Field of Dreams? Measuring the Impact of Financial Wellbeing Initiatives on 401(k) Plan Utilization

In the movie *Field of Dreams*, the Kevin Costner character was advised that “if you build it, they will come.” And indeed, employers who are increasingly offering and implementing financial wellness initiatives clearly signal that this is their expectation. According to the Employee Benefit Research Institute’s 2021 Employer Financial Wellness Survey, employers seek — through financial wellness initiatives — to address a host of considerations around employee retirement preparedness, health care costs, and financial-related stress. And more and more of these programs are reported to be holistic in nature and derive from a formal plan to improve employees’ financial wellbeing. In other words, the programs are not simply being offered to check the box on benefits that may attract or retain workers. Instead, employers are seeking to move the dial on worker behavior, whether that is improved overall worker satisfaction, reducing employee financial stress, increasing employee productivity, or improving employee use of existing benefits such as retirement plans. In this Issue Brief, we examine the extent to which webinars intended to educate employees on a variety of financial wellness topics change behavior in one specific area: the use of the available 401(k) plan.

We find that:

- The likelihood of a financial wellbeing webinar being used varies significantly by participant characteristics across age and 401(k) contribution levels (a proxy for income).
- The estimated increase in 401(k) contribution levels after attending *any* financial wellbeing webinar was between $649 and $988, depending on age and initial contribution level.
- Attending a budgeting webinar was positively related to increased employee 401(k) contributions for all cohorts examined.
- Attending an emergency fund webinar was associated with a reduction in new loans for older employees, while health savings account (HSA) webinars had the *opposite* association for younger employees.
- Attending a webinar on investments is associated with an “improved” asset allocation for older employees with lower contributions.

In other words, getting people to come to the Field of Dreams of financial wellness initiatives can be challenging for certain worker cohorts. However, for those workers who do engage in certain webinars, changes in 401(k) behavior may be evident.

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Field of Dreams? Measuring the Impact of Financial Wellbeing Initiatives on 401(k) Plan Utilization

Introduction
In the movie Field of Dreams, the Kevin Costner character was advised that “if you build it, they will come.” And indeed, employers who are increasingly offering and implementing financial wellness initiatives clearly signal that this is their expectation. According to the Employee Benefit Research Institute’s 2021 Employer Financial Wellness Survey, employers favor financial wellness initiatives in order to address a host of considerations around employee retirement preparedness, health care costs, and financial-related stress. And more and more of these programs are reported to be holistic in nature and derive from a formal plan to improve employees’ financial wellbeing. In other words, the programs are not simply being offered to check the box on benefits that may attract or retain workers. Instead, employers are seeking to move the dial on worker behavior, whether that is improved overall worker satisfaction, reducing employee financial stress, increasing employee productivity, or improving employee use of existing benefits such as retirement plans. In this Issue Brief, we examine the extent to which webinars intended to educate employees on a variety of financial wellness topics change behavior in one specific area: the use of the available 401(k) plan.

Background
As background, the EBRI/ICI database houses the participant-level data of 27 million 401(k) participants going back to the 1990s. This database been mined to answer such questions as how 401(k) participants change their plan asset allocations over time, how target-date funds are being used by plan participants, and what the account balances and loan activity of 401(k) plan participants look like at a given point in time.

In 2021, EBRI collected data on the use of financial wellbeing initiatives of participants across 500 plans within the EBRI/ICI database. Although the data were not personally identifiable, they were encrypted in such a way that they could be connected to the 401(k) activity of plan participants before and after the participant engaged with the financial wellbeing initiative. Specifically, participants had access to the following set of webinars in 2018: budgeting, emergency funds, estate planning, health care savings choices, health savings accounts (HSAs), investment basics, paying for health care in retirement, Social Security decision making, student loans, women and finances, retirement satisfaction, retirement savings, and impact of recent tax changes. The total number of webinars attended was 1,753. EBRI focused on a subsample of webinars with as many as 514 attendees and as few as 61 attendees. The 401(k) data used within the analysis spanned 2017–2019. The analysis in this Issue Brief seeks to determine the degree to which utilization of the webinars correlated with changes in employee contributions to the 401(k) plan, loan taking, and “appropriate” use of equities in the participant’s asset allocation.

