both look to gather and analyze data about their financial wellbeing offerings to drive business outcomes and also look to help workers address health care costs, prepare for retirement and deal with high costs of living with financial wellbeing initiatives.”

The 2024 EBRI Small Employer Financial Wellbeing Employee Survey was fielded from September through December 2024. All respondents worked full time at companies employing between 1–99 workers and were either interested in offering financial wellness programs or currently offering these services. Additionally, respondents were required to have at least a medium amount of influence on their company’s benefits programs and the selection of financial wellness benefits. Respondents were also required to hold positions such as executive, owner or manager in the areas of human resources, compensation or finance. The small employer sample consisted of 405 respondents working at firms with fewer than 100 workers.

To view the report, “Small but Mighty: An Analysis of the Small Employer Sample in the Financial Wellbeing Employer Survey,” visit <https://www.ebri.org/publications/research-publications/issue-briefs/content/small-but-mighty--an-analysis-of-the-small-employer-sample-in-the-financial-wellbeing-employer-survey>.

The Employee Benefit Research Institute is a non-profit, independent and unbiased research organization that provides the most authoritative and objective information about critical issues relating to employee benefit programs in the United States. The organization also coordinates activities for the Center for Research on Health Benefits Innovation, Financial Wellbeing Research Center and Retirement Security Research Center and produces a variety of leading industry surveys during the year. For more information, visit www.ebri.org.

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(MEDIA NOTE: Email Ron Dresner at dresner@ebri.org to receive the complete research report).