



EBRI 2020 Financial Wellbeing Symposium **September 22, 2020**

**2020 Financial Wellness Survey:
Employer Perspectives with Special
Focus on the Impact of COVID-19**

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- HealthEquity
- International Foundation of Employee Benefit Plans
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MAKING THE BEST OF DIFFICULT CIRCUMSTANCES AND...PILATES



SYMPOSIUM AGENDA

Sept. 22 1:00–2:00 p.m. — 2020 Financial Wellness Survey: Employer Perspectives with Special Focus on the Impact of COVID-19

Sept. 22 2:00–2:30 p.m. — Financial Wellbeing Research Center Breakout Discussion Groups (Financial Wellness Research Center Members and their Guests Only)

Sept. 23 1:00–2:30 p.m. — The New Frontier: Virtually Engaging Employees in Financial Wellness Initiatives

Sept. 25 1:00–2:30 p.m. — Weathering the Storm: Steps Employers are Taking to Facilitate Employee Resilience During Times of Crisis

Master of Ceremonies



**Greg Ward, Director, Financial
Wellness Think Tank, Financial Finesse**

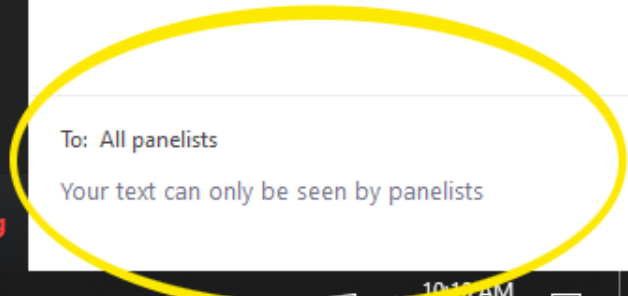
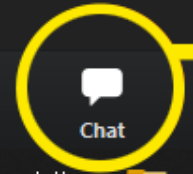
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Zoom Webinar Chat

John Doe

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Speakers



**Craig Copeland,
Senior Research
Associate, EBRI**



**Moderator: Meghan
Belinski, VP
Strategy, Financial
Wellness &
Engagement,
MetLife**



2020 Employer Financial Well-Being Survey

September 2020

Overview

- **Methodology**
- **State of Financial Well-Being Programs**
- **Financial Wellness Benefits**
- **Motivations and Measurement of Financial Wellness Initiatives**
- **Impacts of COVID-19**
- **Appendix: Demographics**

Methodology

2020 Employer Financial Well-Being Survey

Information for this report was collected from a 15-minute online survey with 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.

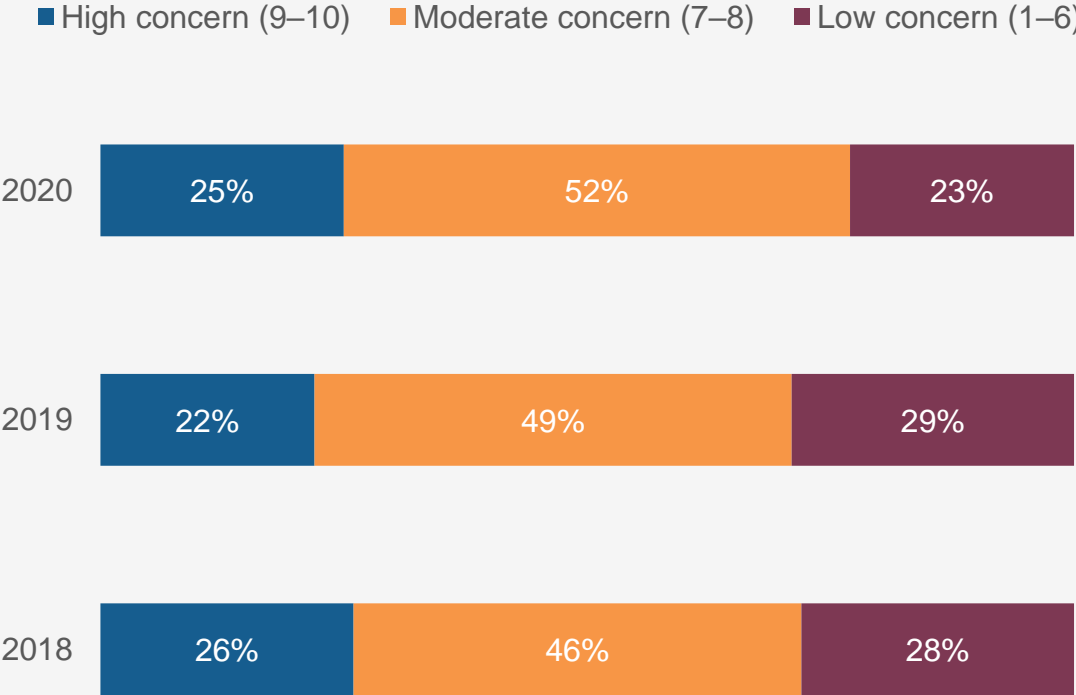
Respondents were required to have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings. Additionally, respondents were required to hold an executive, officer, or manager position in the areas of human resources, compensation, or finance.

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 and 2019 Employer Financial Well-Being Survey are shown when applicable.

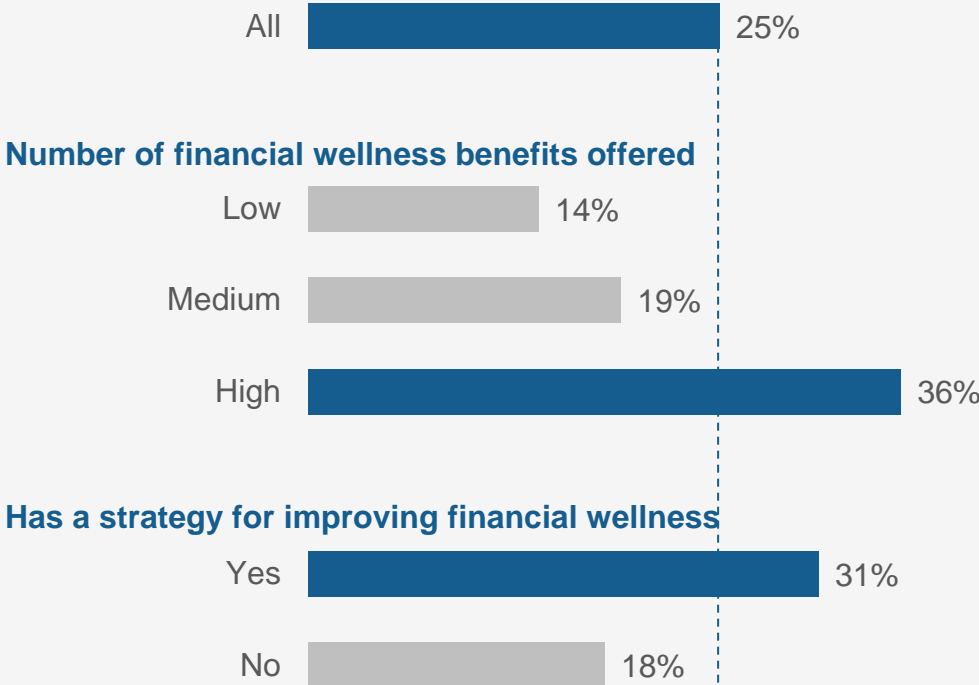
STATE OF FINANCIAL WELL-BEING PROGRAMS

25% of firms are highly concerned with their employees' financial well-being. Those more likely to be concerned include firms that offer more benefits or have a strategy around financial wellness.

Company's Level of Concern around Employees' Financial Well-Being



Firms with high concern (9-10)

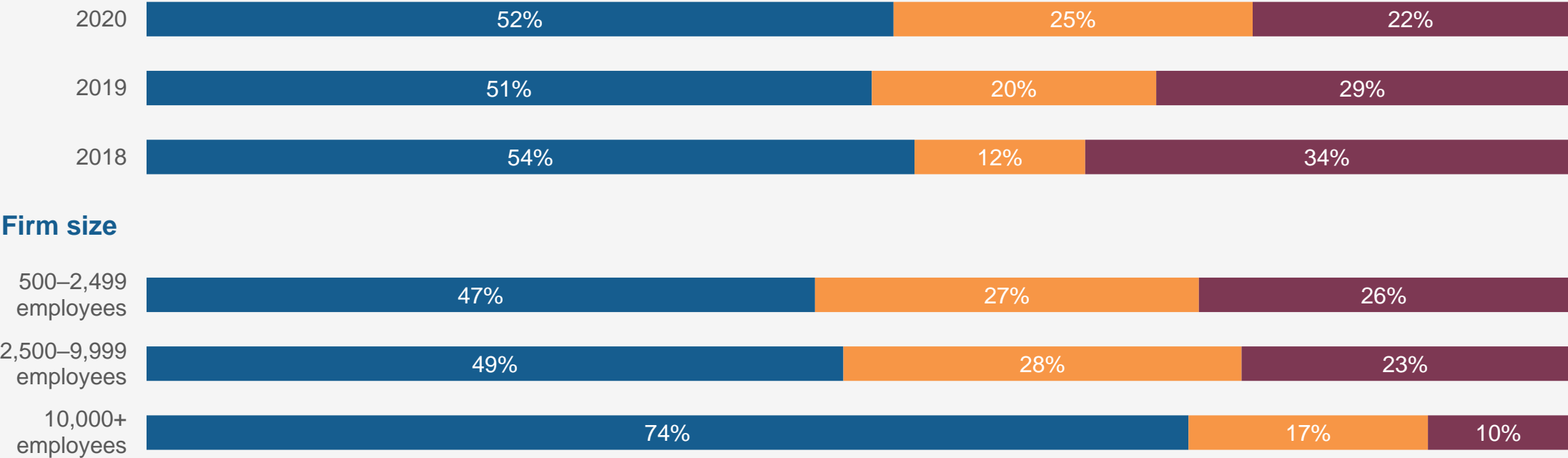


Q24. Please rate your company's level of concern about employees' financial well-being. (2018 Study, n=250; 2019 Study, n=248; 2020 Study, n=250)

About half of firms are currently offering financial wellness initiatives. Three-quarters of firms with 10,000 or more employees are offering initiatives.

Current Approach in Offering Financial Wellness Initiatives

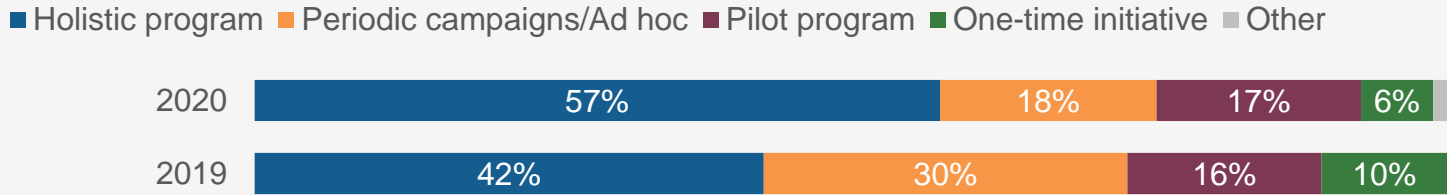
■ Currently offer ■ Actively implementing ■ Interested in



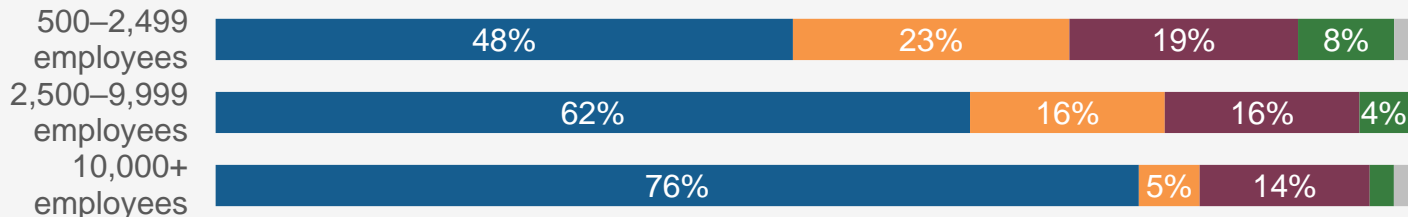
Q5. Which statement most accurately reflects your company's current approach in offering financial wellness initiatives to employees? (2018 Study, n=250; 2019 Study, n=248; 2020 Study, n=250)

Almost six in ten consider their approach to their financial wellness program to be holistic. Few consider their offering to be a one-time initiative.

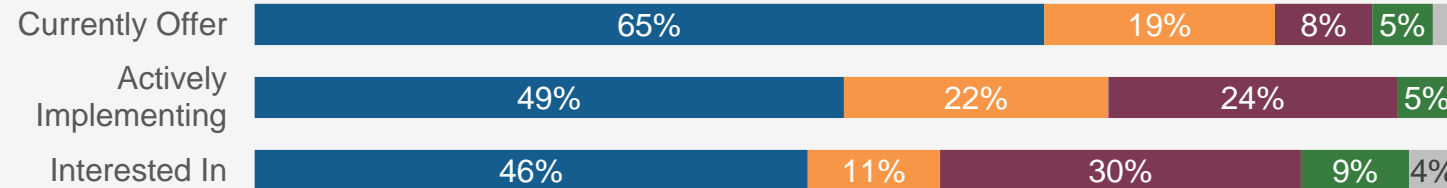
Primary Approach in Offering Financial Wellness



Firm Size



Company's current approach to financial wellness initiatives



Compared with the 2019 study, more companies are offering holistic programs while fewer define their initiative as periodic.

