



# **Financial Wellbeing Survey Findings: An Employer's Perspective**

Fall 2019 American Savings Education Council Meeting

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## Outline

- Methodology
- State of Financial Well-being Programs
- Motivations and Measurement of FW Initiatives
- Phase Two of the EBRI FWRC Research
- Demographics (Appendix)

# Methodology

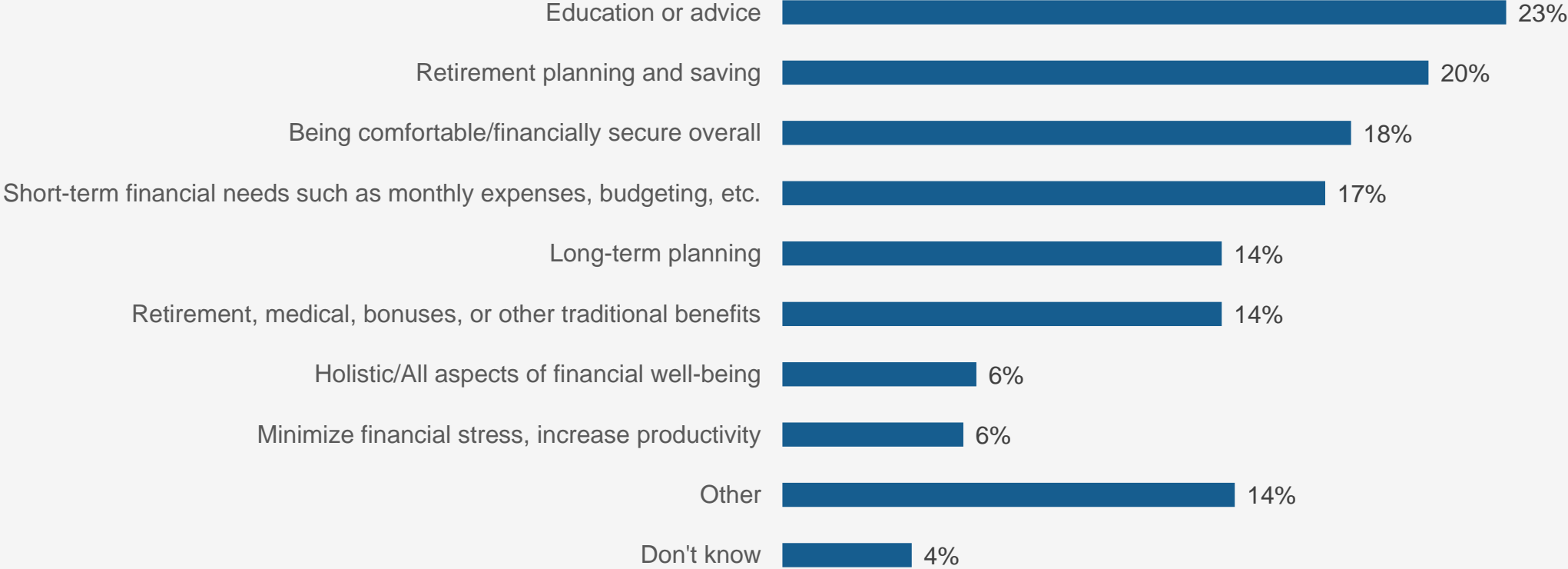
## 2019 Employer Financial Well-Being Survey

- Information for this report was collected from 15-minute online survey with 248 full-time benefits decision-makers conducted in June 2019.
  - All respondents worked full-time at companies with at least 500 employees that were at least interested in offering financial wellness programs.
  - An additional 27 respondents who worked at companies with 250 to 499 employees were also collected but are not included in this report.
- Respondents were required to have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings.
  - Additionally, respondents were required to hold an executive, officer, or manager position in the areas of human resources, compensation, or finance.
- Note that percentages in the tables and charts may not total to 100 due to rounding and/or missing categories.
- Trend data from the 2018 Employer Financial Well-Being Survey is shown when applicable.
- The survey was administered by Mathew Greenwald & Associates.

# STATE OF FINANCIAL WELL-BEING PROGRAMS

There is little consensus on what the term “financial wellness” means but education and retirement planning top the list.

### “Financial Wellness” Definition

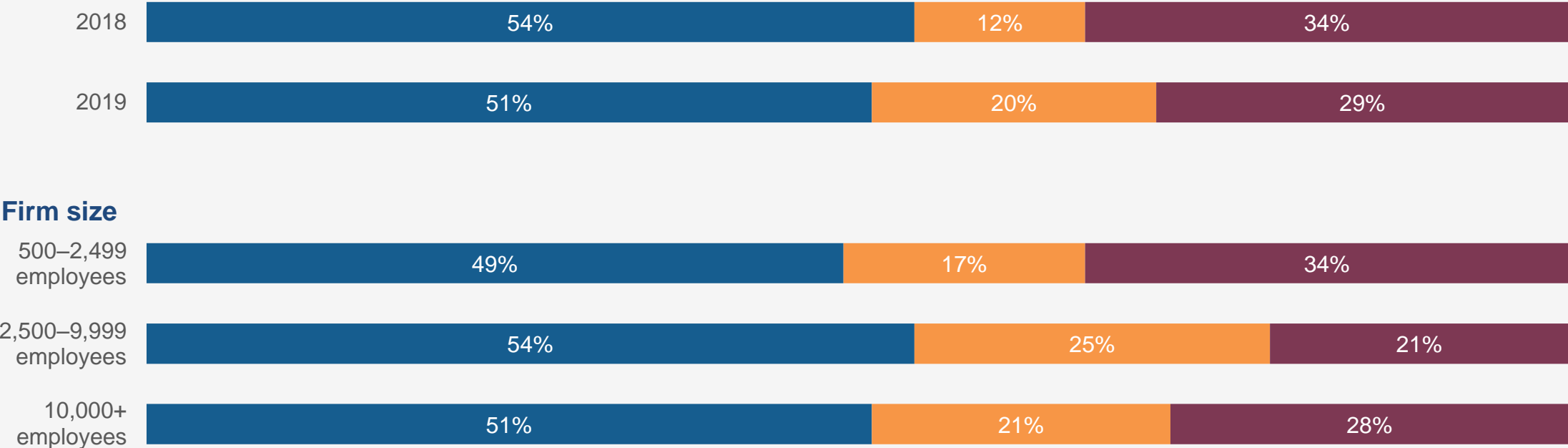


Q7. Please describe how your company defines the term “financial wellness.” (n=275)

About half of firms are currently offering financial wellness initiatives. Smaller firms are most likely to say they are interested in these initiatives.

### Approach in Offering Financial Wellness Initiatives

■ Currently offer      ■ Actively implementing      ■ Interested in

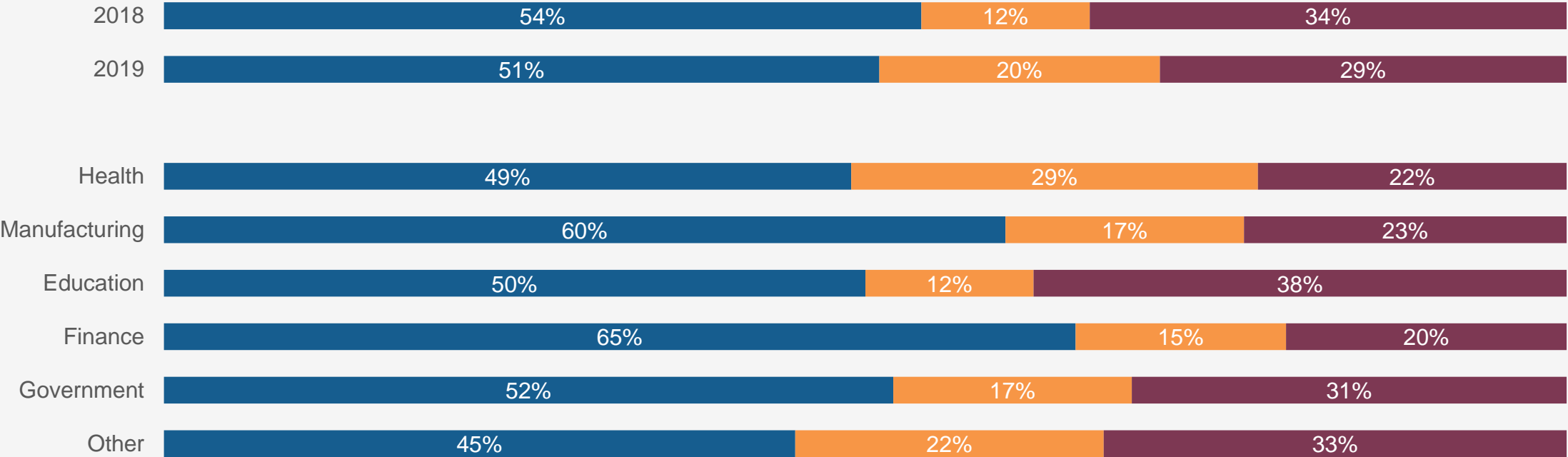


Q5. Which statement most accurately reflects your company's current approach in offering financial wellness initiatives to employees? (2018 Study, n=250; 2019 Study, n=248)

# Approach in Offering Financial Wellness Initiatives by Industry

## Approach in Offering Financial Wellness Initiatives

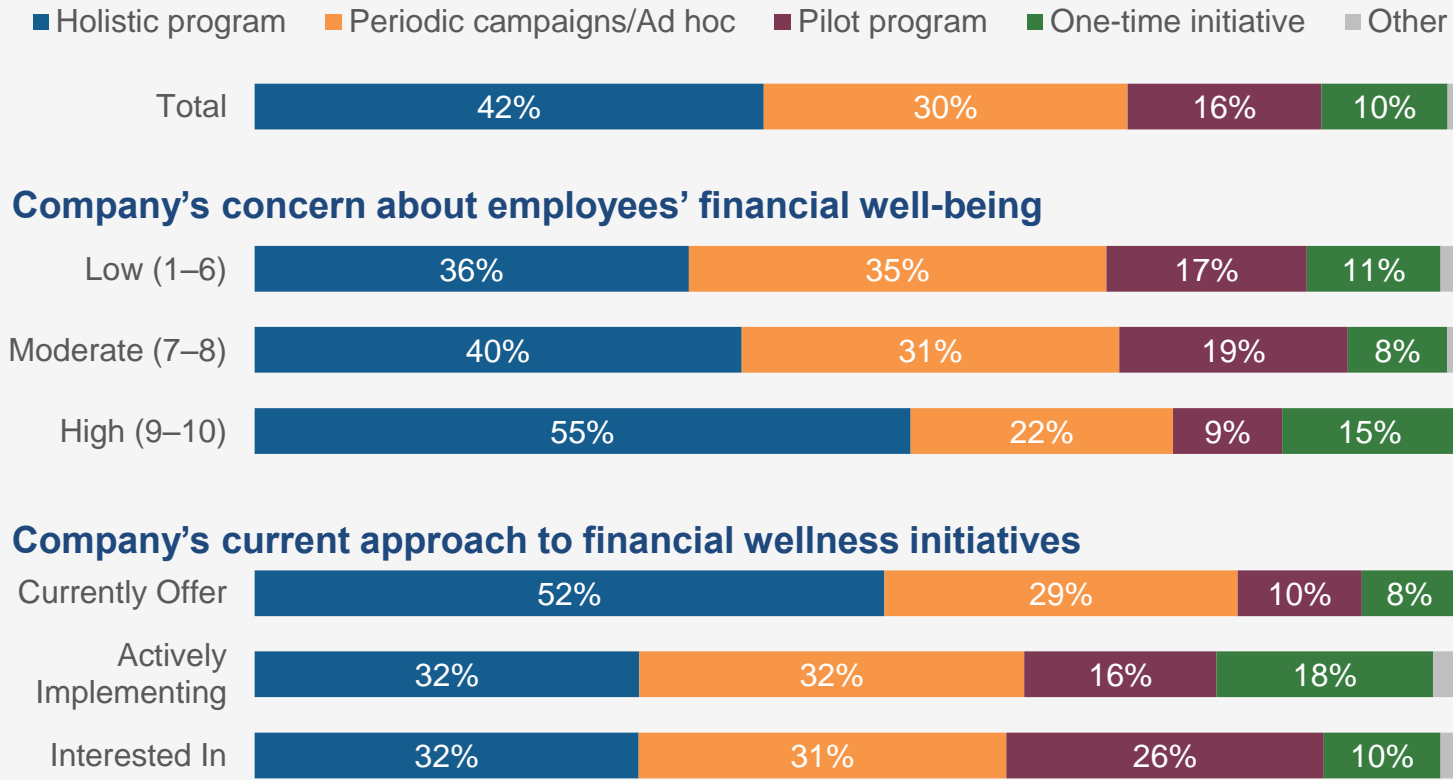
■ Currently offer ■ Actively implementing ■ Interested in



Q5. Which statement most accurately reflects your company's current approach in offering financial wellness initiatives to employees? (2018 Study, n=250; 2019 Study, n=248)

## Four in ten consider their approach to their financial wellness program to be holistic. Few consider their offering to be a one-time initiative.

