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2019 Employer Approaches to Financial Wellbeing Solutions

By Lori Lucas, CFA, and Jack VanDerhei, Ph.D., Employee Benefit Research Institute

AT A GLANCE

Wellbeing programs have been in the workplace for many years, as employers have sought to manage health care costs by engaging employees in proactively taking control of their wellness through lifestyle programs and other efforts.

More recently, this approach has begun to extend to financial wellbeing, with employers seeking to engage employees in not just retirement savings but student loan debt, emergency liquidity needs, budgeting, and more. Financial wellness can incorporate financial education and financial literacy but often goes beyond these more traditional approaches to include helplines, coaching, wellbeing assessments, challenge programs, and even financial wellness communities to help workers with overall financial wellness. There may also be more specific solutions such as debt evaluation and refinancing and debt payment matching services, which are focused on specific financial stressors such as student loan debt, and early wage access and low cost credit access, which focus on emergency needs. In fact, the ways that employers are engaging employees in the area of financial wellness — and even defining financial wellness and how to measure it — vary greatly. Some employers are focusing on demographics that they believe are financially stressed in specific ways (e.g., student loan debt); others are taking a more holistic approach to employees' financial wellbeing. Many, however, are just beginning to get their arms around best practices in this area.

In EBRI's 2019 Employer Approaches to Financial Wellbeing Solutions Survey, EBRI asked employers to define what they mean by employee financial wellness, what issues they are trying to solve for, what types of solutions they are providing, and even why they are so focused on the area of financial wellbeing, their motivations, and what constitutes success.

Conducted in June of 2019, the survey focused on companies with at least 500 employees where respondents expressed at least some level of interest in offering financial wellness programs.

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

Key Findings

- A key criterion for participating in the survey was that employer respondents were screened to ensure that had some interest in offering financial wellness initiatives. Among respondents:
    - More than half reported currently offering financial wellness initiatives to employees (51 percent).
    - Another 20 percent were actively implementing and 29 percent were interested in implementing such initiatives.
    - This compares with 2018, where 12 percent were actively implementing and 34 percent were interested in implementing such initiatives.
- There was little consensus on what financial wellbeing looks like.

- Definitions varied:
    - Just over a third (34 percent) defined financial wellbeing as having access to assistance and resources that enable good financial decisions.
    - Another 3 in 10, however, defined it as being comfortable or financially secure overall.
    - Coming in third at 21 percent was the definition of being equipped to achieve retirement security through planning and saving.
- Top issues faced by employees that financial wellness initiatives are meant to address also varied:
    - Eleven percent of employers cited effective utilization of existing benefits.
    - One in ten cited budgeting and money management.
    - Nine percent cited health care costs.
    - However, preparing for retirement was clearly the most common at 40 percent.

- Financial wellness offerings often remain focused on traditional benefits:
    - The top four financial wellbeing initiatives cited were fairly traditional benefits such as tuition reimbursement (64 percent), financial planning education (60 percent), employee assistance programs (EAPs) (55 percent), and basic money management tools (49 percent).
    - However, EAPs became less prevalent as financial wellness initiatives in this year's survey compared with 2018.
    - Firms offered an average of 4.2 financial wellness benefits.
    - Employers cite a link between wellness and financial wellness. Seventy-four percent of those offering health insurance or wellness programs viewed them as part of their financial wellness programs.
- A third (34 percent) of employers reported either currently offering student loan debt assistance (11 percent) or planning to offer (24 percent) such initiatives.
    - Traditional approaches such as loans offered through the employer-sponsored retirement plan were the most common approach to offering this benefit (39 percent).
    - Student loan debt payment counseling or education ranked number two in prevalence at 27 percent of those offering.
    - A surprisingly large number reported actively helping workers pay down student loan debt either via matching 401(k) contributions tied to employees' student loan payment (25 percent) or through loan payment subsidies paid by the employer (15 percent).
    - Among those offering a student loan debt assistance program, the average number of such benefits offered was 2.3.
- Employer assistance with emergency funds or liquidity needs is on the rise.
    - More employers reported offering payroll advances in 2019 than in 2018 (17 percent and 12 percent, respectively).
    - However, those offering emergency funds or employee hardship assistance in 2019 were in line with 2018 at 28 percent.

- The most common type of emergency assistance offered was an employee relief or compassion fund (44 percent), followed by part-time donations or leave-sharing (36 percent) and matching contributions to employees' personal accounts (35 percent).
- Among those that already offer an emergency fund, the average number of such benefits offered was 2.5.

- When it comes to motivations for offering financial wellness benefits, the top reasons given by employers were consistent with reasons given in 2018.
  - Overall worker satisfaction: 46 percent (vs. 54 percent in 2018).
  - Reduced financial stress: 42 percent (vs. 48 percent in 2018).
  - Improved employee retention: 35 percent (vs. 47 percent in 2018).
  - Improved employee use of existing benefits: 35 percent (vs. 34 percent in 2018).
- Employers are measuring financial wellbeing success according to:
  - Worker satisfaction.
  - Use of retirement benefits.
  - Reduced stress.
- As in 2018, the most common approach to understanding employees' financial wellbeing needs was examining existing data:
  - Sixty-two percent of firms have examined existing employee benefit data.
  - Fifty-three percent have examined health-related data
  - One third (32 percent) have done a financial wellness needs assessment
- Only 1 in 4 (23 percent) have created a score or metric. The characteristics of employers that created a financial wellbeing score or metric were (vs. those that haven't):
  - More likely to offer a holistic financial wellness program — 56 percent vs. 38 percent for those not planning on creating such a score or metric.
  - Much more likely to have a high level of concern about their employees' financial wellbeing—33 percent vs. 15 percent for those not planning on creating such a score or metric.
  - Much more likely to have a high number (six or more) of financial wellbeing offers — 56 percent vs. 15 percent of those not planning on creating such a score or metric.
  - More likely (33 percent) to express a high level of concern about employees' financial wellbeing.
- Only 6 percent of employers reported that financial wellbeing initiatives are entirely paid by the employee.
  - Instead, financial wellbeing initiatives were primarily either fully funded by the employer (46 percent) or a shared cost between employer and employee (48 percent).
  - Annual costs per employee varied by industry.

Lori Lucas, CFA, is President and CEO of the Employee Benefit Research Institute (EBRI). Jack VanDerhei is Director of Research at EBRI. This *Issue Brief* was written with assistance from the Institute's research and editorial staffs. Any views expressed in this report are those of the author 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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2019 Employer Approaches to Financial Wellbeing Solutions

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Introduction

Wellbeing programs have been in the workplace for many years, as employers have sought to manage health care costs by engaging employees in proactively taking control of their wellness through lifestyle programs and other efforts.

More recently, this approach has begun to extend to financial wellbeing, with employers seeking to engage employees in not just retirement savings but student loan debt, emergency liquidity needs, budgeting, and more. Financial wellness can incorporate financial education and financial literacy but often goes beyond these more traditional approaches to include helplines, coaching, wellbeing assessments, challenge programs, and even financial wellness communities to help workers with overall financial wellness. There may also be more specific solutions such as debt evaluation and refinancing and debt payment matching services, which are focused on specific financial stressors such as student loan debt, and early wage access and low cost credit access, which focus on emergency needs. In fact, the ways that employers are engaging employees in the area of financial wellness — and even defining financial wellness and how to measure it vary greatly. Some employers are focusing on very specific demographics that they believe are financially stressed in specific ways (e.g., student loan debt); others are taking a more holistic approach to employees' financial wellbeing. Many, however, are just beginning to get their arms around best practices in this area.

In EBRI's 2019 Employer Approaches to Financial Wellbeing Solutions Survey, EBRI asked employers that reported being — at a minimum — interested in financial wellness initiatives for their employees to define what they mean by employee financial wellness, what issues they are trying to solve for, what types of solutions they are providing, and even why they are so focused on the area of financial wellbeing, their motivations, and what constitutes success.

Information for this report was collected from a 15-minute online survey by Mathew Greenwald and Associates, with 248 full-time benefits decision-makers, conducted in June 2019. 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 Wellbeing Survey is shown when applicable.

Conducted in June of 2019, the survey focused on companies with at least 500 employees where respondents reported at least being interested in offering financial wellness programs.[1]

Survey Respondent Demographics

Employer Approaches to Financial Wellbeing Solutions respondents were almost equally divided between firms with between 500 and 2,499 employees and those with 2,500 or more employees. Just over a quarter (29 percent) worked at firms with 2,500–9,999 employees, while 17 percent came from firms with over 10,000 employees. The most common industries within respondent firms were health care and social assistance (14 percent), manufacturing (12 percent), retail trade (11 percent), finance and insurance (10 percent), and educational services (10 percent).

[1] Employers were asked: "Which statement most accurately reflects your company's current approach in offering financial wellness initiatives to employees?" Only those that said they were currently offering financial wellness initiatives, actively implementing financial wellness initiatives, or interested in financial wellness initiatives were included in the survey.

Almost half of respondents (47 percent) were either human resources managers or human resources officers (30 percent and 17 percent, respectively), with other common respondent job positions being senior executive (16 percent) and compensation and benefits manager (10 percent). Respondents were largely those with a significant amount of say in their firm's financial wellness offerings. Nearly half (49 percent) were final decision-makers or made formal recommendations to senior management for employee benefits programs overall, with a slightly smaller proportion having the same role for financial wellness offerings specifically (42 percent). Many also said they had a lot of influence on decisions around employee benefits programs generally or financial wellness offerings specifically (36 percent and 34 percent, respectively).

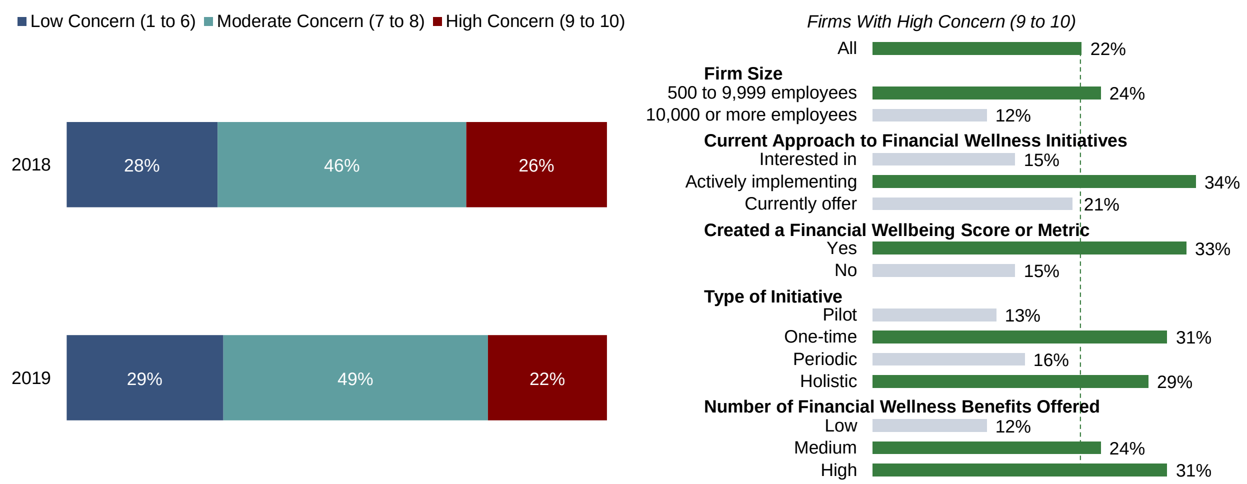
Responding employers generally rated employee satisfaction with the offered benefits package to be high, with 56 percent of respondents saying employees were extremely or very satisfied. Only 4 percent reported employees being not too or not at all satisfied with their benefits package.

Concerns About Employee Financial Wellbeing

Despite reporting at least a certain level of interest in financial wellness initiatives for employees, most respondents noted either a moderate (49 percent) or low (29 percent) level of concern about employees' financial wellbeing. Just under a quarter (22 percent) noted a high level of concern (Figure 1). As noted in 2018, more than half, or 51 percent, reported currently offering financial wellness initiatives. (This is down from 54 percent in 2018, but the difference is not statistically significant.) One in five (20 percent) respondents said they were actively implementing and 29 percent were interested in implementing such initiatives (Figure 2). Again, this is roughly in line with 2018 numbers.

