



EBRI 2021 Financial Wellbeing Symposium

September 22, 2021

Sneak Peek
Supported by:





“It does not do to leave a live dragon out of your calculations, if you live near him.”

J.R.R. Tolkien

Agenda

10:35 a.m. – 10:50 a.m. — Comments From Rep. Darin LaHood (R-IL)

10:50 a.m. – 11:35 a.m. — 2021 Financial Wellness Survey: Employer Perspectives with Special Focus on Minorities and Financial Wellness

11:35 a.m. – 11:45 a.m. — Break

Members Only

11:45 a.m. – 12:15 p.m. — Measuring the Impact of Financial Wellbeing Initiatives: What Moves the Dial on Worker Behavior?

12:15 p.m. – 12:25 p.m. — Break

12:25 p.m. – 1:05 p.m. — Financial Wellness and Engagement: Bridging the Disconnect Between What is Being Offered and How What Is Being Used

1:05 p.m. – 1:20 p.m. — Breakout Groups

1:20 p.m. – 1:30 p.m. — Readout and Wrap-Up

THANK YOU FINANCIAL WELLBEING RESEARCH CENTER MEMBERS!



We also thank our study partners:

- Morgan Stanley
- SoFi

Kara Watkins, Senior Coalition Manager, Funding Our Future | Bipartisan Policy Center



Rep. Darin LaHood (R-IL)





EBRI 2021 Financial Wellbeing Symposium

September 22, 2021

2021 Financial Wellness Survey:
Employer Perspectives with Special
Focus on Minorities and Financial
Wellness

Speakers



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



**Meghan Panici,
Executive Director,
Corporate &
Institutional
Solutions, Morgan
Stanley**



**Laura Finn, Senior
Consultant,
Financial Finesse**

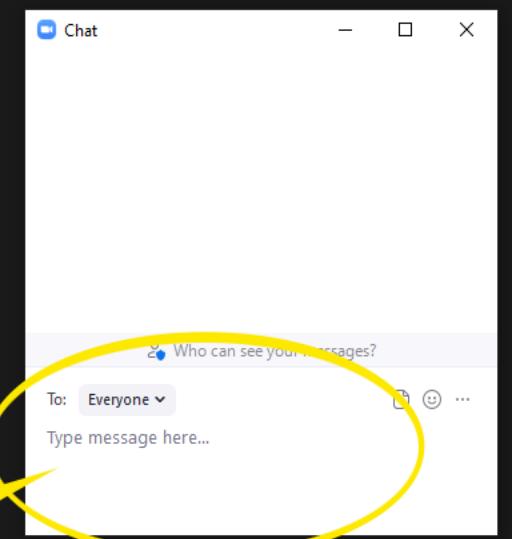


**Moderator: Jim
Mahaney, Vice
President, Strategic
Initiatives at
Prudential**

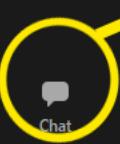


John Doe

Type question(s) here



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2021 EBRI Financial Wellbeing Employer Survey

September 2021

Methodology

2021 Financial Wellbeing Employer 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 2021.



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:

- Be employed full-time
- Have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings
- Hold an executive, officer, or manager position in the areas of human resources, compensation, or finance.



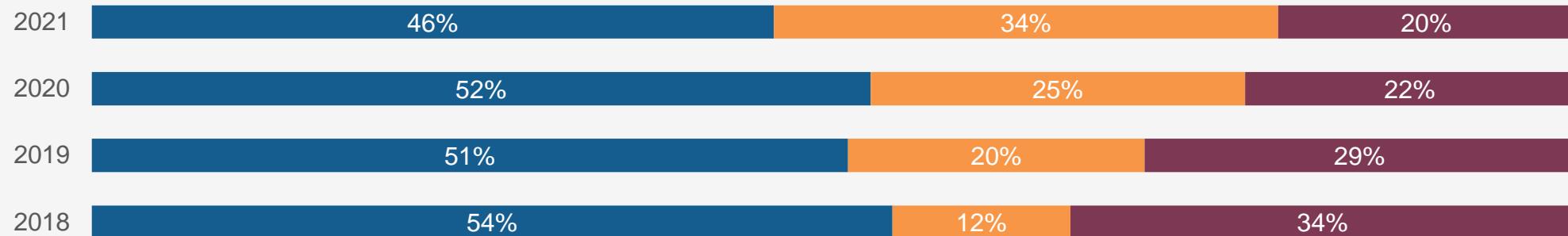
Where applicable, trend data from the 2018, 2019, and 2020 surveys are shown.