### Primary Approach in Offering Financial Wellness



In 2018, just 16% said their plans were holistic compared to 42% in 2019 who said the same. While the 2018 survey had no explanation of a “holistic program,” the 2019 survey described it as a program that “ties together a broad range of financial wellness benefits.”

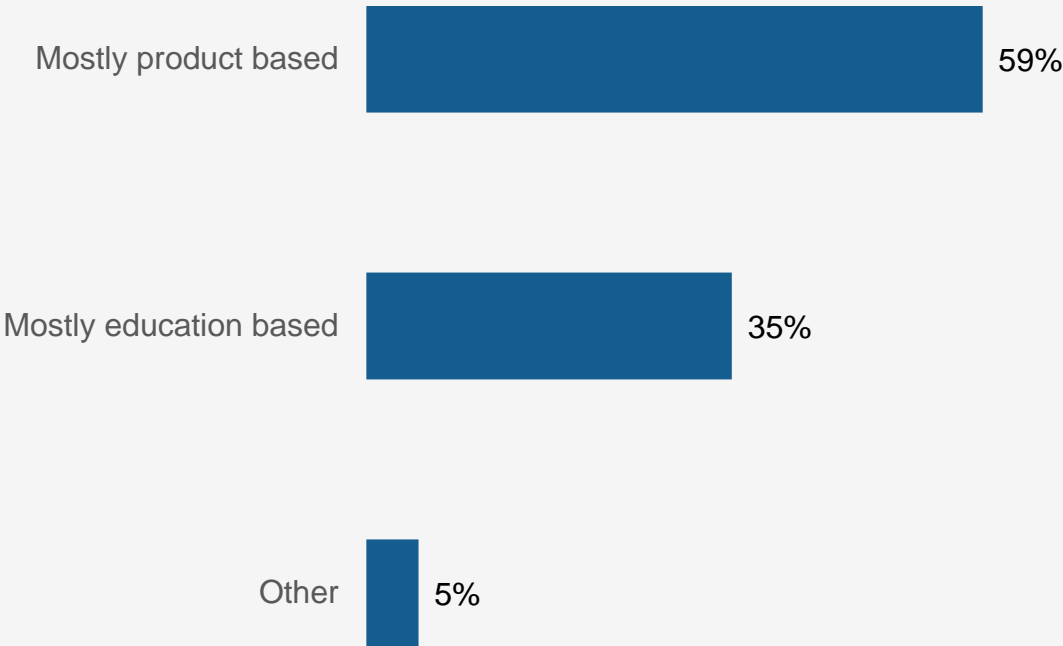
This definition likely caused the significant shift in responses.

Q9. How do you or might you offer your financial wellness initiatives? Please select your primary approach. (n=248)



About six in ten consider their financial wellness offerings to be mostly product based compared to 35% who say their offering is mostly education based.

### Type of Financial Wellness Offerings



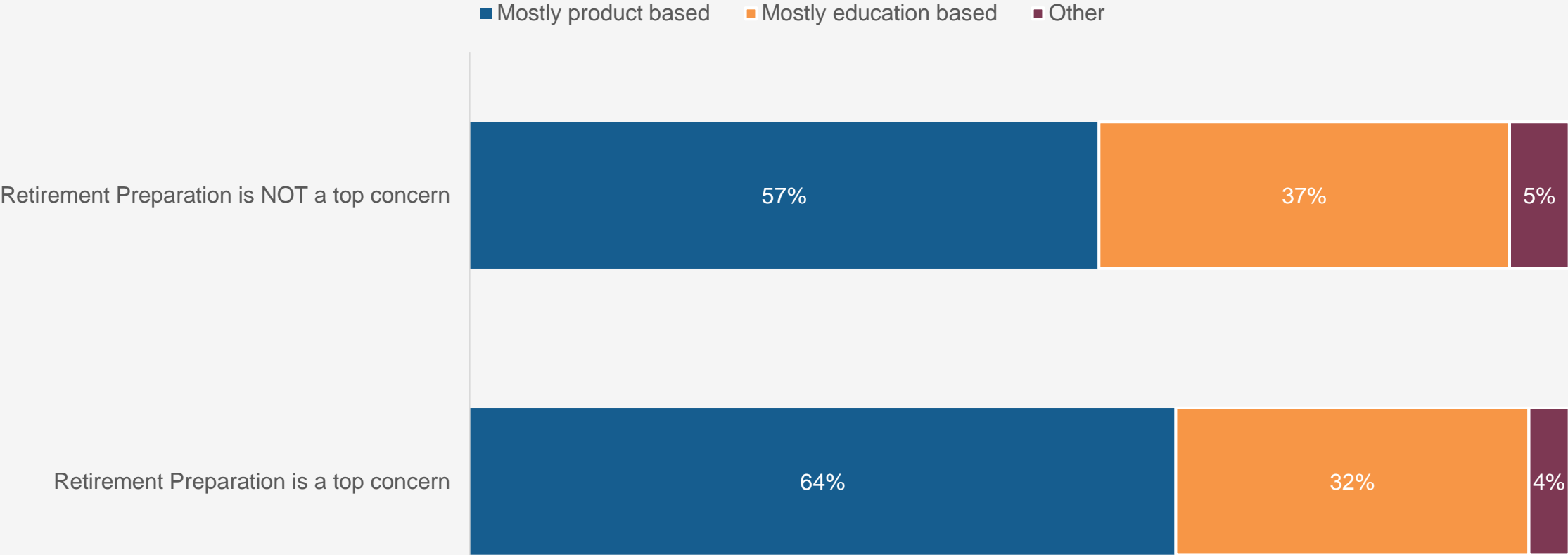
Product-based initiatives (such as insurance, retirement plans, or employee assistance programs)

Education-focused resources (such as print, online education, or saving for certain financial goals).

Healthcare and educational services organizations were much more likely to be product-based than education-based, and we also found that very large employers and very small employers were much more likely to be product-based than those in the middle range.

Q8. Which of the following best fits your company's (current/anticipated) financial wellness offerings? (n=248)

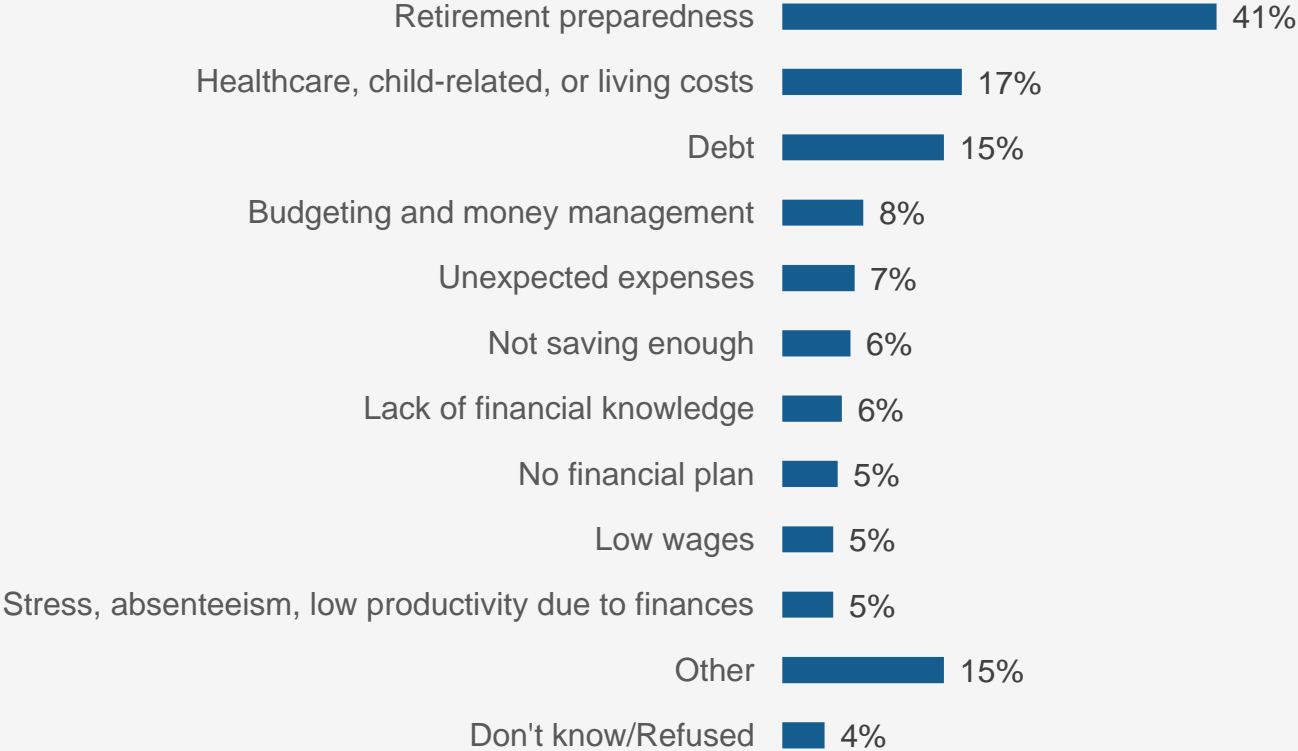
# Type of Financial Wellness Offerings by whether Retirement Preparation is a Top Concern



Q8. Which of the following best fits your company's (current/anticipated) financial wellness offerings? (n=248)

# Retirement preparedness is the top issue that financial wellness initiatives are designed to address.

## Top Issues to Address with Financial Wellness Initiatives



Q30. What are the top issues faced by your employees that your financial wellness initiatives are designed to address? (n=275)

Figure 1 of 3

What are the top issues faced by your employees that your financial wellness initiatives are designed to address by industry (minimum cell size = 10).