- This increase in holistic approaches is seen across all stages, from those offering initiatives to those just interested.
- Firms with 2,500 or more employees saw an increase in those defining their programs as holistic.

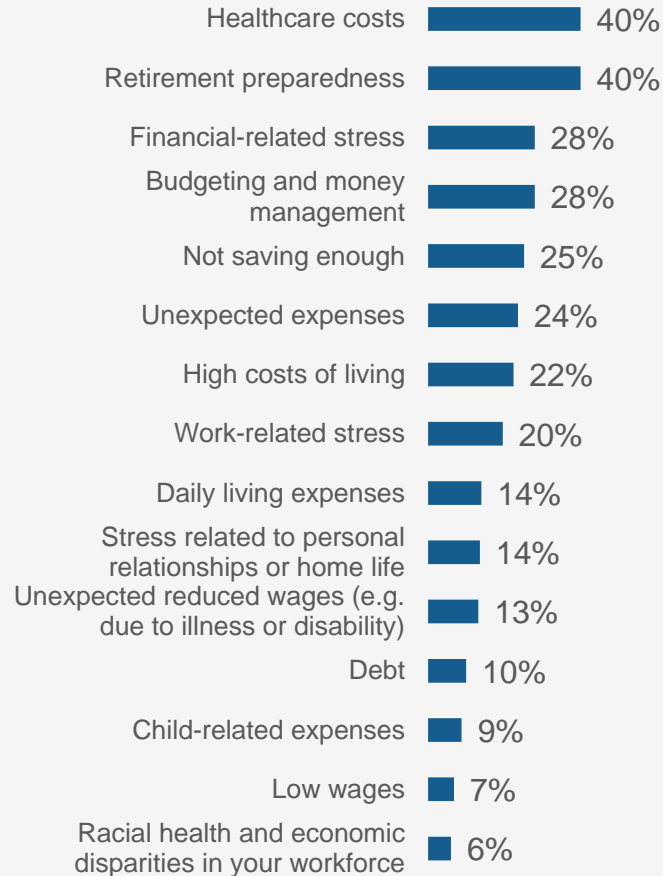
In the 2020 Study, those more likely to be offering holistic programs include firms:

- With 10,000+ employees
- Currently offering initiatives
- Offering more than two financial wellness benefits
- With a strategy for improving their employees' financial wellness
- That have examined existing employee benefit/retirement plan data

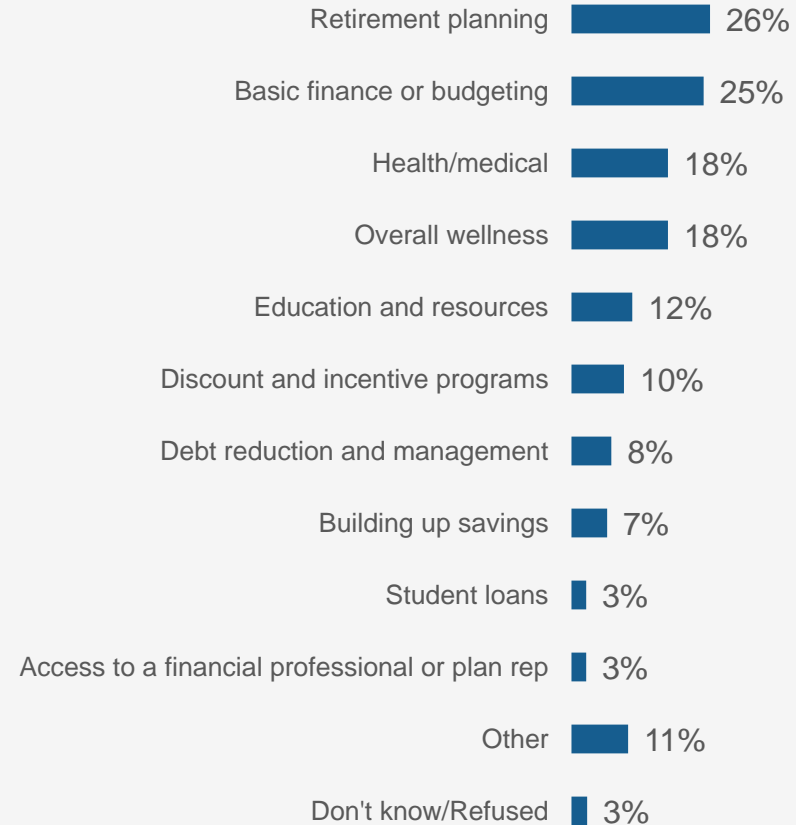
Q8. How do you or might you offer your financial wellness initiatives? Please select your primary approach. (2018 Study, n=250; 2019 Study, n=248; 2020 Study, n=250)

Employers are most often trying to address healthcare costs and retirement preparedness with their financial wellness initiatives, while the areas of focus most often cited are retirement planning and basic finance.

Top Issues to Address with Financial Wellness Initiatives



Areas of Focus in the Financial Wellness Initiatives



Companies with 10,000+ employees are more likely to say their focus is on retirement planning (45% vs. 23% of firms with 500–9,999 employees).

- Companies that consider their initiative holistic or periodic are also more likely to focus on retirement.

Q25. What are the top three issues faced by your employees that your financial wellness initiatives are designed to address? Please select your top three reasons. (n=250)

Q7. What programs or topic areas are your company's primary focus in their (current/anticipated) financial wellness initiatives? *Open-ended question, multiple responses accepted.* (n=250)

Most companies have a strategy or are developing one to improve their employees' financial wellness.

Strategy for Improving Employees' Financial Wellness



Q9. Does your company have a strategy for improving your employees' financial wellness? (n=250)

Among firms that have or are developing a financial wellness strategy, 88% consulted at least one outside source to help develop their strategy.



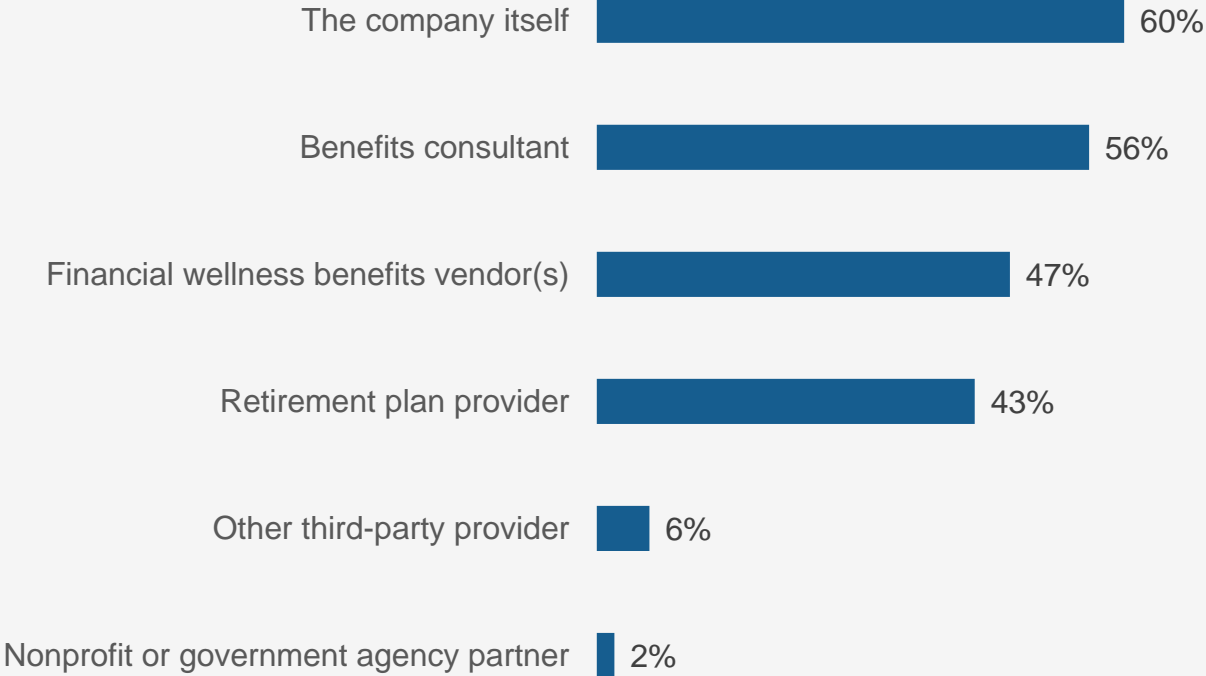
88%

Had help from an outside source to develop and design their financial wellness strategy

Just 12% developed a strategy wholly on their own.

Helped Design Financial Wellness Strategy

Among those with a strategy or developing one



Q10. Who helped design and develop your organization's financial wellness strategy? Please select all that apply. (Have or are developing a strategy, n=224)

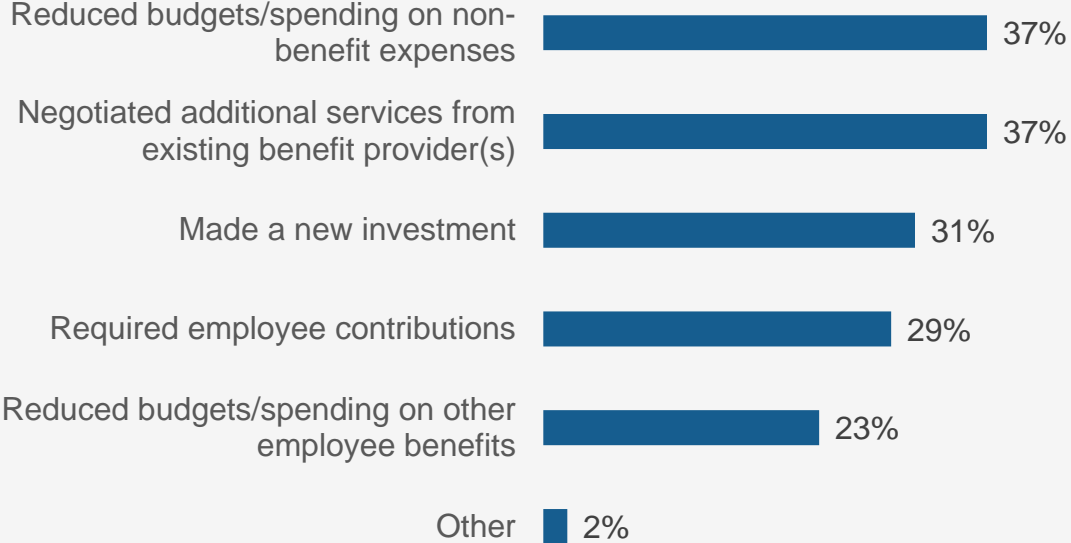
Most employers do or would pay for their financial wellness initiatives with half being the sole funders.

Paying for Initiatives



Companies that fully pay for their financial wellness initiatives are less likely to reduce budgets on other employee benefits.

Financial Wellness Funding

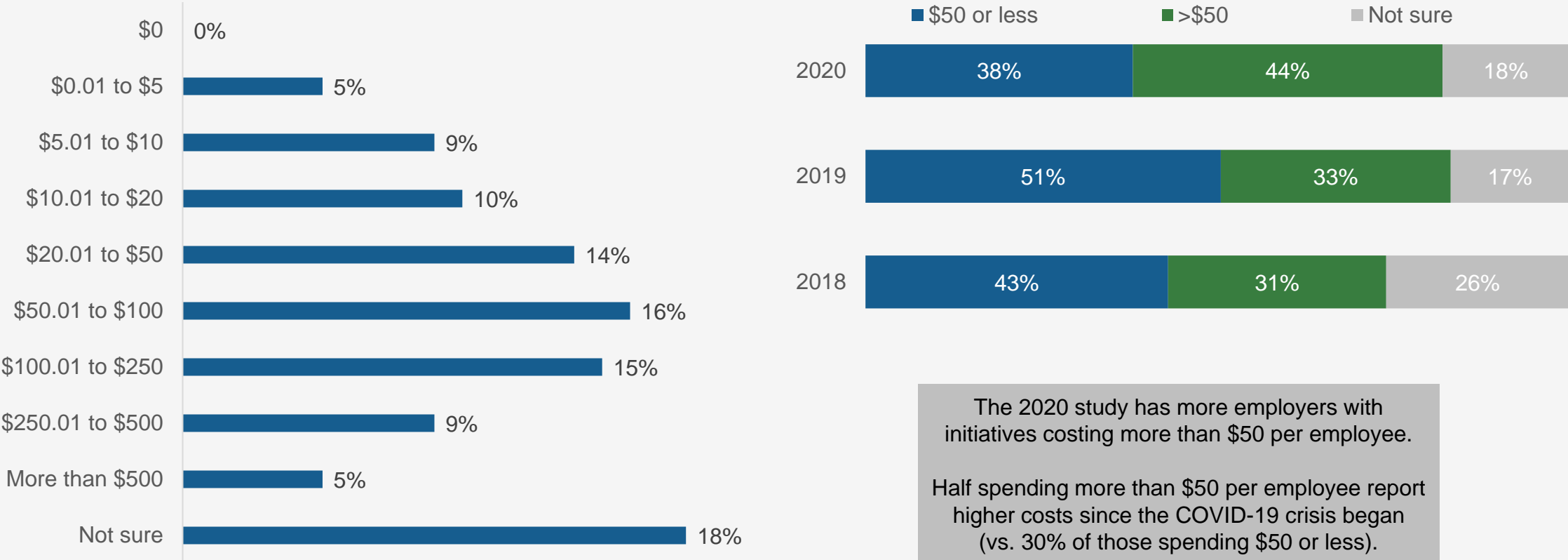


Firms with a high level of concern about their employees' financial well-being are more likely to make a new investment (44% vs. 29% moderate concern and 21% low concern).