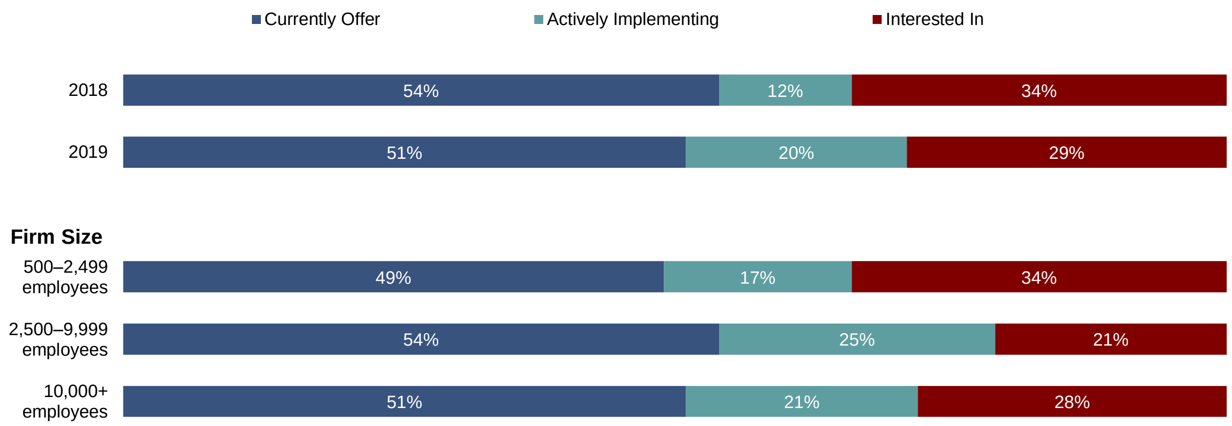
Interestingly, however, there was little consensus around the definition of financial wellbeing among employers. Just over a third (34 percent) defined it as having access to assistance and resources that enable good financial decisions. Another 3 in 10, however, defined it as being comfortable or financially secure overall. Coming in third at 21 percent was the definition of being equipped to achieve retirement security through planning and saving (Figure 3).

Figure 1
Company's Level of Concern Around Employees' Financial Wellbeing



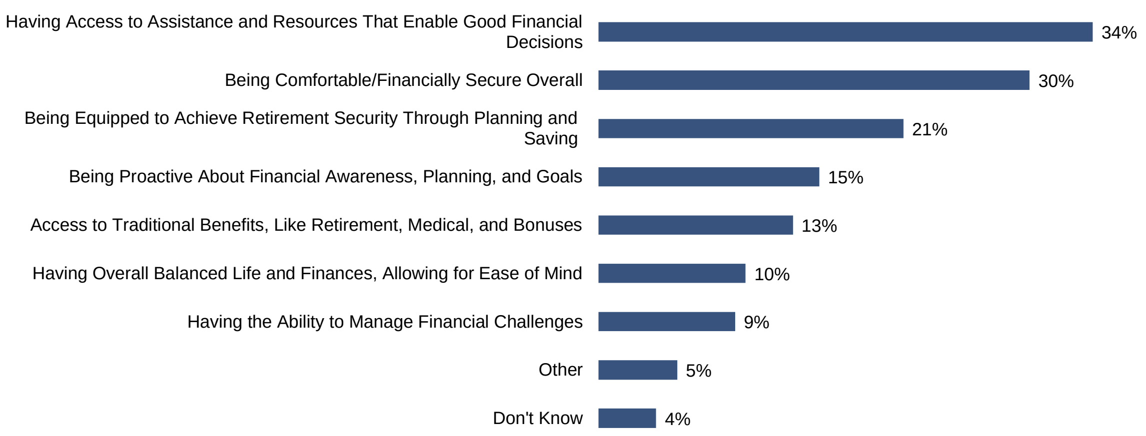
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 2
Approach in Offering Financial Wellness Initiatives



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 3
"Financial Wellness" Definition



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

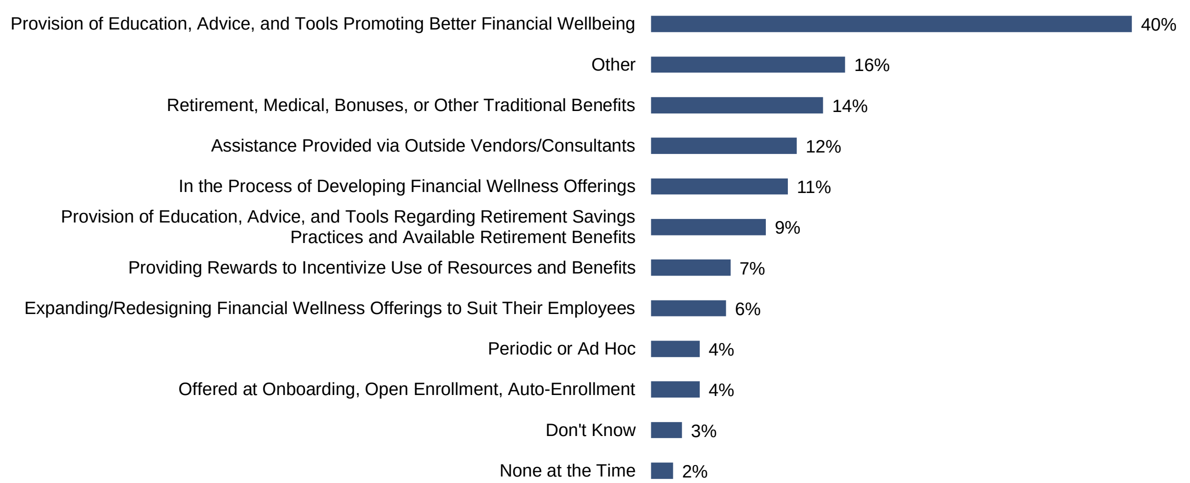
Likewise, as shown in Figure 4, employers also do not agree on a standard approach to financial wellness initiatives. Providing education, advice, and tools promoting better financial wellbeing was most common at 40 percent.

Employers gave many issues they hoped to address with financial wellness initiatives, ranging from effective utilization of existing benefits (11 percent) to budgeting and money management (10 percent) and health care costs (9 percent). However, preparing for retirement was clearly the most common at 40 percent (Figure 5).

Figure 5A shows that preparing for retirement stands out as an issue respondents said their employees face across the board. Respondents from the educational services industry and state and local government were least likely to cite retirement preparation as a top issue, possibly because these sectors are most likely to continue to offer defined benefit plans to their employees. Figures 5B and 5C show that sufficiency of general financial planning (26 percent), budgeting and money management (21 percent), and not saving enough (21 percent) were of greater concern for these workers than for many other sectors.

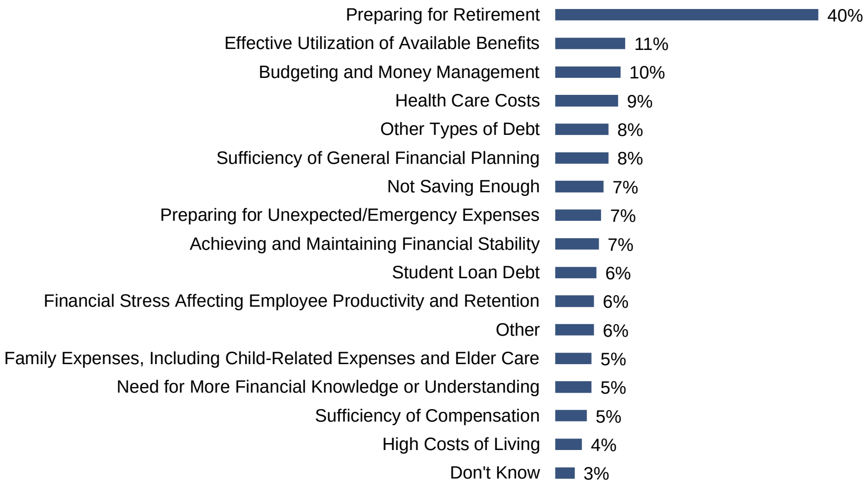
Unsurprisingly, student loan debt was more commonly cited by respondents from the professional, scientific, and technical services sector as a top issue (17 percent), no doubt due to the fact that additional educational attainment required for these fields might result in a greater amount of student loan debt for such workers. In contrast, student loan debt was not considered an issue by respondents in the retail trade industry or state and local government.

Figure 4
Approach of Financial Wellness Initiatives



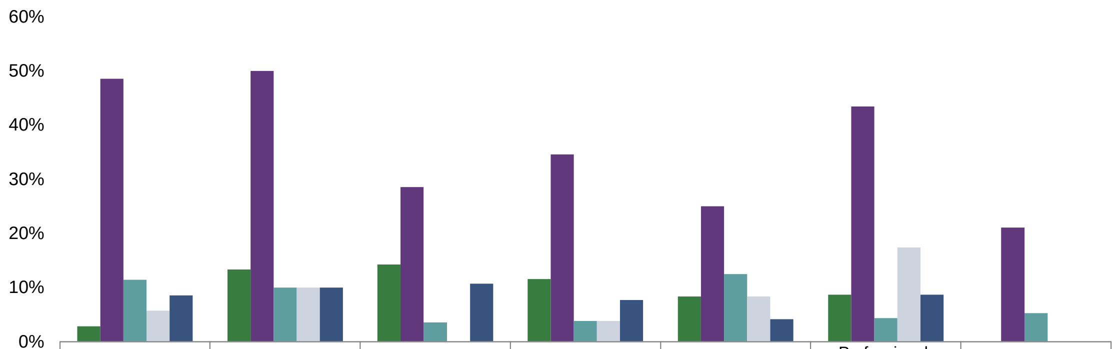
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 5
Top Issues to Address With Financial Wellness Initiatives



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

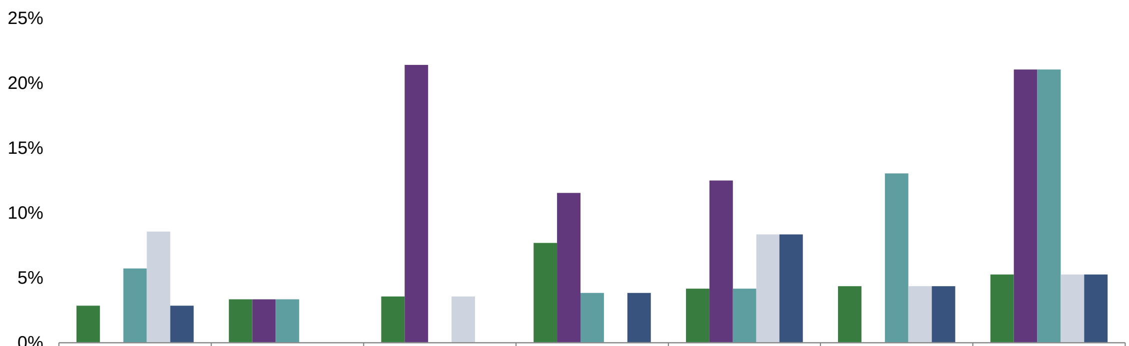
Figure 5A
Top Issues to Address With Financial Wellness Initiatives, by Industry
(Minimum Cell Size = 10)



	Health Care and Social Assistance	Manufacturing	Retail Trade	Finance and Insurance	Educational Services	Professional, Scientific, and Technical Services	Government: State or Local
Effective Utilization of Available Benefits	3%	13%	14%	12%	8%	9%	0%
Preparing for Retirement	49%	50%	29%	35%	25%	43%	21%
Preparing for Unexpected/Emergency Expenses	11%	10%	4%	4%	13%	4%	5%
Student Loan Debt	6%	10%	0%	4%	8%	17%	0%
Other Types of Debt	9%	10%	11%	8%	4%	9%	0%

Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

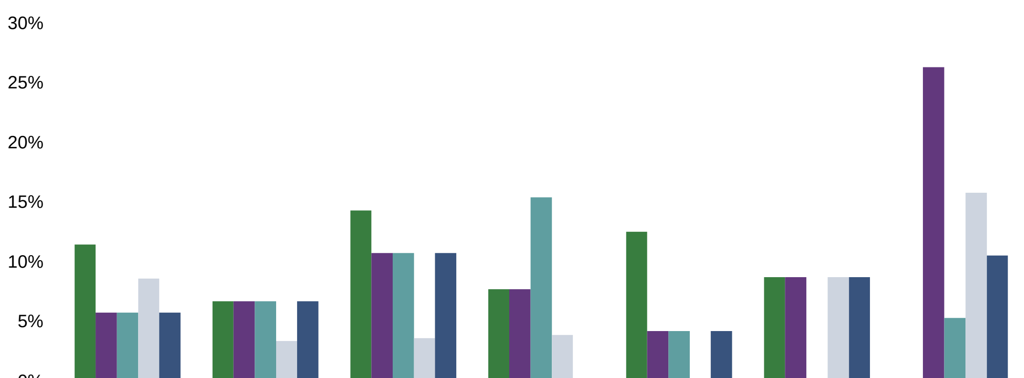
Figure 5B
Top Issues to Address With Financial Wellness Initiatives, by Industry
(Minimum Cell Size = 10)