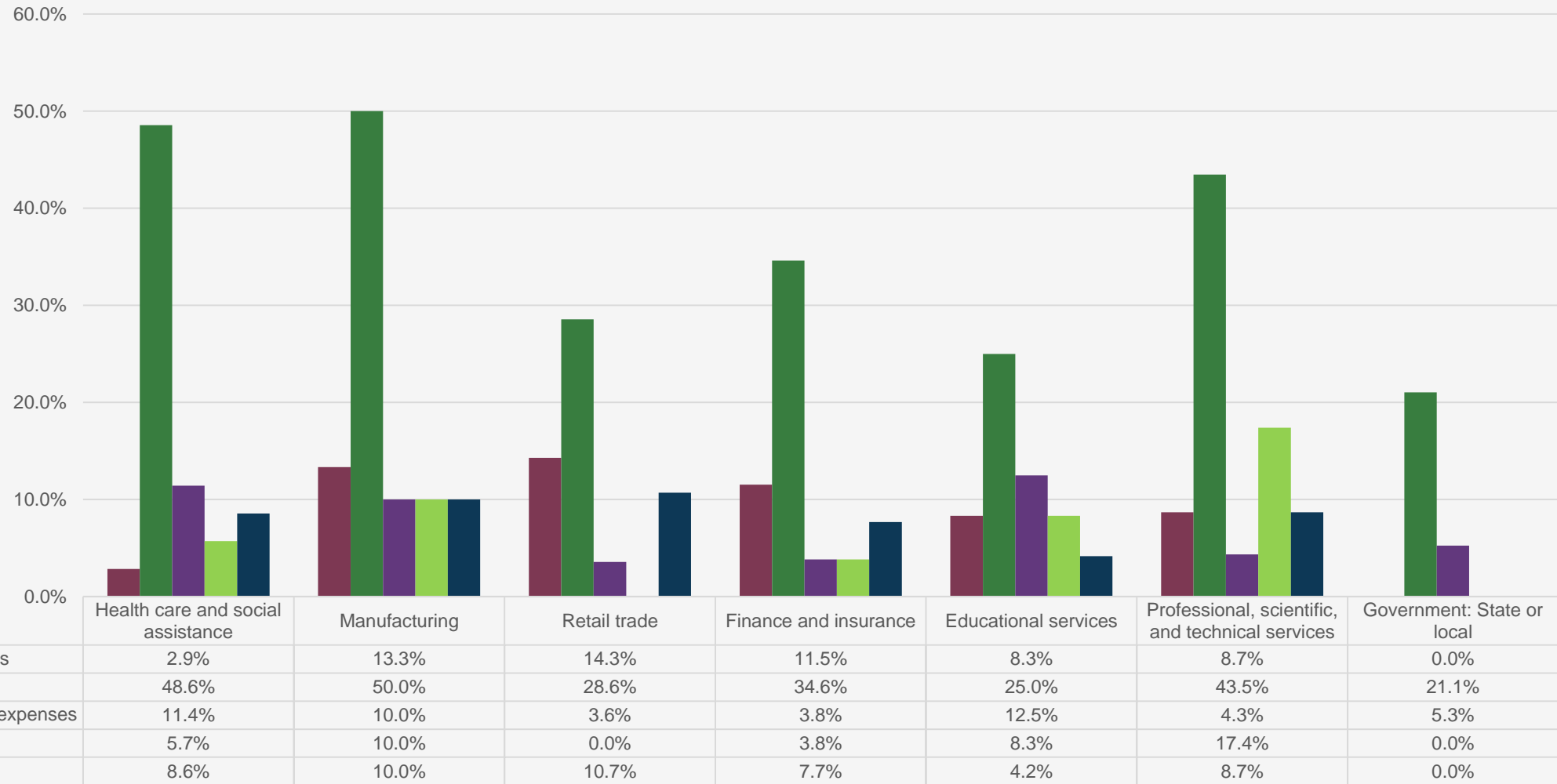
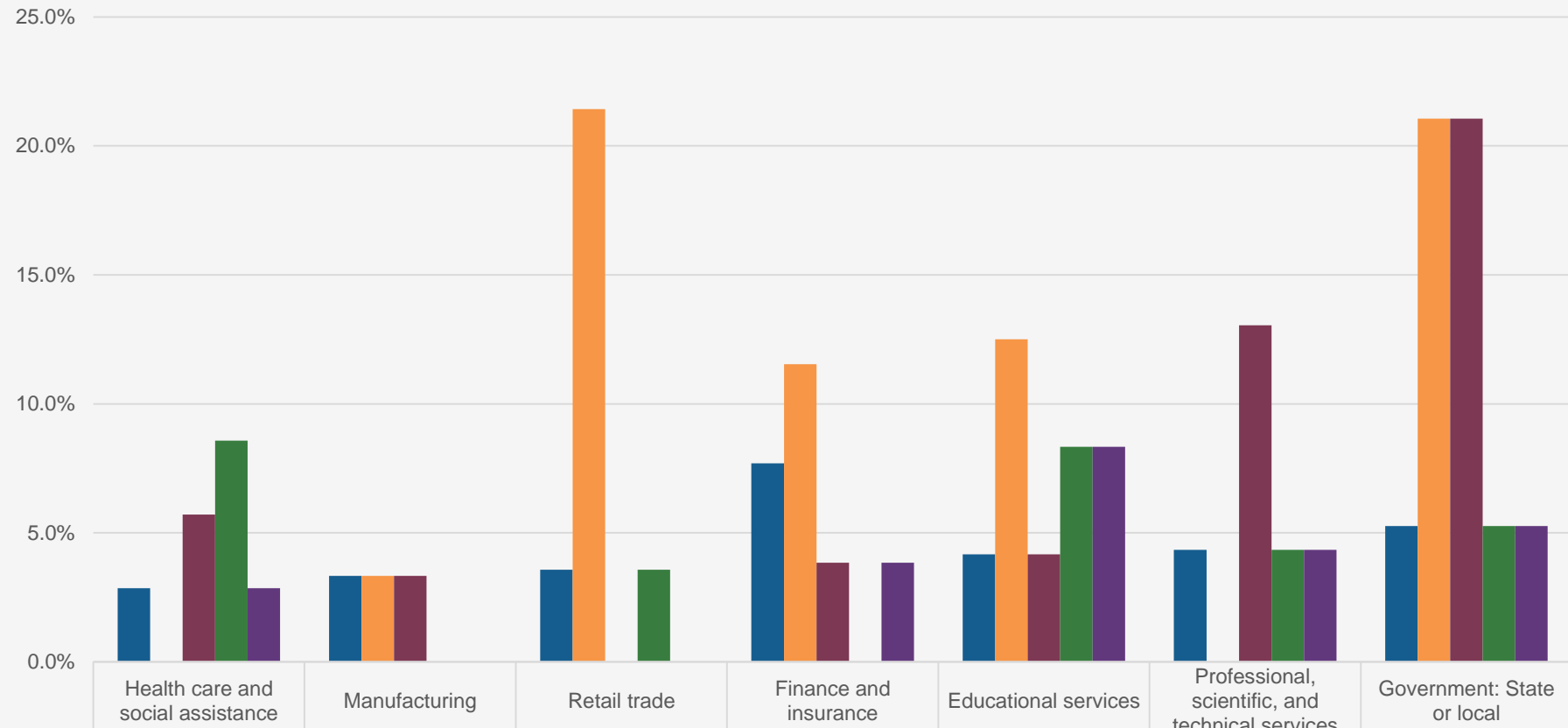


Figure 2 of 3

What are the top issues faced by your employees that your financial wellness initiatives are designed to address by industry (minimum cell size = 10).



■ Sufficiency of compensation	2.9%	3.3%	3.6%	7.7%	4.2%	4.3%	5.3%
■ Budgeting and money management	0.0%	3.3%	21.4%	11.5%	12.5%	0.0%	21.1%
■ Not saving enough	5.7%	3.3%	0.0%	3.8%	4.2%	13.0%	21.1%
■ Family expenses, including child-related expenses and elder care	8.6%	0.0%	3.6%	0.0%	8.3%	4.3%	5.3%
■ High costs of living	2.9%	0.0%	0.0%	3.8%	8.3%	4.3%	5.3%

Figure 3 of 3

What are the top issues faced by your employees that your financial wellness initiatives are designed to address by industry (minimum cell size = 10).

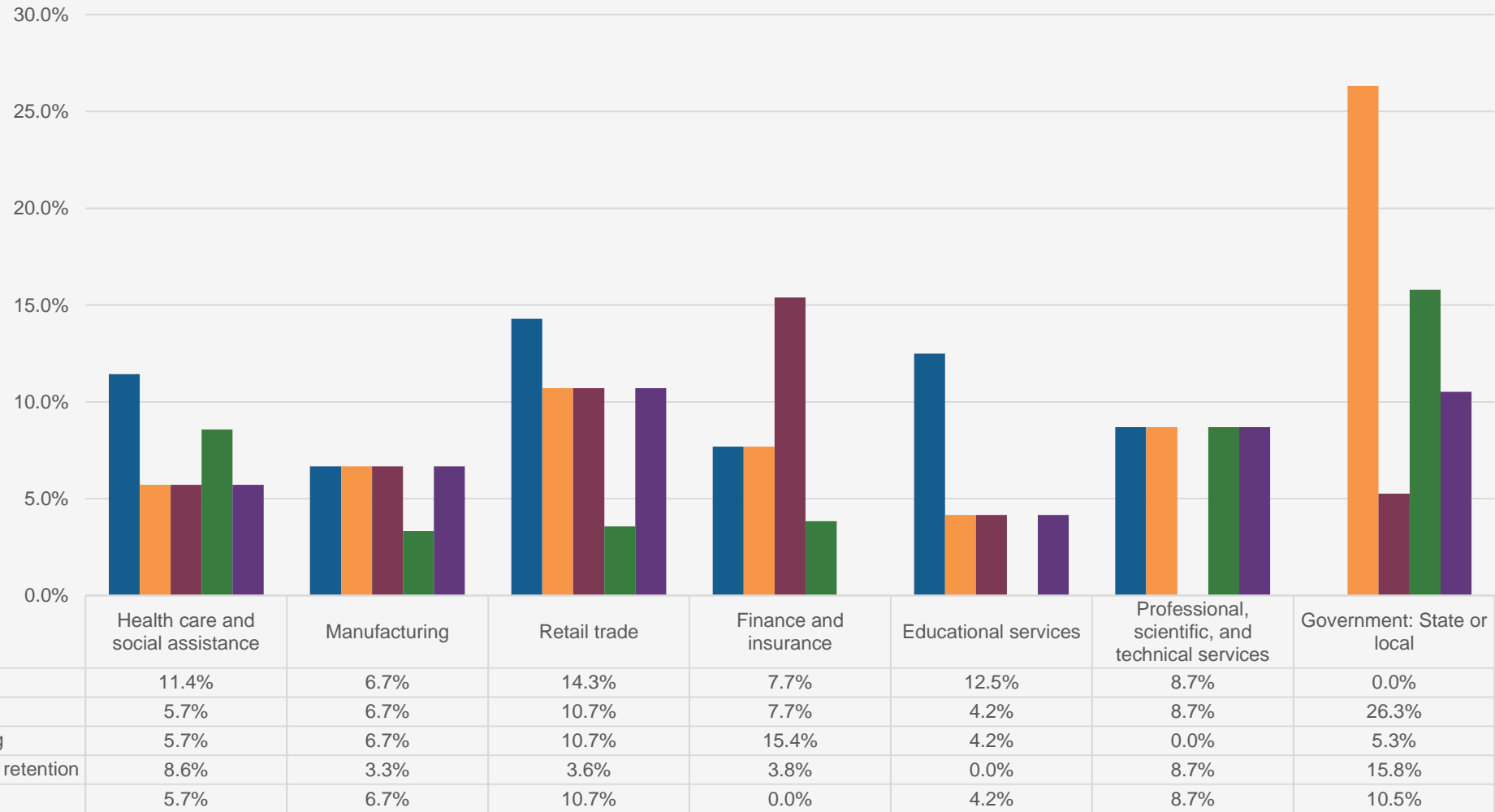


Figure 1 of 3

What are the top issues faced by your employees that your financial wellness initiatives are designed to address by total number of U.S. employees in company.