Q31. Who pays or might pay for your financial wellness initiatives? (n=250)
 Q33. How is your company/does your company plan on funding its financial wellness initiatives? Please select all that apply. (n=250)

There is a wide range in the cost of financial wellness initiatives, but costs seem to be increasing in the 2020 study. About two in ten are not sure of the annual cost per employee.

Annual Cost per Employee
Among those who currently offer financial wellness initiatives

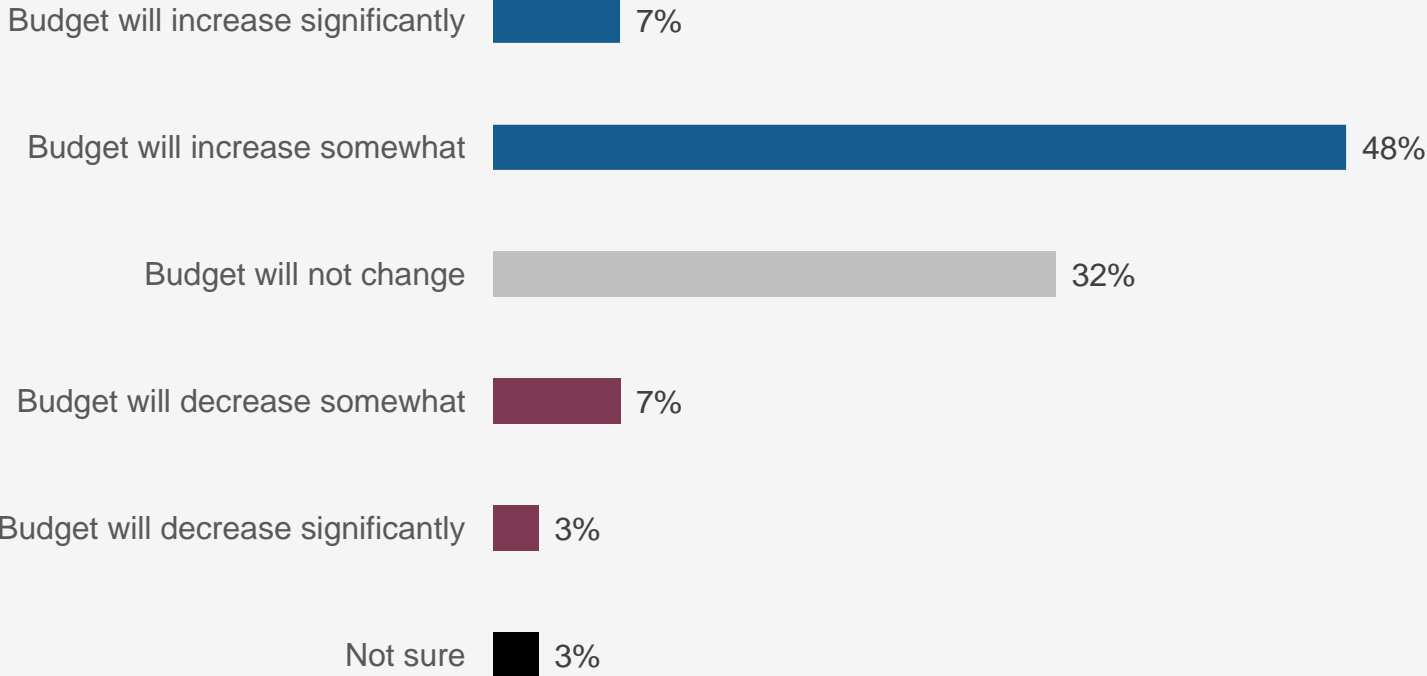


Q32. On average, what is the annual cost per employee for financial wellness initiatives? (Currently offer financial wellness initiatives. 2018 Study, n=134; 2019 Study, n=126; 2020 Study, n=131)

56% of those who are offering or actively implementing financial wellness initiatives believe their budgets will increase in the near future.

Anticipation of Organization’s Financial Wellness Budget in Next One to Two Years

Among those who currently offer or are actively implementing financial wellness initiatives

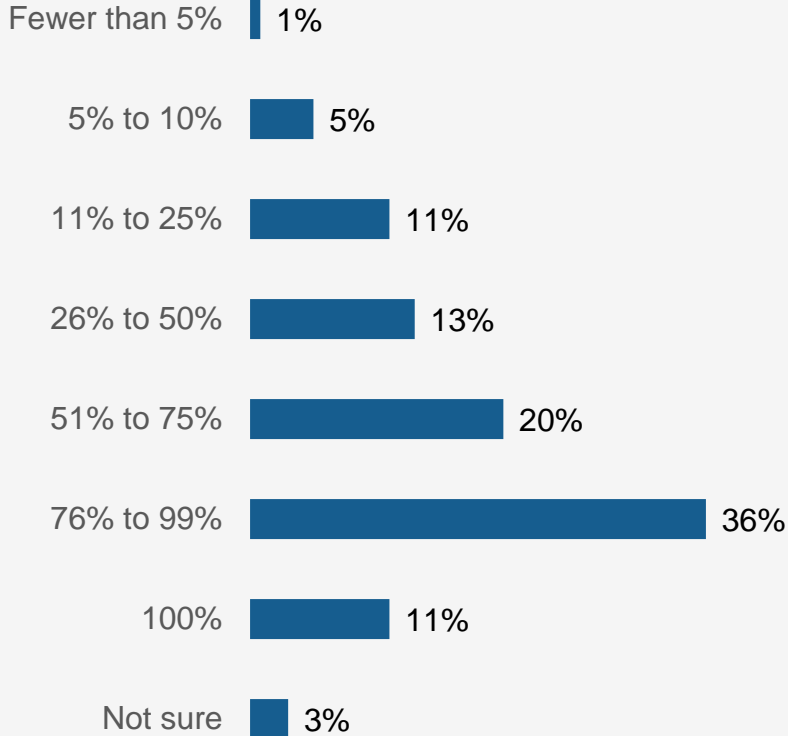


Companies with 500-2,499 employees were more likely to say their budgets would increase significantly compared with companies of 10,000 or more employees (11% vs 3%)

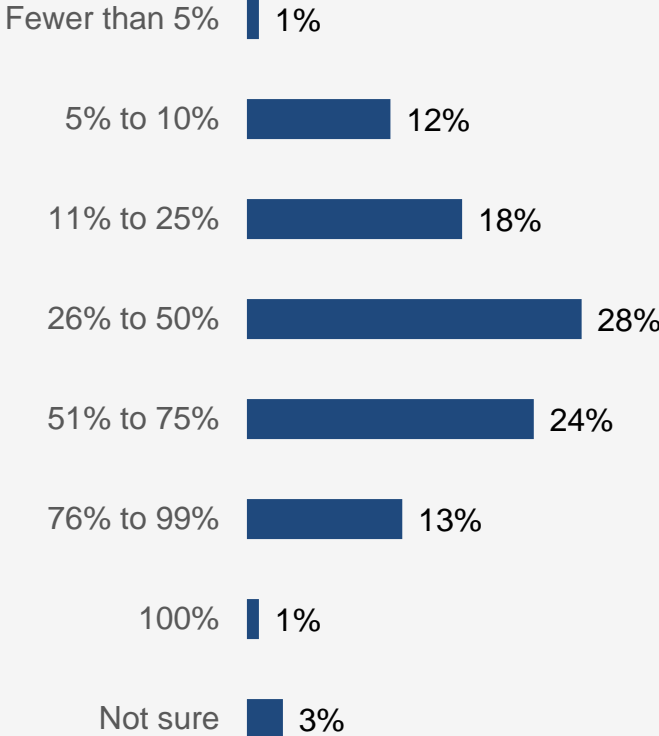
Q36. Overall, how do you anticipate your organization’s budget for financial wellness initiatives will change in the next one to two years? (Currently offer or actively implement financial wellness initiatives n=194)

About two-thirds say over half of their employees are eligible for financial wellness benefits. Of those eligible, four in ten think over half of their employees would make use of the benefits.

Employees Eligible for Financial Wellness Benefits



Employees Using Financial Wellness Benefits



While firms that are currently offering or actively implementing financial wellness initiatives are slightly more likely to say all their employees are eligible, there is little difference in the percentage of eligibility based on current approach. There is no difference in the percentage of employees making use by current approach.

Employers who held focus groups or examined existing employee data to understand their employees' financial wellness needs are more likely to say all their employees are eligible.

29% of firms with 10,000+ employees say more than 75% of their employees make use of the financial wellness benefits (vs. 12% of firms with less than 10,000 employees).

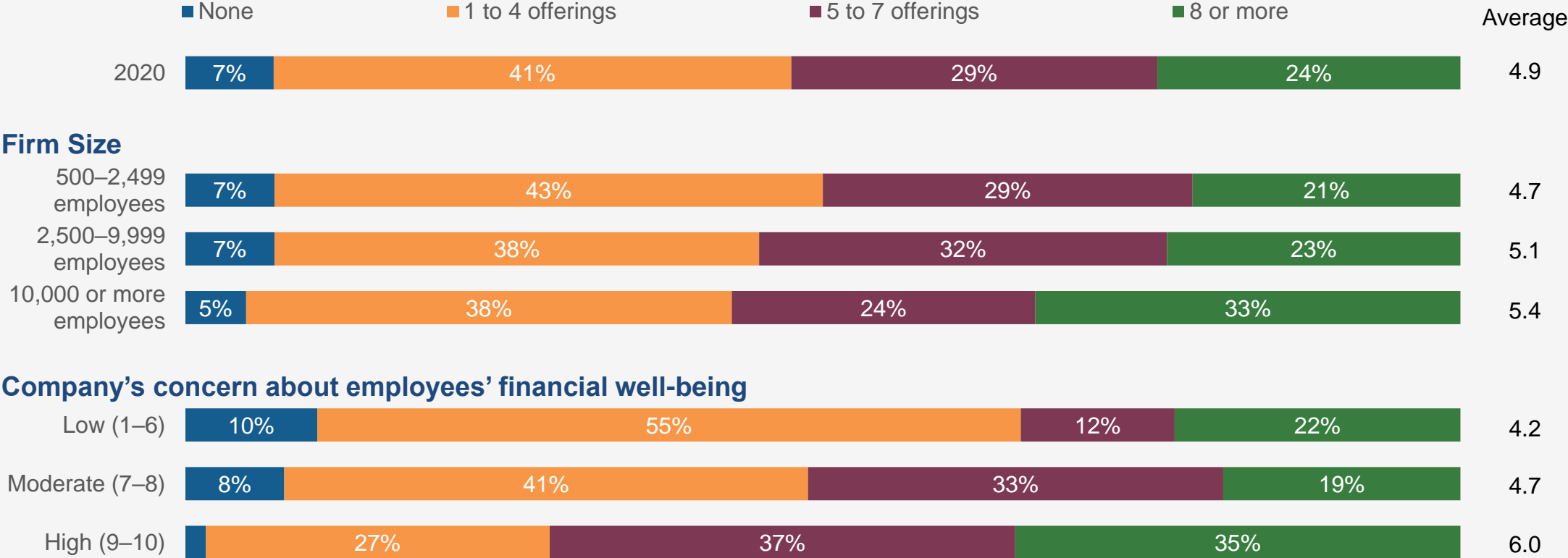
Q37. Approximately what percentage of employees in your company do you estimate are eligible for financial wellness benefits? (n=250)

Q38. Approximately what percentage of eligible employees in your company do you estimate have made use/would likely make use of the financial wellness benefits? (n=250)

FINANCIAL WELLNESS BENEFITS

Out of a possible 14 benefits, a quarter are currently offering eight or more financial wellbeing benefits to their employees.

