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Issue BRIEF

EBRI's 2018 Employer Financial Wellbeing Survey

By Lori Lucas, CFA, Employee Benefit Research Institute

AT A GLANCE

Employers have offered wellness programs for decades in order to promote healthier habits among workers. Their foray into *financial* wellness is newer. The Bureau of Consumer Financial Protection (BCFP) began exploring financial wellbeing as a goal of financial education in 2014 with a report documenting nearly 60 hours of open-ended interviews by its research team with adult consumers and financial practitioners. Their research suggested that financial wellbeing can be defined as a state of being wherein one:

- Has control over day-to-day, month-to-month finances;
- Has the capacity to absorb a financial shock;
- Is on track to meet financial goals; and
- Has the financial freedom to make the choices that allows one to enjoy life.

In its report, the BCFP concluded, "We need to develop innovative programs and interventions and specifically test them (and our implementation strategies) in terms of their efficacy — their efficacy in supporting the development of the key factors we have identified that may lead to and underlie financial well-being, and their efficacy in improving financial well-being itself."

The Employee Benefit Research Institute (EBRI) began its exploration of employers' interest in offering financial wellness initiatives in the spring of 2018. It began with a series of focus groups that asked:

- How are employers defining financial wellbeing for their workers?
- What are employers doing and not doing in this area?
- Why is addressing financial wellbeing on employers' agendas?
- How are employers defining "success" in this area?

While there was little consensus around the definition of financial wellness, many employers in the focus groups agreed in general with the BCFP's definition: *Financial wellbeing is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life*.

Specifically, employers identified with the notion that it is important for employees to balance current and future financial needs and that future financial security should not come at the expense of financial stability today. For example, employers wanted to know that, when they were automatically enrolling workers into a 401(k) plan, these workers could afford to save for retirement and were not putting themselves into a financially fragile position by doing so.

EBRI would like to thank our Financial Wellbeing Research Center Partners for their support on this survey: Financial Finesse, HealthEquity, International Foundation of Employee Benefit Plans, J.P. Morgan, Mercer, MetLife, Principal, Prudential, T. Rowe Price, and Voya Financial.

The focus groups also revealed that financial wellness programs were about more than just increasing workers' productivity. While some employers were concerned about absenteeism due to financial stress, for example, many were also generally interested in promoting workplace satisfaction.

The clear message from these focus groups was that, while financial wellbeing was of great interest to employers, the programs were typically in their initial stages. Many had engaged only in pilot financial wellness programs for select groups of their worker population. Oft-times, these programs involved one-on-one counseling and were difficult to scale for broader rollout. In terms of measuring the success of these initiatives, the most common measure was utilization (e.g., were all available slots in a workshop taken) or defined contribution (DC) plan benchmarks (participation rates, average balances increase, and investment mix). Success was also measured by surveys that evaluated the program itself — content, understandability to the participants, and engagement of the presentation/material — not whether the individual made a change in their behavior.

EBRI's 2018 Financial Wellbeing Employer Survey built on these results with online interviews of 250 larger employers. As with the focus groups, these were employers with an expressed interest in financial wellness initiatives for employees. Those with no interest were screened out of the sample. While employers with as few as 500 workers were included in the sample, the vast majority (79 percent) had 1,000 or more employees in their workforce. A wide range of industries is represented in the survey, with the heaviest concentrations in health care and social assistance (15 percent), manufacturing (13 percent), educational services (11 percent), finance and insurance (10 percent), and government (12 percent) (Figure 1).

Figure 1
Demographics of Responding Firms

Total Number of U.S. Employees (n=250)	
500 to 749 employees	17%
750 to 999 employees	14
1,000 to 2,499 employees	27
2,500 to 4,999 employees	15
5,000 to 9,999 employees	12
10,000 to 24,999 employees	4
25,000 or more employees	12

Industry (n=250)	
Health care and social assistance	15%
Manufacturing	13
Educational services	11
Finance and insurance	10
Government: state, local or federal	12
Net: all other	39

About EBRI's Financial Wellbeing Employer Survey

Information for this report was collected from a 15-minute online survey with 250 full-time benefits decision makers conducted in July 2018. All respondents worked at companies with at least 500 employees that were at least interested in offering financial wellness programs. A total of 25 percent of respondents dropped out of the survey as a result of their company's lack of interest in offering financial wellness programs.

Respondents were required to have at least moderate influence on their company's employee benefits program and financial wellness offerings. Additionally, they were required to hold an executive, officer, or manager position in 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.

The findings paint an interesting picture of employers who — like those in the focus groups — define both financial wellbeing and the programs that could facilitate wellbeing quite broadly. They face many challenges in implementing these programs, grapple with how to measure the success of the programs, and ultimately grapple with how to make a successful business case for broader implementation of these initiatives.

Specifically, the survey found that:

- ***The largest firms are most likely to offer financial wellness programs:*** Of companies that were at least interested in providing employees with financial wellness initiatives, 54 percent were offering them to their employees at the time, 12 percent were actively implementing, and 34 percent were interested in financial wellness initiatives. Three-quarters of firms with 10,000 or more employees offered financial wellness initiatives at the time, compared with 49 percent of smaller firms. Those with the highest level of concern about employees' financial wellbeing were also most likely to offer a program (73 percent).

- ***Financial wellness initiatives tend to be in their infancy:*** 38 percent of firms considered their initiatives to be in the pilot phase. Another 34 percent described their efforts as periodic campaigns or ad hoc programs.

- ***There are mixed approaches and costs associated with the initiatives:*** There is little consensus on the approach to financial wellness initiatives. A mix of methods was the most common provider of initiatives. Firms were most likely to be paying for these programs themselves, but costs per employee varied significantly.

- ***Firms offer a mixture of financial wellness offerings***: On average, firms offered 4.7 financial wellbeing or debt assistance benefits to their employees. The most common initiatives were employee discount programs, tuition reimbursement, and financial planning education.

- ***Delivery of offerings is often high-touch:*** When it comes to delivering these benefits, in-person group sessions, email communications, and in-person individual sessions were the most common methods. In-person individual sessions were the most likely method for both personalized financial counseling and credit and debt counseling programs, while in-person group sessions were utilized most often for financial education and incentivization programs.

- ***Human resources professionals are the main motivators:*** Human resources professionals are the main motivators for these programs. Thirty-nine percent of firms relied on communications from HR to encourage their employees to use the financial wellness initiatives. Additionally, 4 in 5 said that HR will be the champions for implementing financial wellness initiatives.

- ***Employers face a number of challenges in offering financial wellness initiatives:*** Cost to employer (50 percent), interest among employees (46 percent), and value proposition to employees (40 percent) ranked as the top three considerations that employers stated they use to determine whether to offer financial wellness benefits to their employees.

- **Success measures range widely:** Measures used to evaluate the success of financial wellness initiatives range from specific (improved employee retention) to quite broad (improved overall worker satisfaction). However, with few using metrics or assessments, it may be difficult for employers to accurately evaluate their initiatives.

Lori Lucas, CFA, is the president and CEO of the Employee Benefit Research Institute (EBRI). Any views expressed in this report are those of the authors and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

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Introduction

Employers have offered wellness programs intended to promote healthy habits among workers for decades. In a 1993 report prepared by the Office of Disease Prevention and Health Promotion, McGinnis, former Deputy Assistant Secretary of Health, documented the experience of 61 employers, large and small, public and private, that were providing worksite health promotion programs aimed at improving the health and wellbeing of their employees and reducing health care, workers' compensation, and disability costs.[1] The report concluded: "Worksite health promotion has taken on increasing importance as a contributor to improved health for many Americans. . .With the expanded activity comes an interest and obligation to assess the results of such programs to ensure that we have a clearer notion of what works best in various settings."