	Health Care and Social Assistance	Manufacturing	Retail Trade	Finance and Insurance	Educational Services	Professional, Scientific, and Technical Services	Government: State or Local
Sufficiency of Compensation	3%	3%	4%	8%	4%	4%	5%
Budgeting and Money Management	0%	3%	21%	12%	13%	0%	21%
Not Saving Enough	6%	3%	0%	4%	4%	13%	21%
Family Expenses, Including Child-Related Expenses and Elder Care	9%	0%	4%	0%	8%	4%	5%
High Costs of Living	3%	0%	0%	4%	8%	4%	5%

Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 5C
Top Issues to Address With Financial Wellness Initiatives, by Industry
(Minimum Cell Size = 10)



	Health Care and Social Assistance	Manufacturing	Retail Trade	Finance and Insurance	Educational Services	Professional, Scientific, and Technical Services	Government: State or Local
Health Care Costs	11%	7%	14%	8%	13%	9%	0%
Sufficiency of General Financial Planning	6%	7%	11%	8%	4%	9%	26%
Need for More Financial Knowledge or Understanding	6%	7%	11%	15%	4%	0%	5%
Financial Stress Affecting Employee Productivity and Retention	9%	3%	4%	4%	0%	9%	16%
Achieving and Maintaining Financial Stability	6%	7%	11%	0%	4%	9%	11%

Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

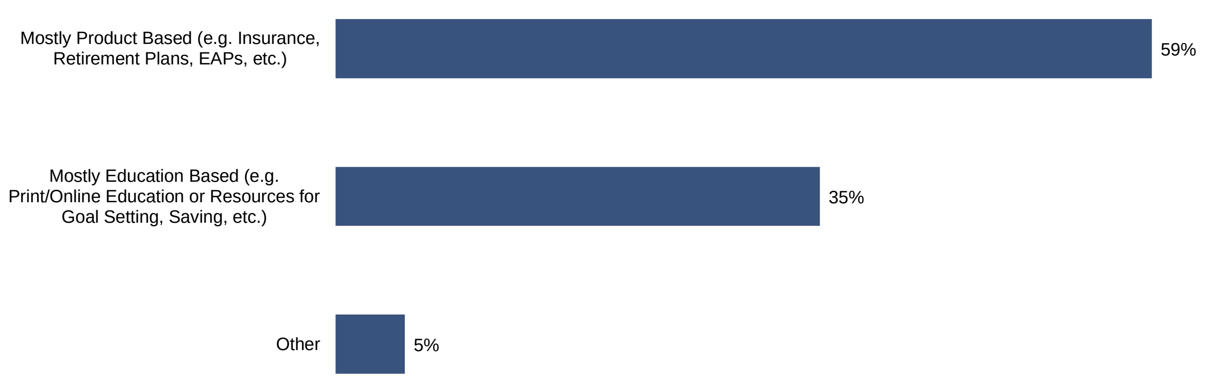
The majority of employers noted that their financial wellness offerings were product based (59 percent), which was described as insurance, retirement plans, emergency assistance programs, and the like. In contrast, just over a third (35 percent) described their financial wellness offerings as mostly education based, such as print/online education or resources for goal setting, saving, etc. (Figure 6).

By industry, a much larger proportion of respondents from the health care and social assistance industry and the educational services industry replied that they were primarily offering product-based as opposed to education-based financial wellness offerings (Figure 6A). By size, there isn't a clear-cut impact: For the two very smallest size cohorts and for the very largest size cohort, a higher proportion report offering primarily product-based as opposed to education-based financial wellness initiatives (Figure 6B).

Finally, we break out those employers that stated whether or not their financial wellness initiatives were focused on (Figure 6C). Perhaps unsurprisingly, those that noted retirement as a top issue that financial wellness initiatives are designed to address were more likely to characterize their offerings as product based — such as a retirement plan — vs. those that did not cite retirement as a top issue to be addressed (64 percent and 57 percent, respectively)

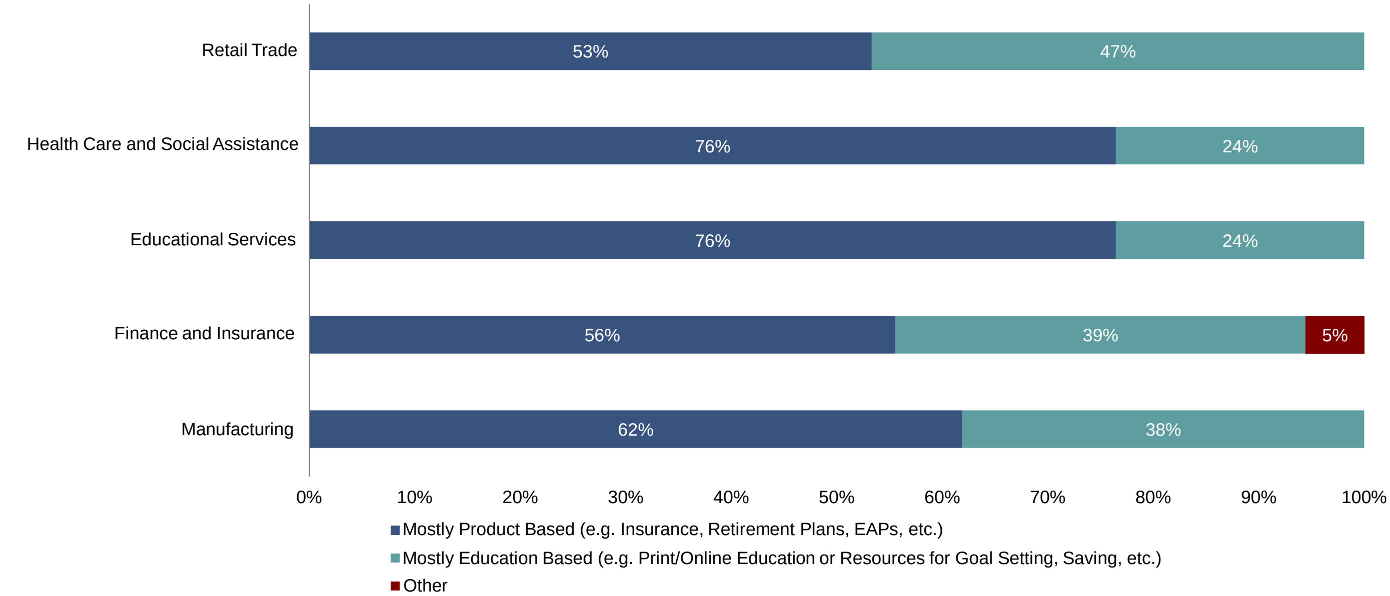
One major change from 2018 was the proportion of employers that described their financial wellness programs as holistic: Just 16 percent said their plans were holistic in 2018 compared with 42 percent in 2019 that said the same. However, this is explained by a change in the way the question was asked: 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. Those with a high level of concern about employees' financial wellbeing were most likely to offer a holistic program. Periodic or ad hoc campaigns were the second most common approach to offering such programs at 30 percent (Figure 7).

Figure 6
Type of Financial Wellness Offerings



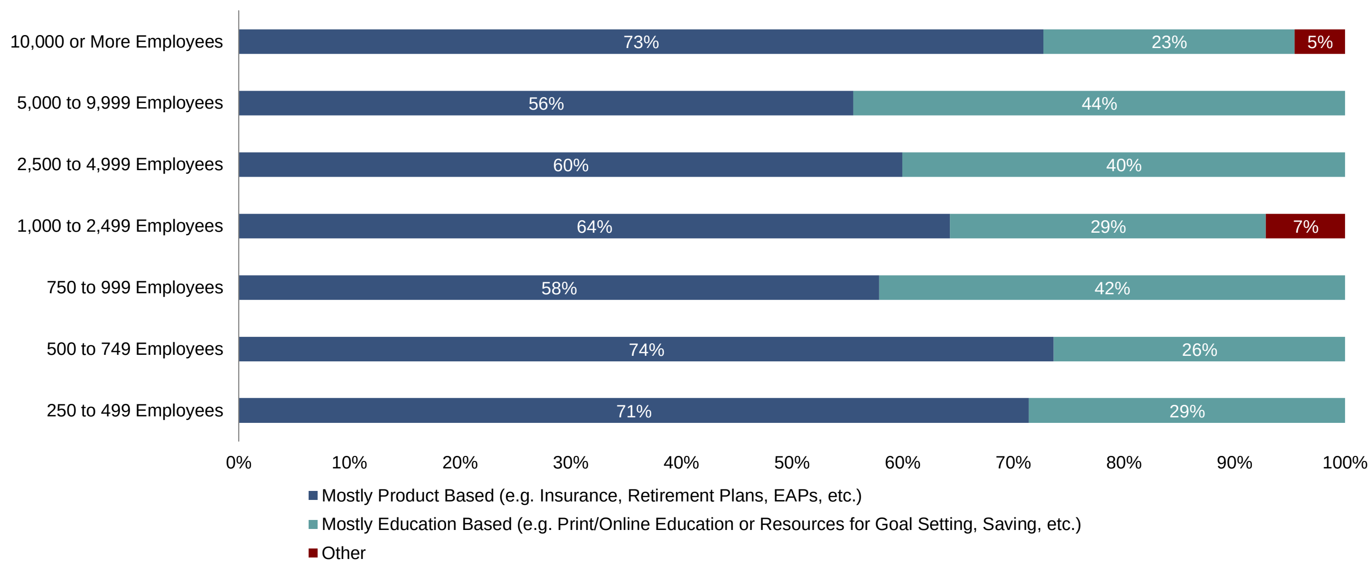
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 6A
Type of Financial Wellness Offerings, by Industry
(Minimum Sample Size = 10)



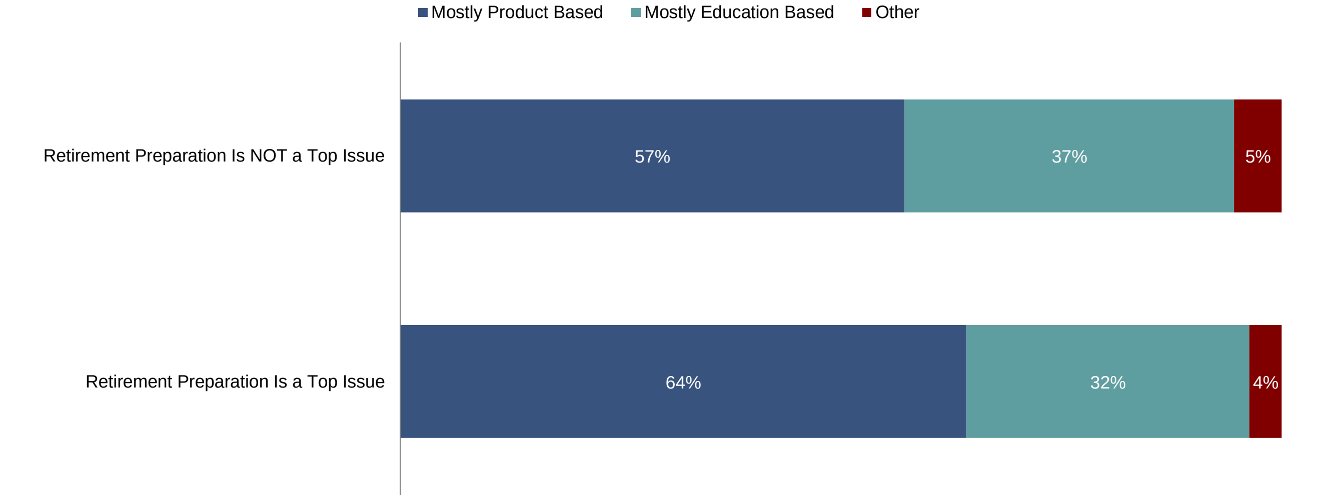
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 6B
Type of Financial Wellness Offerings, by Total Number of U.S. Employees in Company
(Minimum Sample Size = 12)