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, 2019, and 2020 Employer Financial Wellbeing Survey is shown when applicable.

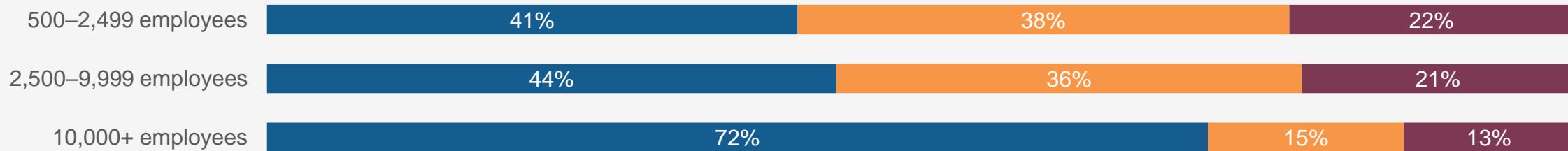
Almost half of firms are currently offering financial wellness initiatives. Three-quarters of firms with 10,000 or more employees are offering initiatives.

Current Approach in Offering Financial Wellness Initiatives

■ Currently offer ■ Actively implementing ■ Interested in



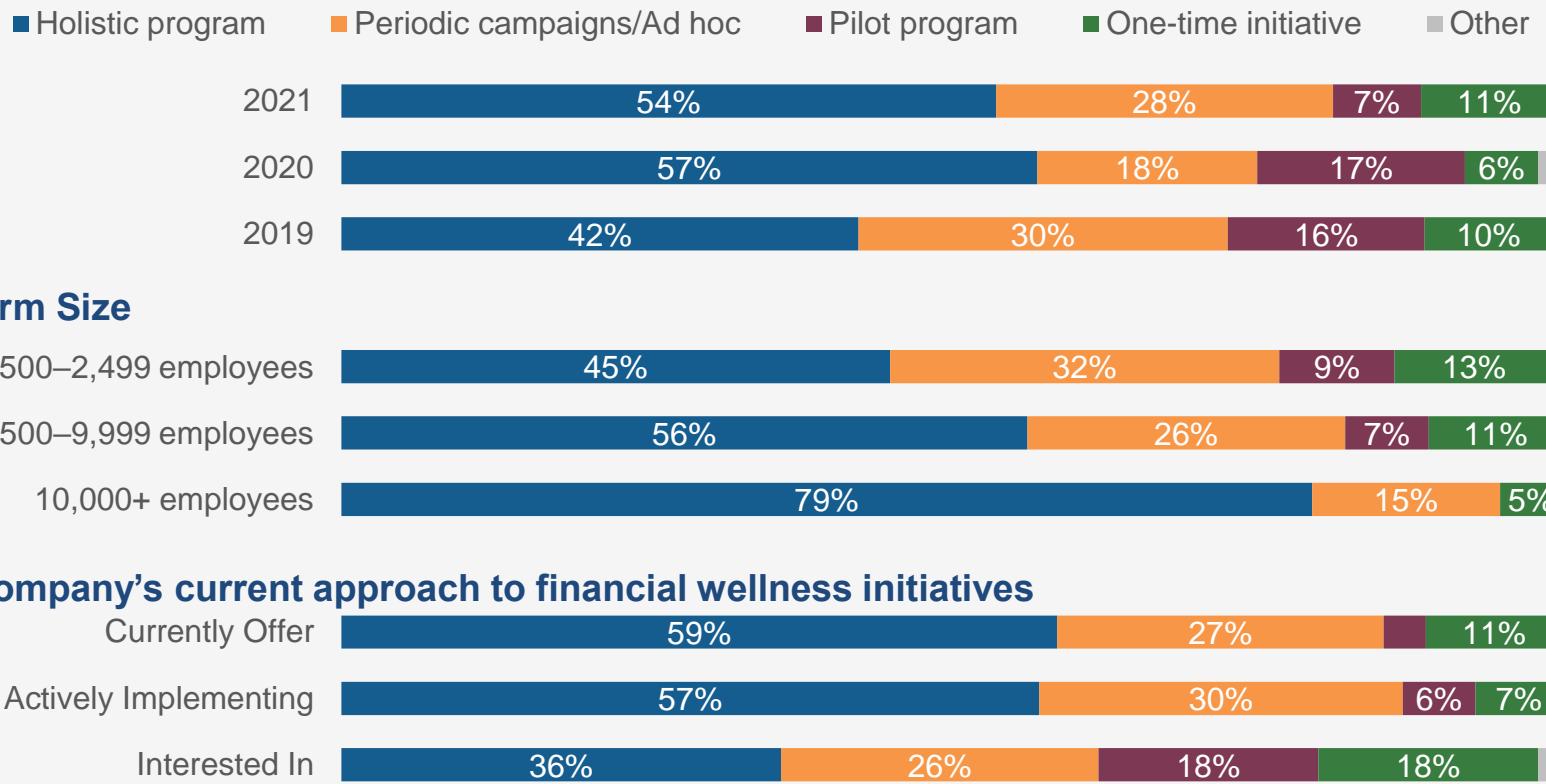
Firm size



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; 2021 Study, n=250)

Over half 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



Compared to the 2020 study, more companies are offering a periodic campaign. Less say their program is in the pilot phase.

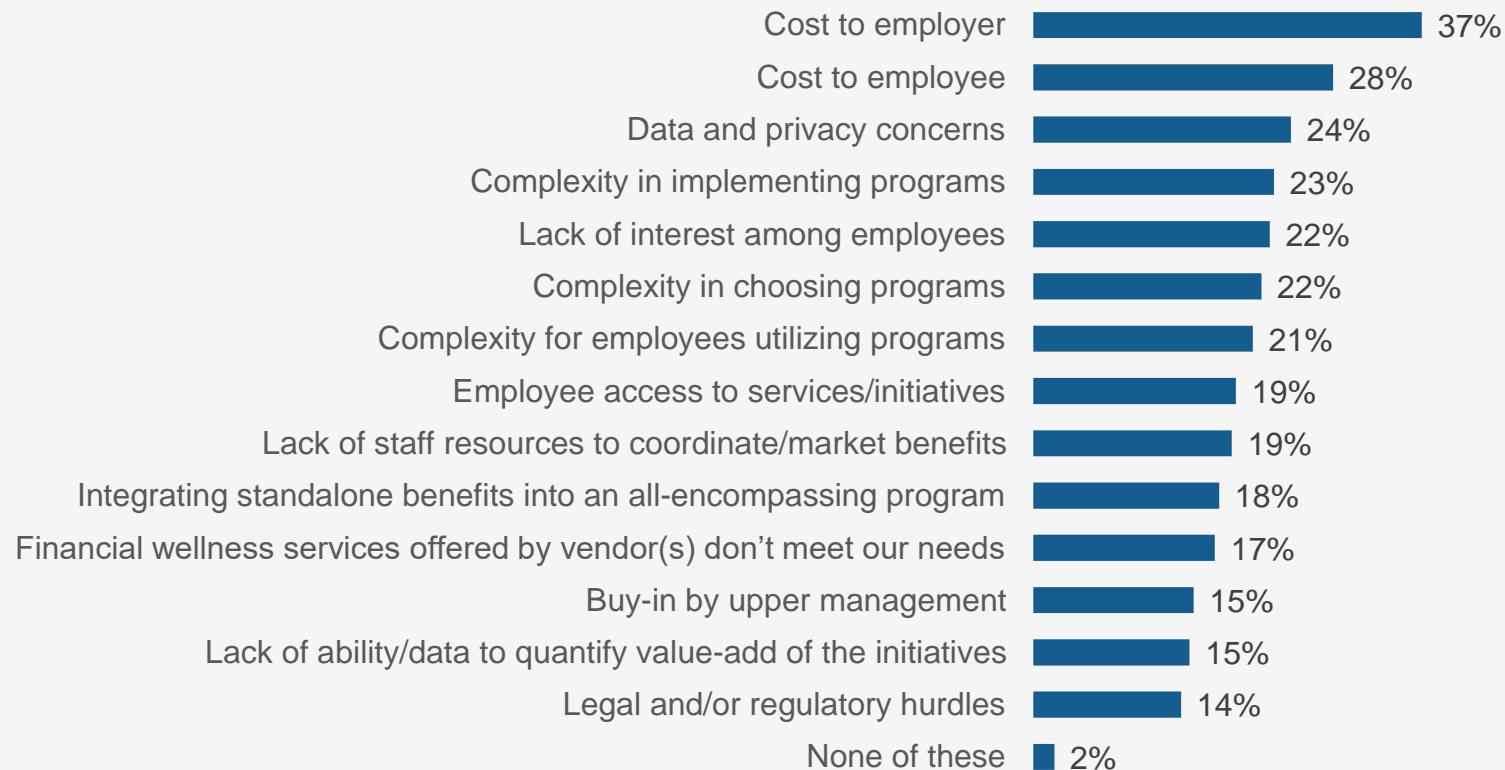
Those more likely to be offering holistic programs include firms:

- With 10,000+ employees
- Currently offering or implementing initiatives
- Offering more than five financial wellness benefits
- With a strategy for improving their employees' financial wellness
- Firms 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; 2021 Study, 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



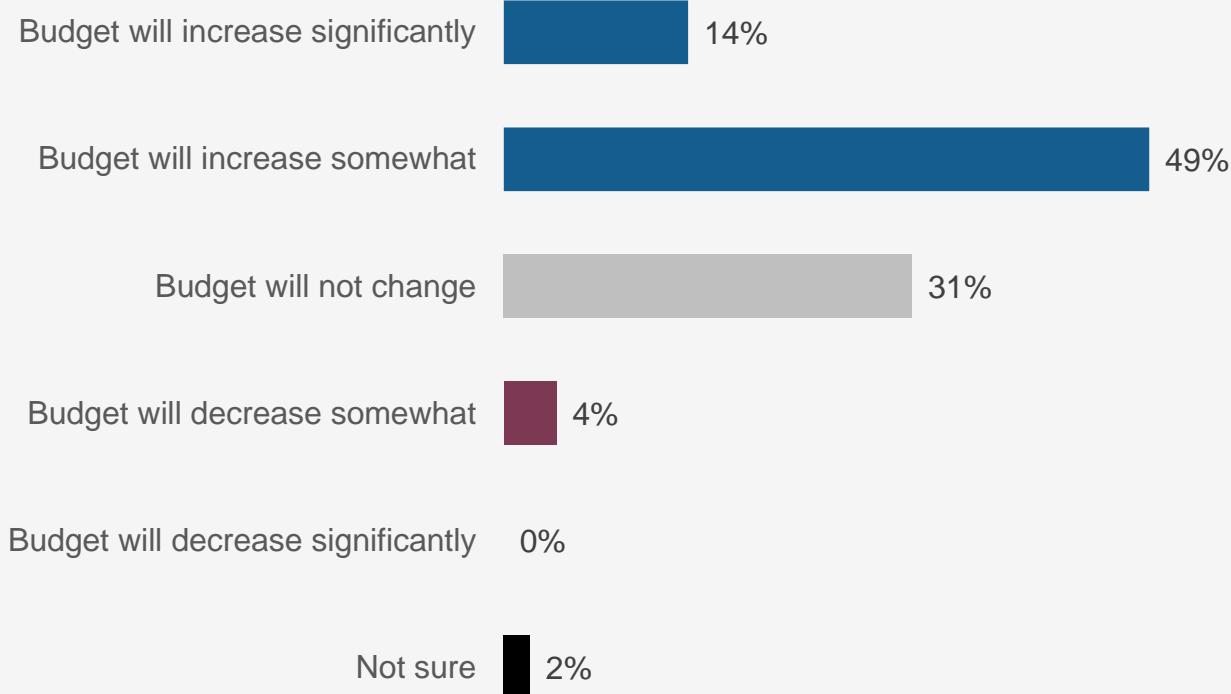
- Employer cost is a bigger challenge for those interested in offering financial wellness programs and for those without an overall strategy.
- Data and privacy concerns are more likely to be an issue for those actively implementing their program.

Q32. 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)

Almost two-thirds believe their company's budget for financial wellness initiatives will increase over the next few years.

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

Among those who currently offer financial wellness initiatives



Those more likely to say their budgets will increase include:

- Firms with less than 10,000 employees
- High level of concern
- Those who have created a financial wellbeing score or metric