Employers' foray into financial wellness is more recent. The Bureau of Consumer Financial Protection (BCFP) began exploring financial wellbeing as a goal of financial education in 2014 with a report documenting nearly 60 hours of open-ended interviews by its research team with adult consumers and financial practitioners. Their research suggested that financial wellbeing can be defined as a state of being wherein you:

- Have control over day-to-day, month-to-month finances;
- Have the capacity to absorb a financial shock;
- Are on track to meet your financial goals; and
- Have the financial freedom to make the choices that allow you to enjoy life.

In its report, the BCFP concluded, "We need to develop innovative programs and interventions and specifically test them (and our implementation strategies) in terms of their efficacy — their efficacy in supporting the development of the key factors we have identified that may lead to and underlie financial well-being, and their efficacy in improving financial well-being itself."

The goal of EBRI's Financial Wellbeing Employer Survey is to determine what the key factors are that employers seek to address with their financial wellbeing programs and how the efficacy of these programs is being measured. To do so, EBRI developed an online survey that was administered to 250 full-time benefits decision makers. All respondents worked at companies with at least 500 employees that were at least interested in offering financial wellness programs.

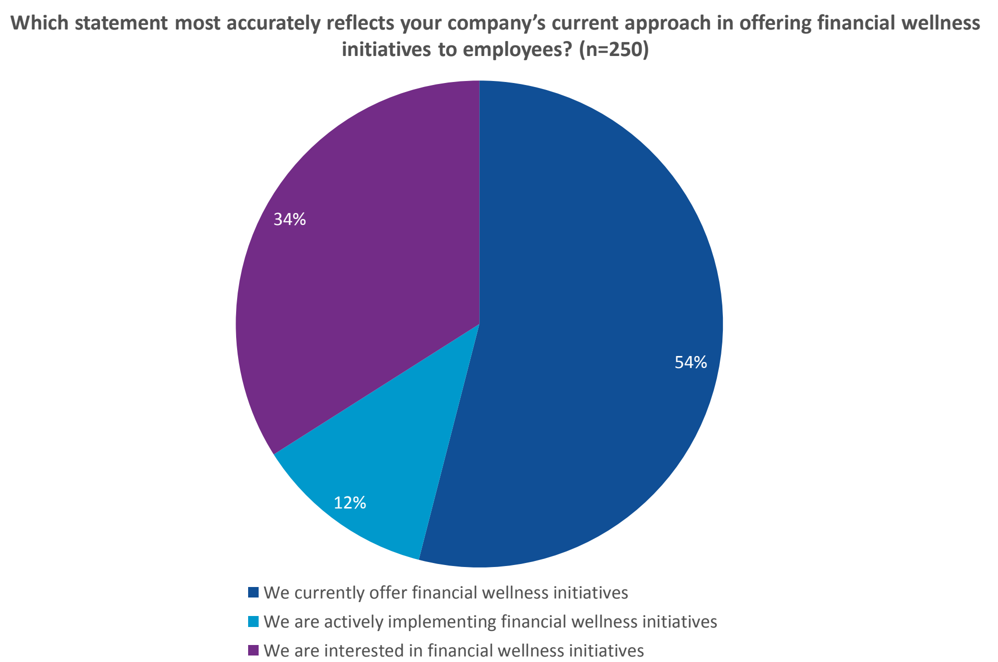
Definition of Financial Wellness Initiatives by the Bureau of Consumer Financial Protection:

Financial wellness initiatives were defined in the survey as including student debt reduction programs, help with managing credit card loans, budgeting tools, and financial counseling to help employees better manage their money.

More than half of those surveyed (54 percent) said they currently offer financial wellness initiatives, with a third noting that they were only "interested" in financial wellness initiatives and were not actively offering them (Figure 2).

[1] Ron Z. Goetzel1 and Ronald J. Ozminkowski. 2008. "The Health and Cost Benefits of Work Site Health-Promotion Programs." *Annu. Rev. Public Health* 29: 303–23.

Figure 2
Current Approach in Offering Financial Wellness Initiatives to Employees



Related Benefits

Nearly two-thirds (63 percent) of respondents reported tying their health benefits to a health and wellness program, such as for health screenings or incentives for taking healthy actions. Ninety-four percent offered a defined contribution plan, with 97 percent offering some type of employer contribution. Just 1 percent of respondents offered no retirement benefits to employees.

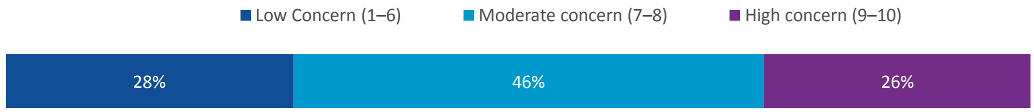
Evaluating the Need

How do employers determine whether they should offer these programs? The survey started by asking employers to rank on a scale of 1–10 their level of concern about their employees' financial wellbeing (Figure 3). Those scoring 1–6 were rated as having a low level of concern. Those scoring 9–10 were rated as having a high level of concern. Among firms with any level of interest in financial wellbeing programs, about one-quarter (26 percent) were rated as being highly concerned about their employees' financial wellbeing. Another quarter (28 percent) were rated as having a low level of concern. The rest (46 percent) were rated as being moderately concerned (scoring 7–8). Not surprisingly, firms with high concern were more likely to be offering financial wellness initiatives (73 percent). Those with low to moderate concern levels were about equally likely to offer the initiatives (46 percent and 47 percent, respectively). However, moderately concerned employers were more likely to be actively implementing such initiatives (18 percent) compared with those with low levels of concern (6 percent).

Beyond level of concern, other factors associated with actually offering or actively implementing financial wellness initiatives — vs. merely expressing an interest in them — included (Figure 4):

Figure 3
Levels of Concern About Employees' Financial Wellness

Please rate your company's level of concern about employees' financial wellbeing.
(n=250)



Which statement most accurately reflects your company's current approach in offering financial wellness initiatives to employees?
(Low concern, n=165; Moderate concern, n=115, High concern, n=66)

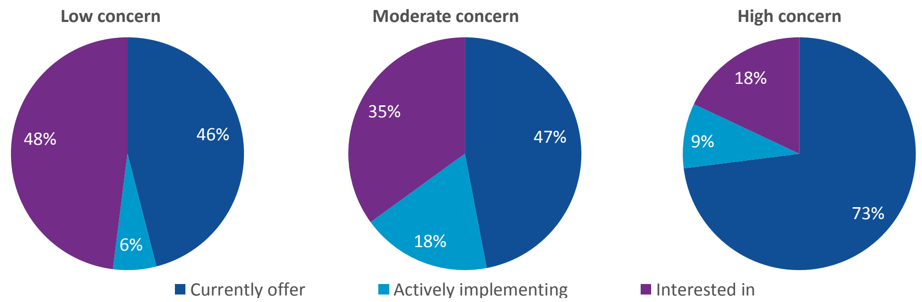


Figure 4
Characteristics of Firms Currently Offering or Actively Implementing Financial Wellness Initiatives

Firms currently offering or actively implementing financial wellness initiatives are more likely than those interested in financial wellness initiatives to be…

Firm Demographics

- **76% 10,000 or more employees** (vs. 49% less than 10,000)
- **59% Level of concern about employees' financial wellbeing ranked 8–10** (vs. 34% interested)
- **51% Describe work-life balance as very good or excellent** (vs. 32% interested)
- **65% Describe employees as very or extremely satisfied with benefits** (vs. 45% interested)

Health Benefits Offered

- **65% High-deductible health plan with HSA** (vs. 47% interested)
- **70% Have health benefits tied to health and wellness program** (vs. 49% interested)

Benefits Offered

- **71% Supplemental life** (vs. 55% interested)
- **42% Legal services** (vs. 19% interested)
- **20% College savings account** (vs. 9% interested)
- **73% Paid maternity/paternity leave** (vs. 56% interested)
- **22% Adoption assistance/reimbursement** (vs. 11% interested)