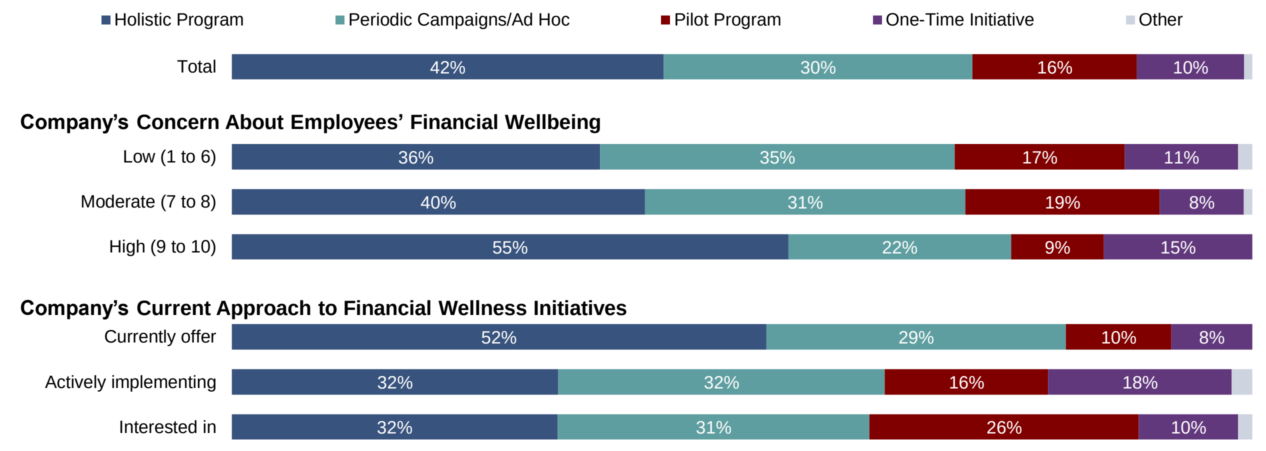
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 6C
Type of Financial Wellness Offerings, by Whether Retirement Preparation Is a Top Issue



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 7
Primary Approach in Offering Financial Wellness Initiatives



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Programs Offered

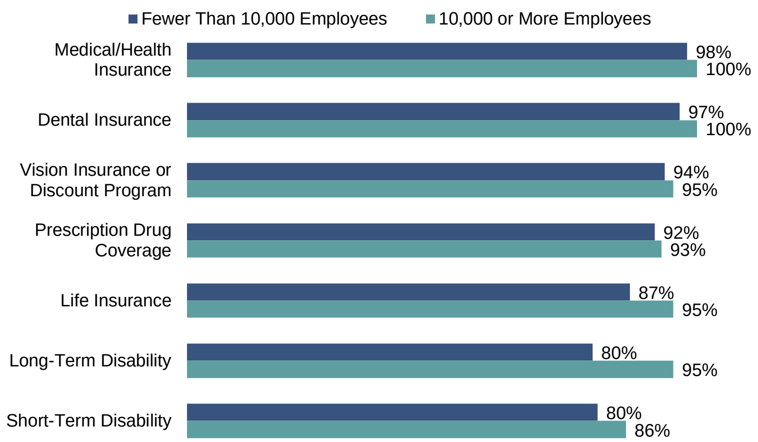
The vast majority of companies surveyed offered comprehensive medical insurance, including dental insurance, vision insurance, and prescription drug coverage (Figure 8). And as shown in Figure 9, most reported tying their health benefits to wellness programs (60 percent), similar to 2018 (63 percent). Further, when asked specifically if a traditional benefit was considered to be part of a firm's financial wellness initiative, many employers cited a link between wellness and financial wellness: 74 percent of those offering health insurance or wellness programs viewed them as part of their financial wellness programs (Figure 10).

Figure 11 shows that while time-off benefits are commonly viewed as part of employers' financial wellness programs among those offering them, most often these were paid time off (92 percent) vs. flexible work arrangements (59 percent) or paid family/eldercare leave (38 percent).

Two-thirds (67 percent) of employers offering employee assistance programs (EAPs) viewed them as being part of their financial wellness program (Figure 10). However, nearly a quarter of employers (23 percent) reported that they did not offer EAPs (Figure 12). Figure 13 shows that among those offering various financial wellness initiatives, those benefits most commonly associated with EAPs were debt management services (35 percent), personalized credit/debt counseling, coaching, or planning (35 percent), and basic money management tools (34 percent).

All reported offering a retirement plan, with virtually all offering a defined contribution plan — generally a 401(k) plan (76 percent). Retirement benefits were most likely to be considered part of the financial wellness benefits offered, which is consistent with preparing for retirement being a top issue employers sought to address with their financial wellness programs (Figure 10).

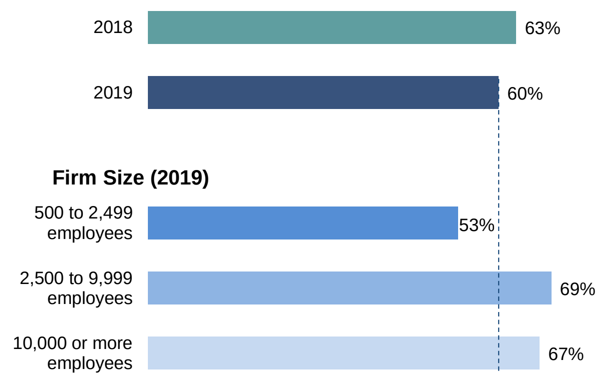
Figure 8
Medical Benefits Offered



	Total 2018	Total 2019
Medical/Health Insurance	100%	98%
Dental Insurance	97%	97%
Vision Insurance or Discount Program	92%	94%
Prescription Drug Coverage	94%	92%
Life Insurance	93%	88%
Long-Term Disability	86%	82%
Short-Term Disability	83%	81%

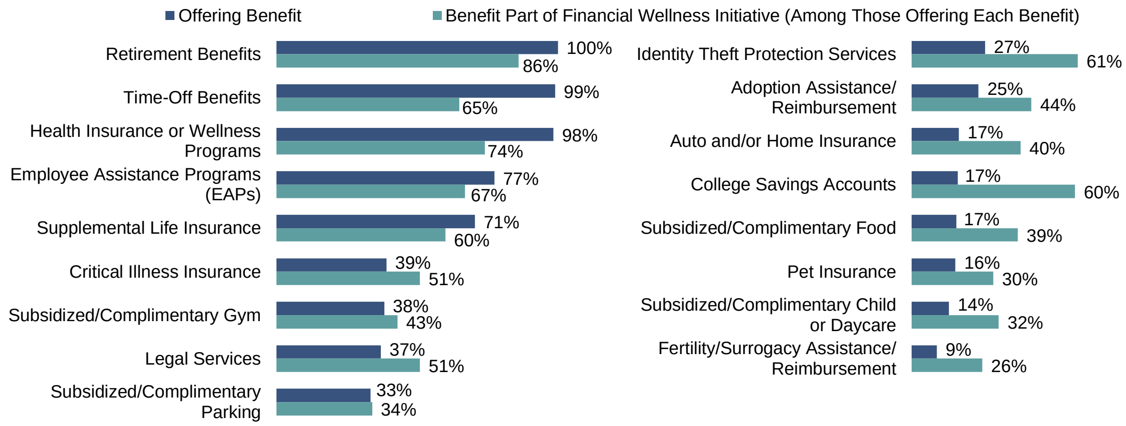
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 9
Health Benefits Tied to Wellness Program
Among Those Offering Health Insurance



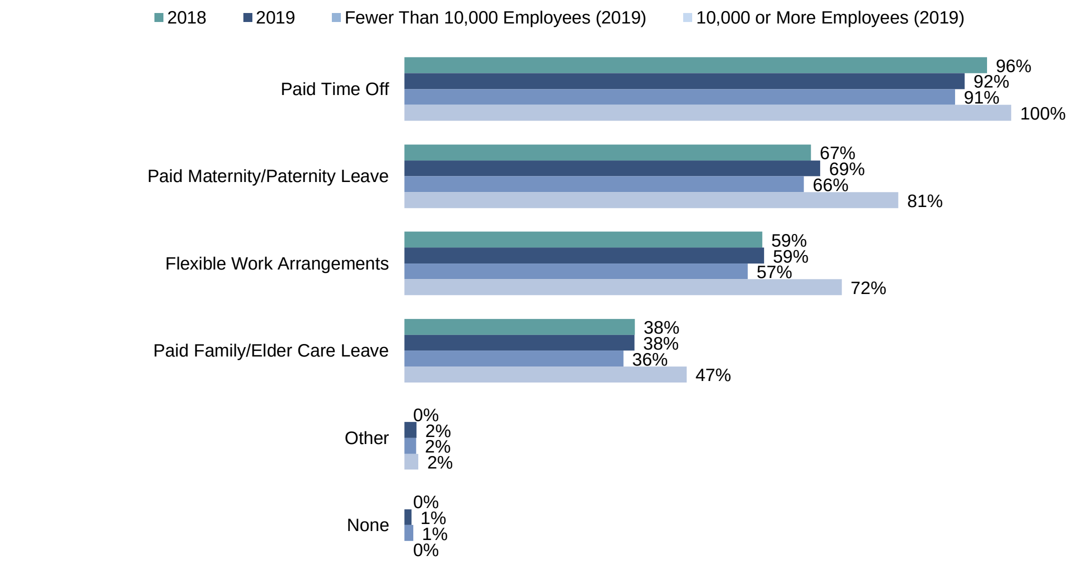
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 10
Benefits Considered Part of Financial Wellness Initiatives



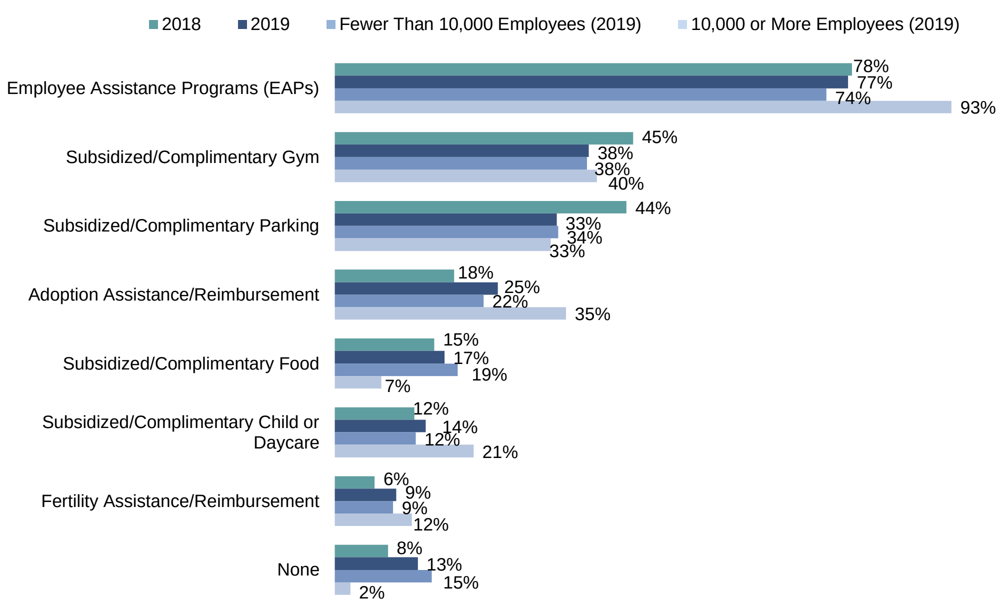
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 11
Time-Off Benefits Offered as Part of Employee Wellness Programs



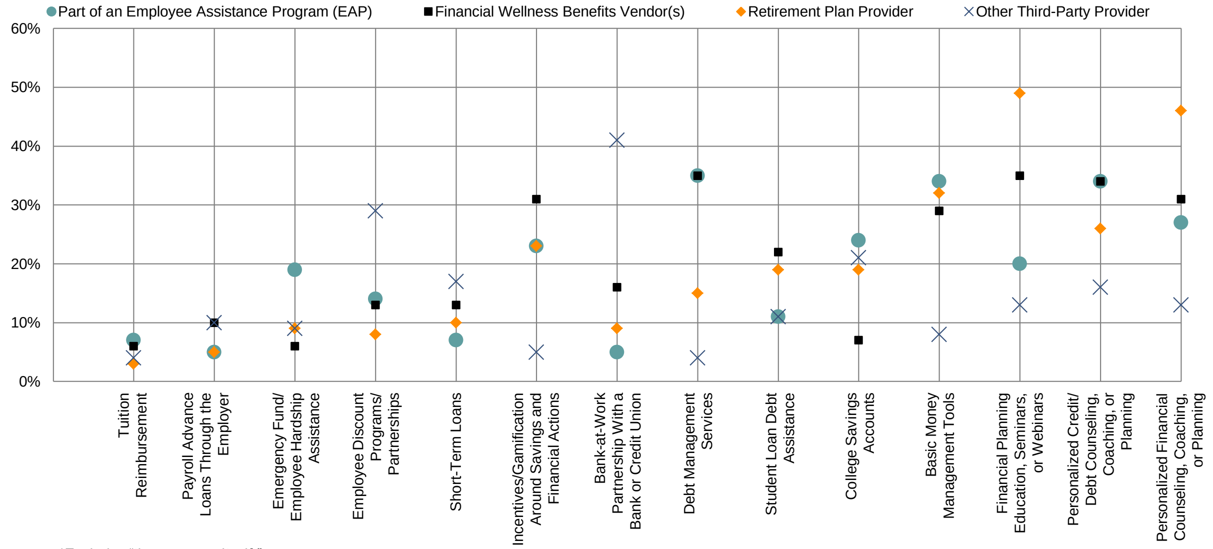
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 12
Work–Life Benefits Offered