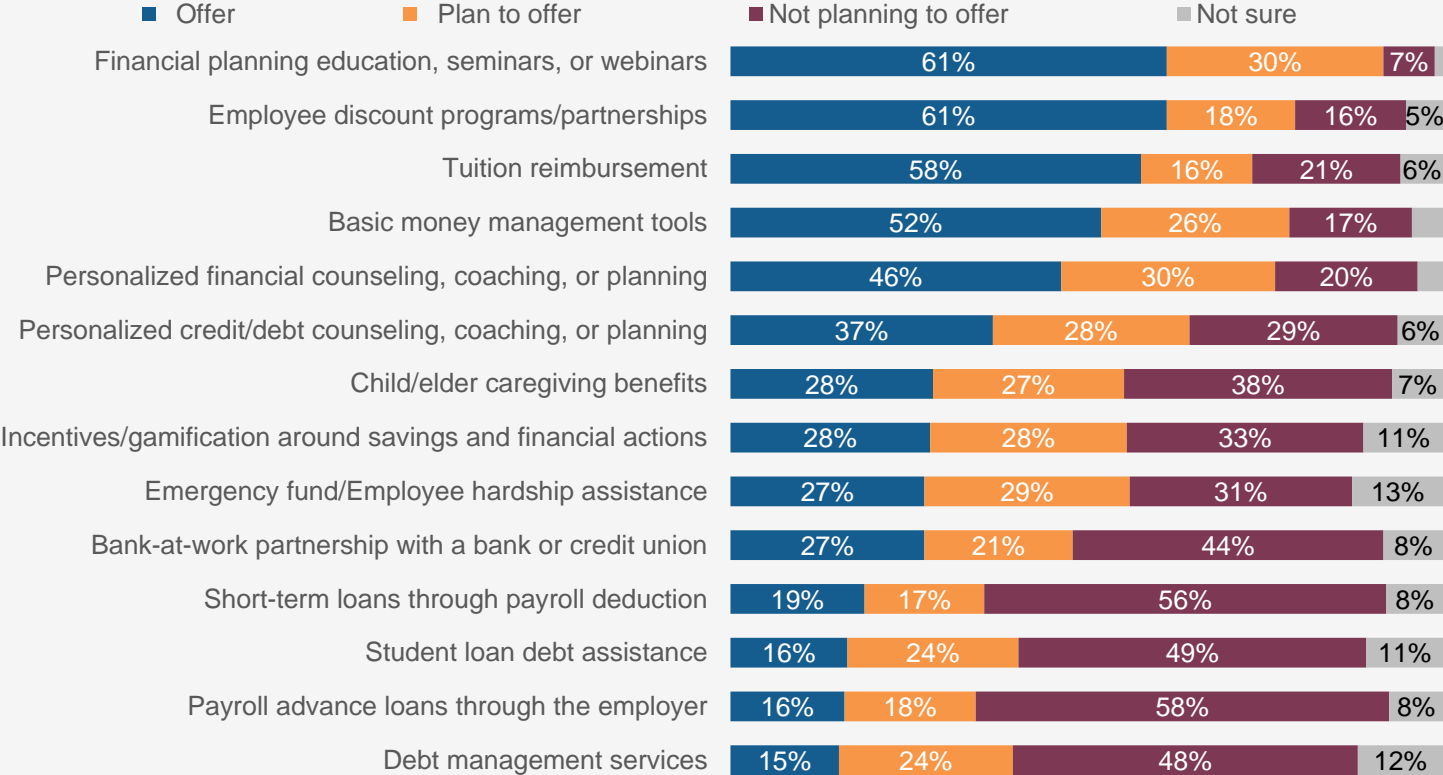
Number of Financial Well-Being Benefits Currently Offered



Q17. Does your company offer or plan to offer any of the following financial wellbeing or debt assistance benefits to employees? (n=250)
 Q19. Which of the following does your company offer to help employees with personal financial challenges? (n=250)

Financial planning education, employee discount programs, and tuition reimbursement are the most offered benefits. Few are interested in offering loans.

Financial Well-Being Benefits Offered

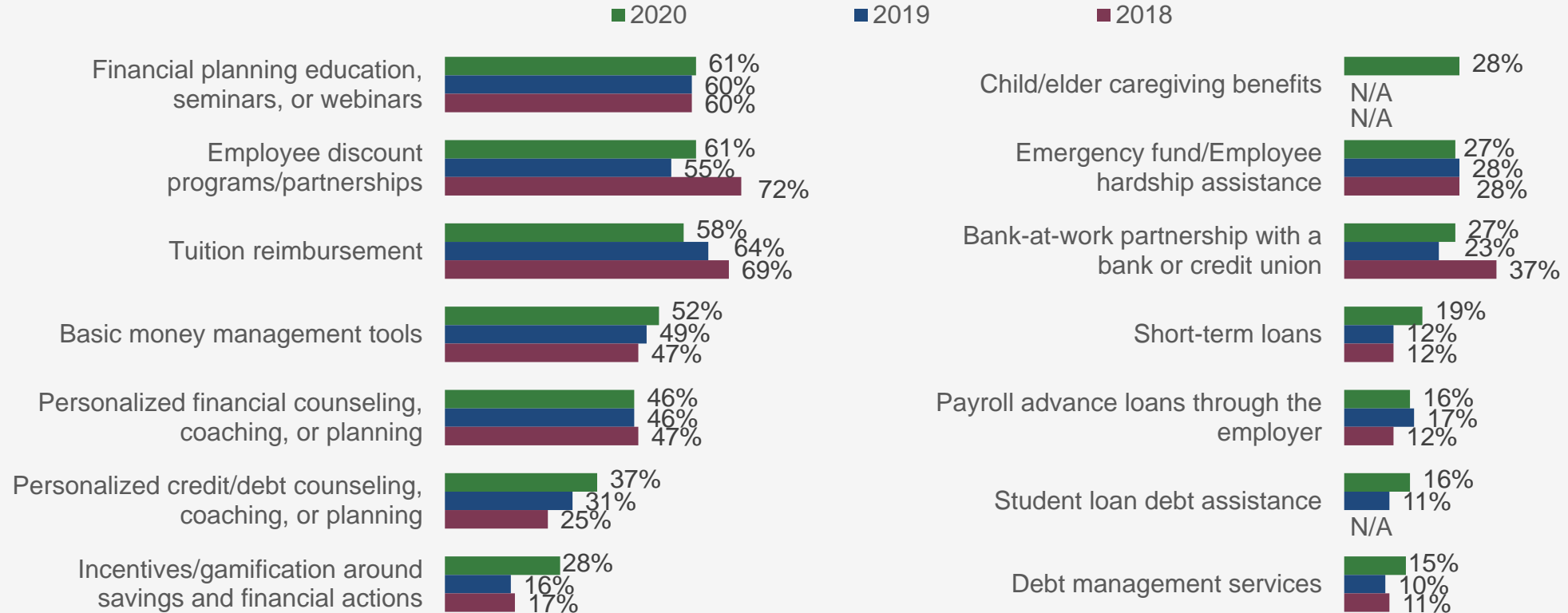


- Employers with high concern are more likely to offer employee discount programs, financial planning education, money management tools, and personalized credit/debt management counseling.
- Those who have a strategy, created a score, conducted a needs assessment, or held employee focus groups are more likely to offer almost every benefit.

Q17. Does your company offer or plan to offer any of the following financial wellbeing or debt assistance benefits to employees? (n=250)
 Q19. Which of the following does your company offer to help employees with personal financial challenges? (n=250)

Compared with prior years, firms are less likely to offer discount programs, tuition reimbursement, or bank-at-work partnerships. Credit/debt counseling and saving incentives have increased in popularity.

Voluntary Benefits Offered

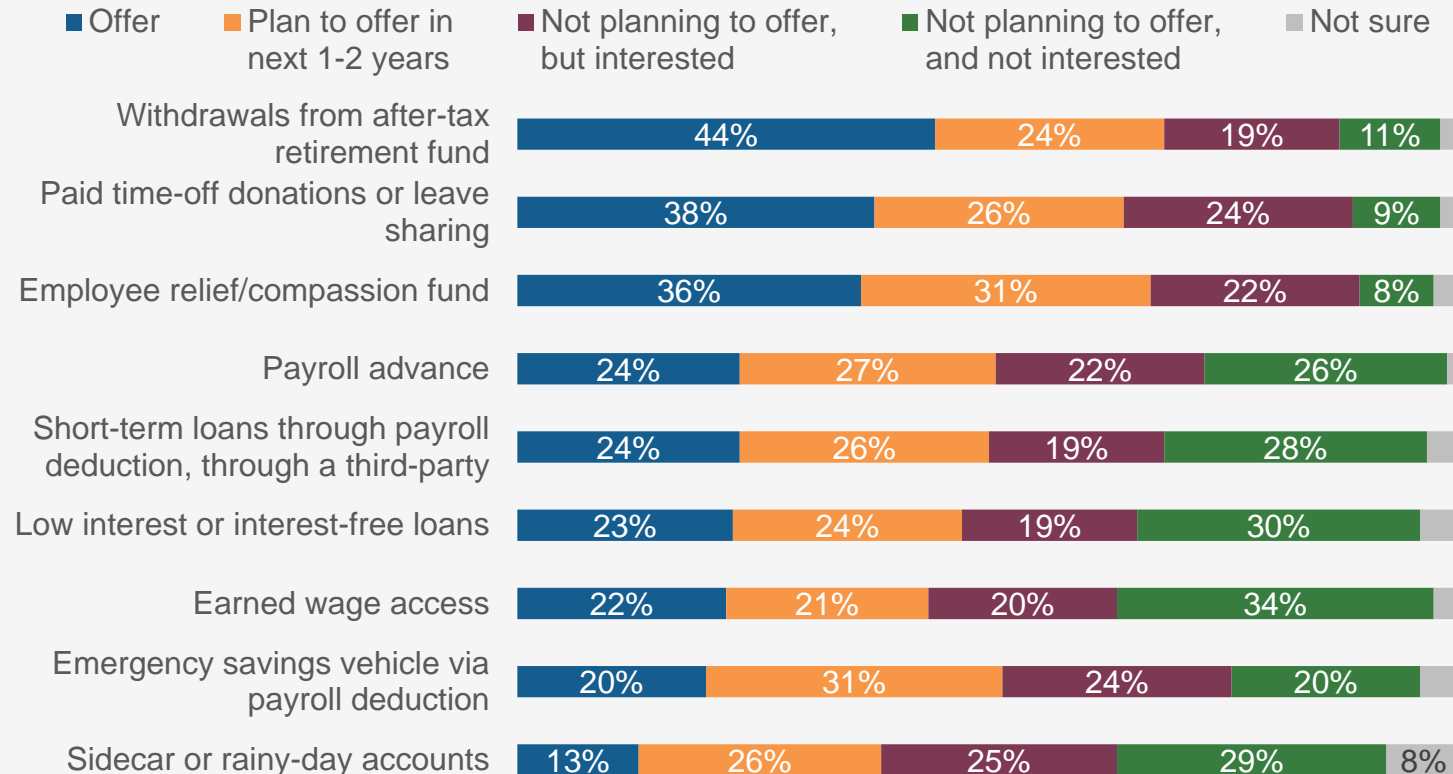


Q17. Does your company offer or plan to offer any of the following financial wellbeing or debt assistance benefits to employees? (2018 Study, n=250; 2019 Study, n=248; 2020 Study, n=250) Q19. Which of the following does your company offer to help employees with personal financial challenges? (2018 Study, n=250; 2019 Study, n=248; 2020 Study, n=250)

Currently, emergency assistance is most likely to consist of withdrawals from retirement funds, PTO donations, or employee compassion funds.