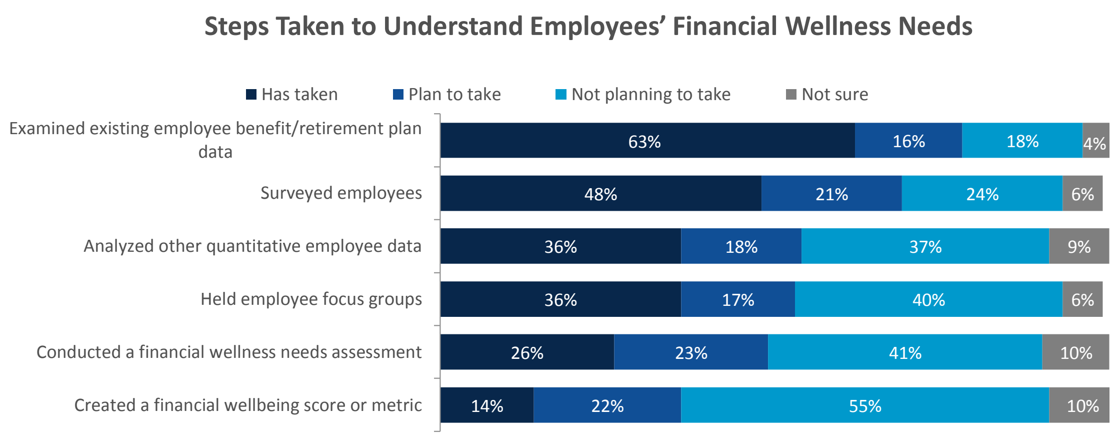
All percentages shown are statistically significant.

- Larger employee base: 76% of employers with 10,000 or more employees were offering financial wellness initiatives at the time, compared with 49 percent of those with fewer than 10,000 employees.
- Higher likelihood of offering health benefits tied to health and wellness programs (70 percent).
- Offering other benefits such as supplemental life insurance (71 percent), paid maternity/paternity leave (73 percent), or legal services (42 percent).

How do employers know whether to be concerned about employees' financial wellbeing? To understand this, we asked employers the steps they have taken to gauge employees' financial wellness needs (Figure 5). The most common approach reported was examining existing employee benefit/retirement plan data such as deferral rates, average balances, and loan frequency/amount. Nearly two-thirds of respondents (63 percent) had taken this step. Surveying employees came in second, with nearly half (48 percent) saying they have taken this step. Creating a financial wellbeing score or metric was the least common approach (14 percent) overall. However, among employers with 10,000 or more employees, greater than a quarter (27 percent) said they have done so, and another 37 percent planned to take this step. Further, those who were highly concerned about their employees' financial wellbeing (29 percent) were significantly more likely than those with moderate (12 percent) or low concern (1 percent) to say they have created a financial wellbeing score or metric.

Figure 5
Measuring Financial Wellness

What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=250)



•Note: "Other" category not included.

As shown in Figure 6, the top reasons given for offering financial wellness initiatives were: improved overall worker satisfaction (54 percent), reduced employee financial stress (48 percent), and improved employee retention (e.g., lower workforce turnover), 47 percent. Midsized employers — those with 2,500 to 9,999 employees — were the most likely to say they offer initiatives to improve their workers' overall satisfaction (67 percent). In contrast, large employers (>10,000 employees) were most likely to cite increased employee productivity (37 percent) and being a differentiator from their competitors (27 percent).

Figure 6
Top Reasons for Offering Financial Wellness Initiatives

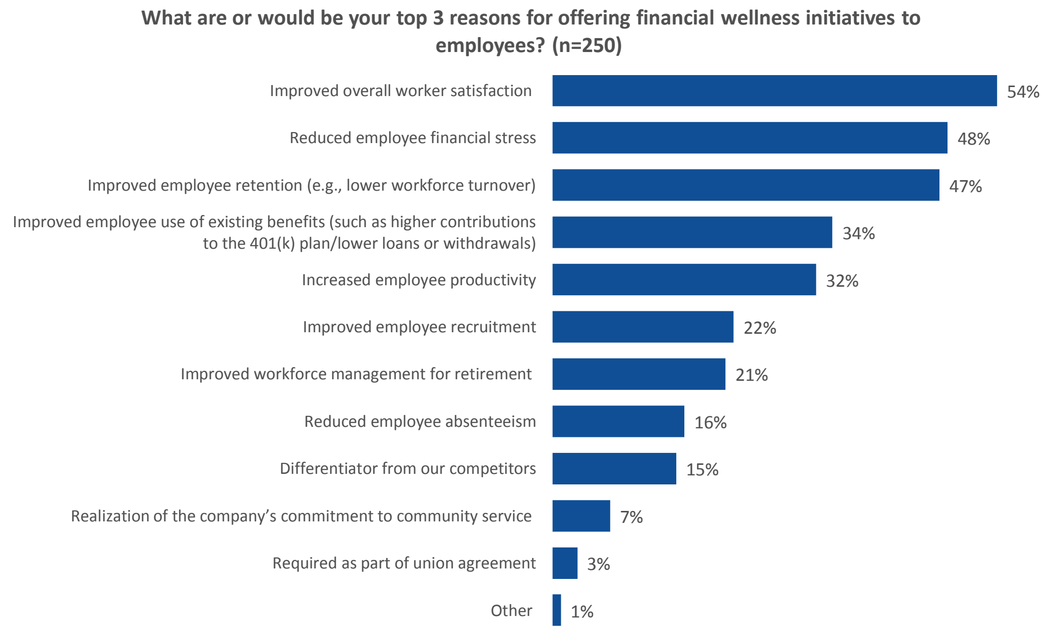
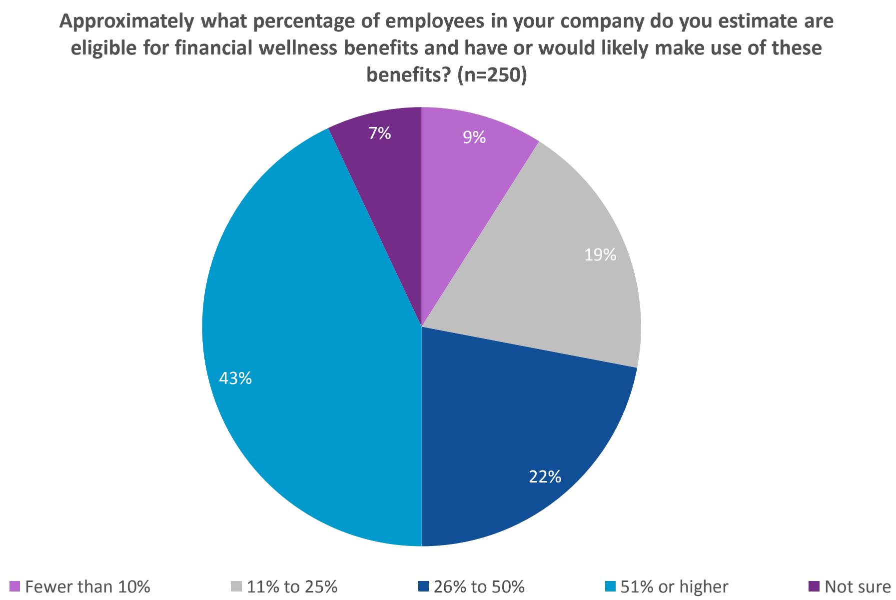


Figure 7
Estimated Proportion of Workforce Eligible



Roughly four in ten (43 percent) employers believed that more than half of the employees in their company are eligible for financial wellness benefits and had or would likely make use of these benefits. However, as shown in Figure 7, more than a quarter believed that 25 percent or fewer employees are eligible or have or would use them. Nearly half of those already offering or actively implementing financial wellness benefits estimated more than 50 percent of their employees are eligible and would make use of these benefits, significantly higher than the 34 percent of those only interested in these benefits.