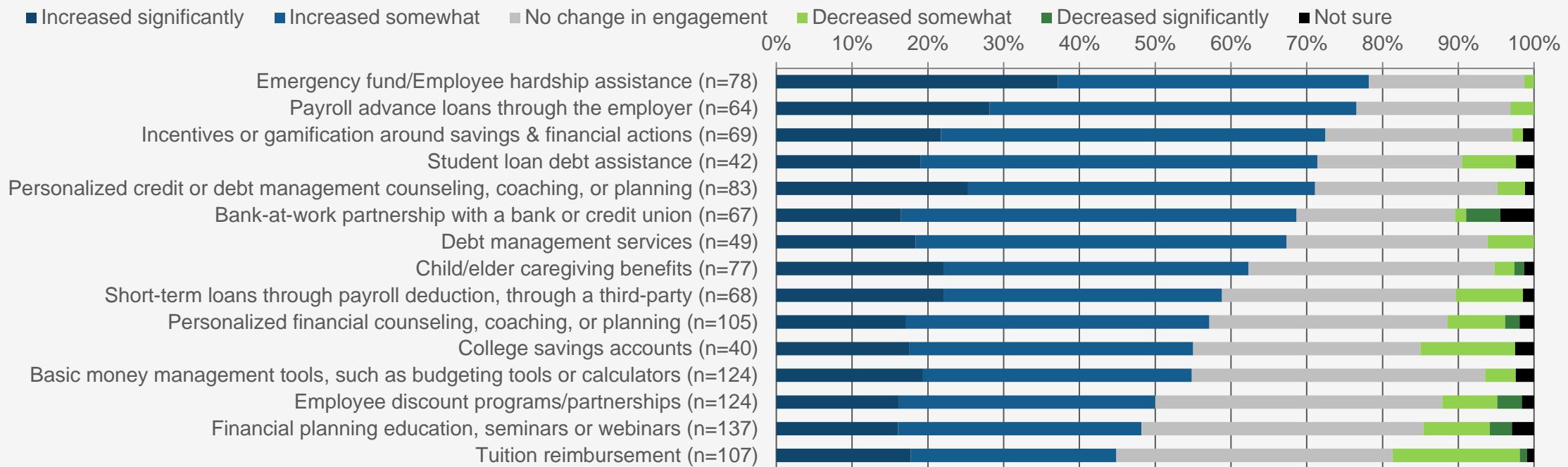
Q38. Overall, how do you anticipate your organization's budget for financial wellness initiatives will change in the next one to two years? (Currently offer financial wellness initiatives n=116)

COVID19 Pandemic Impact

The COVID-19 crisis has increased employee engagement with many benefits, especially for emergency funds and payroll advance loans.

Employee Engagement with Benefits Since COVID-19

Among those offering each benefit



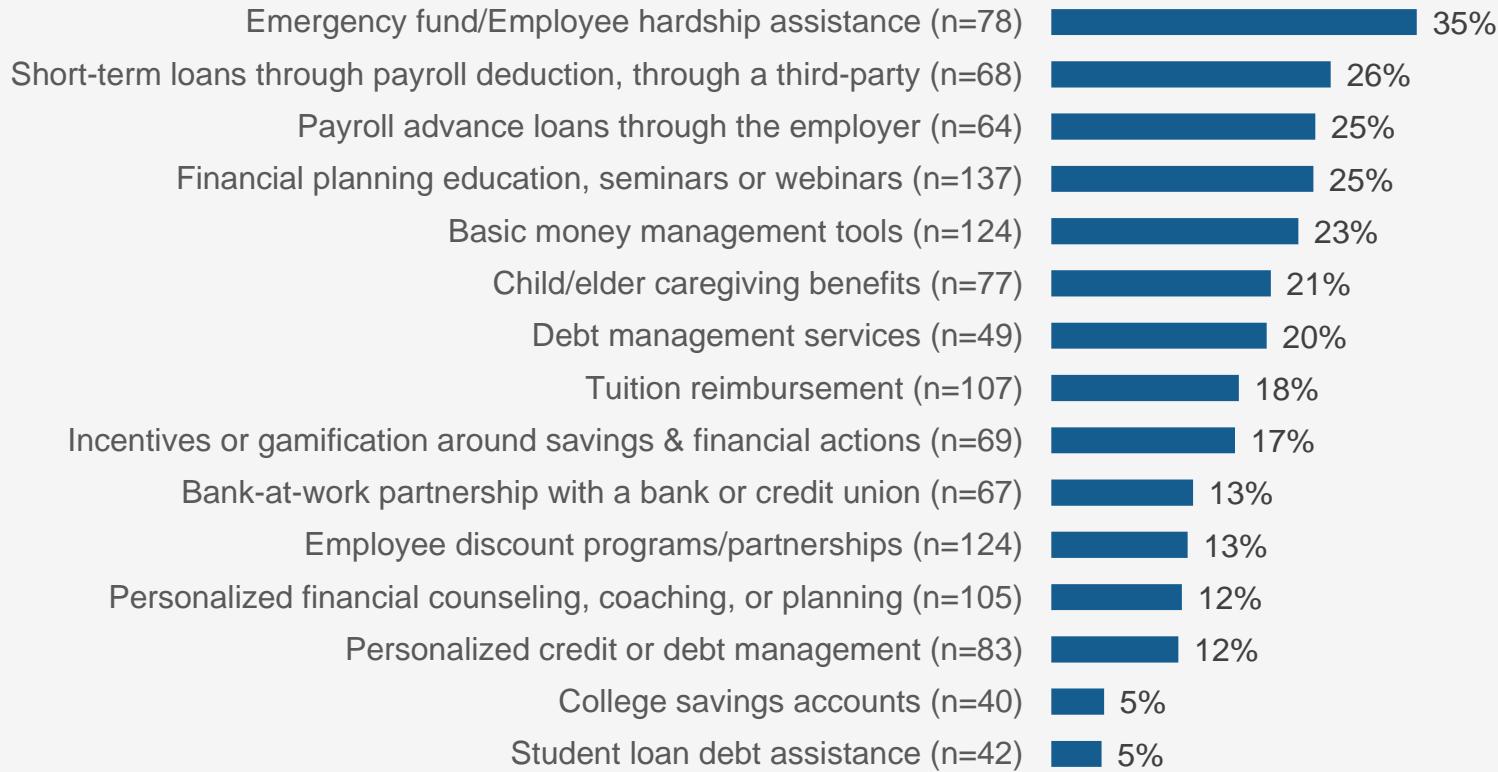
Compared to 2020, respondents are more likely to say engagement has increased with incentives/gamification around saving, student loan debt assistance, personalized credit/debt management, bank-at-work partnerships, and tuition reimbursement.

