



EBRI EMPLOYEE BENEFIT
RESEARCH INSTITUTE

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Contact:

Betsy Jaffe
Director, Marketing and Public Relations
Employee Benefit Research Institute
press-media@ebri.org
202.775.6347

EBRI Finds Employer Financial Wellness Programs Are Still in Infancy

Employers Strive to Support Workers, but Financial Wellbeing Benefits Are Mostly Experimental

Washington, D.C. – November 30, 2018 – The Employee Benefit Research Institute (EBRI), a private, nonpartisan, nonprofit research group, released its Financial Wellbeing Employer Survey to offer insights into the key factors employers seek to address with their financial wellbeing programs and how the efficacy of these programs is being measured. The Bureau of Consumer Financial Protection (BCFP) defines financial wellbeing as “*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.*”

The survey finds that, among firms with any level of interest in financial wellbeing programs, more than one-quarter rated themselves as being highly concerned about their employees’ financial wellbeing. While 73 percent of these employers reported that they offered financial wellness initiatives to their employees, in 71 percent of cases the programs were pilot initiatives, periodic campaigns, or one-time initiatives. Only 27 percent reported that their financial wellness initiatives consisted of holistic programs.

“EBRI’s survey reveals that even among the most motivated employers, it is early days when it comes to offering financial wellness initiatives,” says Lori Lucas, President and CEO of EBRI. “Even defining what is meant by financial wellbeing and what constitutes financial wellness initiatives can be challenging.” The report shows that employers cite everything from employee discount programs to student loan repayment subsidies and emergency savings vehicles as part of their arsenal of financial wellness initiatives.

The survey was fielded online in July 2018 and reflects the responses of 250 full-time benefits decision makers. All respondents worked at companies with at least 500 employees that were interested in offering financial wellness programs.

The survey showed that employers that did report offering holistic financial wellness programs were more likely to cite “value proposition to employees” as their top consideration. They were also most likely to subsidize these initiatives, with 21 percent citing an average annual cost per employee of more than \$500. More broadly, 43 percent of

employers reported the annual cost per employee of current financial wellness initiatives as \$50 or less.

“Because employers are generally footing the cost for these programs themselves, they want to be able to demonstrate that the programs are effective,” says Lucas. “That’s why there is so much focus on pilot and one-off programs.”

The survey finds that 80 percent of employers noted that a human resources professional was either a primary or secondary champion in implementing financial wellness initiatives. “Once the pilot or one-off program is implemented, we’re hearing that the key is to demonstrate its success so that it can be made more broadly available,” said Lucas.

According to the survey, measures of success include improved overall worker satisfaction, reduced employee stress, worker satisfaction with financial wellness initiatives, and improved employee retention.

The Financial Wellbeing Employer Survey is a program of EBRI’s Financial Wellbeing Research Center. The Center focuses on how retirement, health, and other employee benefit programs contribute to financial wellbeing and broader workforce effectiveness goals — including productivity and engagement.

About EBRI:

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and financial security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, who include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org