Emergency Fund or Employee Hardship Assistance Programs

Among those offering or planning to offer emergency fund or employee hardship assistance programs

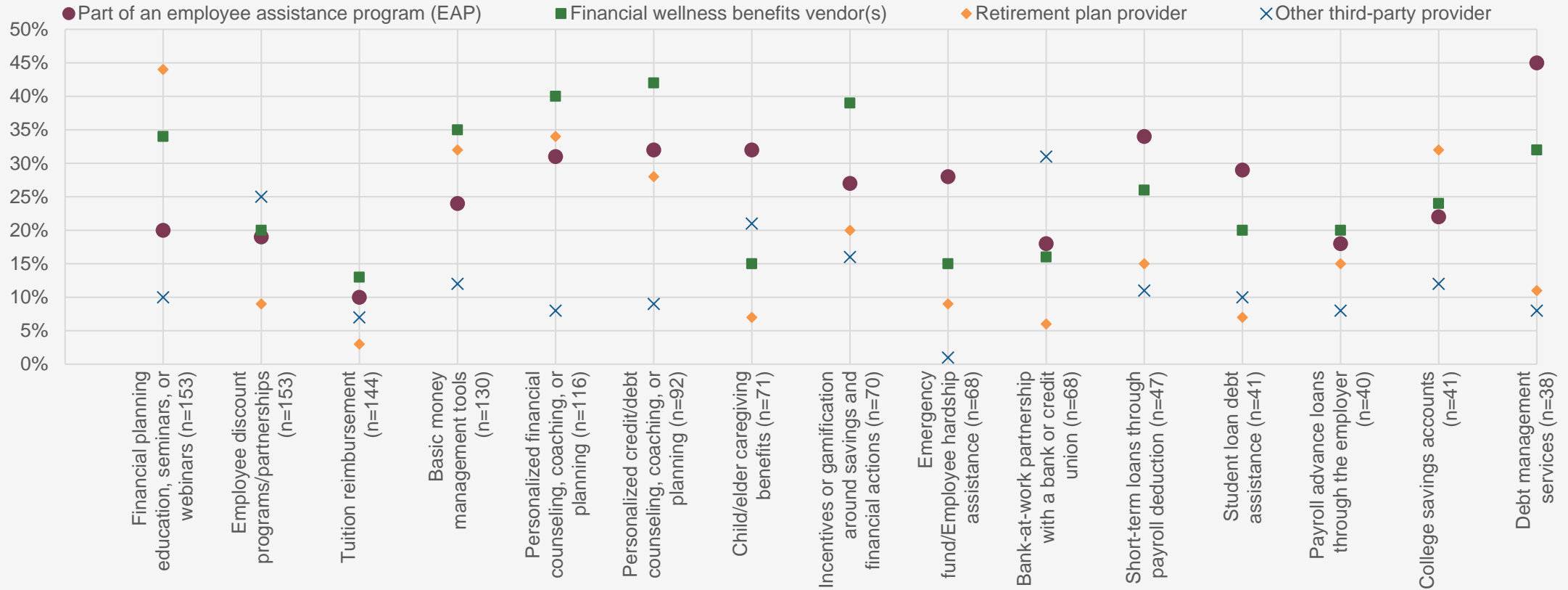


- 27% of all firms offer an emergency fund or employee hardship assistance program.
 - 29% plan to offer this benefit.
- Among those who already offer an emergency fund, they offer an average of 3.5 emergency benefits in this category. They are also planning on or interested in offering an additional 3.1 emergency fund offerings on average.

Q18. Which of the following are or will be offered in your company's emergency fund or employee hardship assistance program? (Offers or plans to offer emergency fund or employee hardship program. n=140)

A variety of providers are used for financial wellness benefits, with firms engaging with 1.8 providers outside their firm on average.

Outside Providers of Benefits Offered* Among those offering each benefit



*Excludes "the company itself," "nonprofit or government agency partner," and "other" Q20. Who is the provider of the following benefits? For each benefit, please select all that apply.

MOTIVATIONS AND MEASUREMENT OF FINANCIAL WELLNESS INITIATIVES

Overall worker satisfaction, employee retention, and stress reduction are the top reasons for offering financial wellness initiatives.

Top Reasons for Offering Financial Wellness Initiatives



Employers in the health care industry were more likely to list reduced health care costs for a top reason, while those in manufacturing cited reduced absenteeism and those in finance said improved work force management for retirement.

Q28. What are or would be your top three reasons for offering financial wellness initiatives to employees? Please select your top three reasons. (n=250)

Examining employee data and employee surveys are the most common steps taken to understand employees' needs. Few are using specific financial wellness metrics or assessments.

Steps Taken to Understand Employees' Financial Wellness Needs



In total, 88% have taken at least one step to understand their employees' financial wellness needs. And on average, firms have taken 3.4 steps to understand their employees' needs.

- Three-quarters of firms have examined some type of existing employee data.
- 56% have used qualitative methods—either through interviews or focus groups with their employees.

Q26. What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=250)

Employee productivity, satisfaction with wellness initiative, and overall satisfaction are the top ways employers measure their financial wellness initiatives' success.

Top Factors in Measuring Financial Wellness Initiatives' Success



Firms with 10,000 or more employees are more likely to measure based on improved use of existing benefits and retirement plans. These firms are also more likely to cite improved use as a reason for offering financial wellness initiatives in the first place.

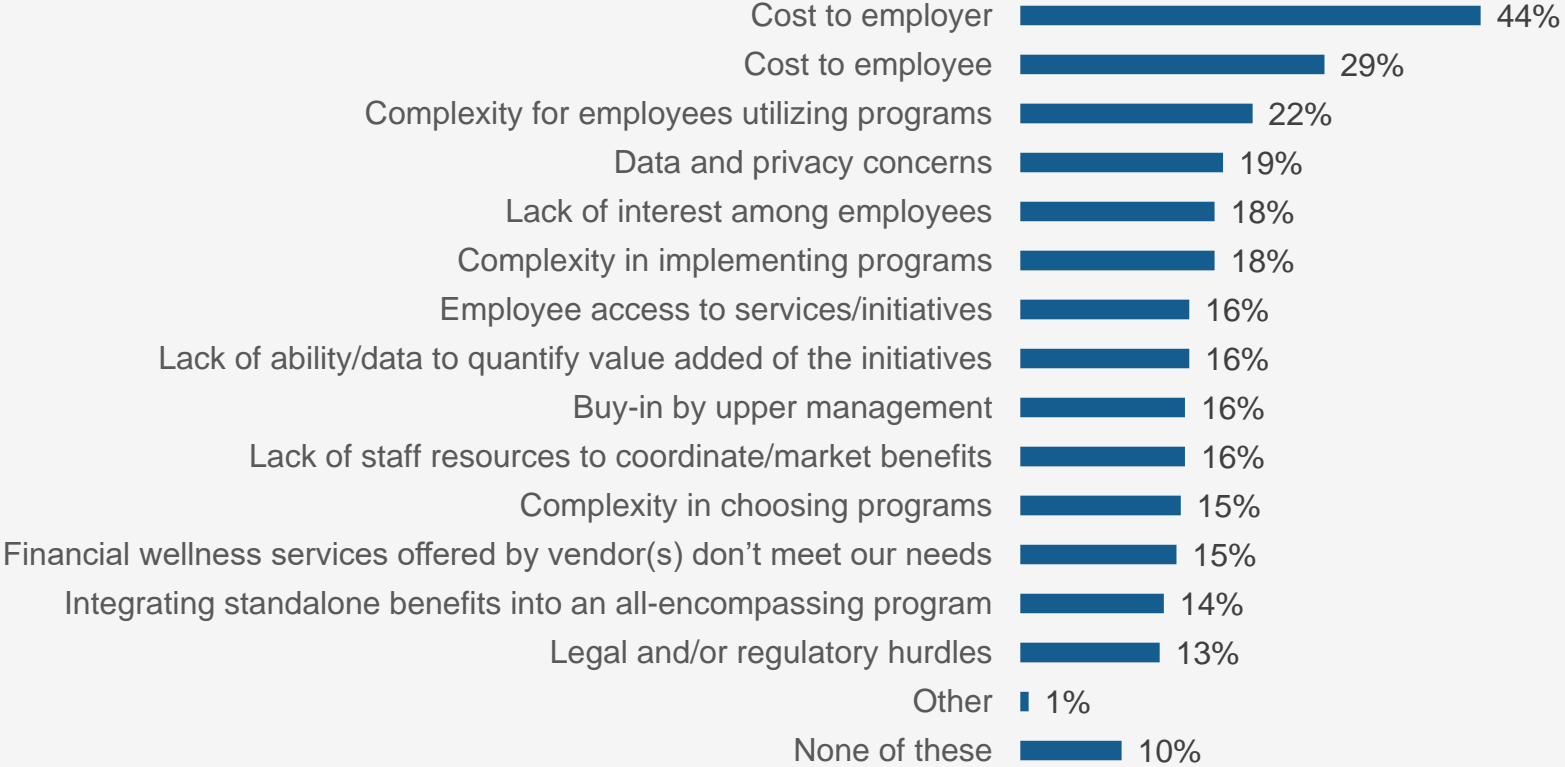
Compared to the 2019 study:

- Increased employee productivity is more likely to be a measure of success (36% vs. 18%)
- In 2020, only 22% of firms are measuring success based on improved use of existing retirement plans (vs. 31%)

Q30. What are the top three factors that are or will be important in the measurement of your financial wellness initiatives? Please select your top three. (n=250)

Costs—both to the employer and employee—are the top challenges in offering financial wellness benefits.

Top Challenges in Offering Financial Wellness Benefits

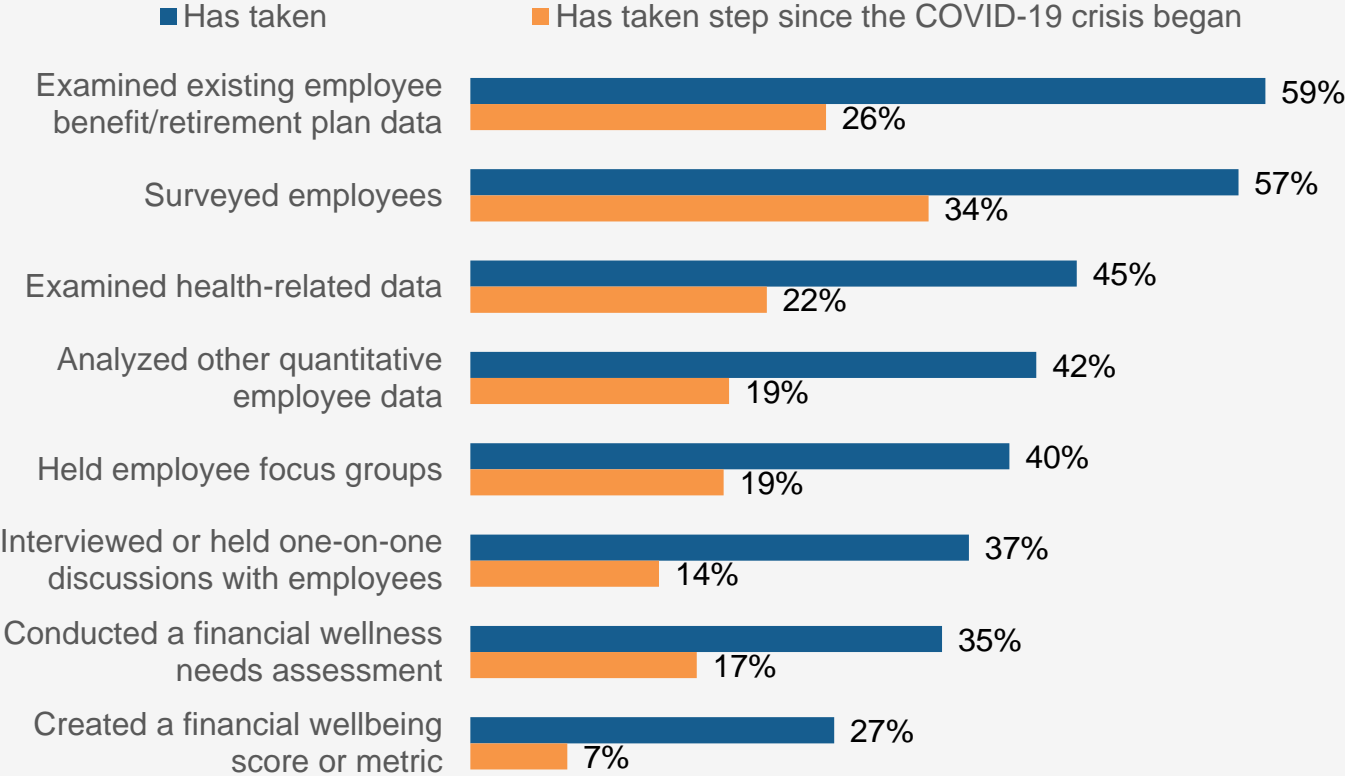


Q29. What are the top three challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top three. (n=250)

IMPACTS OF COVID-19

Since the COVID-19 crisis, two-thirds of employers have taken action to understand their employees' financial wellness needs, with the most common being a survey of employees.