Q42. How has employee engagement with the following benefits changes since the COVID-19 crisis began?

Among those offering the benefit, emergency funds are most likely to be the top priority since the pandemic began.

Top Priority of Offerings Since the COVID-19

Among those offering each benefit

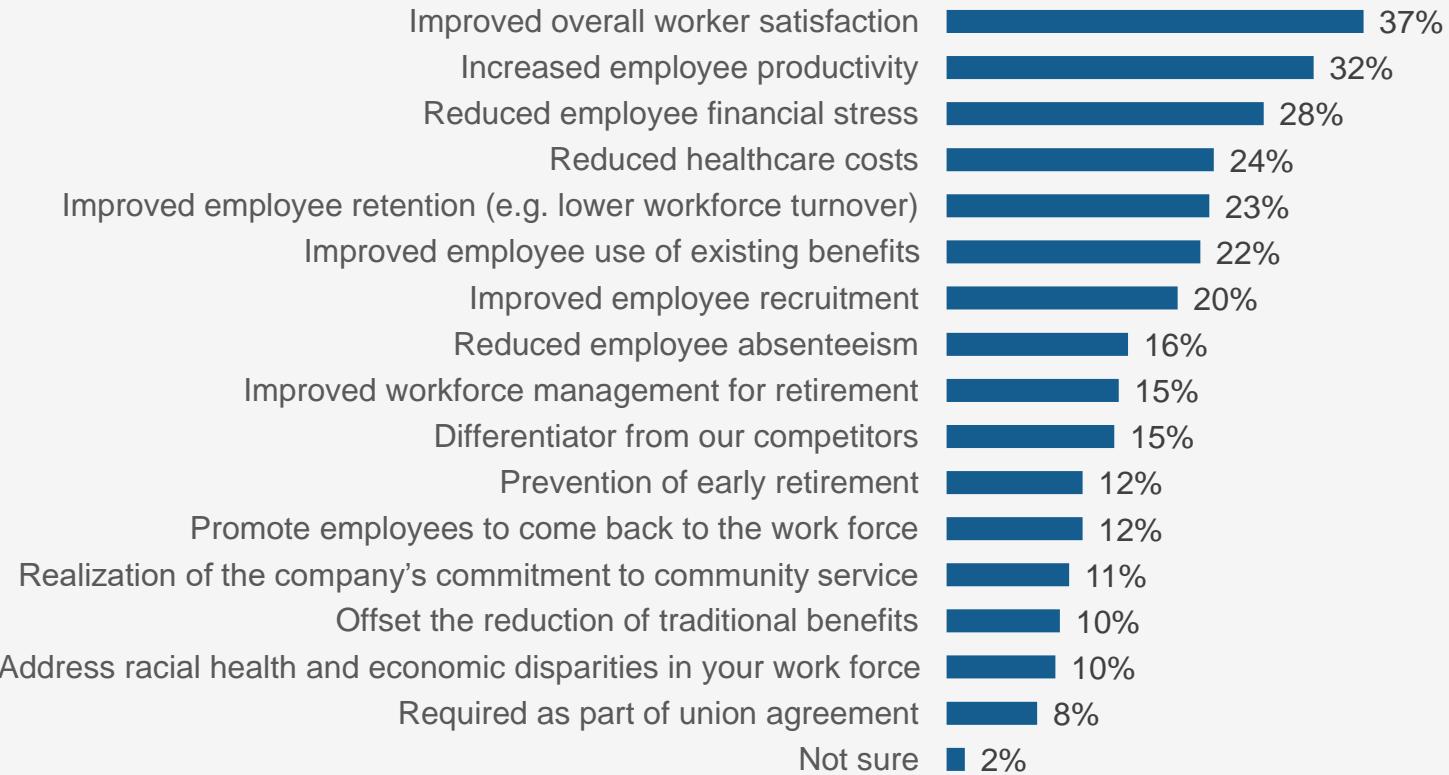


Q43. Which of your financial wellbeing offerings is your company's highest priority since the COVID-19 pandemic?