What Webinars Are Being Used, and by Whom?
We start by examining the likelihood of participants attending various financial wellbeing webinars, focusing on cohorts broken out by age and contribution levels — the latter of which is a proxy for income. Younger workers are defined as those below age 45; older workers are defined as those ages 45 and above. The definition for low vs. high contribution levels is based on age-specific median contribution levels — e.g., low contributions are those below the median contribution level for the age cohort, and high are contributions at the age-specific median or higher.

The analysis uses t-values to measure the likelihood of a particular age/contribution-level cohort attending a webinar given five key variables: age within the cohort, asset level within the 401(k) plan, employee contribution level to the plan (which serves as a proxy for income), 401(k) loan balance, and equity percentage within the 401(k). The higher the absolute value of the t-value, the more statistically significant it is. Positive values — which are highlighted in green in the referenced figures — indicate that a specific characteristic is associated with a cohort being more likely to have
attended a given webinar; negative values — highlighted in red in the referenced figures — indicate that a specific characteristic is associated with a cohort being less likely to have attended a given webinar.\textsuperscript{4}

Starting with the older (age 45 and above) and higher-contributing worker cohort, Figure 1 shows that higher asset levels, ages, and employee contributions are all associated with greater utilization of the planning and investment webinars. These all have high positive t-values that are highlighted in green. In particular, though, older age was associated with attending webinars on Social Security and retiree health care costs within this older/higher-contributing cohort. This makes sense, as these individuals are closer to retirement. Only asset level was positively related to utilization of the investment basics webinar. In other words, the higher the asset level, the more likely these individuals were to attend a webinar on investment basics. Meanwhile, only employee contributions were positively related to the utilization of the HSA, estate planning, and student loan webinars for this cohort. In other words, the higher the employee contributions, the more likely these individuals were to attend any of these webinars.

<table>
<thead>
<tr>
<th>Figure 1</th>
<th>Likelihood of Financial Wellbeing Webinar Utilization for Older Employees With Higher Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Any Budgeting Emergency Funds Estate Planning Health Care Choices HSA Investments Retiree Health Costs Social Security Student Loans Tax Changes</td>
</tr>
<tr>
<td>Age</td>
<td>9.08</td>
</tr>
<tr>
<td>Asset Level</td>
<td>5.37</td>
</tr>
<tr>
<td>Employee Contribution</td>
<td>4.95</td>
</tr>
<tr>
<td>Loan Balance</td>
<td>0.0</td>
</tr>
<tr>
<td>Total Equity Percentage</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Note: Numbers in the table represent t-values. Those values not statistically significant at the 10 percent level are omitted.

Figure 2 shows that for the cohort of younger employees (below age 45) with lower contributions, older age was associated with greater webinar utilization. For example, older individuals within this cohort were more likely to utilize the webinar on health care choices. However, lower-than-median contributions were associated with lower utilization of webinars on health care choices.

<table>
<thead>
<tr>
<th>Figure 2</th>
<th>Likelihood of Financial Wellbeing Webinar Utilization for Younger Employees With Lower Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Any Budgeting Emergency Funds Estate Planning Health Care Choices HSA Investments Retiree Health Costs Social Security Student Loans Tax Changes</td>
</tr>
<tr>
<td>Age</td>
<td>1.81</td>
</tr>
<tr>
<td>Asset Level</td>
<td>0.0</td>
</tr>
<tr>
<td>Employee Contribution</td>
<td>0.0</td>
</tr>
<tr>
<td>Loan Balance</td>
<td>0.0</td>
</tr>
<tr>
<td>Total Equity Percentage</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Note: Numbers in the table represent t-values. Those values not statistically significant at the 10 percent level are omitted.

Figure 3 shows utilization of younger employees making higher contributions. When it comes to both age and asset level, there are a large number of webinars highlighted in green, which means that the older the individuals are within this cohort, or the higher their asset levels, the more likely they are to attend a planning or investment webinar. This makes sense. However, loan balance is associated with a lot of red highlighting. This means that individuals with a higher loan balance in this cohort are less likely to attend a planning or investment-type webinar.

Figure 4 looks at older individuals with a lower-than-median contribution level. For this cohort, the older the individual, the more likely they are to attend a Social Security webinar. Age is also positively correlated with attending a webinar on retiree health care costs for this cohort. Asset level has a significant bearing on webinar attendance: The higher the asset level in the 401(k) for this cohort, the more likely older/lower-contribution-level individuals are to attend a webinar on Social Security. Likewise, the higher the asset level, the more likely individuals are to attend an estate...
planning webinar. But age is negatively correlated with the likelihood of attending budgeting or emergency fund webinars, and loan balance is negatively correlated with attending estate planning or tax changes webinars.