Steps Taken to Understand Employees' Financial Wellness Needs

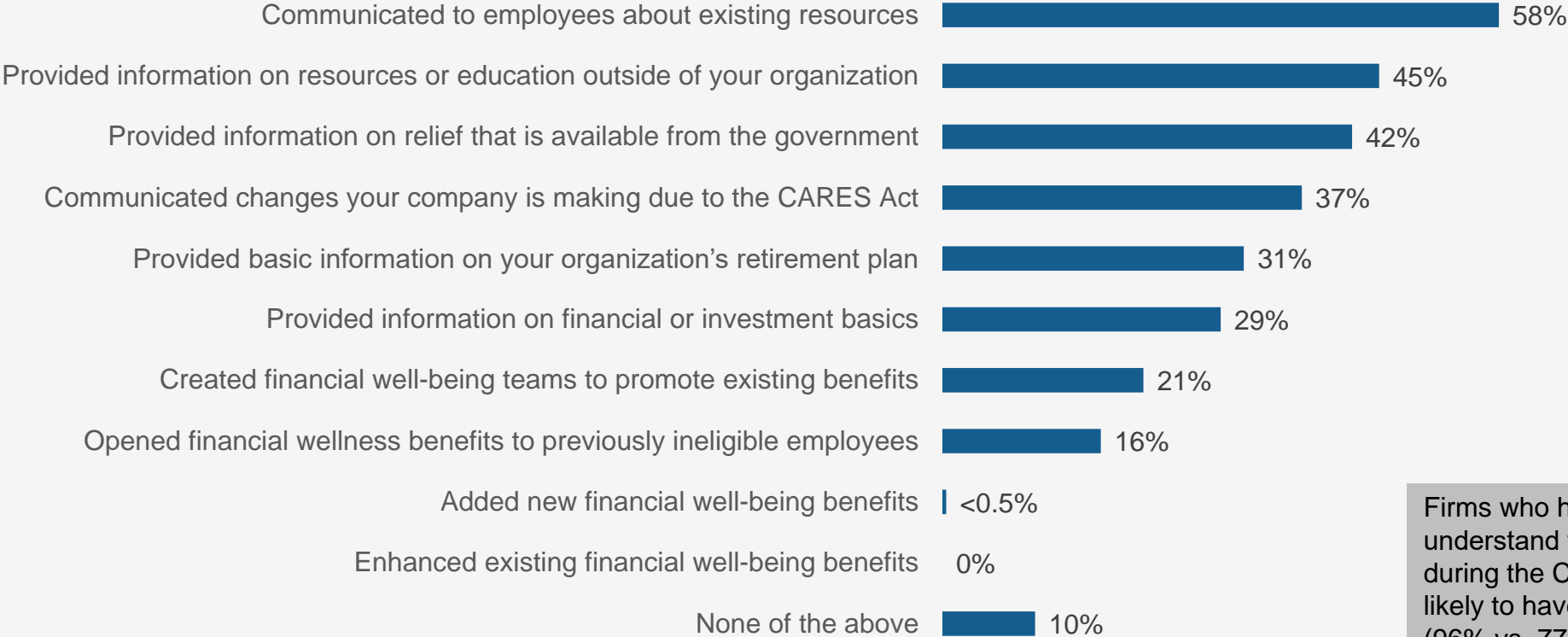


- 32% of firms have not taken any steps to understand their employees' financial wellness needs since the COVID-19 crisis began.
 - Firms with 10,000+ employees, those with moderate or low concern, those without a financial wellness strategy, and those offering fewer than six financial wellness benefits are all less likely to have taken any steps.
- Firms who have tried to understand their employees' needs have taken an average of 2.3 actions.

Q26 What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=250)
 Q27. What steps has your company taken to understand your employees' financial wellness needs since the COVID-19 crisis began? (Taken any steps, n=219; Responses rebased to reflect total)

In response to the COVID-19 crisis, 90% of employers have taken action to address the financial well-being of their employees. Promotion of existing resources is the most common step taken.

Actions Taken in Response to COVID-19

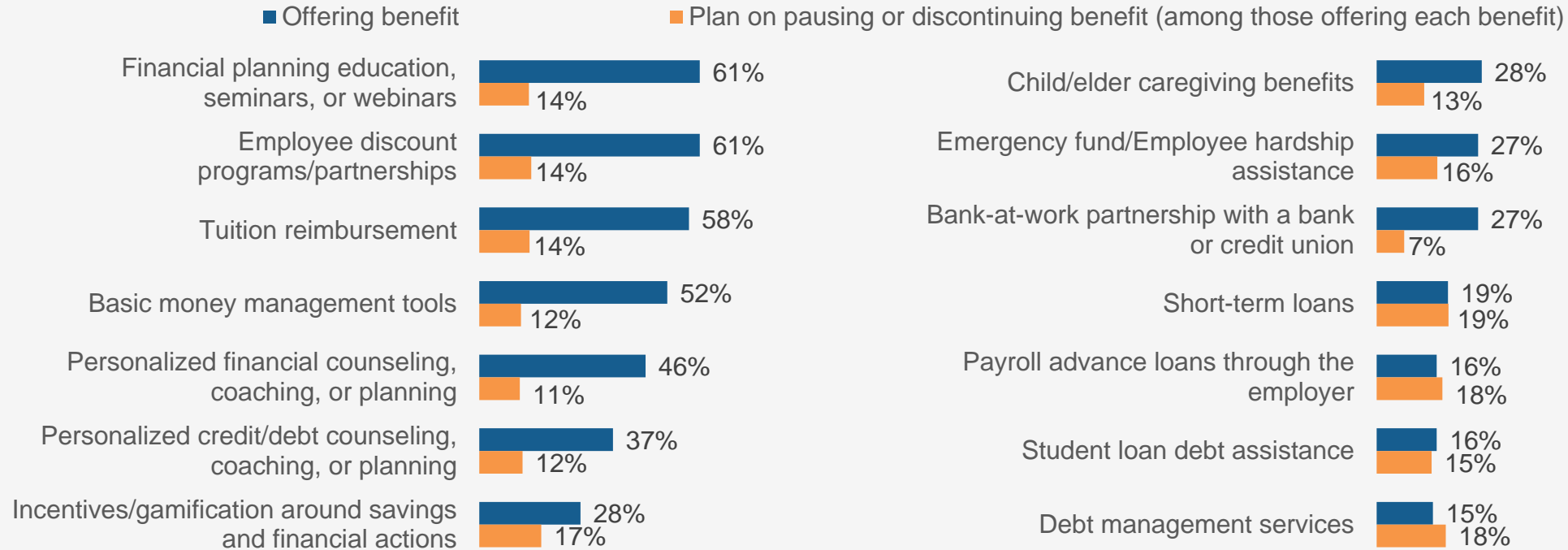


Firms who have taken steps to understand their employees' needs during the COVID-19 crisis are more likely to have taken at least one action (96% vs. 77%)

Q40. Have you done any of the following in response to the COVID-19 crisis? Please select all that apply. (n=250)

Most employers do not plan on pausing or discontinuing any financial wellness benefit.

Benefits Paused or Discontinued due to COVID-19



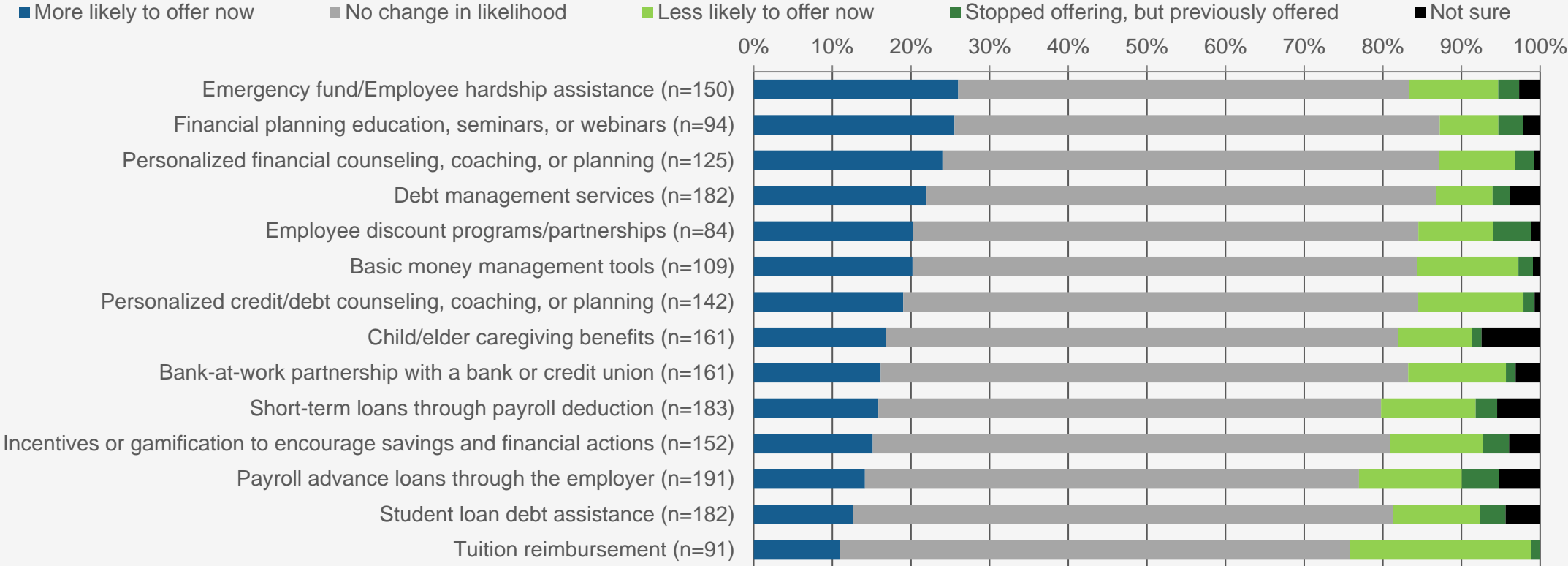
73% say they will not pause or discontinue any benefits.

Q21. Do you plan on pausing or discontinuing any of the following benefits to employees due to the COVID-19 crisis? Please select all that apply.

The COVID-19 crisis isn't a major influence on offering benefits. About 25% are more likely to offer emergency funds, financial education, and counseling. 23% are less likely to offer tuition reimbursement.

Change in Likelihood in Offering Benefits Due to the COVID-19 Crisis

Among those not offering or plan to offer each benefit

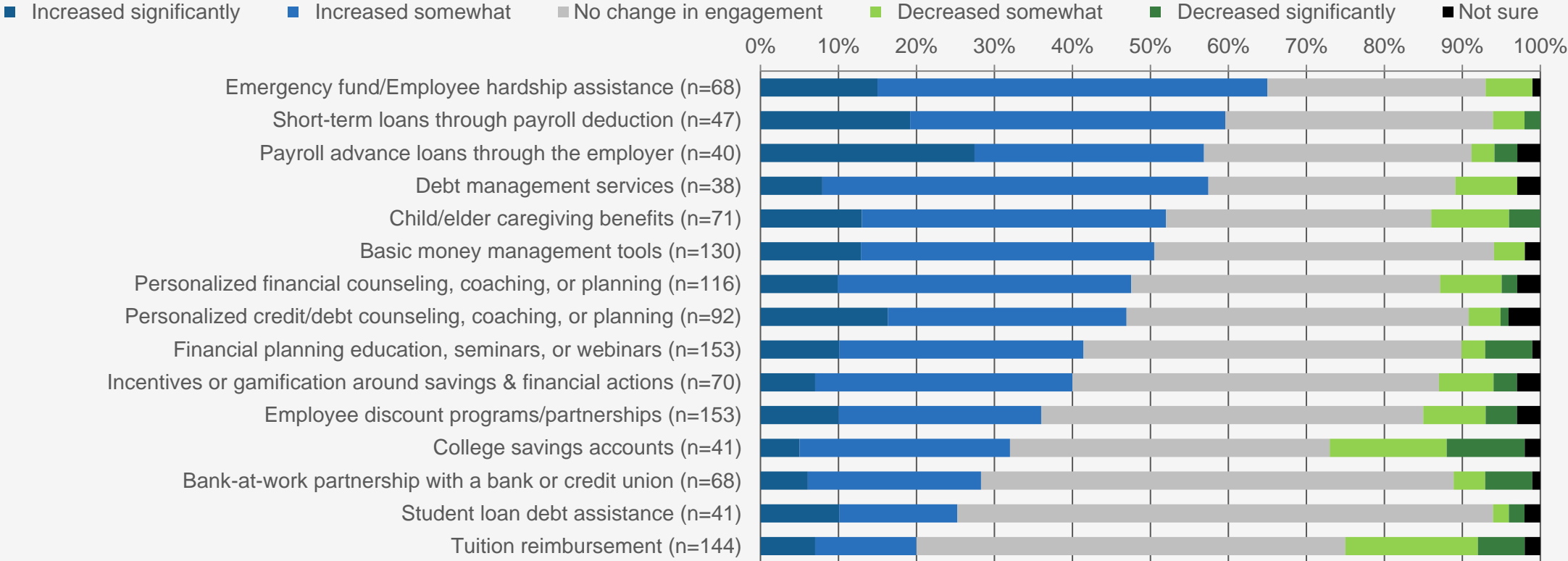


Q22. How has the COVID-19 crisis changed the likelihood of offering any of the following benefits to employees?

The COVID-19 crisis has increased employee engagement with emergency funds, short-term loans, payroll advances, debt management services, and caregiving benefits.