Motivations and Measurement of Financial Wellness Initiatives

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

Top Reasons for Offering Financial Wellness Initiatives

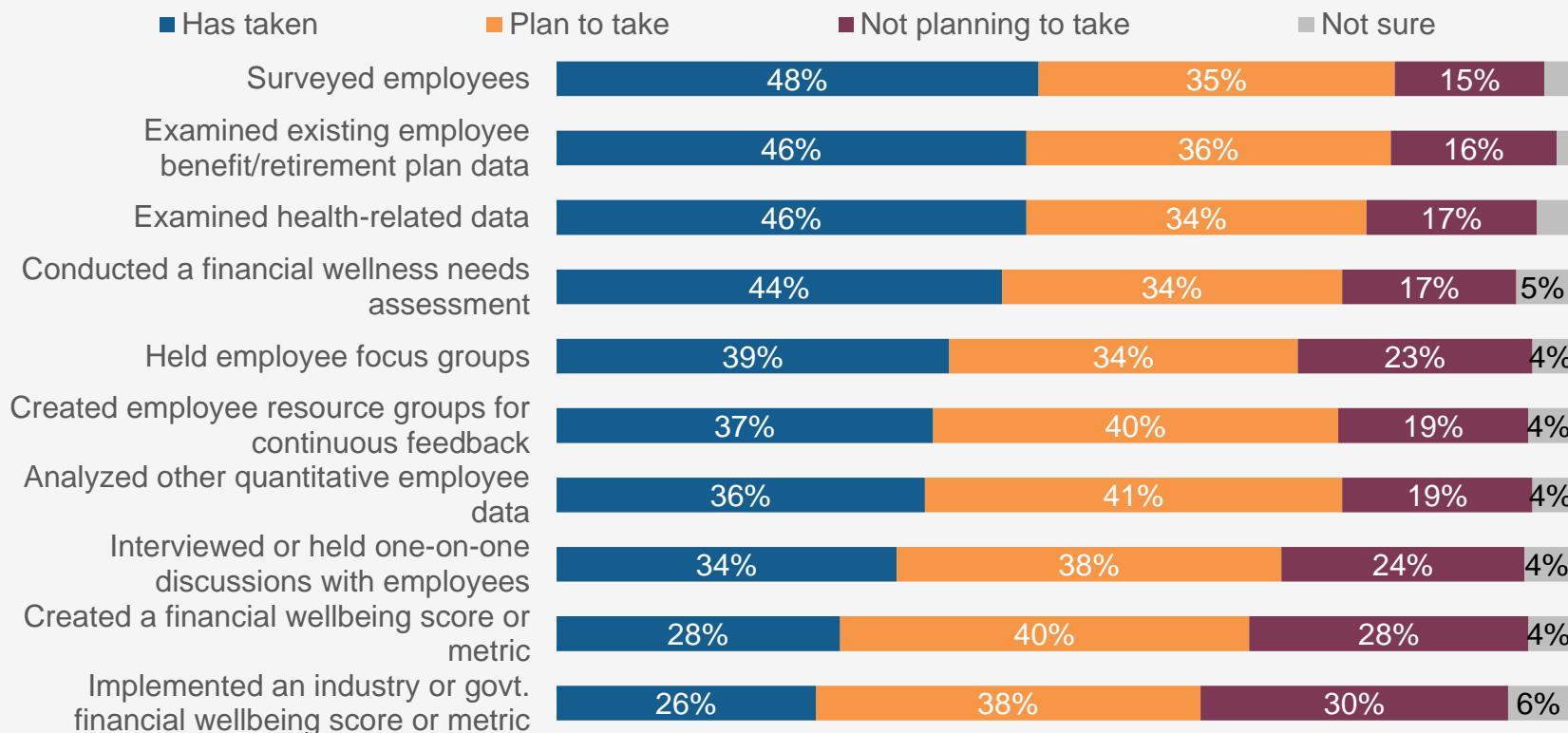


Compared to 2020, employee retention is less likely to be a top reason (23% in 2021 vs. 37%).

Q31. What are or would be your top three reasons for