Figure 3
Likelihood of Financial Wellbeing Webinar Utilization for Younger Employees With Higher Contributions

<table>
<thead>
<tr>
<th></th>
<th>Age 2.52</th>
<th>Budgeting 0</th>
<th>Emergency Funds 0</th>
<th>Estate Planning 0</th>
<th>Health Care Choices 0</th>
<th>HSA 0</th>
<th>Investments 1.73</th>
<th>Retiree Health Costs 0</th>
<th>Social Security 0</th>
<th>Student Loans 0</th>
<th>Tax Changes 1.67</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Level</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3.33</td>
<td>2.07</td>
<td>0</td>
<td>1.87</td>
<td>3.09</td>
<td>2.25</td>
<td>1.71</td>
<td>0</td>
</tr>
<tr>
<td>Employee</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2.14</td>
</tr>
<tr>
<td>Contribution</td>
<td>-4.27</td>
<td>0</td>
<td>0</td>
<td>-2.3</td>
<td>-1.74</td>
<td>0</td>
<td>-1.7</td>
<td>0</td>
<td>-1.98</td>
<td>0</td>
<td>-2.11</td>
</tr>
<tr>
<td>Loan Balance</td>
<td>-4.27</td>
<td>0</td>
<td>0</td>
<td>-2.3</td>
<td>-1.74</td>
<td>0</td>
<td>-1.7</td>
<td>0</td>
<td>-1.98</td>
<td>0</td>
<td>-2.11</td>
</tr>
<tr>
<td>Total Equity</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Numbers in the table represent t-values. Those values not statistically significant at the 10 percent level are omitted.

Figure 4
Likelihood of Financial Wellbeing Webinar Utilization for Older Employees With Lower Contributions

<table>
<thead>
<tr>
<th></th>
<th>Age 2.96</th>
<th>Budgeting -1.88</th>
<th>Emergency Funds -1.81</th>
<th>Estate Planning 0</th>
<th>Health Care Choices 0</th>
<th>HSA 0</th>
<th>Investments 3.76</th>
<th>Retiree Health Costs 5.29</th>
<th>Social Security 0</th>
<th>Student Loans 0</th>
<th>Tax Changes 0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Level</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Employee</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Contribution</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loan Balance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-1.86</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-1.95</td>
</tr>
<tr>
<td>Total Equity</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-1.82</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note: Numbers in the table represent t-values. Those values not statistically significant at the 10 percent level are omitted.

In summary, for workers in the ages 45 and older cohort, regardless of contribution level:

- The higher the assets, the more likely they were to attend webinars.
- The older the individual in this cohort, the more likely they were to attend a Social Security or retiree health cost webinar.
- Higher loan balances were associated with lower likelihood of utilization of a tax changes webinar.

Meanwhile, for workers in the below-age-45 cohort:

- The greater their age, the more likely they were to attend an estate planning webinar, regardless of contribution level.
- The higher their loan balances, the lower the likelihood of utilization of a tax changes webinar, regardless of contribution level.
- However, higher loan balances negatively affected attendance of other webinars (estate planning, health care choices, investments, Social Security) for those in this younger age cohort who were contributing at levels above the median.

Outcomes From When Webinars Are Attended

Now we turn to question of how attendance of various webinars aligns with the subsequent utilization of the 401(k) plan. To do this, we maintain the same younger/older and higher-/lower-contribution-level cohorts as in the previous section. We also condition the impact on having actually utilized the webinar. The changes examined include changes to contribution levels, loan taking, and asset allocation. The changes are estimated by observing the participant’s change in activity in the plan between 2017 and 2019 given exposure to the webinar in 2018. Again, we omit values that are not statistically significant at the 10 percent level and include only variables that are statistically significant for the cohort examined.
**Contribution Rates**

Nine of the offered webinars were associated with higher contribution levels, or the dollar amount that employees contributed to their 401(k), across the four cohorts under evaluation: budgeting, estate planning, investing, retiree health costs, Social Security, student loans, tax changes, HSAs, and health care choices.

On average, those within the younger/lower contribution cohort who attended any webinar increased their contribution level by an average of $649 (Figure 5). However, for those people who are younger and making lower contributions, the greatest change in contribution levels was associated with attending a budgeting webinar. On average, contributions increased $3,284 for younger/lower contributors who undertook this financial wellness initiative. Attending the health care choices webinar was associated with an average $2,789 contribution increase. And interestingly, attending an HSA webinar also was associated with an increase in 401(k) contributions — by an average of $2,654.