Employee Engagement with Benefits Since COVID-19

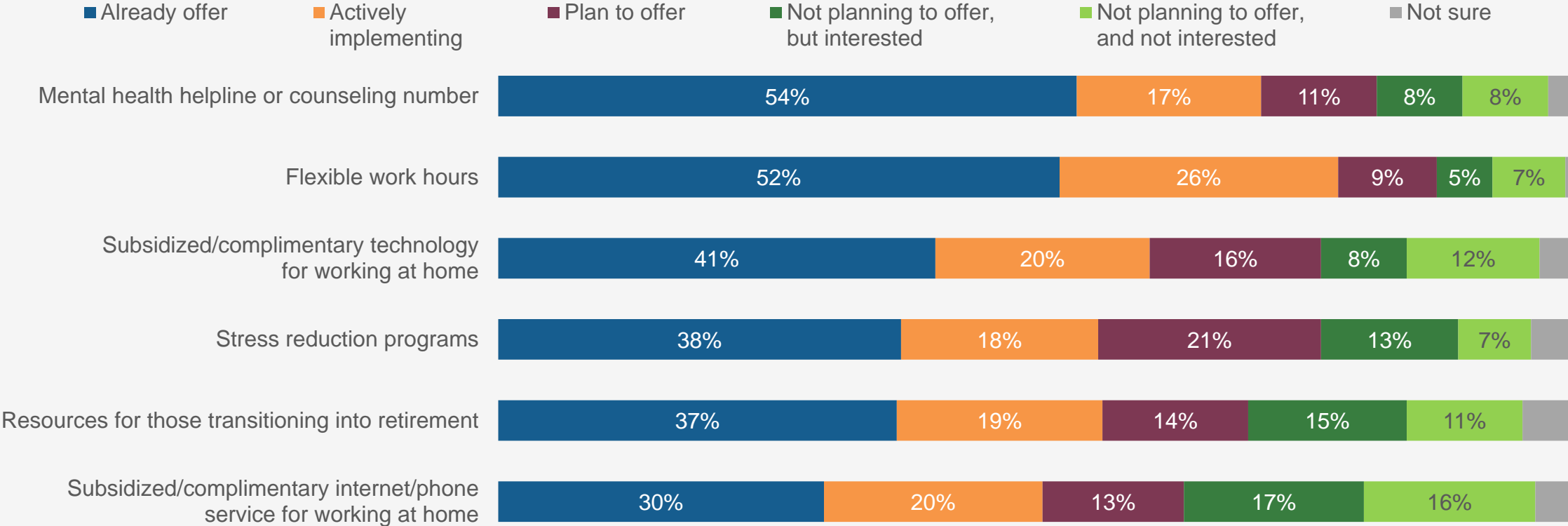
Among those offering each benefit



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

Many employers already offer mental health counseling and flexible work hours due to the COVID-19 crisis.

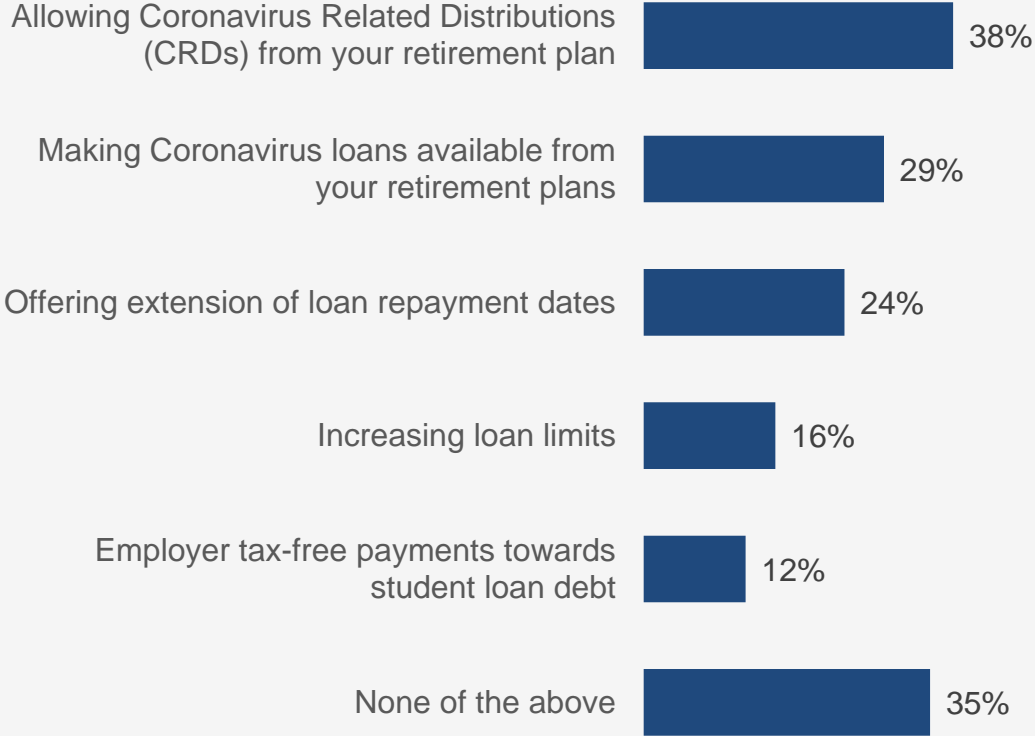
Benefits Offered in Response to COVID-19



Q41. Is your company offering or considering any of the following benefits in response to the COVID-19 crisis? (n=250)

About four in ten have allowed for Coronavirus Related Distributions in their retirement plans. Few have taken advantage of tax-free student loan debt payments.

CARES Act Implementation



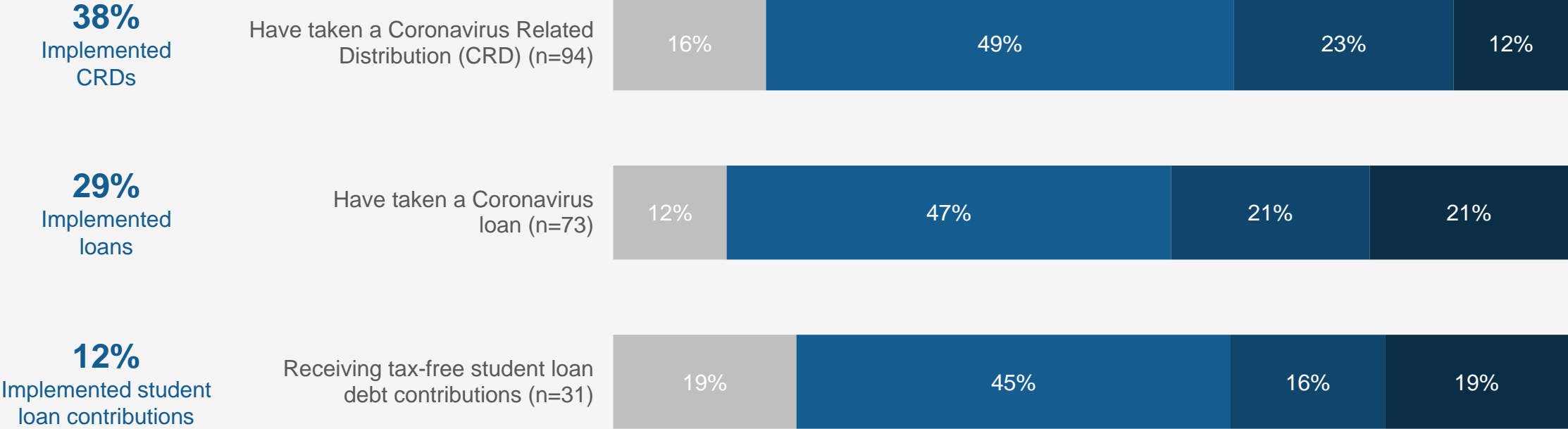
- Firms with a high level of concern around their employees’ financial wellness are more likely to have implemented CRDs and extension of loan repayment dates.
 - 45% of those with low concern have not implemented any component of the CARES Act (vs. 24% of those with high concern).
- Firms that have taken any step to understand their employees’ financial wellness needs since the COVID-19 crisis began are more likely to have implemented at least one component of the CARES Act (77% vs. 41%).

Q44. Which of the following components of the CARES Act has your organization implemented? Please select all that apply. (n=250)

Most employees have not taken advantage of components of the CARES Act implemented by their employers.

Take-up of CARES Act Components Offered in Response to COVID-19

■ 0% ■ 1–10% ■ 11–20% ■ Over 20%

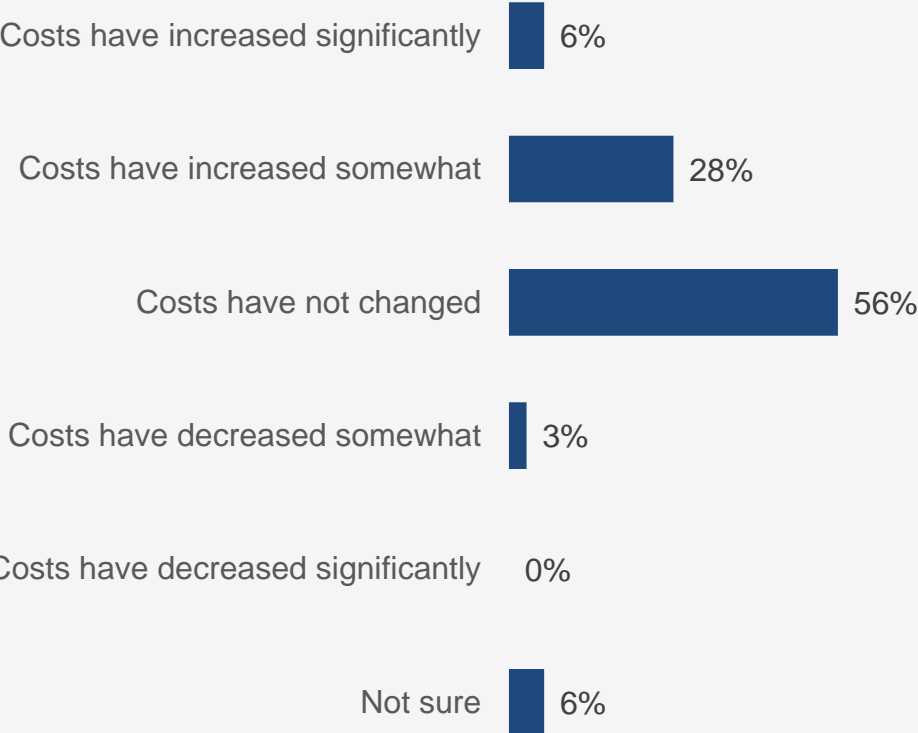


Q45. What percent of your employees are taking advantage of the following provisions of the CARES Act?

While 34% have already seen financial wellness costs increase since the COVID-19 crisis began, 61% believe costs will increase in the next one to two years.

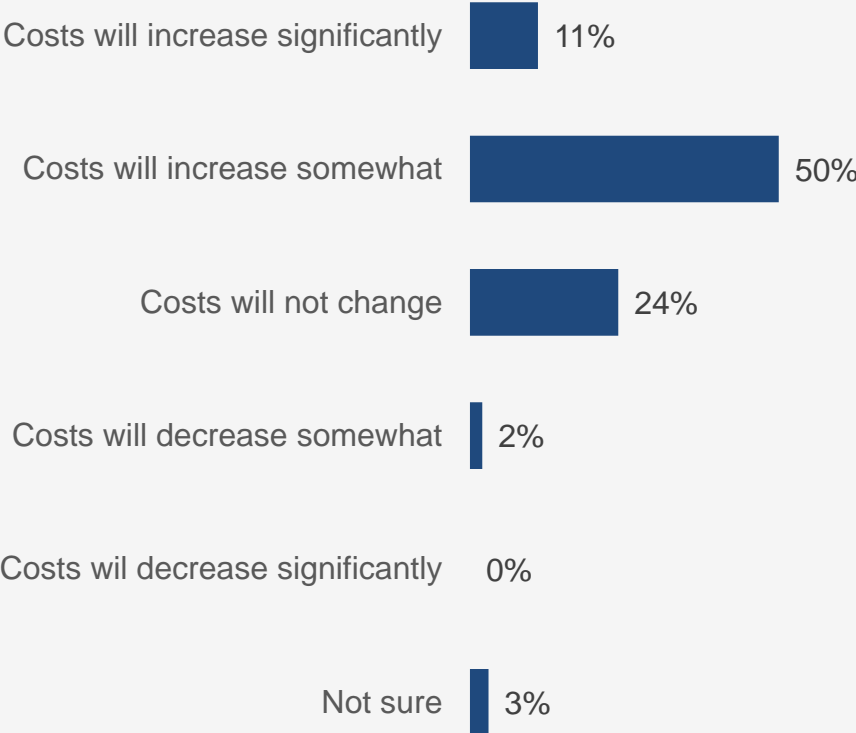
Annual Cost per Employee Since COVID-19

Among those who currently offer financial wellness initiatives



Anticipated Costs per Employee in Next One to Two Years

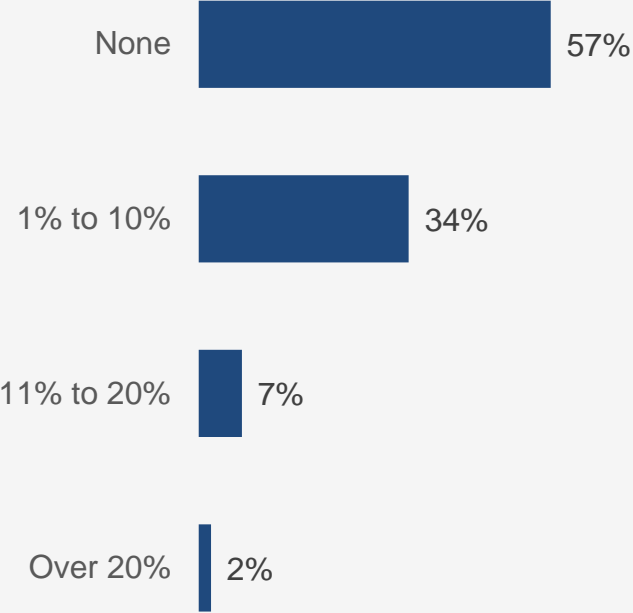
Among those who currently offer financial wellness initiatives



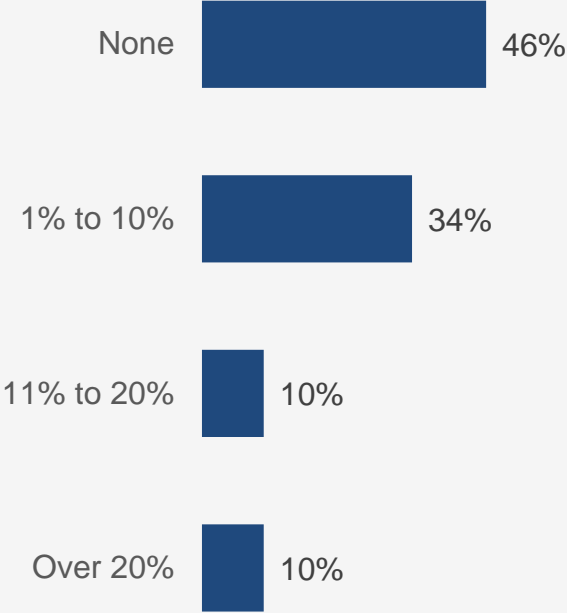
Q34. How has the annual cost per employee for financial wellness changed since the COVID-19 crisis began? (Currently offer financial wellness initiatives; n=131)
 Q35. How do you anticipate the annual cost per employee for financial wellness to change in the next one to two years? (Currently offer financial wellness initiatives; n=131)

About four in ten companies have laid off some employees since the COVID-19 crisis. Over half have furloughed employees.