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 13
Outside Providers of Benefits Offered*
Among Those Offering Each Benefit



*Excludes "the company itself."
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

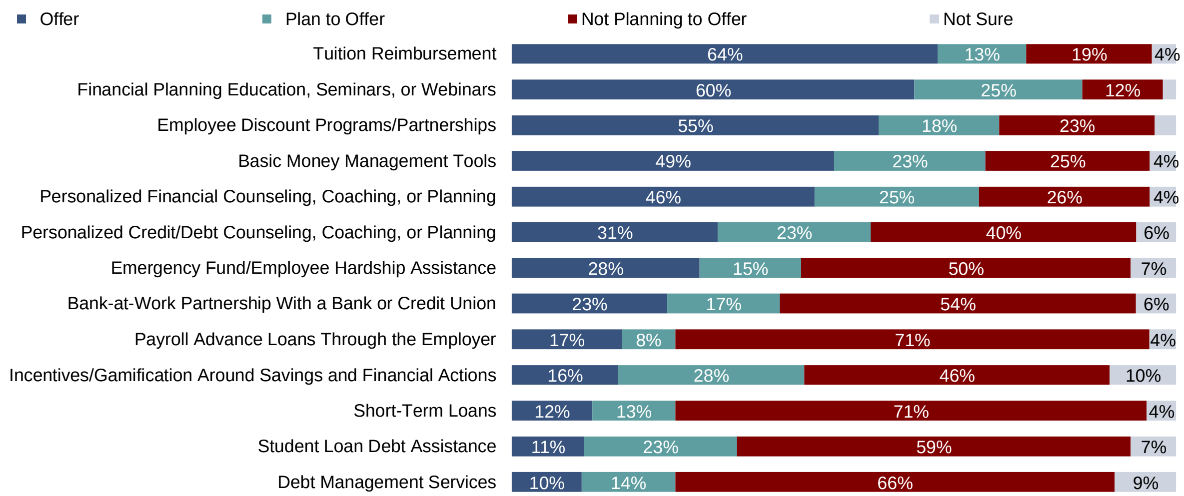
Figure 14 shows that the top four financial wellbeing initiatives cited are fairly traditional benefits: tuition reimbursement (64 percent), financial planning education (60 percent), EAPs (55 percent), and basic money management tools (49 percent). However, EAPs became less prevalent as financial wellness initiatives in this year's survey compared with 2018, when 72 percent reported offering such programs as financial wellbeing benefits (Figure 15). Among the more cutting-edge financial wellness solutions, incentives/gamification around savings and financial actions and student loan debt assistance were the most likely to be offered in the future (28 and 23 percent, respectively).

Financial planning education, seminars, or webinars were most commonly offered through the retirement plan provider at 49 percent of those offering such programs. This was followed closely by personalized financial counseling, coaching, or planning (46 percent of those offering such programs). Basic money management tools and personalized credit/debt counseling, coaching, or planning rounded out the top at 32 percent and 26 percent of those offering such programs, respectively (Figure 13).

The financial wellness benefits most commonly offered directly by financial wellness benefit vendors were debt management services (35 percent of those offering such programs), financial planning education, seminars, or webinars (35 percent of those offering such programs), personalized credit/debit counseling, coaching or planning (34 percent of those offering such programs), and personalized financial counseling, coaching or planning (31 percent of those offering such programs).

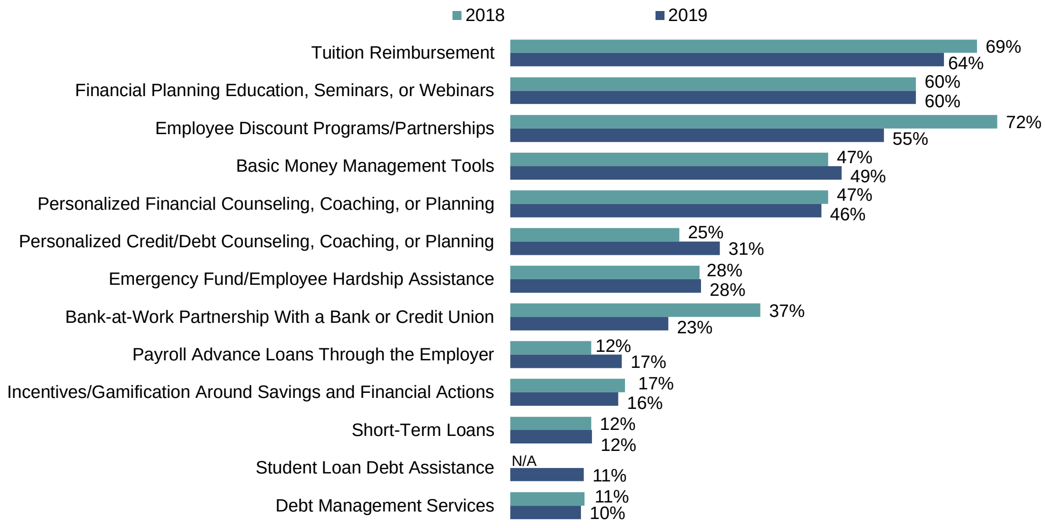
Figure 16 shows that the employer itself was most likely to offer tuition reimbursement programs (88 percent of those with such programs), payroll advance loans (76 percent of those with such programs), and emergency fund/employee hardship assistance (67 percent of those with such programs). They were the least likely to be the ones offering personalized financial counseling, coaching, or planning (24 percent of those offering such programs) or personalized credit/debt counseling, coaching, or planning (26 percent of those offering such programs).

Figure 14
Financial Wellbeing Benefits Offered



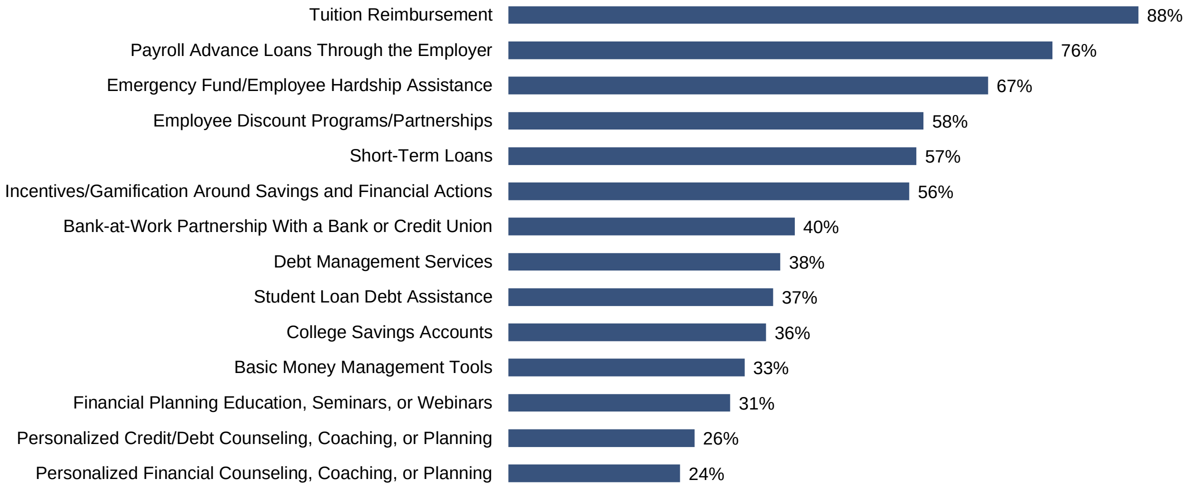
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 15
Financial Wellbeing Benefits Offered, by Year



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 16
Provider of Benefits Offered: The Company Itself
Among Those Offering Each Benefit



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

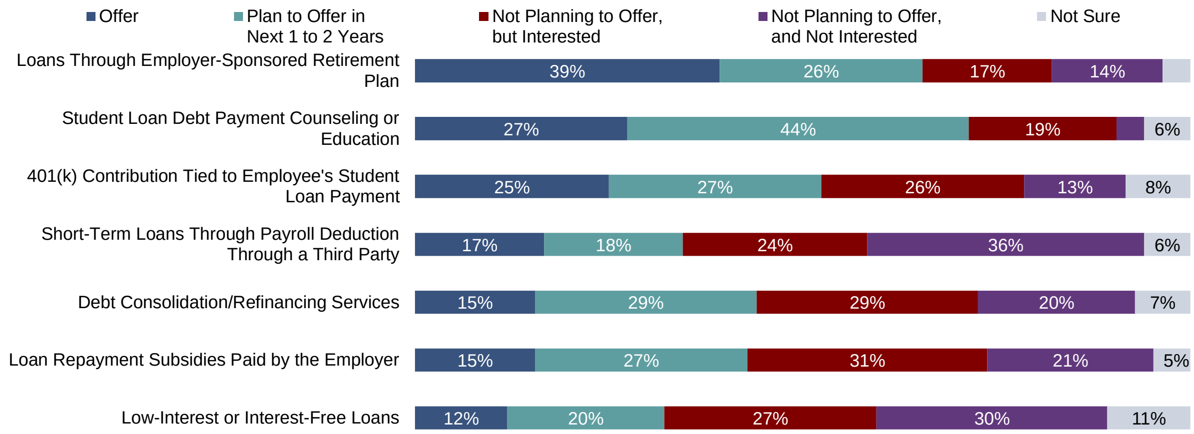
While just 11 percent reported currently offering student loan debt assistance, another 23 percent reported planning to offer such initiatives. While this was in line with the 32 percent of employers that reported either offering or planning to offer student loan debt assistance in 2018, the question was asked in different ways across the two surveys. As shown in Figure 17, traditional approaches, such as loans offered through the employer-sponsored retirement plan, were the most common approach to offering this benefit (39 percent). Student loan debt payment counseling or education ranked number two in prevalence at 27 percent of those offering. However, a surprisingly large number reported actively helping workers pay down student loan debt either via their 401(k) contributions tied to employees' student loan payment (25 percent) or loan payment subsidies paid by the employer (15 percent). Among those offering a student loan debt assistance program, the average number of such benefits offered was 2.3.

More employers reported offering payroll advances in 2019 than in 2018 (17 percent and 12 percent, respectively). This is consistent with employers' expressed concern about issues workers face in waiting a full pay cycle to access their pay. Those offering emergency funds or employee hardship assistance in 2019 were in line with 2018 at 28 percent. As shown in Figure 18, the most common type offered was an employee relief or compassion fund (44 percent), followed by part-time donations or leave sharing (36 percent) and matching contributions to employees' personal accounts (35 percent). Among those that already offered an emergency fund, the average number of such benefits offered was 2.5.

On average, firms offered 4.2 financial wellbeing benefits (Figure 19). Large firms and those with higher concern around financial wellbeing were more likely to offer a higher number of benefits.

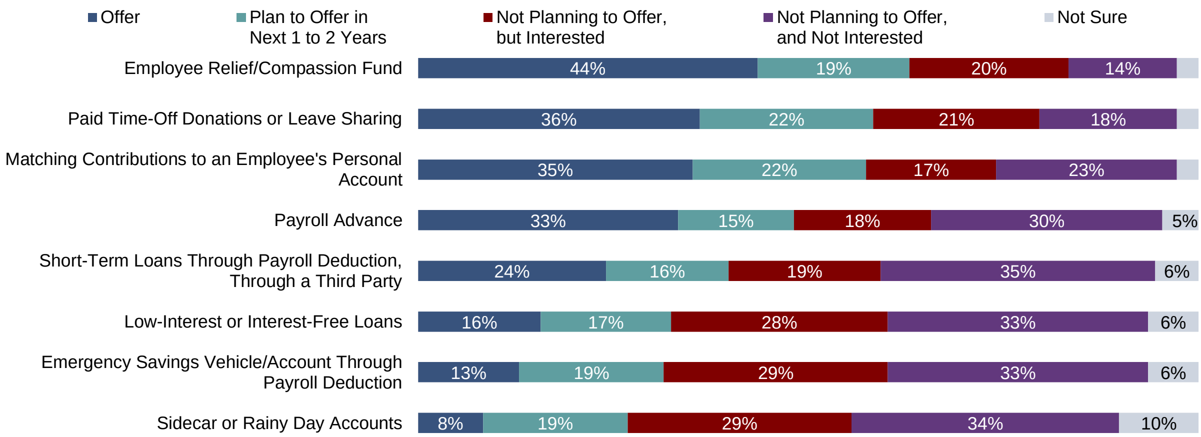
Despite the proliferation of the new breed of behavior-based online or app-based financial wellness initiatives, online algorithm-based benefits decision-making tools were offered by only 17 percent of respondents, compared with 73 percent offering online benefits enrollment and 56 percent offering calculators or tools for retirement savings (Figure 20).

