

How Are Employers Measuring Financial Wellness Needs and Program Success?

With budgets tight and myriads of financial wellness initiatives available for employers to use with their work force, measuring the need and the impact of financial wellness initiatives can be critically important. Yet measurement approaches vary greatly, are not always consistent with reasons that employers give for offering their financial wellness programs, and are often reliant on existing employee data. These are the findings of EBRI's 2019 survey on Employer Approaches to Financial Wellbeing Solutions.

Fielded in June of 2019, the survey focused on companies with at least 500 employees where respondents expressed at some interest in offering financial wellness programs. Respondents were required to have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings.¹

The survey found that the most common reasons for offering financial wellness initiatives were:

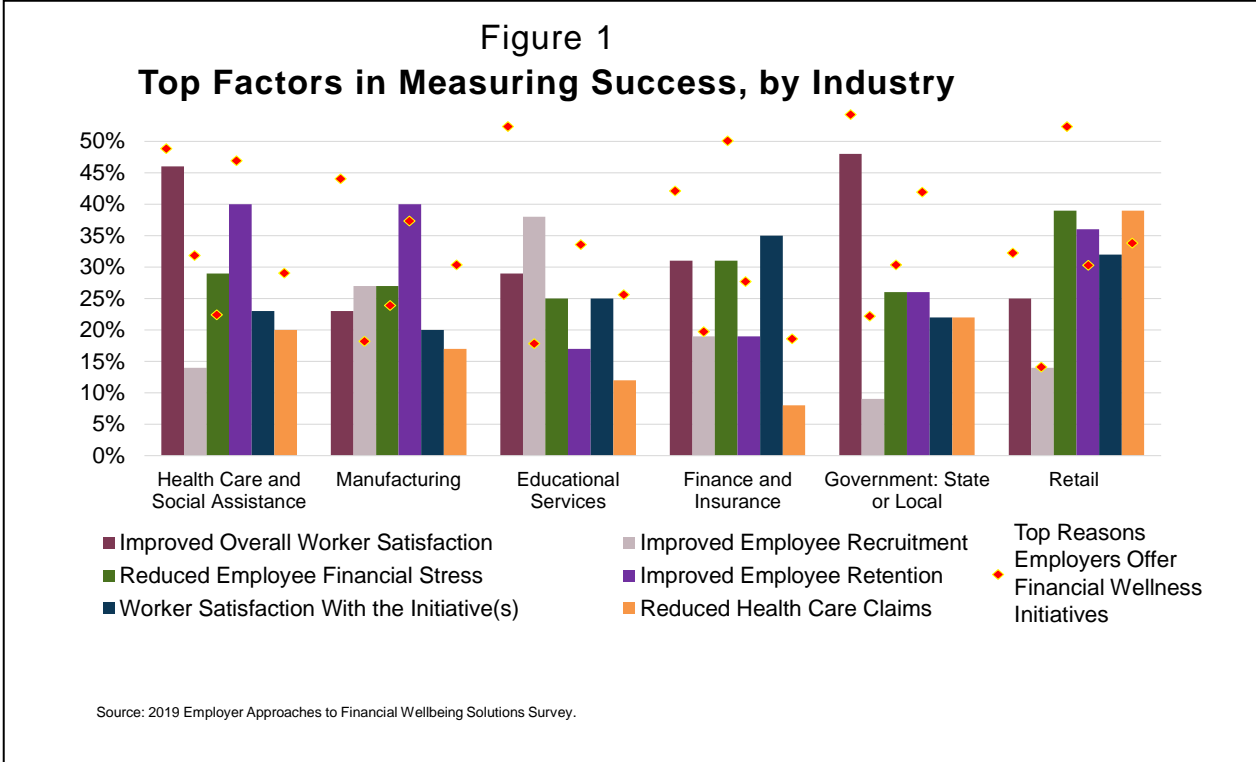
- Improved overall worker satisfaction (46 percent).
- Reduced employee financial stress (42 percent).
- Improved employee retention (35 percent).
- Improved employee use of existing benefits (35 percent).

Not surprisingly, reasons differed by industry. While educational services organizations strongly favored improved overall worker satisfaction as a reason (62 percent), retail organizations were far more likely to cite reduced employee financial stress (54 percent). Improved employee retention was not very commonly cited by finance and insurance organizations (27 percent) compared with health care and social assistance organizations (46 percent).

Within many industries, there was a disconnect between top reasons for offering financial wellness initiatives and top measures of the success of those initiatives. About half as many educational services organizations cited improved overall worker satisfaction as a success measure vs. as a reason for offering the financial wellness initiative in the first place. In contrast, for that industry, improved employee recruitment about doubled in importance as a success measure vs. a reason for offering financial wellness initiatives in the first place.

Employers often rely on existing employee benefit/retirement plan data or surveying employees in their efforts to measure financial wellness — and potentially to quantify success. Only 23 percent of employers in the survey said they have created a financial wellbeing score or metric to assist them in understanding employees' financial wellness needs. Firms that have created a financial wellness scorecard or metric were far more likely to offer a large number of initiatives and to offer holistic financial wellness solutions.

¹ Information for the report was collected from a 15-minute online survey with 248 full-time benefits decision-makers conducted in June 2019.



The EBRI report, “2019 Employer Approaches to Financial Wellbeing Solutions,” is published as the September 26, 2019, *EBRI Issue Brief* and is available online [here](#).

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