Approaches to Financial Wellness

Approaches to financial wellness programs vary widely, according to survey respondents, ranging from third-party emergency assistance programs to one-on-one sessions. However, a key feature of the majority of financial wellness initiatives is that few are currently considered "holistic" programs. Instead, the majority of employers characterized these programs as pilot programs (38 percent) or periodic or ad hoc programs (32 percent). As Figure 8 shows, even among employers with a high level of concern, only 27 percent characterized their financial wellness initiatives as "holistic."

Firms that describe their financial wellness initiatives as "holistic programs" are more focused on the value of the programs to employees, are less cost conscious, and are making bigger investments in their financial wellness initiatives (Figure 9). Nearly two-thirds (63 percent) stated that the value proposition to employees is their top consideration for offering financial wellness initiatives (vs. 36 percent pilot; 38 percent periodic). Just over a quarter (27 percent) stated cost as a main consideration (vs. 61 percent pilot; 43 percent periodic).

These firms also tended to have fewer than 10,000 workers: 22 percent of employers with 10,000 or more workers described their approach as ad-hoc or periodic outreach vs. 9 percent of those with fewer than 10,000. Firms with periodic initiatives were more likely to cite seminars, workshops, or group sessions (26 percent) and ad-hoc outreach (22 percent).

Figure 8
Approach to Offering Financial Wellness Initiatives

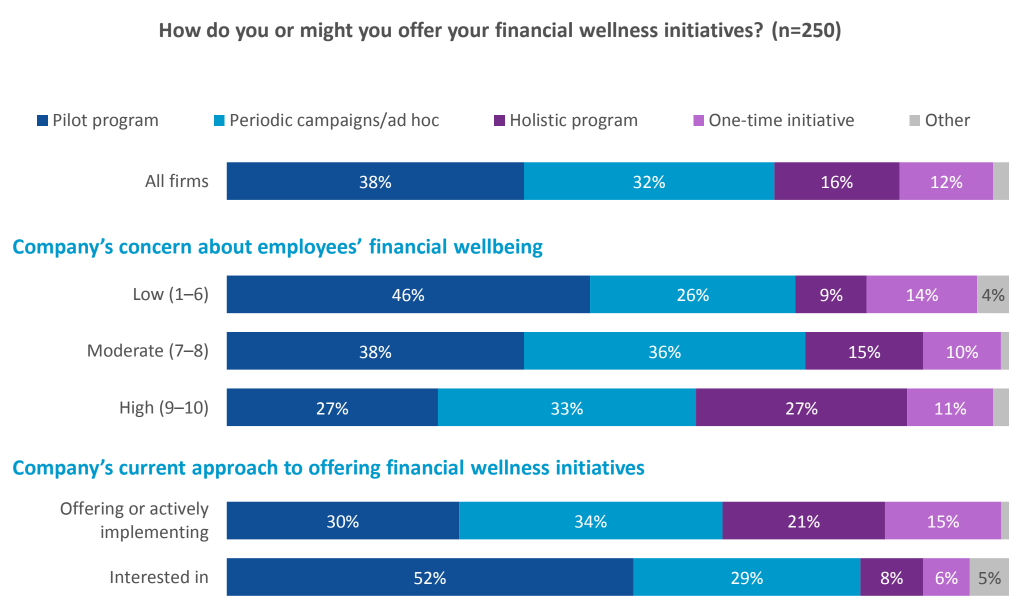


Figure 9
Who Considers Their Financial Wellness Initiatives a Holistic Program?

Firms defining their financial wellness initiatives as holistic are more likely than those offering pilot or periodic initiatives to be…

Benefits Offered

80% Flexible work arrangements
(vs. 54% pilot; 49% periodic)

56% Paid family/eldercare leave
(vs. 35% pilot; 32% periodic)

Financial Wellness Offerings

5.9 Average count of financial wellness benefits, out of 15
(vs. 3.8 pilot; 5.0 periodic)

2.6 Average count of steps taken to understand employees' needs
(vs. 1.9 pilot; 2.6 periodic)

Considerations

63% Value proposition to employees as top consideration to offering financial wellness
(vs. 36% pilot; 38% periodic)

Less likely to have cost as a main consideration: 27%
(vs. 61% pilot; 43% periodic)

21% Average annual cost per employee is more than $500
(vs. 2% pilot; 4% periodic)

All percentages shown are statistically significant.

Financial Wellness Offerings

Employee discount programs such as for cell phones, travel, and entertainment; tuition reimbursement; and financial planning education, seminars, and webinars are the most common financial wellness benefits offered — rating responses of 72 percent, 69 percent, and 60 percent, respectively (Figure 10). In contrast, only about one in ten of those surveyed offer emergency savings vehicles or accounts, debt management services, or student loan repayment subsidies or consolidation/refinancing services.

About a quarter (28 percent) of those surveyed said they offer emergency funds or employee hardship assistance. However, these vary widely, including case-by-case programs (14 percent), natural disaster funds (11 percent), hardship loans from defined contribution plans (11 percent), and funds from voluntary payroll deductions (11 percent). The other category generally consisted of responses that emergency fund programs are available, but with no clear approach given (Figure 11).

Despite the fact that relatively few organizations said they offer holistic financial wellbeing programs, many offered a patchwork of numerous initiatives to assist employees with their financial wellbeing, debt, and other personal financial challenges (Figure 12). On average, respondents offered 4.7 initiatives. Large employers offered more than small employers (5.5 and 4.4 on average, respectively). Companies that scored high in terms of their level of concern about employees' financial wellbeing offered more than those with low levels of concern (6.5 and 3.9 on average, respectively).

While 42 percent reported delivering their financial wellness programs via email, often these programs were delivered in a high-touch way, such as in-person group sessions (48 percent) or in-person individual sessions (40 percent), as shown in Figure 13. Despite the proliferation of fintech financial wellness solutions, mobile apps were not a common delivery mechanism, with only 12 percent of respondents reporting this delivery approach. Not surprisingly, larger employers were much more likely than smaller employers to favor email delivery (68 percent and 55 percent, respectively). However, individual telephone sessions were the second most-favored delivery approach among large employers (50 percent).

In-person individual sessions were the most likely method for both personalized financial counseling and credit and debt counseling programs, while in-person group sessions were utilized most often for financial education and incentivization programs.

Motivating and Measuring

Communication from human resource professionals was the number one way that employers encouraged employees to use the financial wellness initiatives they made available (39 percent), as shown in Figure 14. The second most common approach was monetary incentives, which may include discounts on insurance, small cash bonuses for signing up, and free credit monitoring. This was noted by 19 percent of respondents. Internal champions and communication from upper management tied for third place with 13 percent each. Those in the education industry (29 percent) or the government (28 percent) were more likely than those in finance to offer monetary incentives or financial rewards (8 percent).

When it comes to championing the implementation of financial wellness initiatives, the most commonly cited primary champion was human resources (55 percent), followed by a senior executive (21 percent), as shown in Figure 15. Human resources was also cited as the most common secondary champion of these initiatives (26 percent). Ninety percent of those with 10,000 or more employees cited HR as primary or secondary champions (vs. 78% of those with fewer than 10,000 employees).

Figure 10
Financial Wellness Initiatives Offered
Which of the following does your company offer to help employees with personal financial challenges?

