EBRI Fast Facts
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COVID-19's Impact on the State of Employers' Financial Wellbeing Offerings

Given the significant impact that the COVID-19 pandemic has had on the U.S. economy, one of the goals of the 2020 EBRI Financial Wellbeing Employer Survey was to assess its impact on financial wellbeing benefit offerings. In short, has the financial stress of the current environment caused employers to pause existing programs, hold off on offering new programs, or focus their financial wellness efforts differently? And further, how have their employees responded?

The good news is that most employers said they have not or do not plan to discontinue or pause their existing financial wellbeing benefits. In fact, only 27 percent said they intended to pause or discontinue the benefits in response to COVID-19. On the higher end, 19 percent of the employers that offered short-term loans said they would stop them, while, on the lower end, 11 percent of those offering personalized financial counseling, coaching, and planning would pause or discontinue the benefit.

Survey Methodology

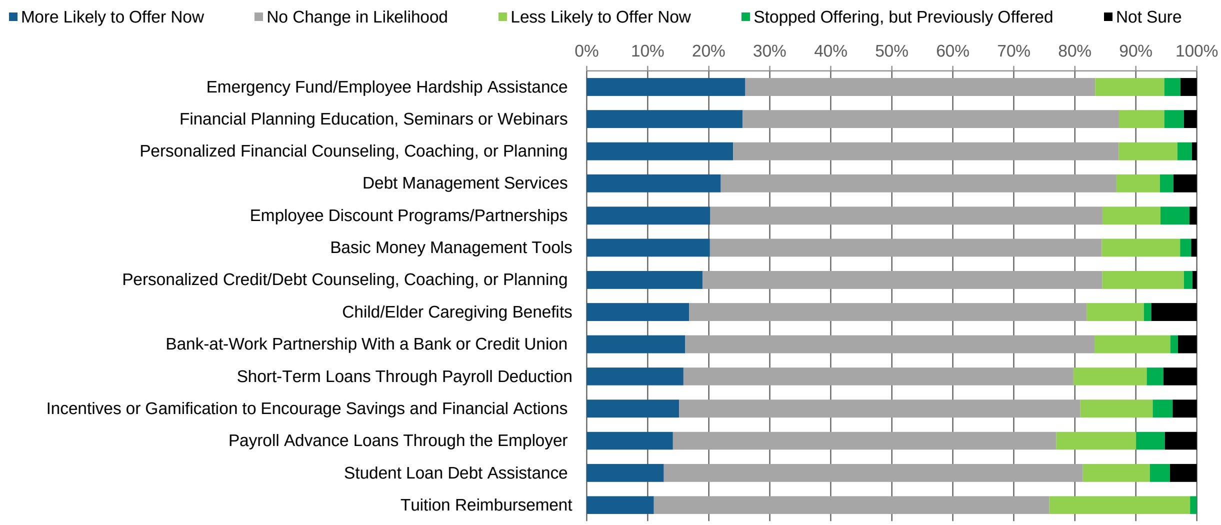
The 2020 EBRI Financial Wellbeing Survey was collected through a 15-minute online survey of 250 full-time benefits decision-makers conducted in June and July 2020. All respondents worked full time at companies with at least 500 employees that were at least interested in offering financial wellness programs.

Respondents were required to have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings. Additionally, respondents were required to hold an executive, officer, or manager position in the areas of human resources, compensation, or finance.

In terms of where employers are likely to focus their benefit offerings in the near future given the impact of COVID-19, Figure 1 shows that employers that do not offer specific financial wellbeing offerings were most likely to offer benefits that afford immediate relief for workers' financial situations, such as emergency fund/employee hardship assistance. More than a quarter (26 percent) said they are now more likely to offer this benefit. Likewise, 26 percent said they are now more likely to offer financial planning education, seminars, and webinars; 24 percent said they are now more likely to offer personalized financial counseling, coaching, or planning; and 22 percent said they are now more likely to offer debt management services. Few responded that they are now more likely to offer student loan debt assistance (13 percent) or tuition reimbursement (11 percent). In fact, 23 percent said they are now *less* likely to offer tuition reimbursement.