Figure 17
Student Loan Debt Assistance Programs
Among Those Offering or Planning to Offer
Student Loan Debt Assistance Programs



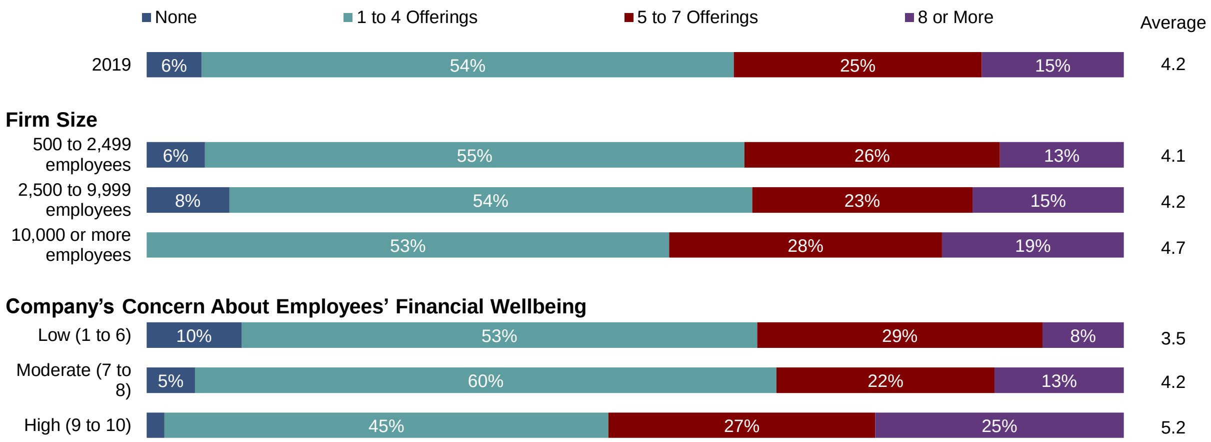
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 18
Emergency Fund or Employee Hardship Assistance Programs
Among Those Offering or Planning to Offer Emergency Fund
or Employee Hardship Assistance Programs



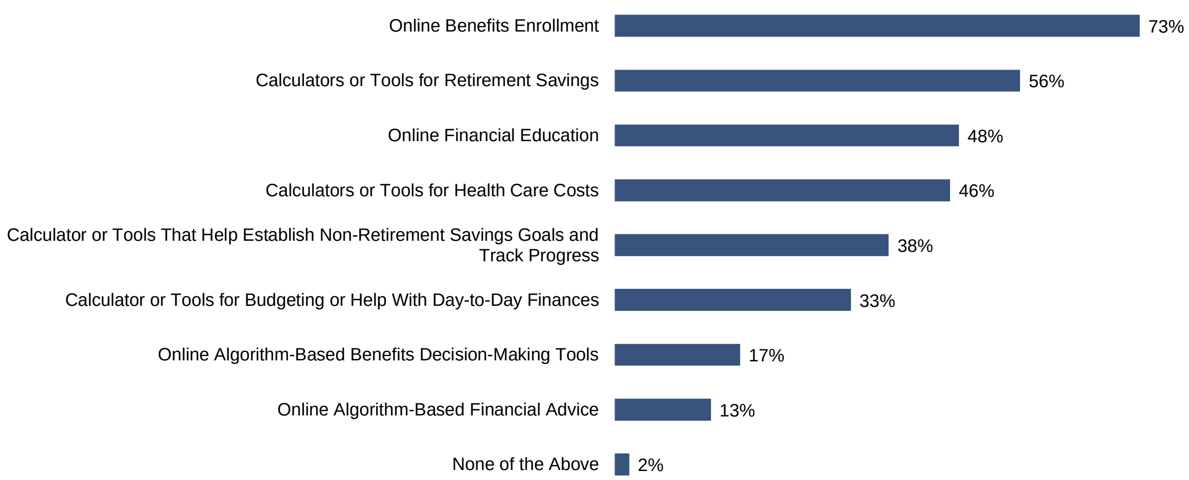
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 19
Number of Financial Wellbeing Benefits Currently Offered



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 20
Online and Mobile Resources Offered



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

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Paying for Financial Wellbeing Initiatives

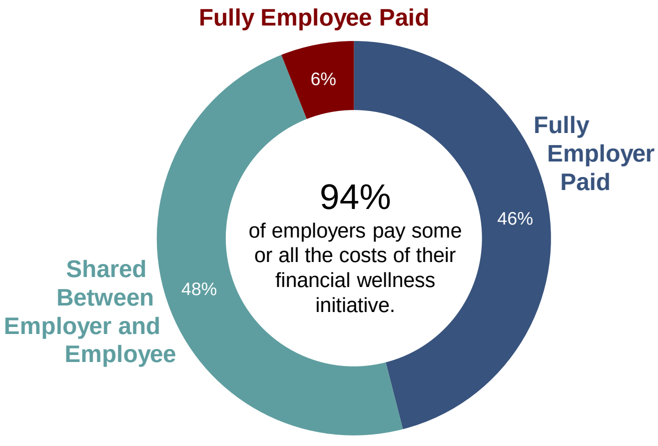
Only 6 percent of employers reported that financial wellness initiatives were entirely paid by the employee (Figure 21). Instead, financial wellness initiatives were primarily either fully funded by the employer (46 percent) or a shared cost between employer and employee (48 percent). By industry, we find that manufacturing; finance and insurance; or professional, scientific, and technical services industries were more likely to offer fully employer-paid financial wellness initiatives than other industries (Figure 21A).

Figure 22 shows that most commonly, the employer is reportedly paying for financial wellness initiatives by negotiating additional services from existing benefits providers (such as retirement plan providers or EAP providers). While 31 percent said they pay for financial wellness benefits by making a new investment in their employees, another 27 percent reported reducing budgets/spending on non-benefit expenses and 19 percent cited reducing budgets/spending on other employee benefits. Notably, companies that fully pay for their financial wellness initiatives were less likely to reduce budgets on other employee benefits, and firms with 10,000 or more employees were less likely to require employee contributions (9 percent vs. 23 percent of those with fewer than 10,000 employees).

In EBRI's 2018 survey, 43 percent of employers offering financial wellness initiatives cited an annual cost per employee of $50 or less. Another 31 percent cited a cost of more than $50, while 26 percent said they were not sure how much their financial wellness initiatives cost.

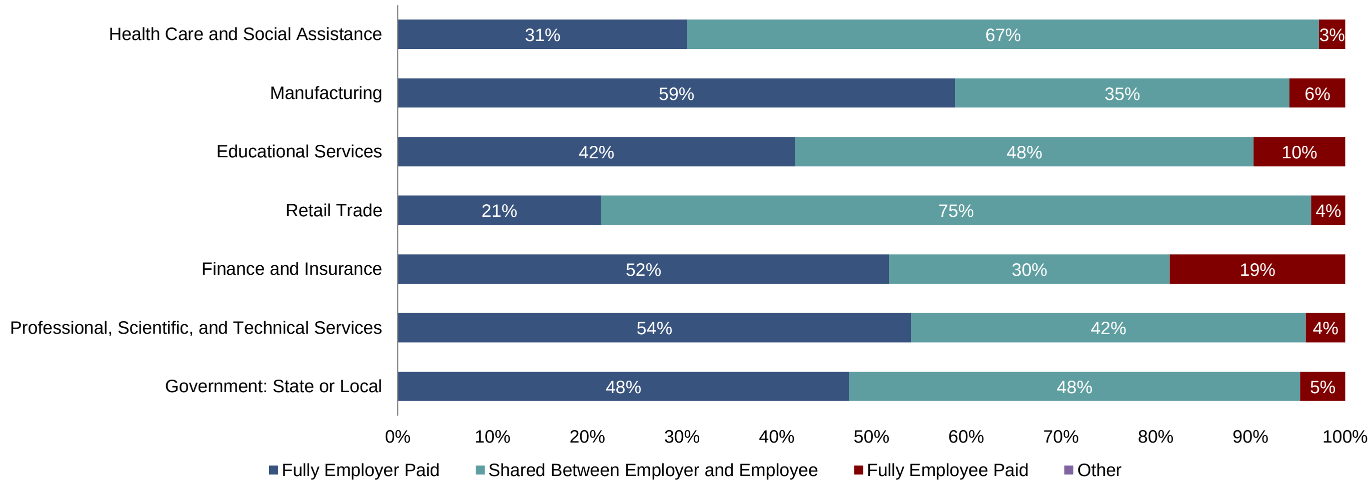
In the 2019 study, 51 percent of respondents cited an annual cost per employee of $50 or less, while 33 percent cited a cost of more than $50. Notably, this year, those that said they were unsure about the cost of their financial wellness initiatives dropped to 17 percent (Figure 23).

Figure 21
Paying for Initiatives



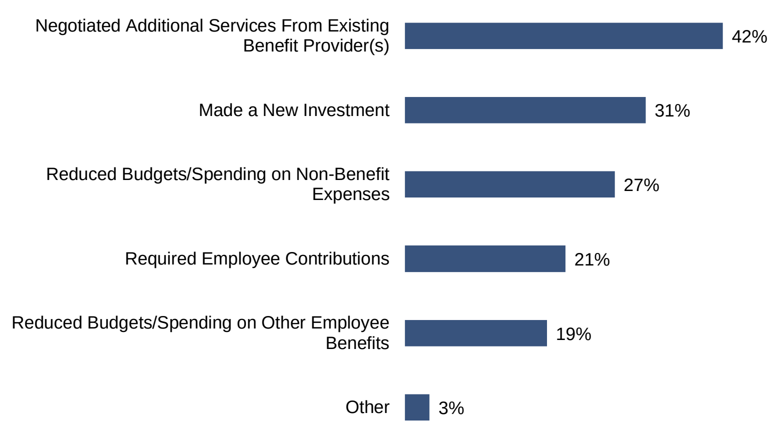
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 21A
Paying for Initiatives, by Industry
(Minimum Sample Size = 17)



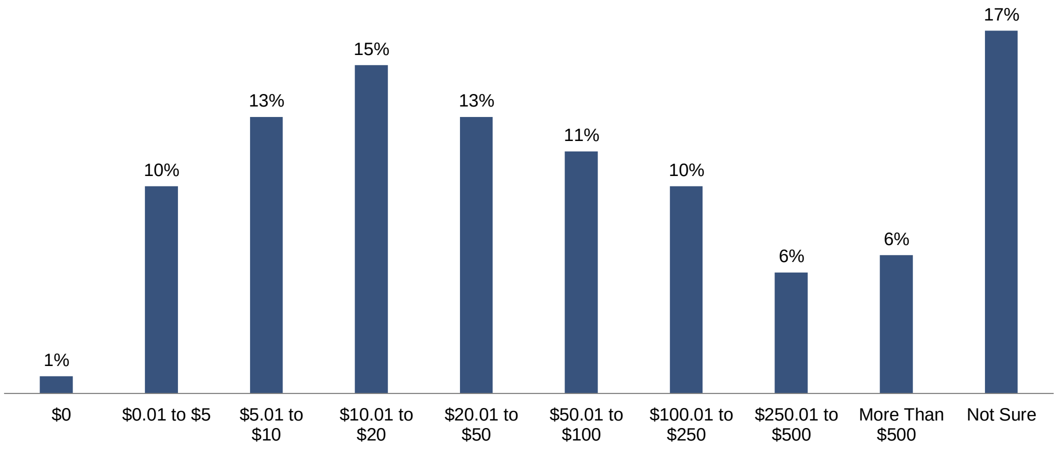
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 22
Financial Wellness Funding



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 23
Average Annual Cost per Employee for Financial Wellness Initiatives
Among Those That Currently Offer Financial Wellness Initiatives

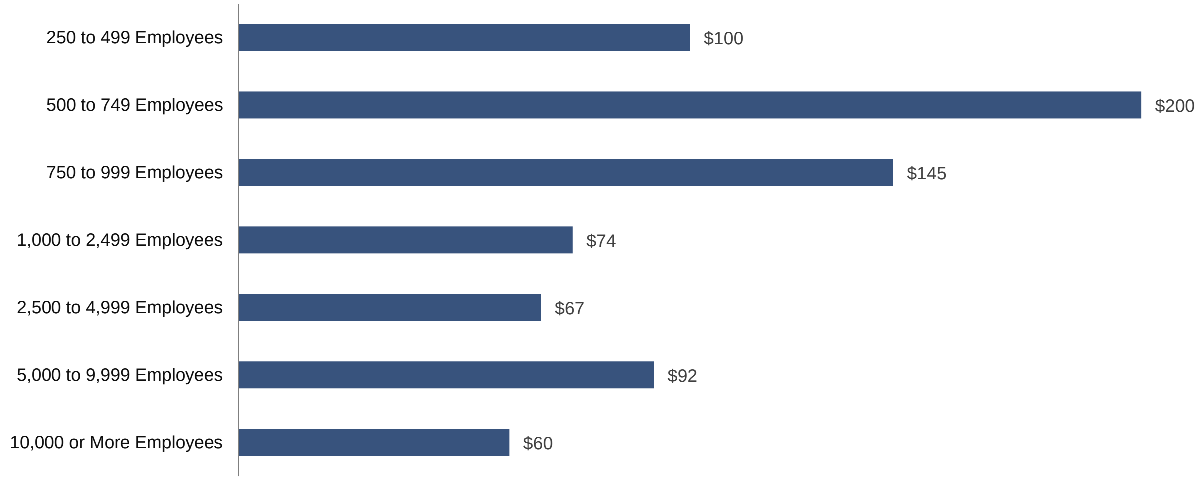


Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 23A
Average Annual Cost per Employee for Financial Wellness Initiatives, by Industry
Among Those That Currently Offer Financial Wellness Initiatives

Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 23B
Average Annual Cost per Employee for Financial Wellness Initiatives, by Firm Size
Among Those That Currently Offer Financial Wellness Initiatives



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Financial wellbeing initiatives that were fully employer paid were more likely to cost $50 or less per employee than those with shared costs (57 percent vs. 46 percent).