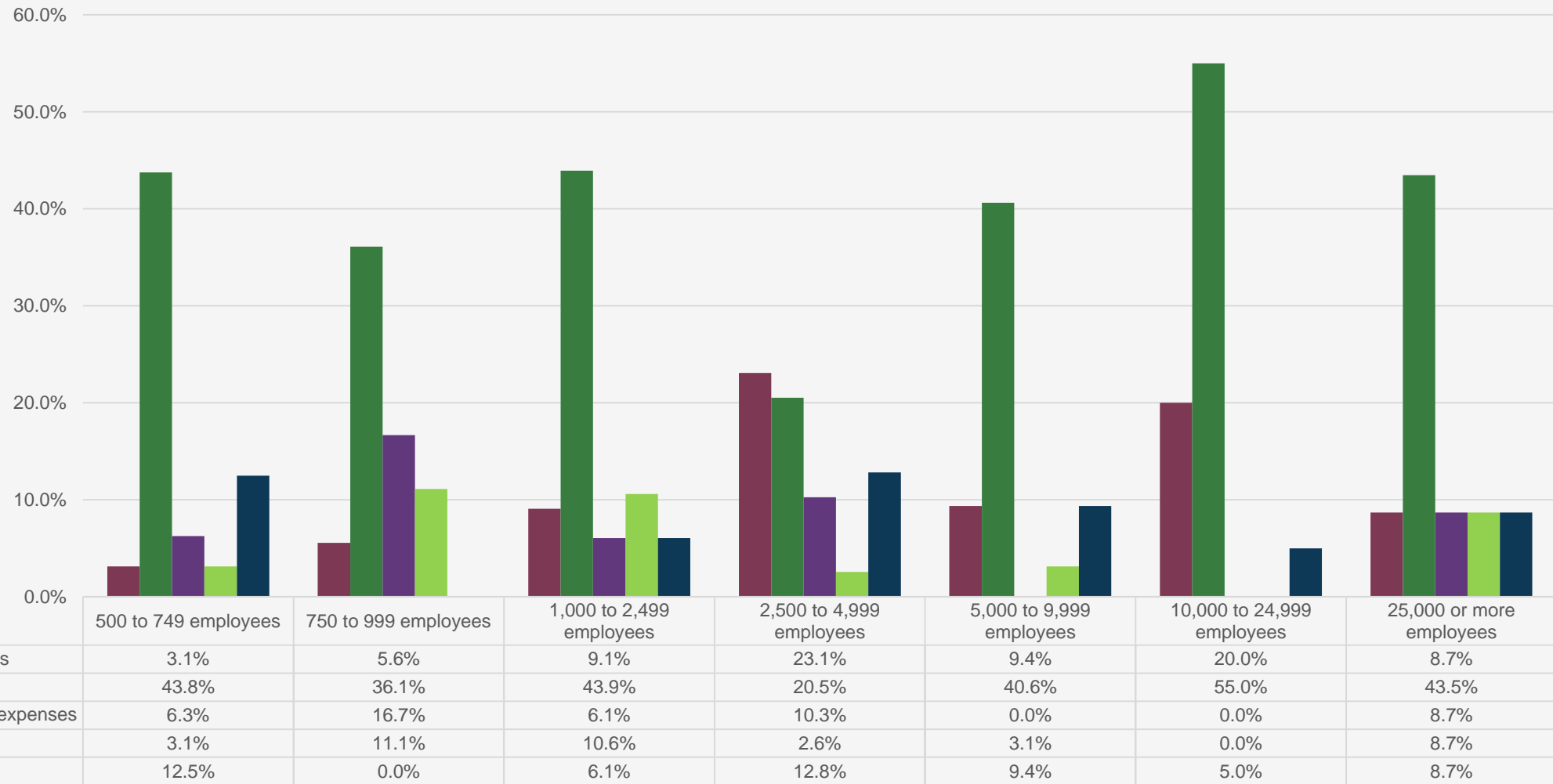


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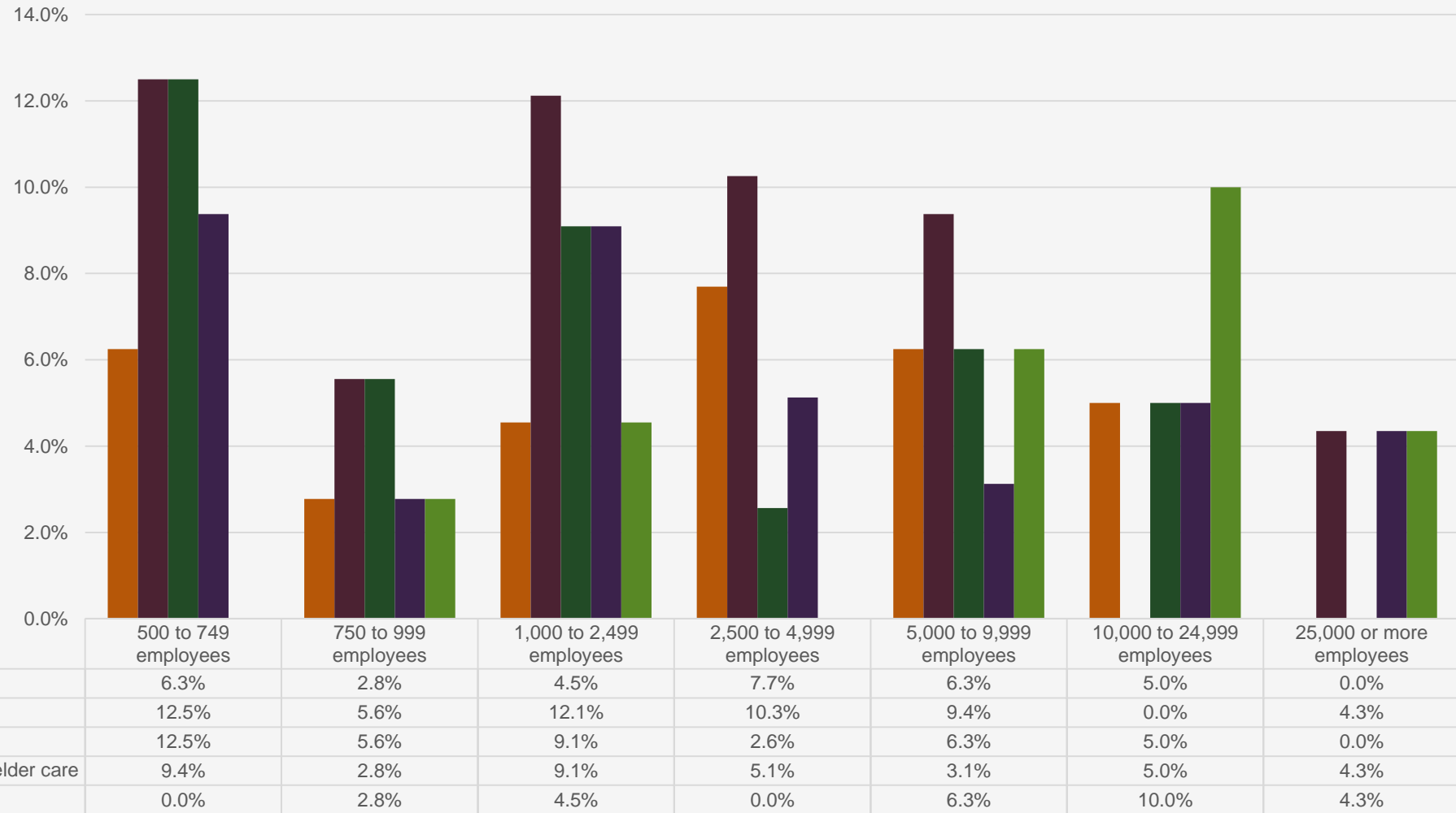
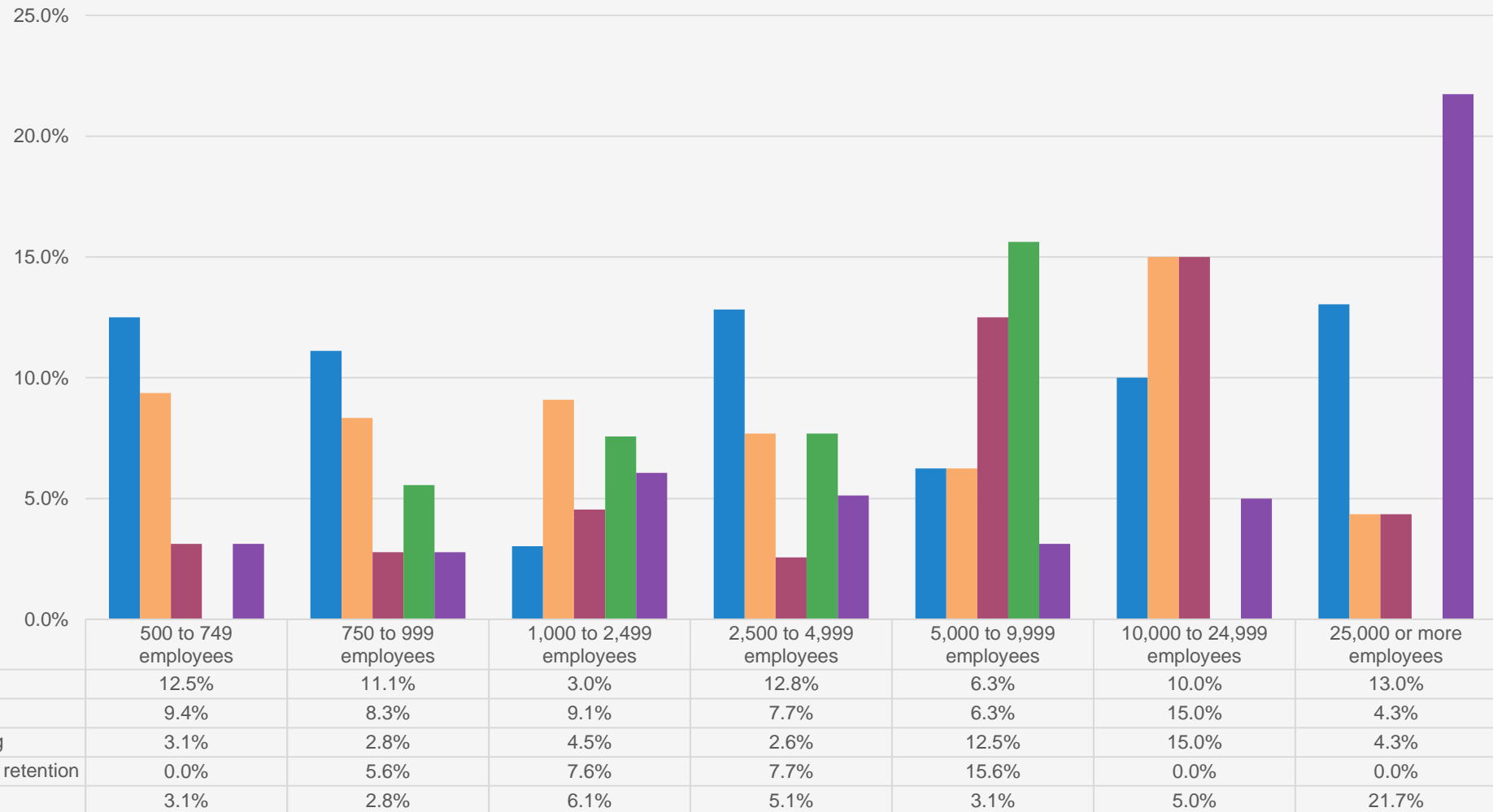




Figure 3 of 3

What are the top issues faced by your employees that your financial wellness initiatives are designed to address by total number of U.S. employees in company.