Employees Laid Off Since February



Employees Furloughed Since February

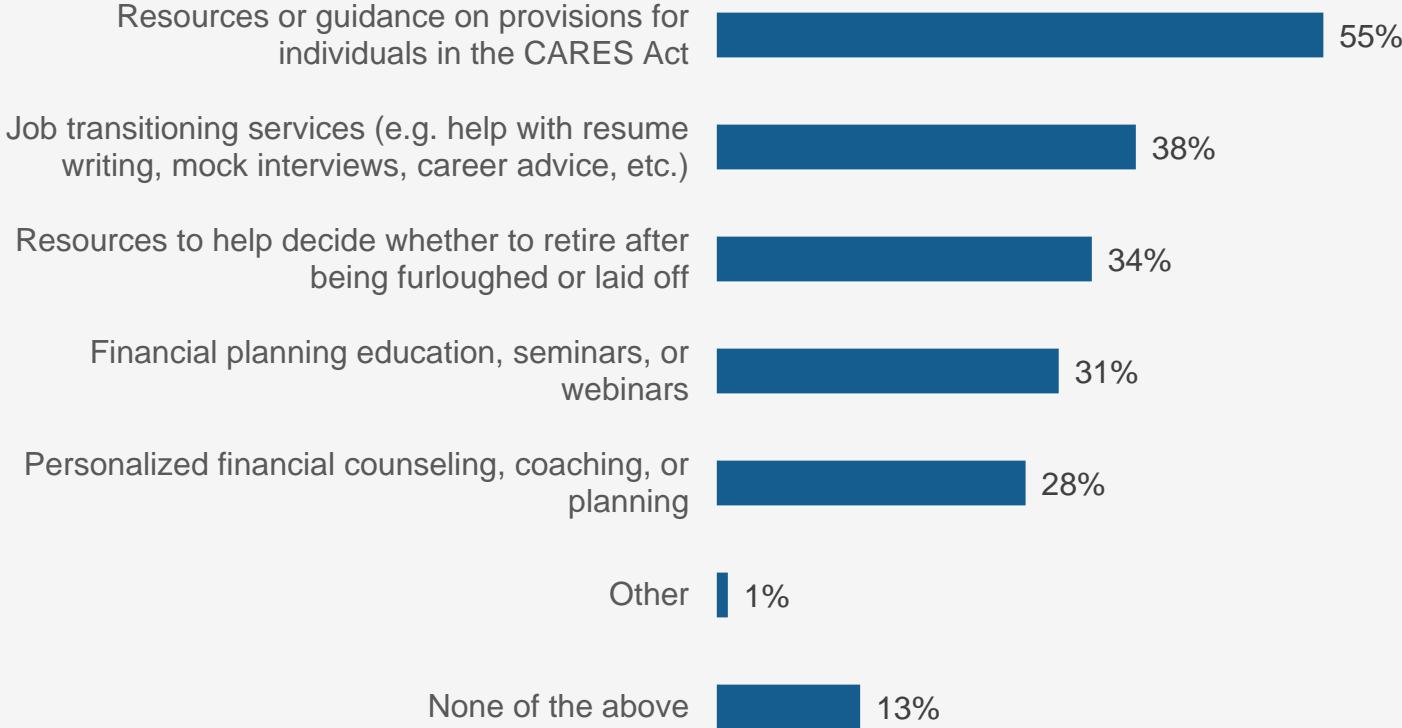


In total, 60% of employers have furloughed or laid off employees since February.

Q42. Since February 1, 2020, what percent of your employees has your company furloughed or laid off? (n=250)

For employees that were furloughed or laid off, 87% of employers offered resources to these employees. 55% helped with understanding the CARES Act.

Resources Offered to Furloughed or Laid-Off Employees

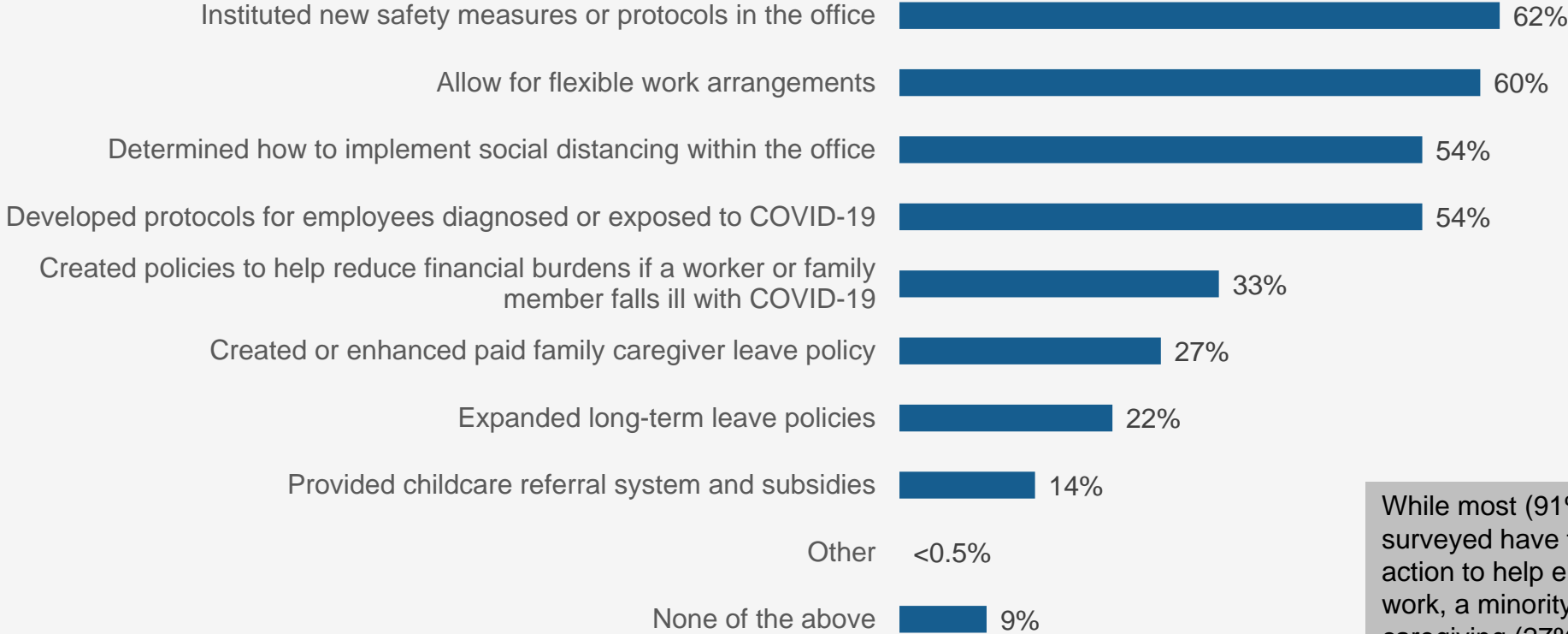


- Firms with 10,000+ employees are more likely to offer job transition services (70% vs. 33% of firms with 500–9,999 employees).
- Firms with high concern around their employees’ financial wellness are more likely to offer job transition services, resources to help decide whether to retire, and personalized counseling.
- Firms who have created a financial score or conducted a needs assessment are more likely to offer at least one of these resources to their furloughed or laid-off employees.

Q43. Have you offered any of the following benefits or resources to furloughed or laid-off employees? Please select all that apply. (Furloughed or laid off any employees; n=151)

In order to help employees return to work, the most common steps employers have taken are instituting safety measures and allowing for flexible work arrangements.

Actions Taken to Help Employees Return to Work



While most (91%) of employers surveyed have taken at least one action to help employees return to work, a minority have addressed caregiving (27%) or childcare (14%).

Q46. Which of the following have you done to help employees return to work? Please select all that apply. (n=250)

APPENDIX: DEMOGRAPHICS

Demographics

Firm Size

| | |
|----------------------------|-----|
| 500 to 749 employees | 15% |
| 750 to 999 employees | 14 |
| 1,000 to 2,499 employees | 26 |
| 2,500 to 4,999 employees | 14 |
| 5,000 to 9,999 employees | 14 |
| 10,000 to 24,999 employees | 5 |
| 25,000 or more employees | 12 |

Average Employee Tenure

| | |
|------------------|----|
| 2 years or less | 7% |
| 3 to 5 years | 20 |
| 6 to 9 years | 19 |
| 10 to 14 years | 20 |
| 15 to 19 years | 13 |
| 20 years or more | 10 |
| Not sure | 11 |

*=<0.5%
n=250

Industry

| | |
|--------------------------------------------------|-----|
| Finance and insurance | 23% |
| Manufacturing | 14 |
| Health care and social assistance | 13 |
| Professional, scientific, and technical services | 12 |
| Educational services | 6 |
| Government: State or local | 5 |
| Retail trade | 4 |
| Transportation and warehousing | 4 |
| Information | 3 |
| Wholesale trade | 2 |
| Arts, entertainment, and recreation | 2 |
| Government: Federal | 2 |
| Utilities | 1 |
| Hospitality | 1 |
| Nonprofit/charitable | 1 |
| Construction | 1 |
| Real estate and rental and leasing | 1 |
| Management of companies and enterprises | 1 |
| Food services and drinking places | 1 |
| Other services, except government | 1 |
| Agriculture, forestry, fishing, hunting, mining | * |
| Other | 4 |

Demographics

Job Title

| | |
|-----------------------------------|-----|
| Human Resources Manager | 22% |
| Senior Executive (CEO, President) | 16 |
| Financial Manager | 12 |
| Administration Executive | 10 |
| Compensation & Benefits Manager | 9 |
| Financial Officer | 7 |
| Compensation & Benefits Officer | 5 |
| Human Resources Officer | 5 |
| Other | 14 |

Decision-Making for Employee Benefits Programs

| | |
|-----------------------------------------------------------------------------------|-----|
| I am a final decision-maker or I make formal recommendations to senior management | 50% |
| I have a lot of influence | 37 |
| I have a moderate amount of influence | 13 |

Decision-Making for Financial Wellness Offerings

| | |
|-----------------------------------------------------------------------------------|-----|
| I am a final decision-maker or I make formal recommendations to senior management | 48% |
| I have a lot of influence | 37 |
| I have a moderate amount of influence | 14 |

n=250

Q&A



UP NEXT: Financial Wellbeing Research Center Breakout Discussion Groups

Thank you for attending!

Members and designated guests, please check your calendar and redial in to join the Discussion Groups.

THANK YOU FINANCIAL WELLBEING RESEARCH CENTER MEMBERS!

- Church Pension Group
- Financial Finesse
- HealthEquity
- International Foundation of Employee Benefit Plans
- J.P. Morgan
- Mercer
- Principal
- Prudential

Upcoming EBRI Programs

- The New Frontier: Virtually Engaging Employees in Financial Wellness Initiatives
Tomorrow 1- 2:30 pm By Invitation Only
- Weathering the Storm: Steps Employers are Taking to Facilitate Employee Resilience, **Friday 1- 2:30 pm By Invitation Only**
- The Impact of Medicare Buy-In Policy on Employers – September 29
- American Savings Education Council Meeting: Financial Wellness in Times of Crisis – October 14
- Winter Policy Forum Webinars – December 7, 8, and 10

Please visit ebri.org for more information.

Align your brand – Sponsor these events: contact Betsy Jaffe, jaffe@ebri.org