Taking the midpoint of each of the cost ranges that were provided to respondents ($500 for "more than $500"), we found that the manufacturing industry comes in with the highest average cost at $104, followed by the retail trade industry at $89 and the educational services industry at $83. The lowest average cost for an employer was finance and insurance at $60 (Figure 23A).

Similarly, when broken out by firm size, two of the smallest firm size categories had the highest average cost per employee: $200 per employee for firms with 500–749 employees and $145 per employee for firms with 750–999 employees. Typically, the larger the employer, the smaller the computed average cost for the financial wellness initiatives. Interestingly, we found no functional relationship between the average cost for an employee and the number of financial wellness initiatives that had been established.

Utilization and Measurement

While two-thirds (68 percent) of employers said that more than half of their employees were eligible for the financial wellness initiatives provided, only one-third (36 percent) of employers thought that a majority of their employees would make use of the benefits (Figure 24).

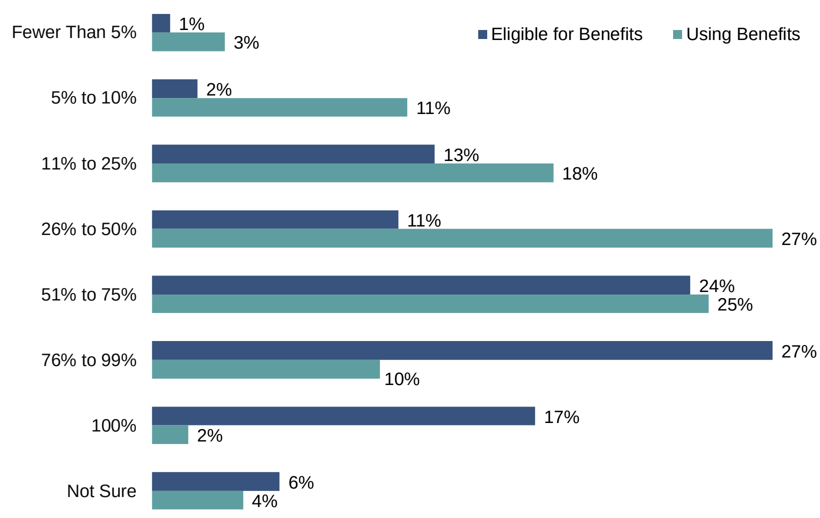
It stands to reason, given this, that the top two considerations in offering financial wellness initiatives were cost to employer (45 percent) and interest among employees (42 percent). Interestingly, while cost to employee increased in the ranks as a top consideration (33 percent in 2019 vs. 25 percent in 2018), value proposition to employees came in as less of a consideration (33 percent in 2019 vs. 40 percent in 2018). The percentage of employers reporting impact on employees' retirement preparedness as a top consideration increased from 23 percent in 2018 to 33 percent in 2019. Legal and regulatory hurdles scored about the same in both 2019 and 2018, with just over 1 in 10 reporting this as a top consideration. Generally, the concern here was expressed as employer liability around cost or other things (Figure 25).

While creating a financial wellbeing score or metric was still the least common way that employers went about understanding employees' financial wellness needs, the number rose significantly in 2019 vs. 2018: 23 percent had taken that step in 2019 vs. only 14 percent in 2018 (Figure 26). Examining existing employee benefits/retirement plan data remained the top step taken at 62 percent of employers. Examining health-related data (53 percent) and surveying employees (52 percent) came in second and third, respectively. Those conducting a survey or focus group to understand employees' financial wellbeing issues focused on either overall employee satisfaction or satisfaction with company benefits (both 74 percent).

Those creating a financial wellbeing score or metric were characterized by more commonly offering (68 percent) or actively implementing (28 percent) financial wellness initiatives (vs. 51 percent currently offering and 11 percent actively implementing among those that haven't created a financial wellbeing score or metric). They were more likely to offer a holistic financial wellness initiative at 56 percent (vs. 38 percent for those that haven't created a score or metric). They were more likely to offer a high number (six or more) of initiatives (56 percent vs. 15 percent for those that haven't created a score or metric). They were more likely (75 percent) to say employees are extremely/very satisfied with the employee benefits package (vs. 57 percent for those that haven't created a score or metric). Finally, they were more likely (33 percent) to express a high (9 to 10) level of concern about employees' financial wellbeing (vs. 15 percent that haven't created a score or metric) (Figure 26A).

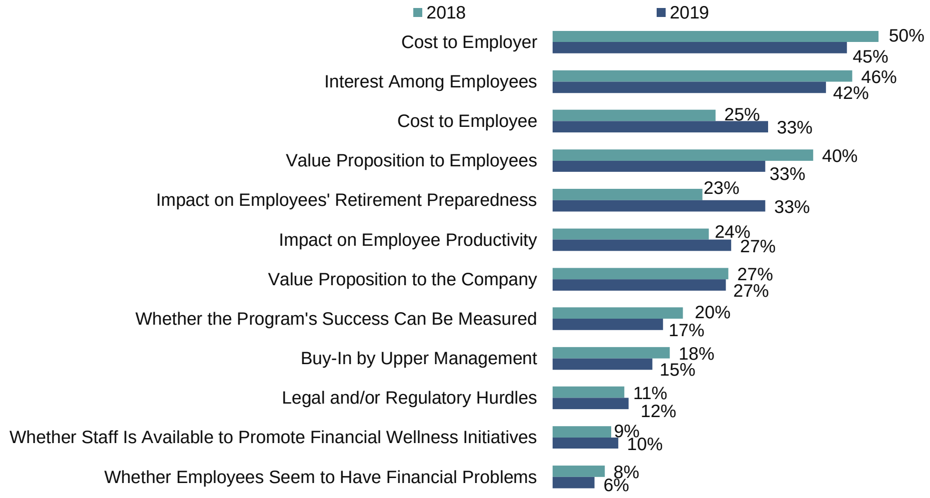
Employers that created a financial wellbeing score or metric were more likely to offer a holistic financial wellness program — 56 percent versus 38 percent for those not planning on creating such a score or metric. They are much likelier to have a high level of concern about their employees' financial wellbeing—33 percent versus 15 percent for those not planning on creating such a score or metric. They are also much more likely to offer a high number (6+) of financial wellbeing offers—56 percent versus 15 percent of those not planning on creating such a score or metric.

Figure 24
Employees Eligible for and Using Financial Wellness Benefits



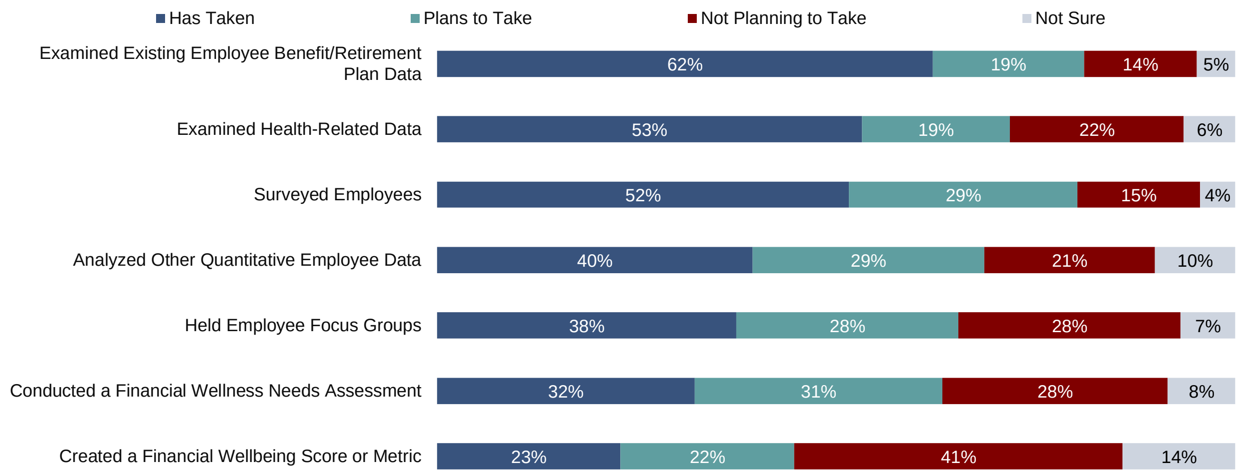
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 25
Top Considerations in the Decision to Offer Financial Wellness Benefits



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 26
Steps Taken to Understand Employees' Financial Wellness Needs



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 26A
Financial Wellness Offerings, by Creation of Financial Wellbeing Score or Metric

	Created a Financial Wellbeing Score or Metric	Not Planning on Creating a Financial Wellbeing Score or Metric
Company's Current Approach to Financial Wellness Initiatives	**68% Currently offer** **28% Actively implementing** 4% Interested in	51% Currently offer 11% Actively implementing **38% Interested in**
How Financial Wellness Initiative Is Offered	**56% Holistic** 26% Periodic/Ad hoc 7% Pilot 11% One-time initiative	38% Holistic **38% Periodic/Ad hoc** 15% Pilot 9% One-time initiative
Number of Financial Wellness Benefits Offered	7% Low (0 to 2 offerings) 37% Medium (3 to 5 offerings) **56% High (6 or more offerings)**	**42% Low** 43% Medium 15% High
Traditional Benefits Considered Part of Financial Wellness Initiative	**91% Health insurance** 88% Retirement benefits **84% Time-off benefits**	69% Health insurance 86% Retirement benefits 62% Time-off benefits
Employee Satisfaction With Benefits Package	**75% Extremely/very satisfied** 19% Somewhat satisfied 5% Not too/not at all satisfied	57% Extremely/very satisfied **38% Somewhat satisfied** 5% Not too/not at all satisfied
Company's Concern About Employees' Financial Wellbeing	18% Low (1 to 6) 49% Moderate (7 to 8) **33% High (9 to 10)**	**42% Low** 43% Moderate 15% High

Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Top reasons employers gave for offering financial wellness initiatives were both altruistic and bottom-line oriented: Improved overall worker satisfaction scored highest at 46 percent (Figure 27). This was also a top reason in 2018, but it scored higher that year at 54 percent. Reduced employee financial stress (42 percent), as well as improved employee retention and improved employee use of existing benefits (both 35 percent), all retained their top positions in 2019. Reduced health care costs was added as a response in 2019 and was cited by 1 in 5 (21 percent) of employers as a reason.

By industry, respondents in the health care industry or state or local government reported being slightly more focused on improved employee retention as a reason for offering financial wellness initiatives (46 percent and 43 percent respectively). On the other hand, respondents from the educational services industry were most focused on improving overall worker satisfaction as a reason (62 percent), and respondents from the finance and insurance industry reported being somewhat more focused on reducing employee financial stress as a top reason at 50 percent.

Only 14 percent of respondents cited reduced employee absenteeism as a top reason for offering financial wellness initiatives, which is consistent with the fact that absenteeism was not rated as a major problem by most respondents: 61 percent described it as a minor problem and 31 percent described it as not a problem. Only 8 percent considered absenteeism to be a major problem.

When broken out by those employers that rated retirement preparation as a top issue vs. those that did not, we found — not surprisingly — that improved use of existing benefits such as higher contributions to a 401(k) plan was commonly cited: Nearly half (45 percent) cited this when retirement preparedness was a top issue. That dropped to only 28 percent if retirement preparation was not a top issue (Figure 27A)

As in 2018, the top ways that success of financial wellness initiatives was measured in 2019 were improved overall worker satisfaction (37 percent), improved use of existing retirement plans (31 percent), reduced employee stress (31 percent), and improved employee retention (28 percent) (Figure 28A). Only worker satisfaction with financial wellness initiatives dropped in the ranks a bit. It moved from third to fourth place at 26 percent of employers citing this as a measurement approach — which was tied with reduced health care costs (a new response in 2019).