For younger participants with higher contribution rates, the average change in contribution to the 401(k) plan was $716 (Figure 6). So, just attending any of the planning or investing webinars offered is associated with a material increase in contributions. For this cohort, though, the biggest increases in contributions were among those who attended an investment basics webinar, where the average subsequent contribution increase was $1,851. Attending an estate planning webinar was associated with a $1,321 increase in contributions on average, and budgeting webinars were associated with a $1,211 increase.
Moving to the older age/lower contribution cohort, the average increase in contribution levels associated with attending a planning or investment webinar was $988 (Figure 7). As with the younger/lower-contribution cohort, for older/lower contribution participants, attending the budgeting webinar was associated with the greatest increase in contribution levels, of an average of $3,626. Attending an investing webinar was associated with an increase of $2,890 on average, and attending a health care choices webinar was associated with an increase of $2,148. Interestingly, this cohort also saw increased contribution levels after attending a Social Security webinar. It may be that these individuals were alarmed at how small those Social Security benefits may be and, in reaction, increased their contributions to the 401(k).

Attending any webinar was associated with a slightly smaller increase in average contribution rate for participants who were in the older/higher-contribution cohort, at $932 on average (Figure 8). This makes sense; these individuals are already contributing at higher levels and may even face contribution limits. As with every other cohort except the younger/higher-contribution-level cohort, older/higher-contributing participants experienced the greatest increase in contribution levels when they utilized a budgeting webinar, at $2,793 on average.

One webinar that only corresponded to increased contributions by the older/higher-contributing workers was the retiree health costs webinar. This suggests that an older individual making higher contributions may underestimate how
expensive retiree health care costs might be, as these costs include out-of-pocket expenses for insurance premiums, prescription drugs, and long-term care.

So we find, when it comes to changes in contribution levels, those attending budgeting webinars tend to have increased subsequent contribution levels across all cohorts. Tax changes webinars are positively associated with increased contribution levels for all cohorts except older/higher-contribution individuals. As one might expect, higher contributors seem to respond positively to estate planning webinars regardless of age, and Social Security webinars are positively related to the contributions of older workers, regardless of contribution level.

**Loan-Taking Activity**

When it comes to loan activity, four webinars were related to changes across any of the cohorts examined: the HSA, Social Security, tax changes, and emergency funds webinars.

For younger participants with lower contribution levels, the impact of attending an HSA webinar is significant. Not only was such a webinar associated with increases in 401(k) contributions for this cohort, but it was also associated with an increase in loan taking over the period, with a 25.8 percent increase on average (Figure 9).

![Figure 9](image-url)

**Estimated Change in Loan-Taking After Utilization of Financial Wellbeing Webinars by Age and Contribution Level: Younger/Lower Contribution Participants**

<table>
<thead>
<tr>
<th>Category</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSA</td>
<td>25.8%</td>
</tr>
<tr>
<td>Social Security</td>
<td>0.0%</td>
</tr>
<tr>
<td>Tax Changes</td>
<td>0.0%</td>
</tr>
<tr>
<td>Emergency Funds</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

Younger individuals with higher contributions who attended an HSA webinar did not increase their 401(k) contributions, but they did still take more new loans — their loan taking increased by 14.2 percent on average (Figure 10). In contrast, engaging in a Social Security webinar was associated with a decrease in new loans of 10.3 percent. Perhaps this is due to such workers obtaining a better understanding of what they might expect from Social Security as an overall part of their retirement income.

The only webinar that was associated with changes in loan taking of older/lower-contributing participants was the emergency funds webinar. Those utilizing this webinar reduced new loan taking by 12.6 percent (Figure 11). Perhaps for these participants, the webinar gave them a better understanding of the appropriate use of loans for financial emergencies.

Likewise, older/higher-contributing individuals also experienced a decrease in loan-taking upon viewing the emergency savings webinar — by 9.2 percent (Figure 12). No other webinar had an impact on loan taking for this cohort.
Figure 10
Estimated Change in Loan-Taking After Utilization of Financial Wellbeing Webinars by Age and Contribution Level: Younger/Higher Contribution Participants

Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

Figure 11
Estimated Change in Loan-Taking After Utilization of Financial Wellbeing Webinars by Age and Contribution Level: Older/Lower Contribution Participants

Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

Figure 12
Estimated Change in Loan-Taking After Utilization of Financial Wellbeing Webinars by Age and Contribution Level: Older/Higher Contribution Participants

Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.
**Asset Allocation**

Understanding the impact on the asset allocation of 401(k) participants’ plans is more challenging than examining changes in contribution levels or loan taking. We start by examining the increase in total equity proportion — which includes all equity funds in the portfolio, including company stock; 60 percent of the participant’s balanced fund allocation; and the percentage of the target-date fund that’s invested in equities.