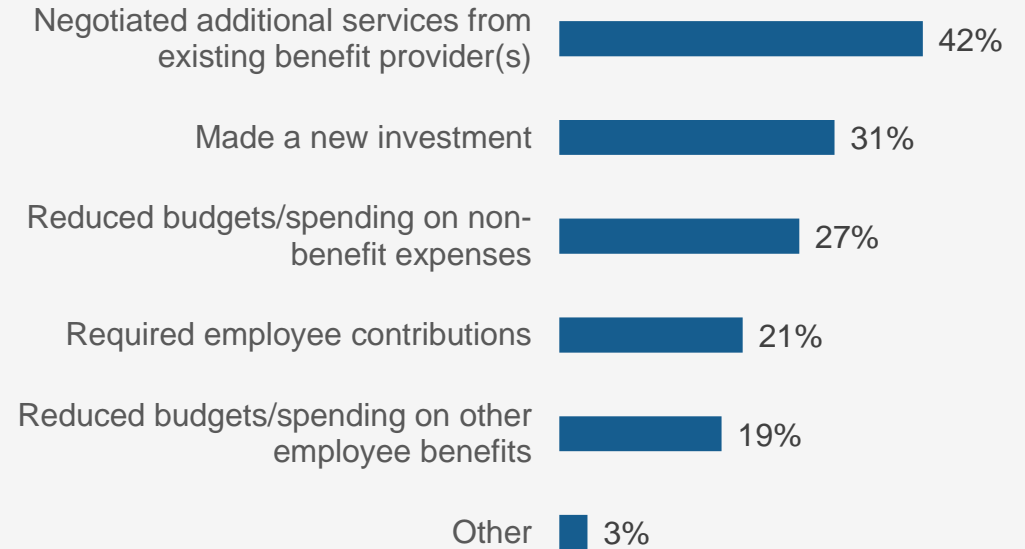
Most employers do or would pay for their financial wellness initiatives with 46% solely funding them.

### Paying for Initiatives



Companies that fully pay for their financial wellness initiatives are less likely to reduce budgets on other employee benefits.

### Financial Wellness Funding

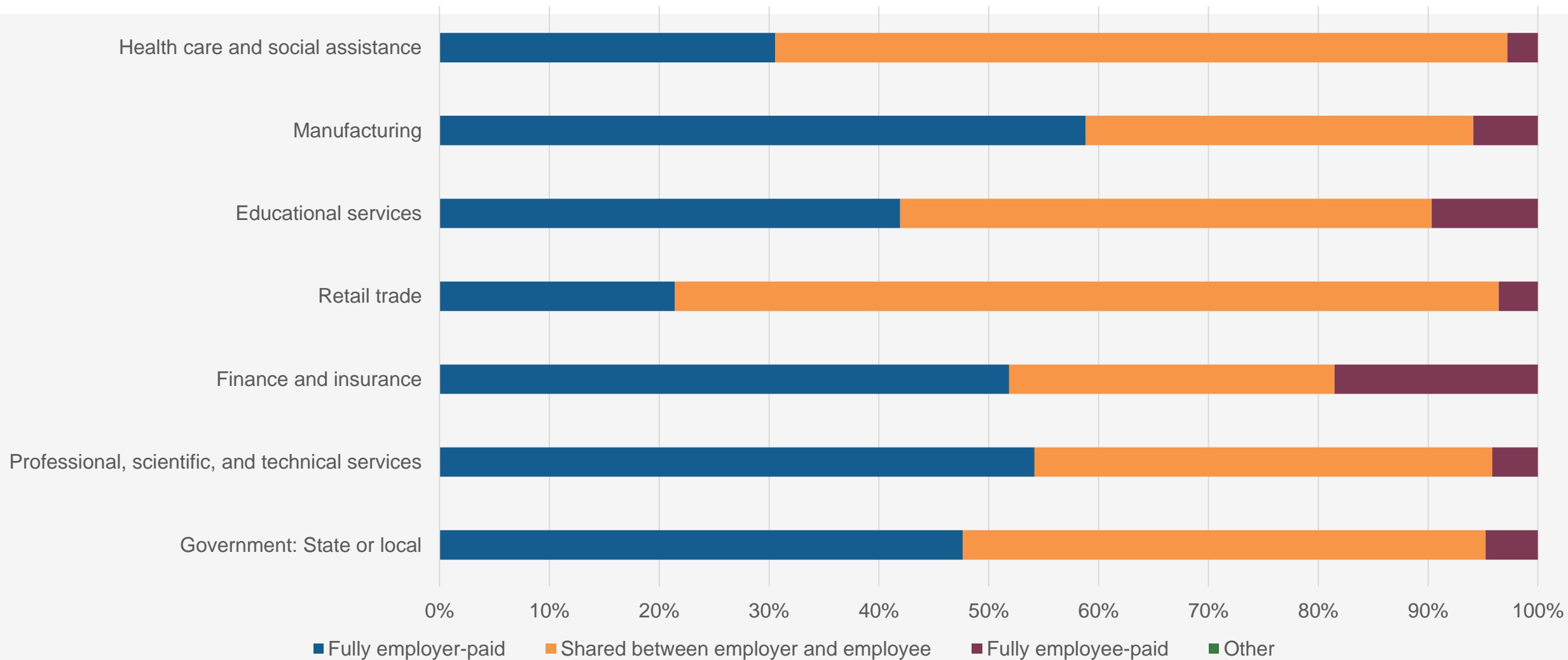


Firms with 10,000 or more employees are less likely to require employee contributions (9% vs. 23% of those with less than 10,000 employees).

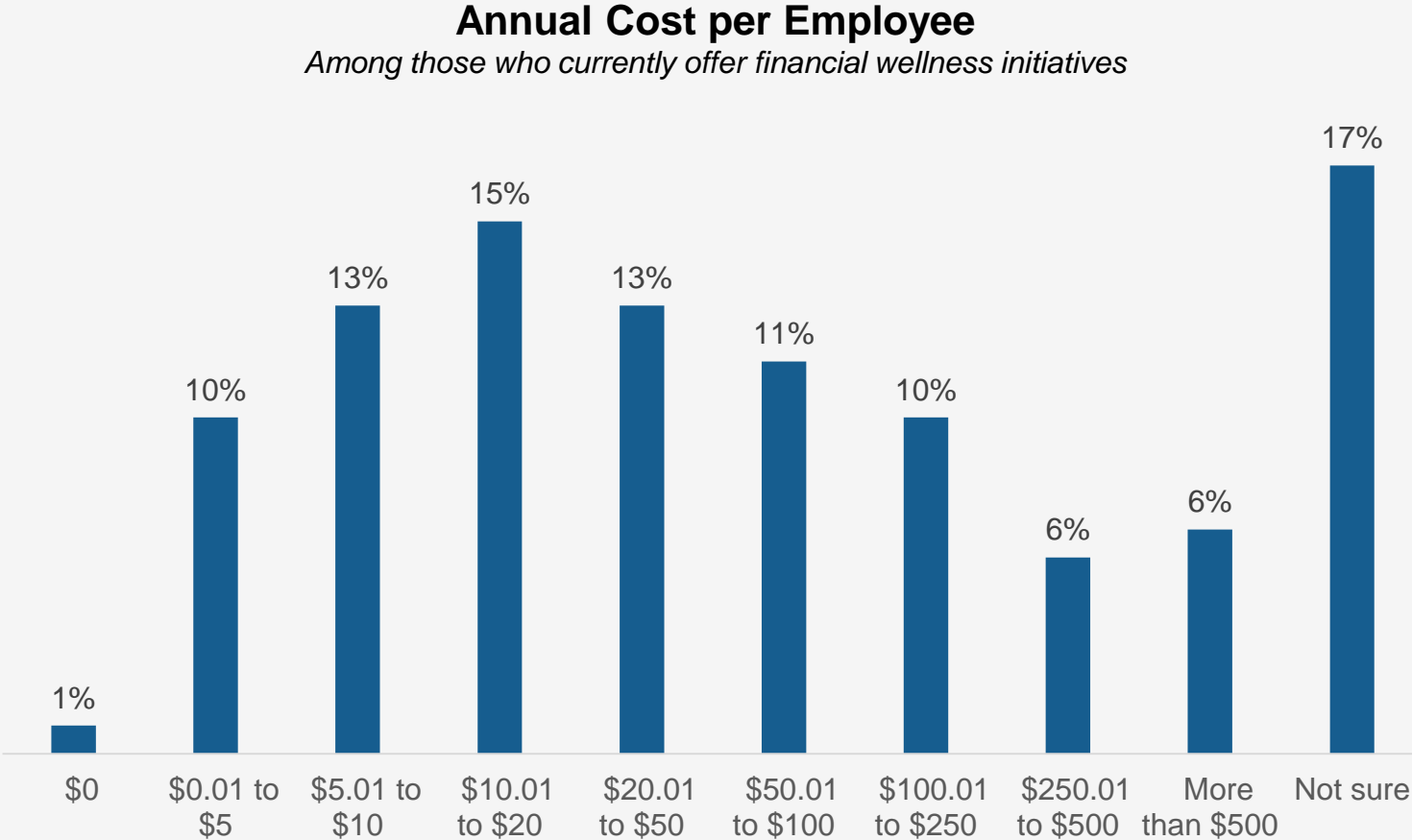
Q37. Who pays or might pay for your financial wellness initiatives? (n=248)

Q39. How is your company/does your company plan on funding its financial wellness initiatives? Please select all that apply. (n=248)

## Who pays or might pay for your financial wellness initiatives by industry (minimum sample size = 17)



There is a wide range in the cost of financial wellness initiatives. About two in ten are not sure of the annual cost per employee.