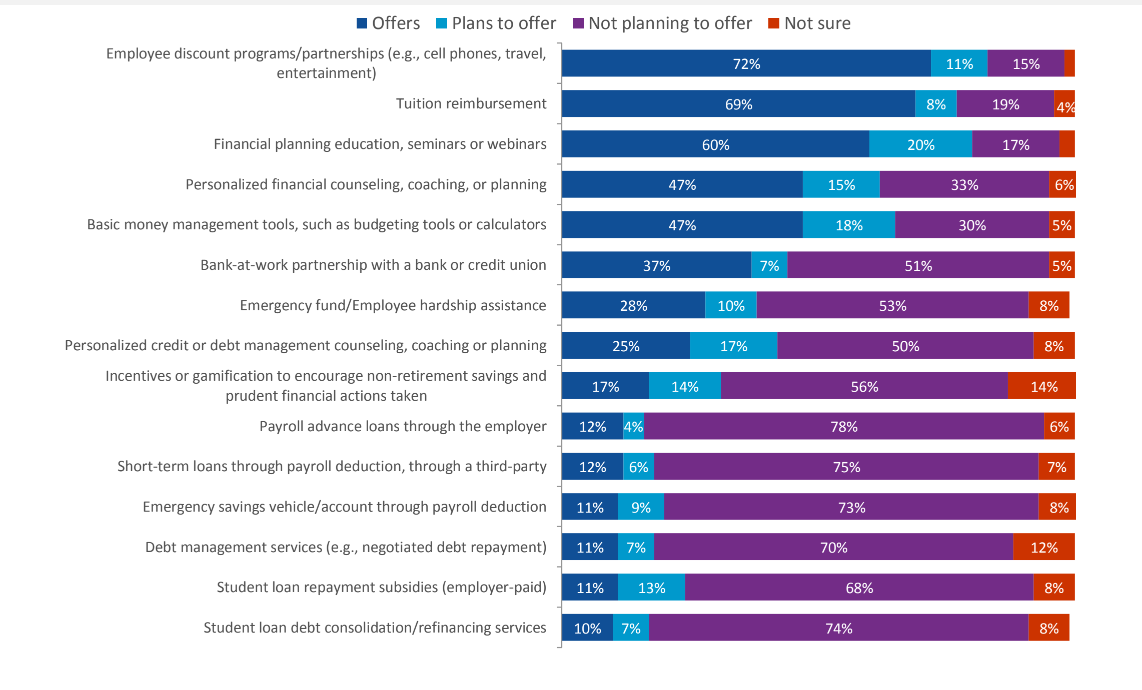


Figure 11
Emergency Fund or Employee Hardship Assistance Programs

Please describe your company's emergency fund or employee hardship assistance program. (n=70)

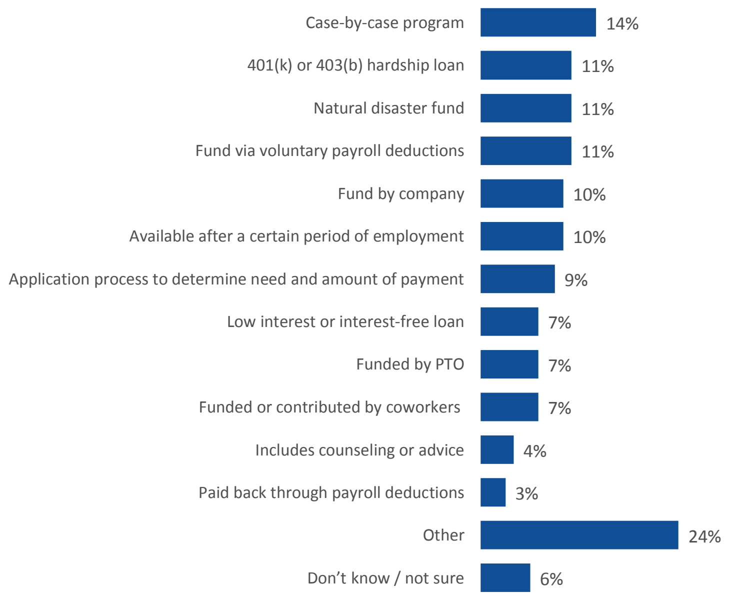


Figure 12
Number of Financial Wellness Initiatives Offered

Does your company offer or plan to offer financial wellness initiatives? (n=250)

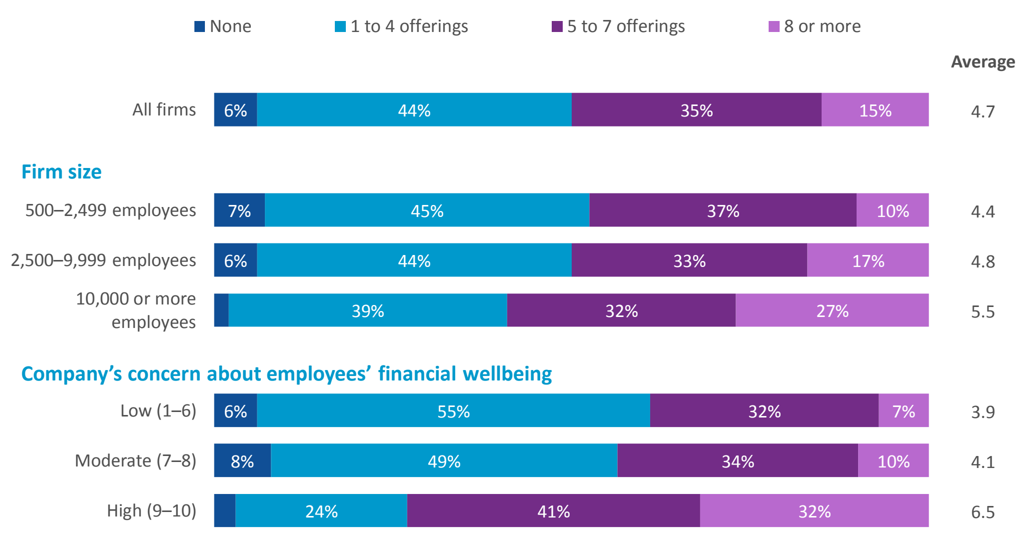


Figure 13
How Financial Wellness Programs Are Delivered

In which of the following ways are your financial wellness initiatives delivered? (n=43)

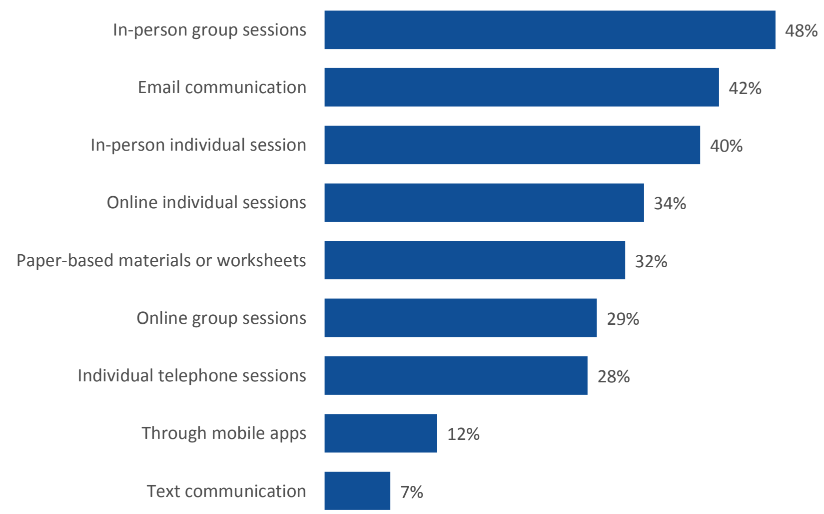


Figure 14
Encouraging Employees to Use Financial Wellness Initiatives

How do you or might you encourage employees to use your company's financial wellness initiatives? (n=250)