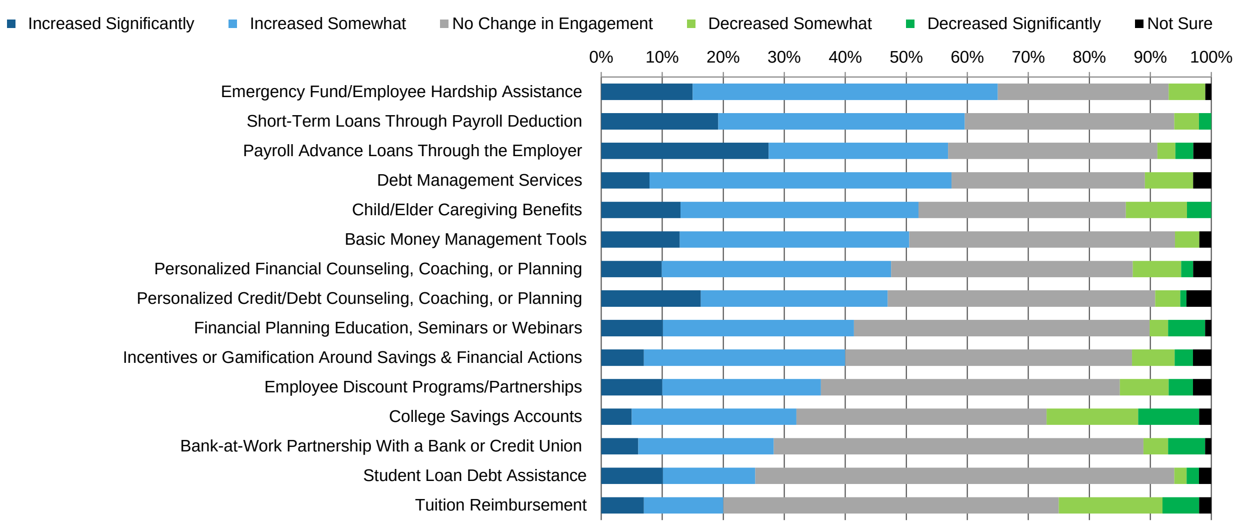
The focus on emergency fund or hardship assistance is consistent with an increased level of employee engagement with this type of benefit. Nearly two-thirds (65 percent) of the employers offering emergency fund/employee hardship assistance saw employee engagement increase somewhat or significantly with this offering. Nearly 6 in 10 of those offering the benefit saw somewhat or significantly increased engagement by employees with short-term loans through payroll deduction, payroll advance loans through the employer, and debt management services since the onset of the COVID-19 pandemic (Figure 2).

Figure 1
Change in Likelihood of Offering Benefits Due to the COVID-19 Crisis
Among Those Not Offering or Planning to Offer Each Benefit



Q22. How has the COVID-19 crisis changed the likelihood of offering any of the following benefits to employees?

Figure 2
Employee Engagement With Benefits Since COVID-19
Among Those Offering Each Benefit



Q39. How has employee engagement with the following benefits changes since the COVID-19 crisis began?

Similarly to the likelihood of offering, employment engagement was least likely to have increased when it came to student loan debt assistance (25 percent) and tuition reimbursement (20 percent). In fact, tuition reimbursement and college savings account programs were the most likely to see *decreased* engagement, according to the survey.

Conclusion

In short, the "2020 EBRI Financial Wellbeing Employer Survey: COVID-19 Driving Benefit Offerings and Potentially Forcing Tough Budget Decisions" report finds that COVID-19 has had an indelible impact on what financial wellbeing programs are being offered by employers as well as what is being used by employees. Emergency funds/employee hardship assistance emerged as a key benefit as a result of the pandemic, as more employers were looking to add these types of programs and employees were becoming more engaged in these types of programs already offered. At the same time, certain programs that were on the high priority list in prior years seem to now be placed on the back burner, with student loan debt assistance standing out as this type of benefit. Along with emergency funds, overall financial planning/coaching on all aspects of finances is overtaking the more single-issue focus of student loan debt.

Notably, the survey also shows that the costs associated with financial wellness programs increased in 2020, even as many companies are faced with significant pressure on their bottom line. Consequently, how these benefits will be provided, or if they will be retained, will be a big question going into 2021. Existing programs that are increasingly being utilized by employees may be difficult to curtail. However, employers could decide to delay as-of-yet unestablished programs due to being negatively financially impacted by COVID-19.

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