Of course, an increase in equities is not necessarily an improvement. Say an individual is close to retirement and already has a very high equity allocation. An increase in equities in this situation is generally not considered an improvement. Similarly, if there is a decrease in total equity proportion, that is not necessarily an improvement for someone who is very young and who already has a low equity allocation.

As such, in our analysis, we evaluate equity allocation by examining how well it aligns with the average percentage of equities in the typical target-date fund for the age range of the participant. We do this by taking the absolute value of the total equity proportion and subtracting the average equity percentage for their age-appropriate target-date fund. So, say the appropriate equity allocation for a young participant is 90 percent according to the typical allocation with target-date funds, we gauge how close to or how far from the 90 percent target allocation that individual’s equity allocation is before they attended the financial wellness webinars vs. after. A positive value in the chart denotes an improvement — or getting closer to the target equity allocation — and a negative value denotes a worsening.\(^5\)

Four webinars were associated with any changes for the cohorts examined: Social Security, tax changes, investing, and health care choices. However, even these webinars were only associated with changes for older individuals. For younger individuals, there were no changes in equity allocations associated with any of the webinars.

Even for older/lower-contributing individuals, only one webinar was associated with a change in equity allocation — and that was, unsurprisingly, the investing webinar (Figure 13). For those individuals attending an investing webinar, the equity allocation improved by 11 percentage points— or in other words, the equity allocation, on average, was brought 11 percentage points closer to the target allocation.

![Figure 13](image)

**Estimated Improvement in Equity Allocation After Utilization of Financial Wellbeing Webinars by Age and Contribution Level**

Interestingly, older/higher-contributing webinar attendees changed their equity allocation in a deleterious way. The equity allocation moved farther away from the age-appropriate target-date fund allocation once individuals viewed such webinars on health care choices or tax changes. Keep in mind that older/higher-contributing workers are those most likely to have individualistic circumstances, such as a large amount of outside assets that are not being accounted for. So, it may not be fair to say that the webinar worked adversely for these individuals without more fully understanding their situation.
However, overall, the analysis points to the fact that improving asset allocation is considerably more difficult than improving contribution levels — undoubtedly because investing is a far more complex topic than savings.

**Conclusion**

The “build it and they will come” concept is not as simple for employer-sponsored financial wellness initiatives as it is for a baseball field. This research shows that persuading employees to utilize financial wellness webinars can be challenging, especially for younger and lower-contributing workers. However, those who do utilize the webinars may make material subsequent changes in their 401(k) plan. Indeed, we find that when estimating the impact of attending just one of the financial wellbeing webinars examined, employee contributions increase between $649 and $988.

It is possible that employees motivated enough to attend financial wellbeing webinars are already in a mindset to make changes in their financial behaviors. But it is useful to note that the changes are not always in the expected direction. While attending budgeting webinars was associated with higher 401(k) contributions across all cohorts examined, attending HSA webinars was associated with greater loan taking for certain worker cohorts.

Further, improving utilization of benefits such as the 401(k) plan is only one of many objectives employers have when offering financial wellbeing benefits. And there are many other types of financial wellbeing initiatives available beyond planning and investment webinars. Going forward, EBRI will seek to apply similar analytics to everything, including student loan debt interventions, emergency savings help, budgeting tools, and even full financial counseling. Further, we will seek to evaluate the possible impact of such initiatives on other important areas where employers seek behavior change resulting from reduced financial stress, such as absenteeism, productivity, and turnover.

As financial wellbeing programs become a central part of the benefits provided by employers, understanding their impact on workers increases in importance for decision-makers seeking to determine the best way to allocate their financial wellbeing budgets.

**Endnotes**


2 Holden, Sarah, Jack VanDerhei, and Steven Bass, “401(k) Plan Participants’ Use of Target Date Funds,” *EBRI Issue Brief*, no. 537, and *ICI Research Perspective*, vol. 27, no. 7 (September 2021).


4 Anything that is not statistically significant at the 10 percent level is reported as a zero in the table.

5 Individuals with 100 percent in target-date funds were not include in this analysis.