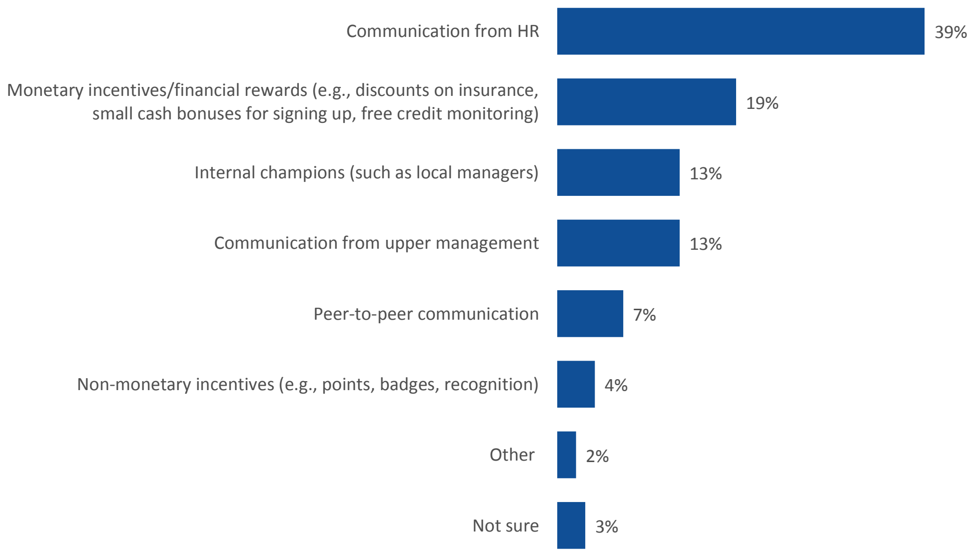
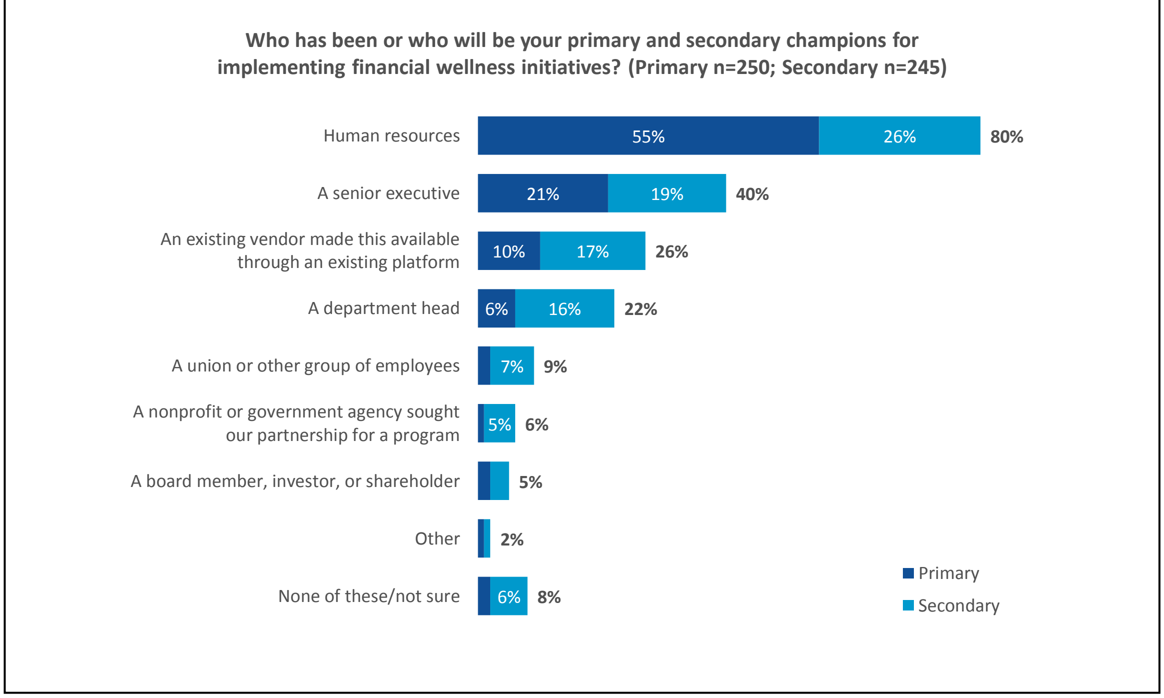


Figure 15
Internal Champion for Financial Wellness Initiatives



Value Proposition and Considerations in Offering Financial Wellness Programs

Cost to employer (50 percent), interest among employees (46 percent), and value proposition to employees (40 percent) ranked as the top three considerations that employers stated they use to determine whether to offer financial wellness benefits to their employees. Value proposition to the company ranked fourth, with 27 percent stating that as a top consideration (Figure 16). In drilling deeper, employers defined "value proposition" to employees or the company as: employees valuing the benefits provided (30 percent); the company receiving some sort of return on investment, including reduced absenteeism, or improved performance or productivity (25 percent); or a positive cost/benefit analysis (16 percent) of the programs in question (Figure 17).

Employers noted that they face many challenges in offering financial wellness initiatives. These included complexity of programs (44 percent), lack of staff resources to coordinate and/or market the benefits of the programs (43 percent), lack of interest among employees receiving the initiatives (43 percent), challenges in making an effective business case to management to justify the cost of the initiatives (42 percent), and lack of ability and/or data to quantify the value added of the initiatives (41 percent), as shown in Figure 18. Only 5 percent cited no challenges faced in offering these initiatives. Six in ten with low concern around financial wellbeing said lack of interest among employees is a challenge.

Figure 16
Top Considerations Used to Determine Whether to Offer

What were or will be your top 3 considerations used to determine whether to offer financial wellness benefits to your employees? (n=250)

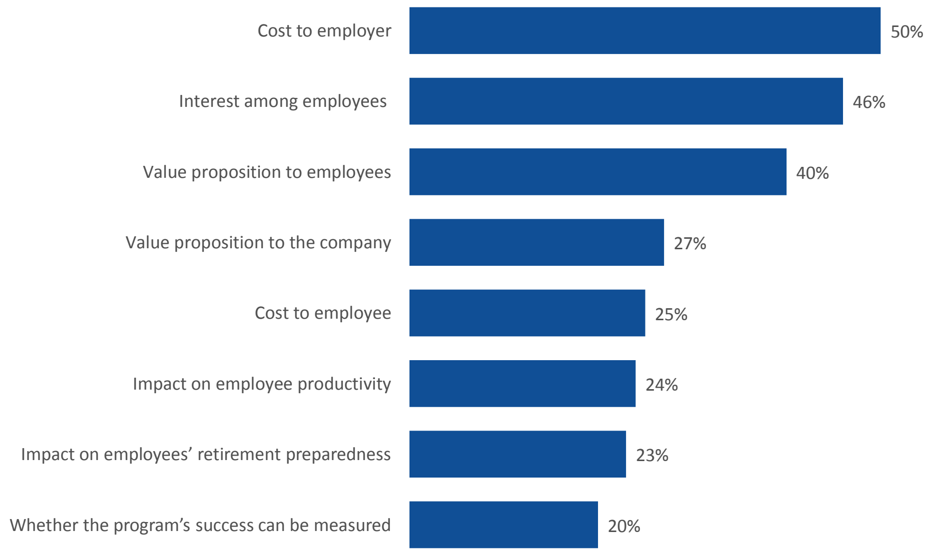


Figure 17
Value Proposition and Challenges

Please explain what you mean when saying the "value proposition" to employees or the company was or will be among your top considerations. (n=141)