**2018 Study:**

- 43% cost \$50 or less
- 31% more than \$50
- 26% not sure

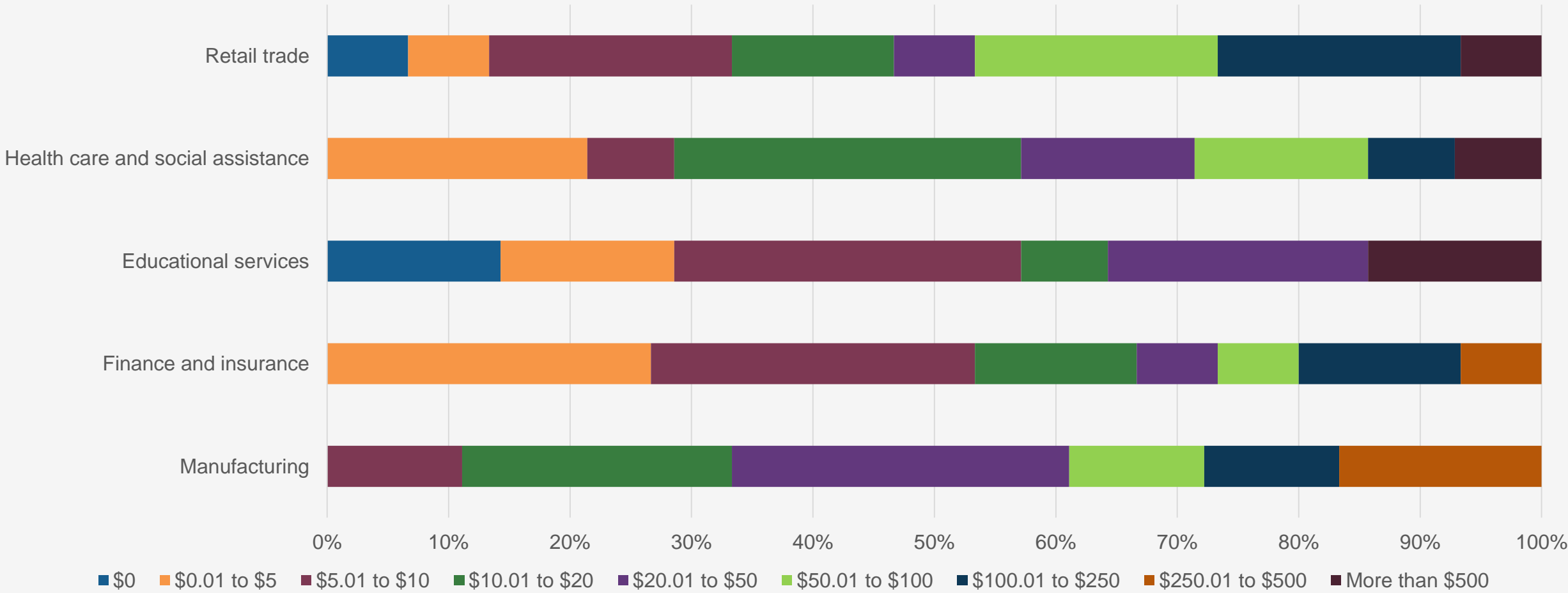
**2019 Study:**

- 51% cost \$50 or less
- 33% more than \$50
- 17% not sure

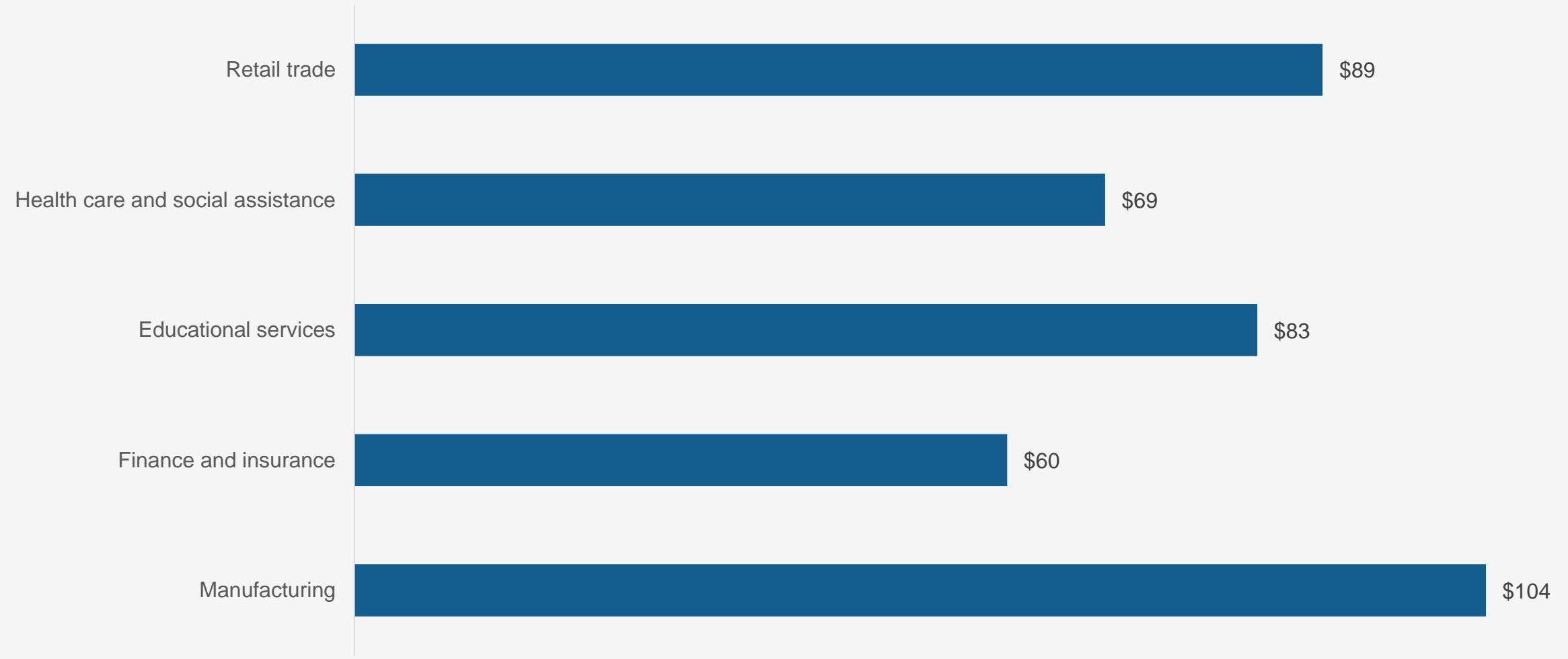
Initiatives that are fully employer-paid are more likely to cost \$50 or less per employee than those with shared costs (57% vs. 46%).

Q38. On average, what is the annual cost per employee for financial wellness initiatives? (Currently offer financial wellness initiatives. 2018 Study, n=134; 2019 Study, n=126)

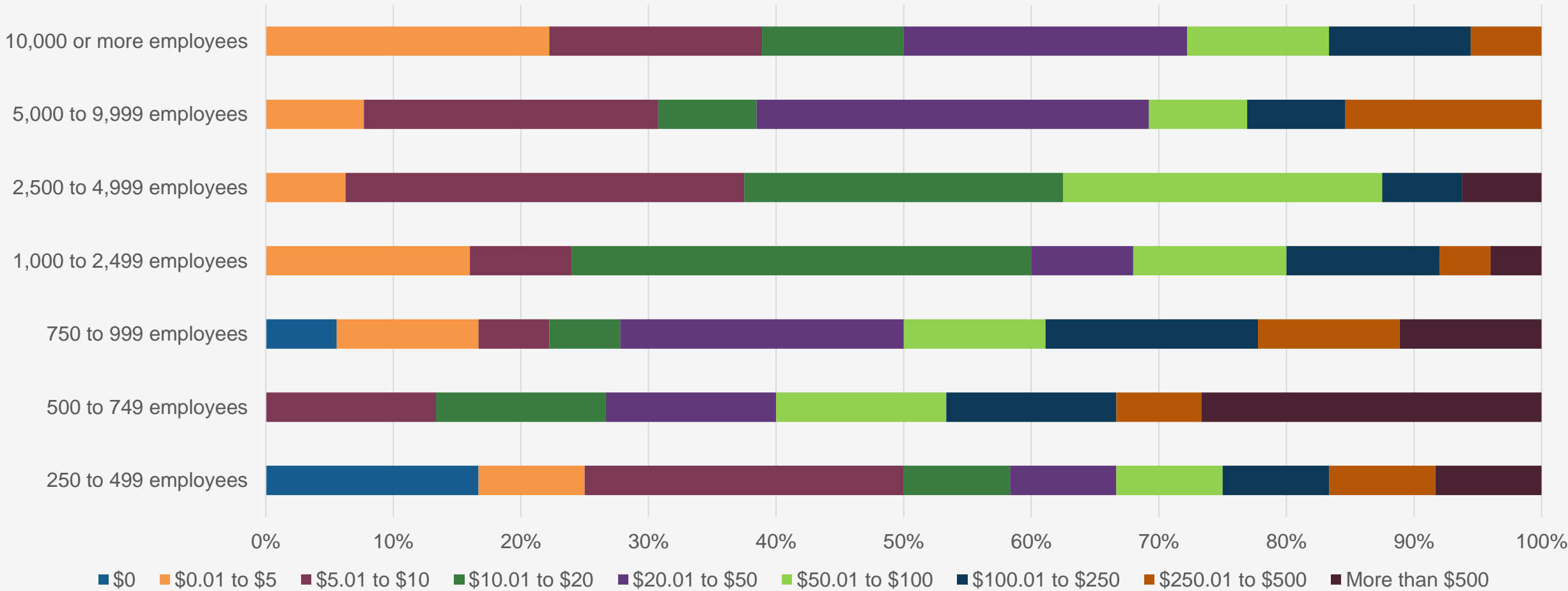
**On average, what is the annual cost per employee for financial wellness initiatives by industry, among those who currently offer financial wellness initiatives (minimum sample size = 15)  
Filters out "not sure" responses**



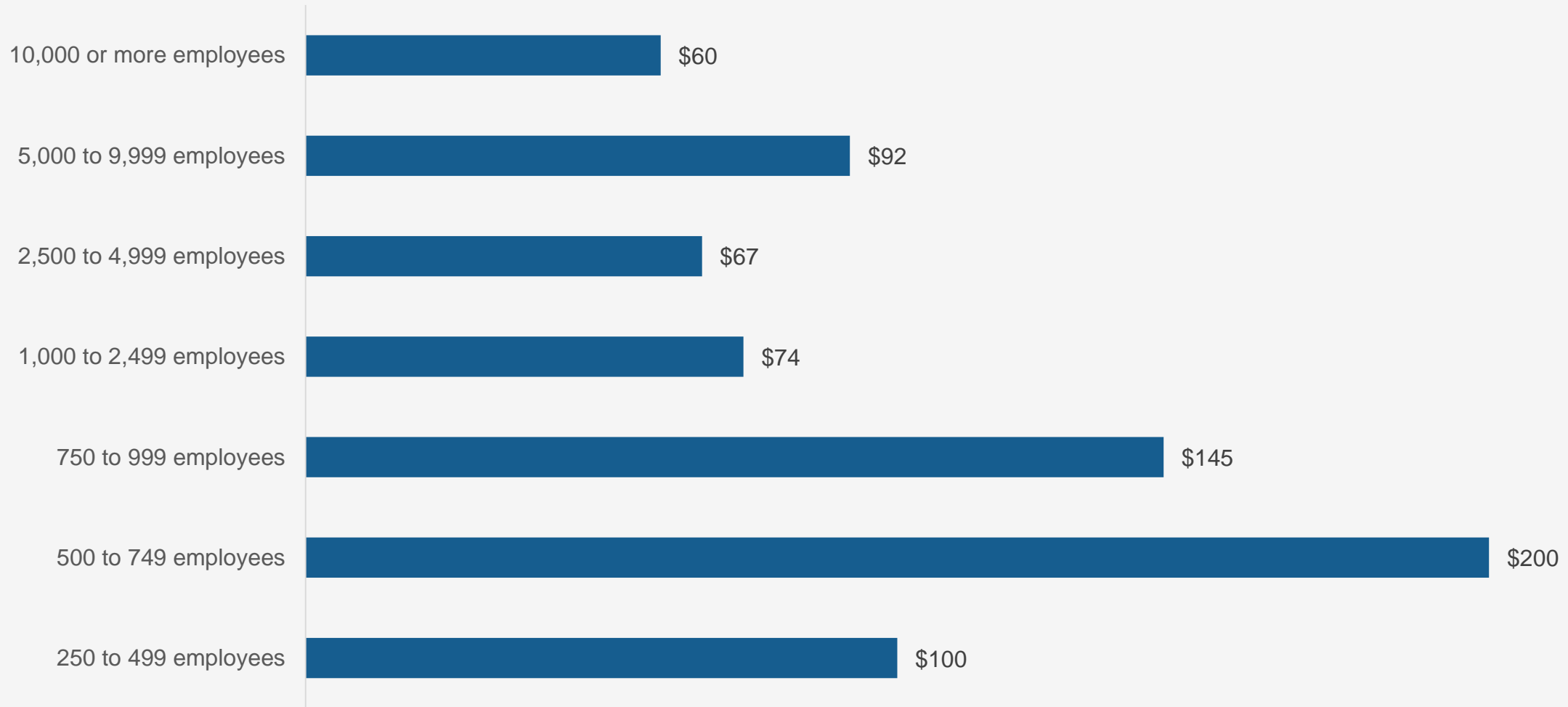
**Average annual cost per employee for financial wellness initiatives by industry, among those who currently offer financial wellness initiatives (minimum sample size = 15)  
Computation based on mid-points and top code = \$500**



**On average, what is the annual cost per employee for financial wellness initiatives by total number of U.S. employees in company, among those who currently offer financial wellness initiatives (minimum sample size = 12)  
Filters out "not sure" responses**