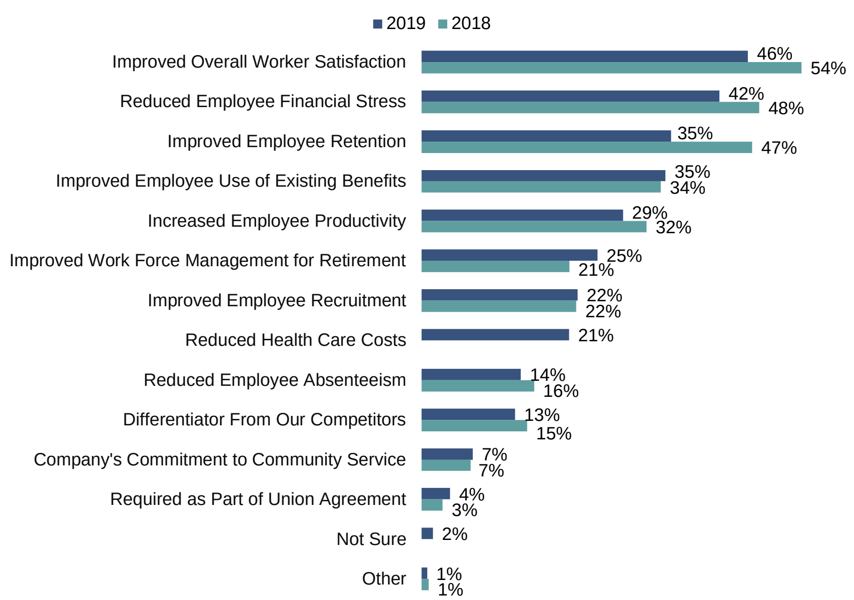
While success measures often aligned with reasons for offering financial wellness initiatives, this was not always the case by industry. For example, respondents in the health care industry ranked improved overall worker satisfaction as the top reason for offering financial wellness initiatives (49 percent) and also as a top factor in measuring the success of the initiative(s) (45 percent). However, while reduced health care costs (46 percent) and improved employee recruitment (38 percent) scored high as a means of measuring success for respondents in the educational services industry, they did not rate them as high when it came to reasons for offering financial wellness initiatives (25 percent and 17 percent, respectively).

In 2018, a top challenge that was cited by employers in offering financial wellness initiatives was complexity of the programs (44 percent). This year, the survey parsed out the challenge of complexity, finding that just under a third (31 percent) were concerned about the programs being complex for employees that utilize them, just over a quarter (27 percent) cited complexity in implementing programs, and another quarter (25 percent) cited complexity in choosing the programs (Figure 28B). Beyond complexity, a key challenge was the same as the key consideration in offering these programs: lack of interest among employees (38 percent). This was especially a challenge expressed by respondents within the manufacturing and health care industries (43 percent). Health care industry respondents were also especially challenged by making the business case for the initiative(s) at 40 percent. While it was reported as less of a challenge by respondents in the educational services industry (25 percent), within that industry, respondents were far more challenged by employee access to services and also lack of ability or data to quantify the value added of the initiative(s) — both 42 percent.

By industry, employers cited a number of challenges to offering financial wellness initiatives — lack of interest by and complexity of programs for employees generally ranked high. But certain industries specifically cited resource challenges, including state and local government respondents (39 percent).

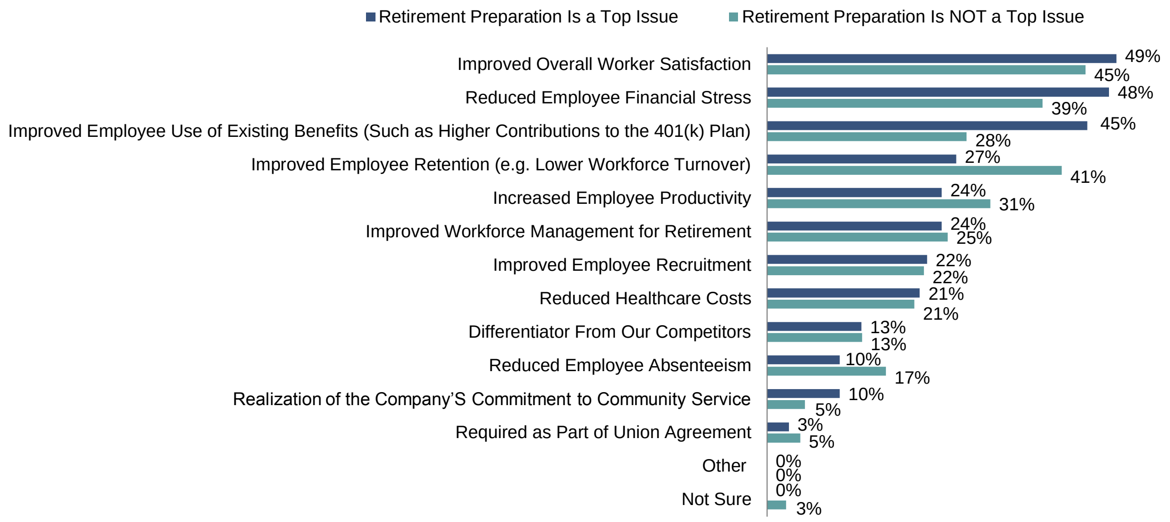
In order to meet the challenge of encouraging utilization, survey respondents cited communication from HR as the most common approach (41 percent), followed by monetary incentives as a distant second (19 percent) (Figure 29). Larger firms (10,000 or more employees) were less likely to rely on communications from HR and were more likely to encourage use of initiatives through communications from upper management.

Figure 27
Top Reasons for Offering Financial Wellness Initiatives



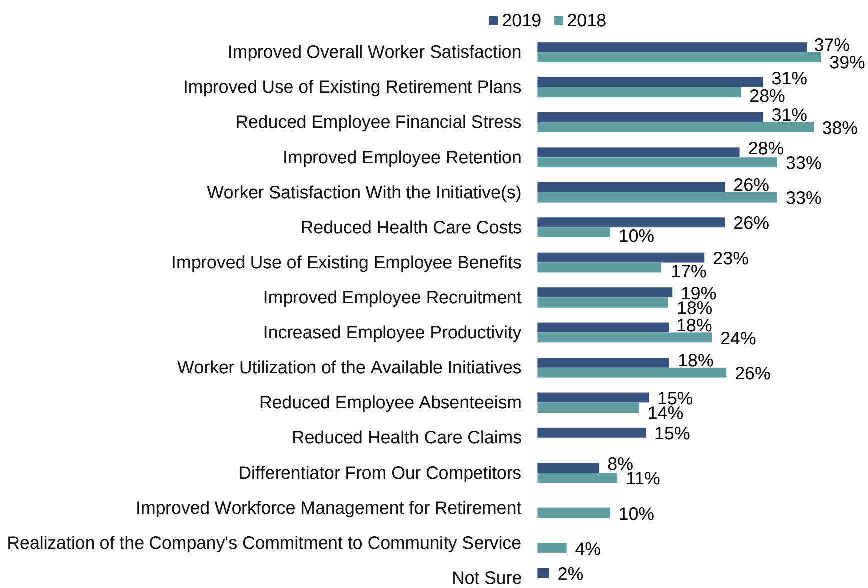
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 27A
Top Reasons for Offering Financial Wellness Initiatives, by Whether Retirement Preparation Is a Top Issue



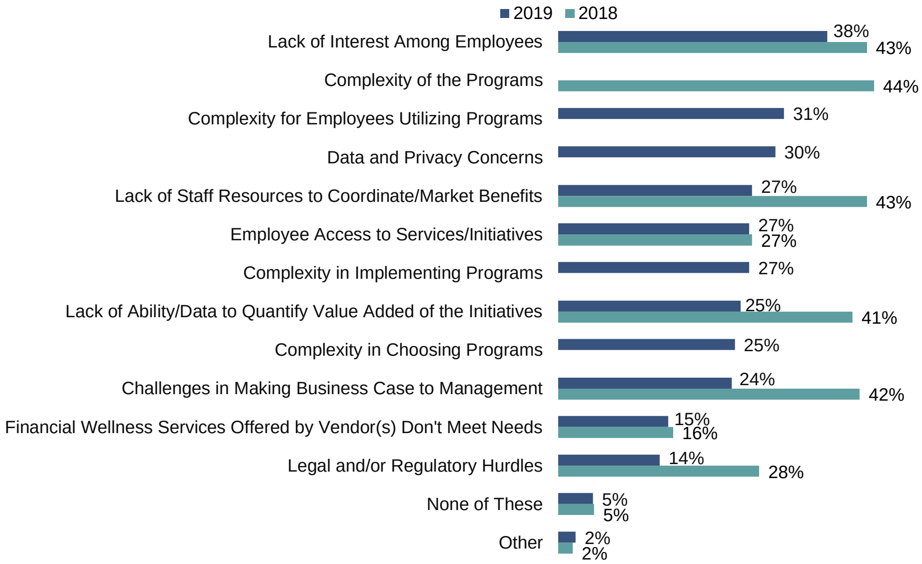
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 28A
Top Factors in Measuring Financial Wellness Initiatives' Success



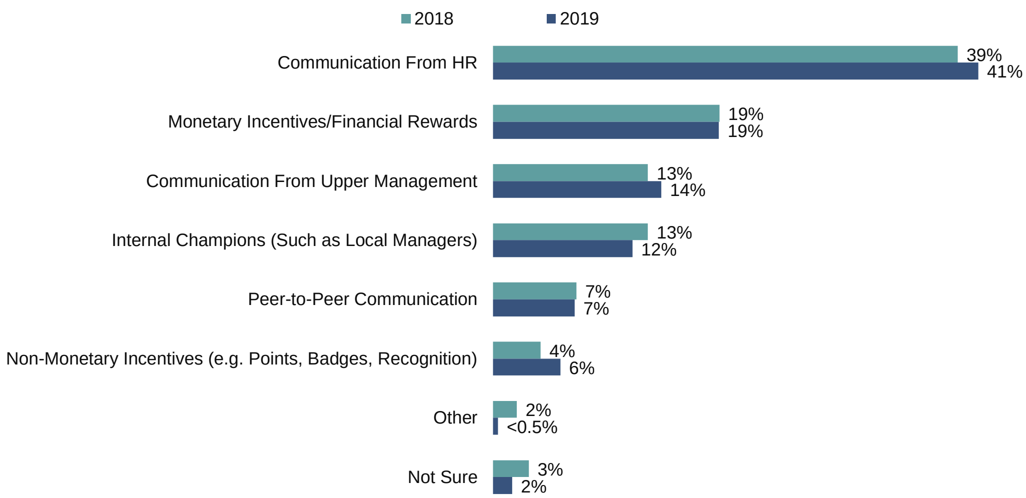
Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 28B
Top Challenges in Offering Financial Wellness Benefits



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Figure 29
Methods of Encouraging Use of Benefits



Source: The Employee Benefit Research Institute 2019 Employer Approaches to Financial Wellbeing Solutions Survey.

Conclusion

Employees' financial wellbeing remains an evolving concept among employers. Some view it — and their role in financial wellbeing — as providing employees with the assistance and resources that will allow them to make good financial decisions. Others are focused on outcomes; they are seeking to create an environment in which employees are comfortable or financially secure overall. Still others see it more as an extension of the employer efforts around helping workers achieve retirement security through planning and saving.

To a large extent, the way employers are tackling financial wellbeing needs among employees is to leverage existing systems, products, and approaches. However, this too is evolving. For example, in understanding employees' financial wellbeing needs, many employers report examining existing data, such as employee benefits data. However, some — especially those with a high level of concern around employee financial wellbeing — are developing more sophisticated scores or metrics to better understand the financial wellbeing of their employees.

Likewise, the top four financial wellbeing initiatives cited are fairly traditional benefits: tuition reimbursement, financial planning education, EAPs, and basic money management tools. However, there is evidence that more cutting-edge initiatives such as student loan debt assistance may be on the rise. Likewise, more employers reported offering payroll advances in 2019 than in 2018.

Finally, employers are leveraging traditional benefits such as tuition reimbursement plans in order to offer financial wellness initiatives. However, a number are examining different ways of helping employees with student loan debt burdens or emergency liquidity needs.

The Employee Benefit Research Institute's Financial Wellbeing Research Center is developing an empirical database to better understand how employers offer financial wellness initiatives, how workers use them, and what impact they have on workers' overall financial wellbeing.

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