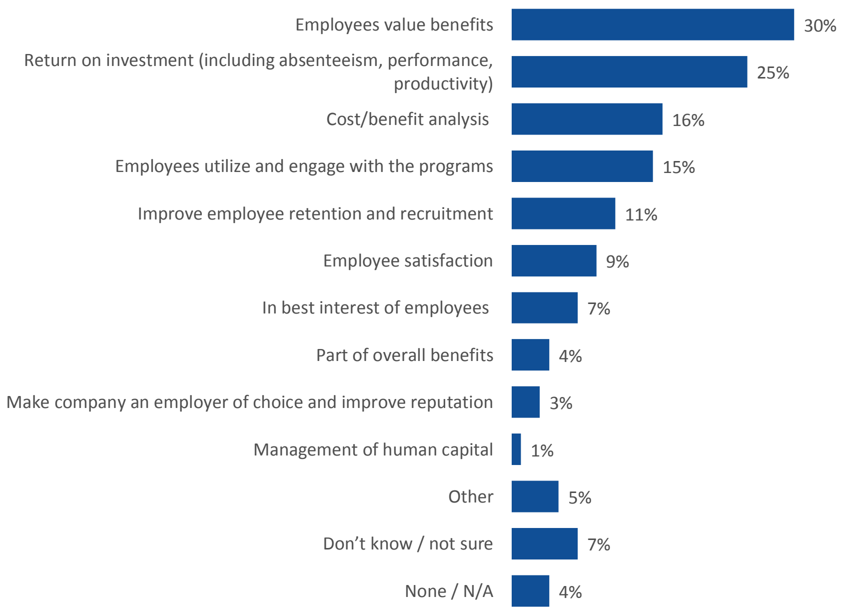


Figure 18
Challenges in Offering Financial Wellness Benefits

Source and Cost of Financial Wellness Initiatives

As shown in Figure 19, most commonly, employers cited a mix of sources — such as employee assistance programs and contracted vendors — as the source of their financial wellness initiatives (42 percent). When only one source was cited, it was most commonly the retirement plan provider (33 percent). Firms with 10,000 or more employees were more likely to rely on a contracted financial wellness benefits vendor than firms with fewer than 2,500 employees (39 percent versus 22 percent). Education and government-run organizations were more likely to use a nonprofit or government agency partner compared to other industries.

More than two-thirds (68 percent) of respondents stated that current or prospective financial wellness initiatives are or would be employer-paid (Figure 20). That increased to 85 percent of those with a high level of concern. About a third (34 percent) stated their vendor does or would offer the financial wellness initiative as part of their overall services, such as retirement plan recordkeeping. This increased to about half of firms in the healthcare and education fields that cited their programs as being paid through the overall services their vendor offers. Nearly half (45 percent) reported that financial wellness initiatives are or would be solely funded by the employer, while 9 percent stated such initiatives would solely be funded by employees.

There was a wide range in cost cited for financial wellness initiatives (Figure 21). Four in ten (43 percent) employers reported the annual cost per employee of current financial wellness initiatives as $50 or less. About a third (30 percent) reported costs per employee of more than $50. One in five firms who defined their financial wellness programs as "holistic" had an average cost of more than $500 per employee. However, a full quarter (26 percent) said they do not know the annual cost per employee of their financial wellness initiatives.

Figure 19
Source of the Financial Wellness Initiative

Who is or might be the source or provider of financial wellness initiatives? Please select all that apply. (n=250)

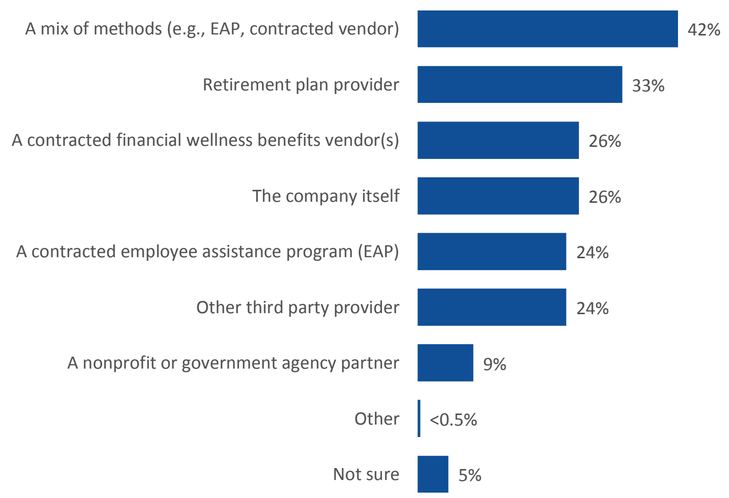


Figure 20
Who Pays or Might Pay for the Initiatives

Who pays or might pay for your financial wellness initiatives? Please select all that apply. (n=250)

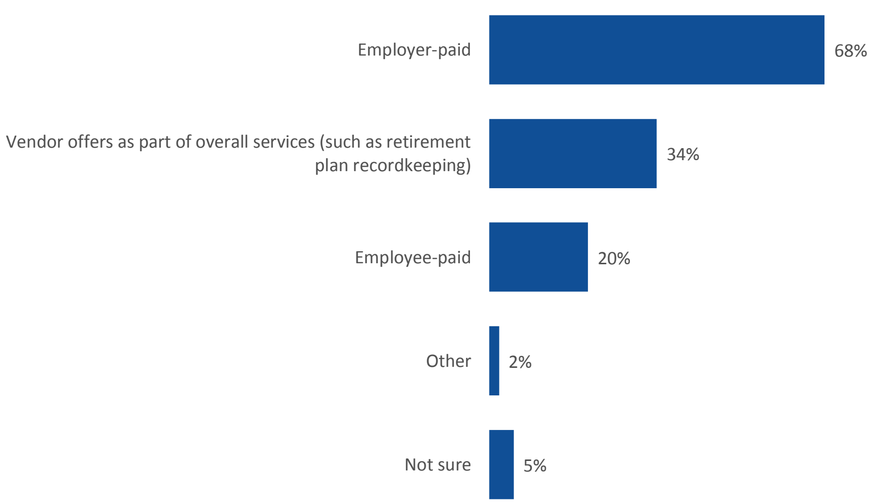
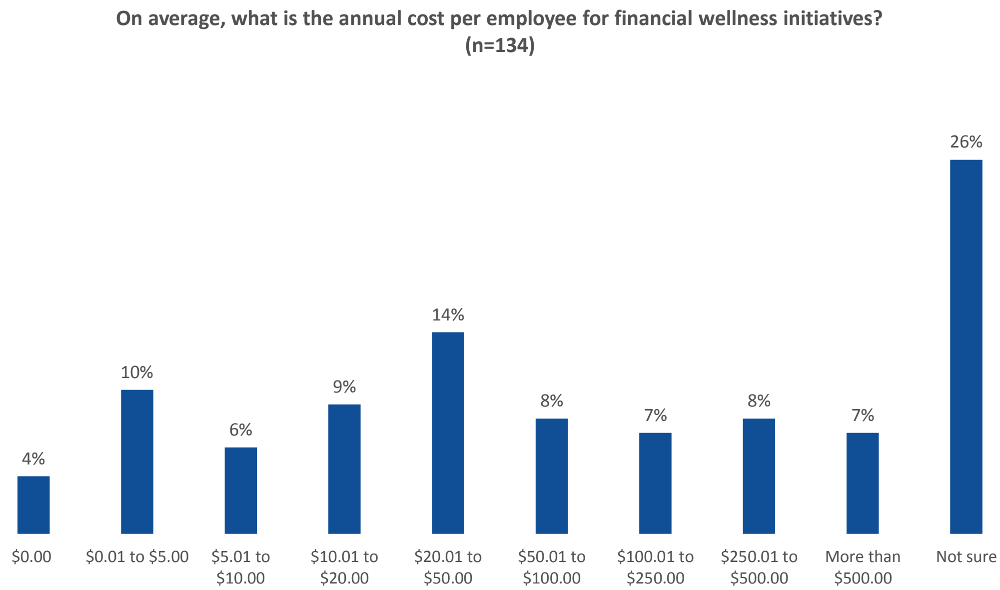


Figure 21
Cost of Financial Wellness Initiatives



Measuring Success of the Initiatives

Measures used to evaluate the success of financial wellness initiatives ranged from specific (improved employee retention) to quite broad (improved overall worker satisfaction). Improved overall worker satisfaction scored as the top measure of financial wellness initiatives with 39 percent, closely followed by reduced employee financial stress (Figure 22). Worker satisfaction with the financial wellness initiatives and improved employee retention tied for third place with 33 percent each.