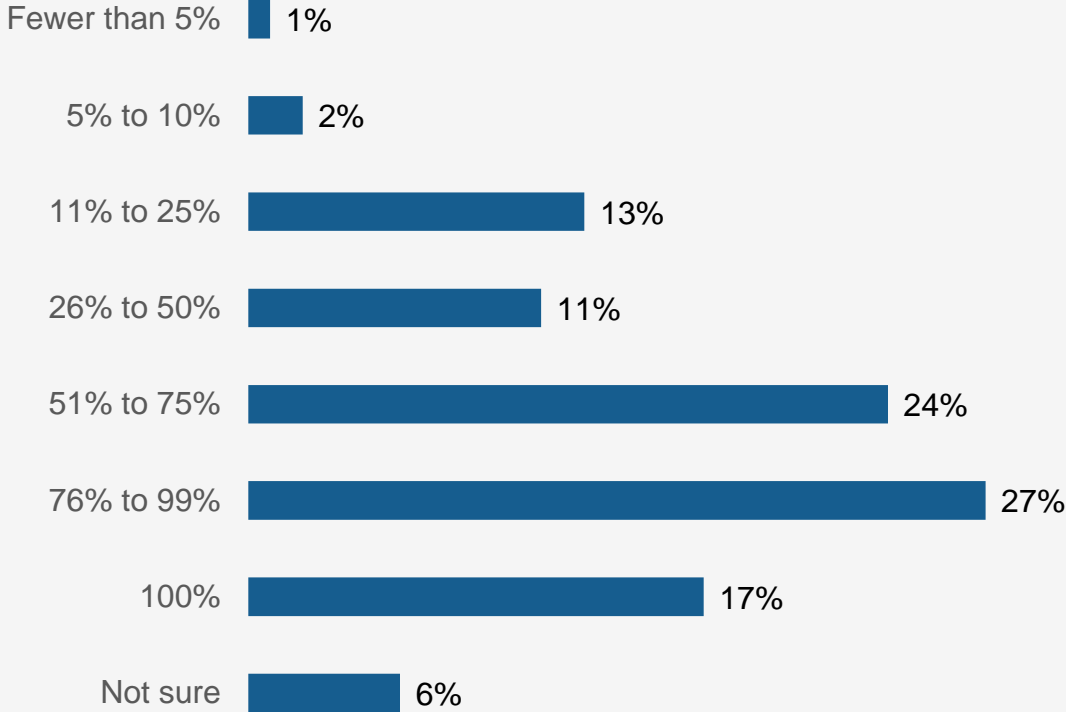
**Average annual cost per employee for financial wellness initiatives by company size,  
among those who currently offer financial wellness initiatives  
Computation based on mid-points and top code = \$500**



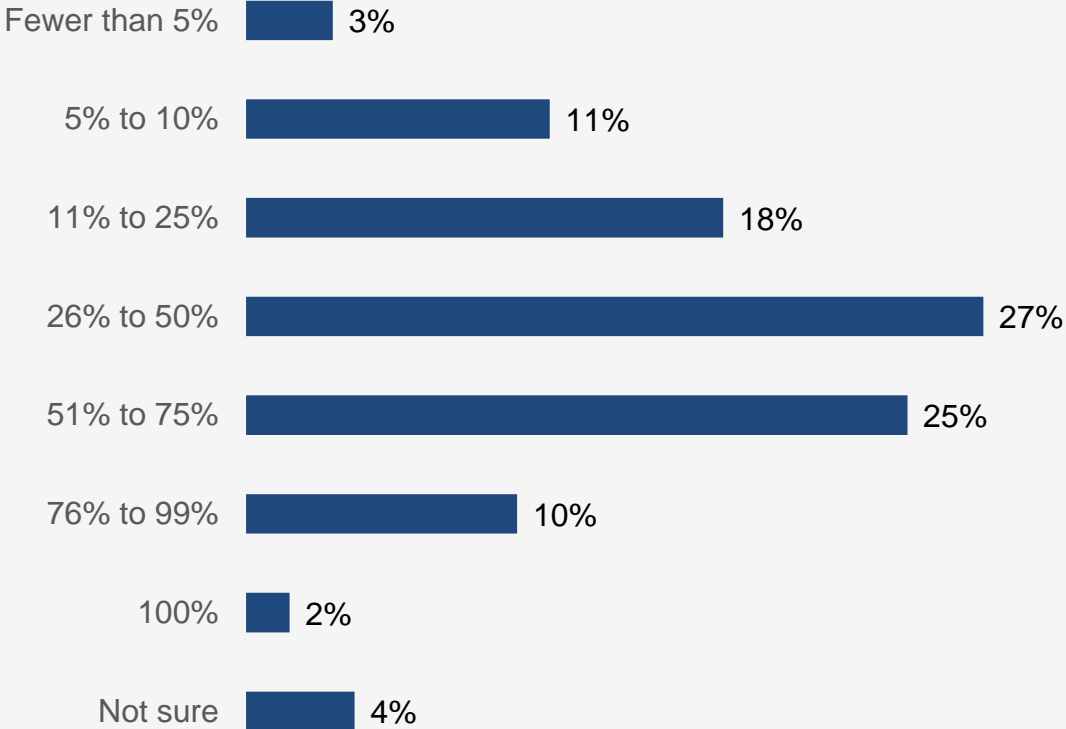


**About seven in ten say over half of their employees are eligible for financial wellness benefits. Of those eligible, one-third think over half of their employees would make use of the benefits.**

**Employees Eligible for Financial Wellness Benefits**



**Employees Using Financial Wellness Benefits**

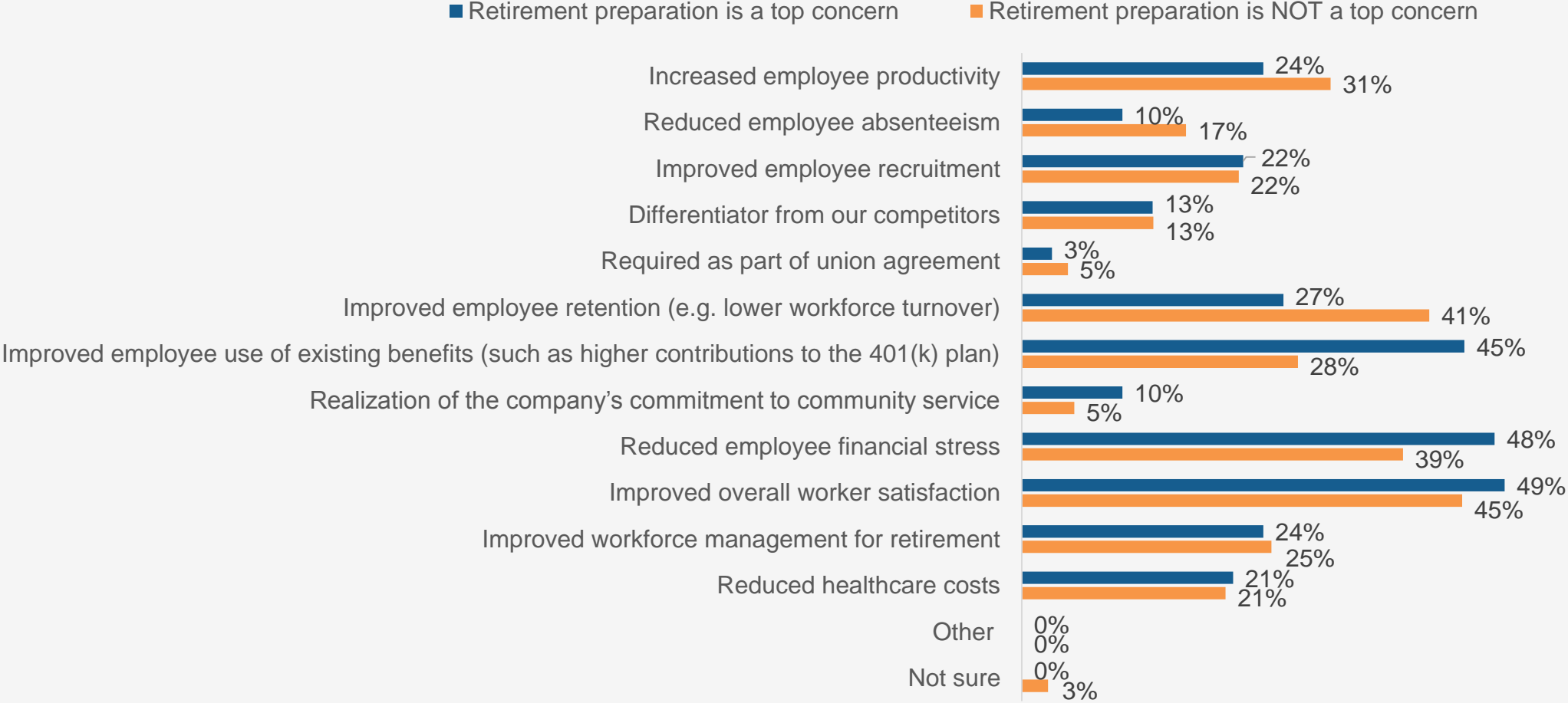


Q40. Approximately what percentage of employees in your company do you estimate are eligible for financial wellness benefits? (n=248)

Q41. Approximately what percentage of eligible employees in your company do you estimate have made use/would likely make use of the financial wellness benefits? (n=248)

# MOTIVATIONS AND MEASUREMENT OF FINANCIAL WELLNESS INITIATIVES

# Top Reasons for Offering Financial Wellness Initiatives by Whether Retirement Preparation is a Top Concern



Q33. What are or would be your top 3 reasons for offering financial wellness initiatives to employees? (n=248)

## Further Analysis on Employer Motivators

- Reducing employee financial stress was actually much more important for those who were still only interested in offering financial well-being programs but hadn't done it.
  - 58% of those indicated that was one of their major motivators.
  - For those who were actually offering well-being initiatives already, it was only 32%.
- Differentiation from competitors was much more important for those who were actually currently offering a financial well-being initiative, 19% of that group chose that.
  - For the other two groups, it was only 6 or 8%.

**When deciding to offer financial wellness benefits, cost to both the employer and employees and employee interest are the top considerations.**

**Top Considerations in the Decision to Offer Financial Wellness Benefits**

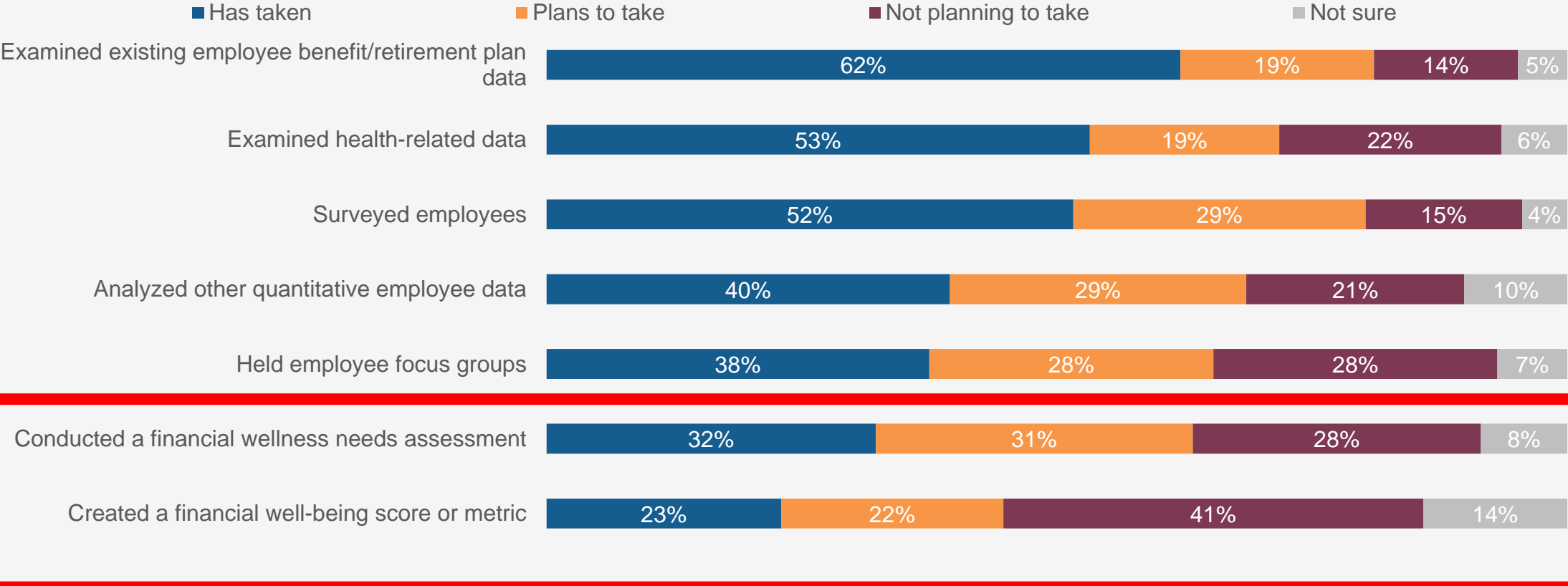


Considering the cost to employees and the impact on employees' retirement preparedness are significantly more likely in 2019 than in 2018.