For health care companies, improved employee use of existing retirement plans scored the highest as the measure of success of financial wellness initiatives. For education and manufacturing, reduced employee financial stress scored the highest.

Conclusion

Financial wellbeing has become something of a hot-button issue in the workplace. Thirty percent of workers report worrying about finances at work. And, many important factors were correlated with this worrying. For example, nearly three quarters (71 percent) of those who said debt was a major problem worried about finances at work, compared with just 9 percent of those who said debt was not a problem. More than half (55 percent) of those who were not confident about living comfortably in retirement were worried about finances at work vs. just 7 percent of those who were very confident.[2] According to the Retirement Confidence Survey, nearly 2 in 3 workers called debt a major or minor problem and more than 4 in 10 said it's negatively impacting their ability to save for retirement.[3] Moreover, when

[2] Craig Copeland. "Perceived Helpfulness of Financial Well-being Programs: Results From the 2017 and 2018 Retirement Confidence Surveys." *EBRI Issue Brief*, no. 457 (Employee Benefit Research Institute, Aug 20, 2018).
[3] Employee Benefit Research Institute and Mathew Greenwald & Associates. *2018 Retirement Confidence Survey*. Washington, DC: Employee Benefit Research Institute, 2018.

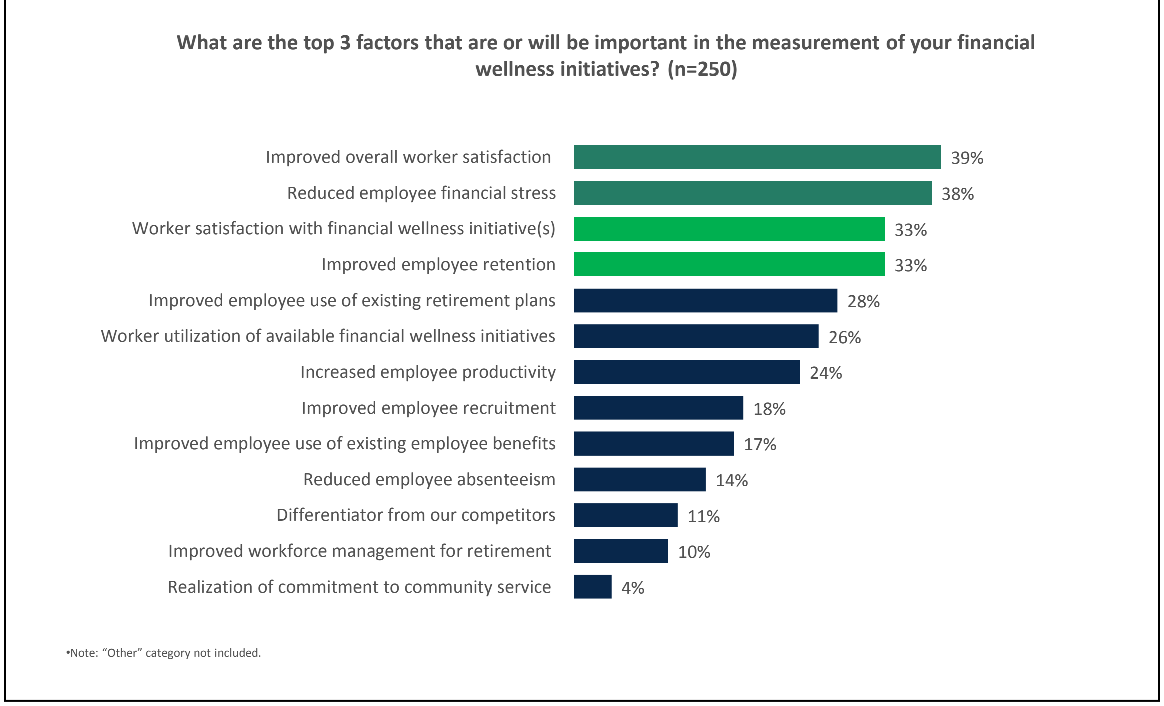
it comes to specific debt, the percentage of American families with student loan debt has increased from 10.5 percent in 1992 to 22.3 percent in 2016. This debt was much higher for families with younger heads. For families with heads ages less than 35, 44.8 percent had student loan debt in 2016, compared with 12.9 percent for families with heads ages 55–64.[4]

It is therefore not surprising that employers are interested in initiatives intended to improve the financial wellbeing of their workers. However, as the EBRI survey shows, even employers active in this area are clearly in the initial phases of evaluating employees' financial wellness, implementing financial wellness programs, and measuring their success. They appear to be defining financial wellness fairly broadly, including the needs that should be addressed. They cite numerous considerations, including challenges in making the business case to management of justifying the cost of the initiatives — which is often borne by the employer. However, many — especially those currently offering such programs — believe that the majority of their employees would be eligible or likely make use of these benefits.

Policymakers appear to have a role in this area as well. For example, the IRS recently issued a private letter ruling responding to a plan sponsor's request to allow a defined contribution plan to receive tax-advantaged student loan matching contributions. In Britain, the National Employment Savings Trust (NEST) (the UK's nationwide, public-option, auto-enrolled defined contribution plan) is testing out a "sidecar" savings account as a source of emergency cash that would ride beside a worker's retirement account.

In its recent reports, the BCFP concludes: "Financial well-being is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life." By this definition, the measure of success of such initiatives is their ability to help workers find balance between today's financial needs and tomorrow's financial goals.

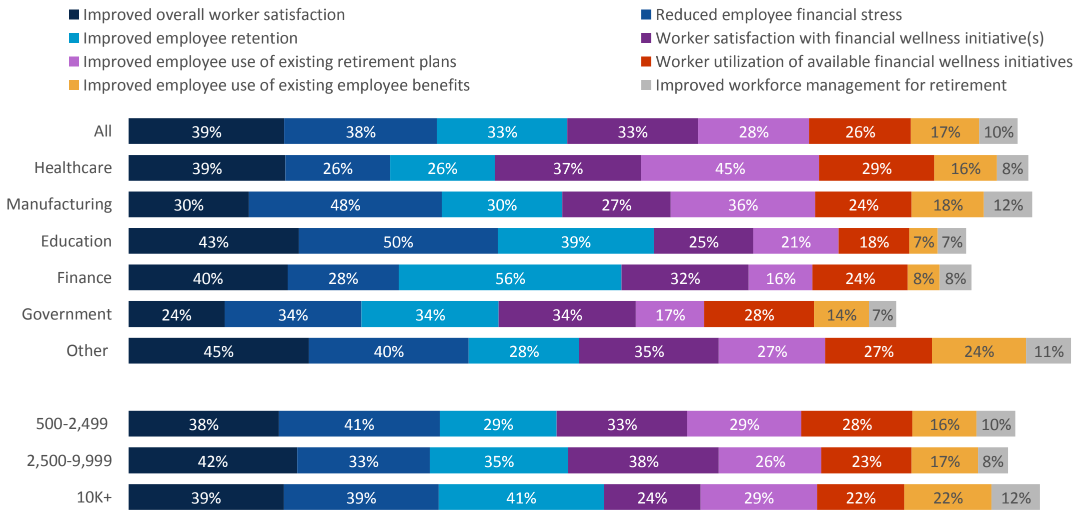
Figure 22
Top Factors in Measuring Financial Wellness Initiatives



[4] Craig Copeland, "Student Loan Debt: Trends and Implications," *EBRI Issue Brief*, no. 453 (Employee Benefit Research Institute, July 9, 2018).

Figure 23
Measuring Success of Financial Wellness Initiatives, by Industry

What are the top 3 factors that are or will be important in the measurement of your financial wellness initiatives? Please select your top three. (n=250)



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