Q34. What were or will be your top 3 considerations used to determine whether to offer financial wellness benefits to your employees? Please select your top 3 reasons. (n=248)

**Examining employee data and employee surveys are the most common steps taken to understand employees' needs. Few firms are using specific financial wellness metrics or assessments.**

**Steps Taken to Understand Employees' Financial Wellness Needs**

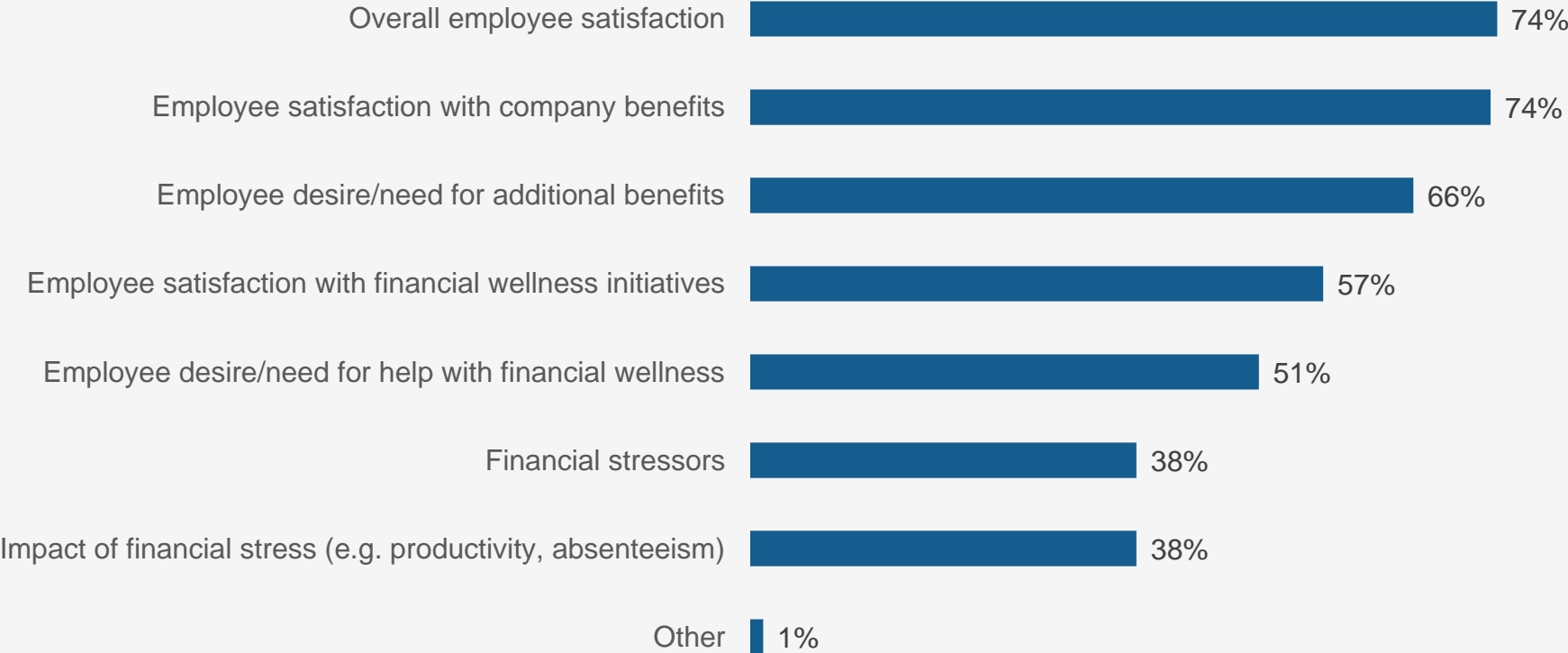


Q31. What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=248)

# Satisfaction, both overall and around company benefits, are the top issues covered in employee surveys and focus groups.

## Topics Covered in Survey or Focus Groups

Among those who have conducted a survey or held a focus group



Q32. What topics were covered in your survey or focus groups? Please select all that apply. (Conducted a survey or focus group. n=156)  
Those companies that cover topics specifically on financial wellness or financial stress offer more benefits on average than those that didn't cover those topics (2.5 offered benefits vs. 2.1 offered benefits).

As was the case in 2018, communications from HR is the most common way firms encourage use of financial wellness initiatives.

### Methods of Encouraging Use of Benefits

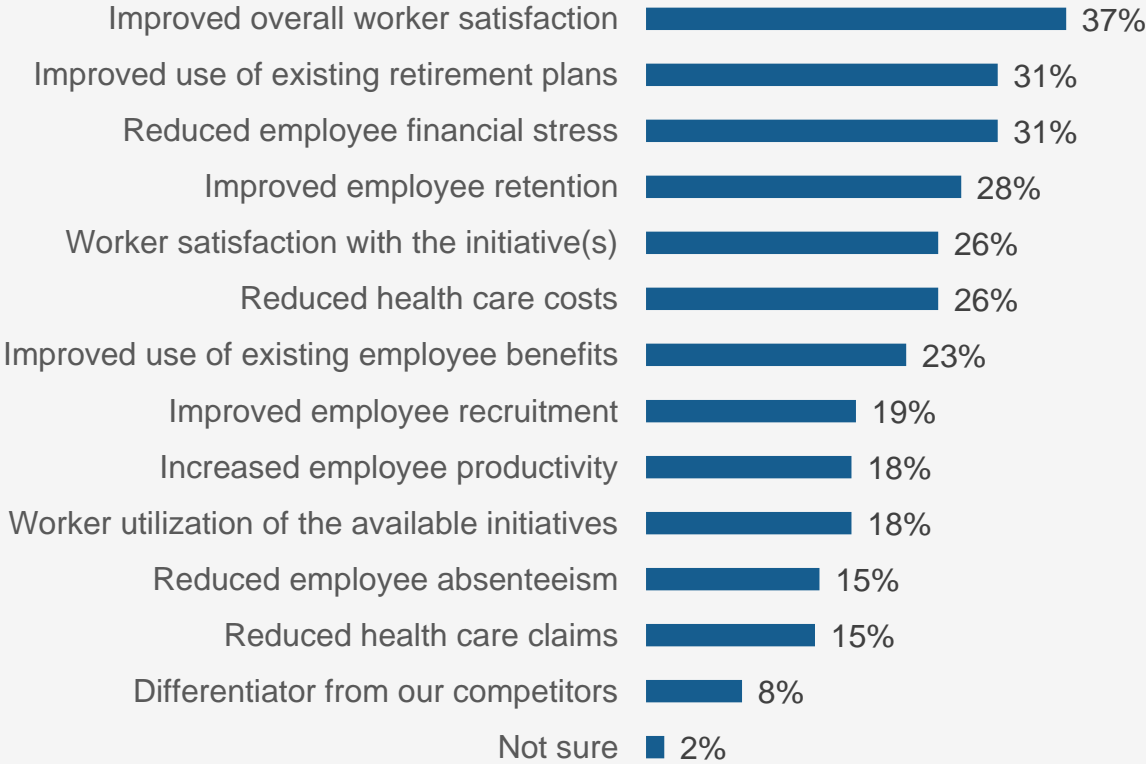


Q36. How do you or might you encourage employees to use your company's financial wellness initiatives? Please select your primary approach. (n=248)



Similar to the reasons for offering financial wellness initiatives, overall worker satisfaction, use of existing retirement plans, and employee stress are the top factors to measure these initiatives.

### Top Factors in Measuring Financial Wellness Initiatives' Success



Q42. What are the top 3 factors that are or will be important in the measurement of your financial wellness initiatives? Please select your top 3. (n=248)

Lack of employee interest is the top challenge in offering financial wellness benefits. One quarter say not being able to quantify value added is a top challenge.

### Top Challenges in Offering Financial Wellness Benefits



Q43. What are the top 3 challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top 3. (n=248)

Looking only at those who are currently interested but not offering or implementing FW, lack of ability/data to quantify value added of the initiatives is the top challenge in offering financial wellness benefits.

**Top Challenges in Offering Financial Wellness Benefits (only those who are interested, not offering or implementing currently)**



Q43. What are the top 3 challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top 3. (n=72)

# PHASE TWO OF THE EBRI FWRC RESEARCH

# DEMOGRAPHICS

# Demographics

## Firm Size

500 to 749 employees	13%
750 to 999 employees	15
1,000 to 2,499 employees	27
2,500 to 4,999 employees	16
5,000 to 9,999 employees	13
10,000 to 24,999 employees	8
25,000 or more employees	9

## Average Employee Tenure

2 years or less	7%
3 to 5 years	19
6 to 9 years	25
10 to 14 years	21
15 to 19 years	10
20 years or more	10
Not sure	7

## Industry

Health care and social assistance	14%
Manufacturing	12
Retail trade	11
Finance and insurance	10
Educational services	10
Professional, scientific, and technical services	9
Government: State or local	8
Utilities	4
Agriculture, forestry, fishing, hunting, mining	2
Transportation and warehousing	2
Wholesale trade	2
Information	2
Nonprofit/charitable	2
Government: Federal	2
Management of companies and enterprises	1
Arts, entertainment, and recreation	1
Construction	1
Real estate and rental and leasing	1
Food services and drinking places	1
Other services, except government	<0.5
Other	6

n=248

# Demographics

## Employee Satisfaction with Benefits Package

Extremely satisfied	10%
Very satisfied	46
Somewhat satisfied	40
Not too satisfied	3
Not at all satisfied	1

## Absenteeism as an Issue

A major problem	8%
A minor problem	61
Not a problem	31

## Job Title

Human Resources Manager	30%
Human Resources Officer	17
Senior Executive (CEO, President)	16
Compensation & Benefits Manager	10
Administration Executive	6
Financial Officer	5
Compensation & Benefits Officer	4
Financial Manager	3
Other	8

## Decision-Making for Employee Benefits Programs

I am a final decision-maker or I make formal recommendations to senior management	49%
I have a lot of influence	36
I have a moderate amount of influence	15

## Decision-Making for Financial Wellness Offerings

I am a final decision-maker or I make formal recommendations to senior management	42%
I have a lot of influence	34
I have a moderate amount of influence	15

n=248