offering financial wellness initiatives to employees? Please select your top three reasons. (n=250)

Surveying employees and examining employee data are the most common steps taken to understand employees' needs. Few are using financial wellness metrics.

Steps Taken to Understand Employees' Financial Wellness Needs



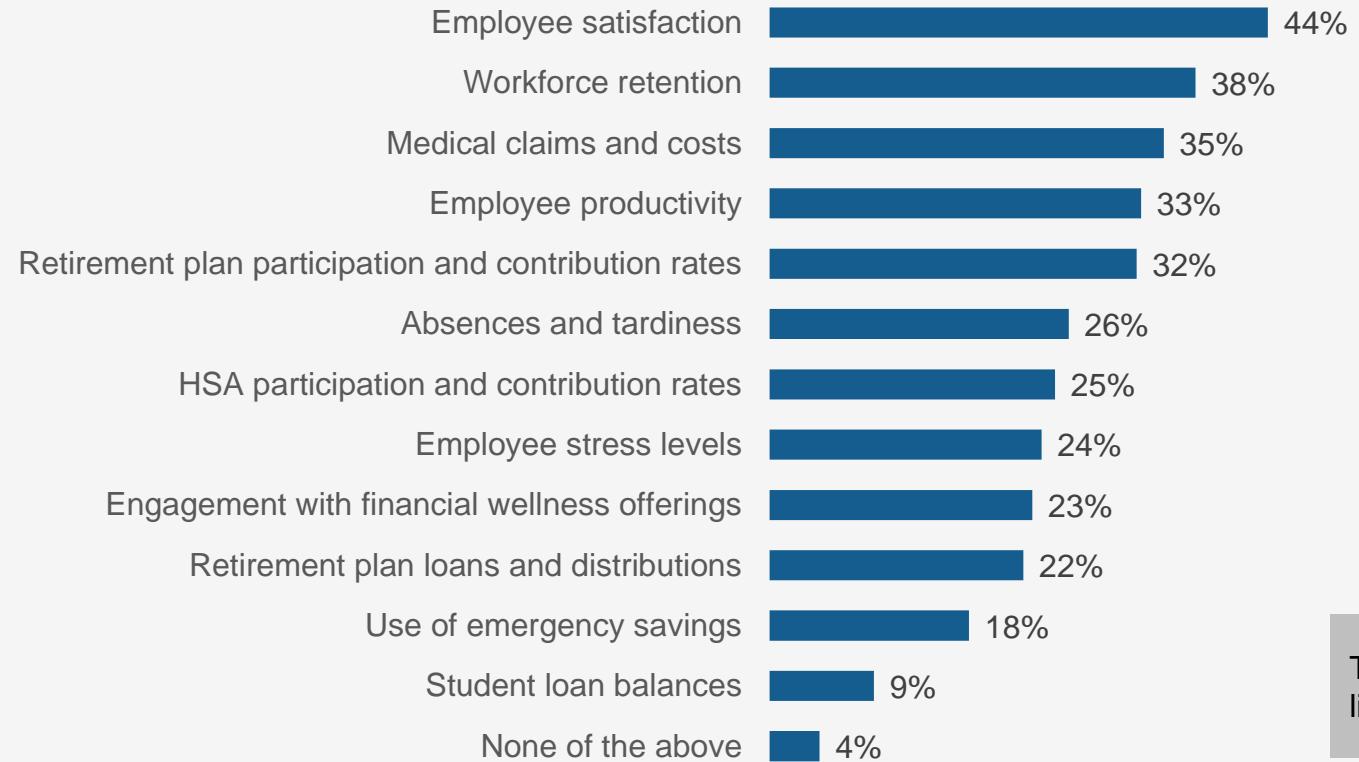
In total, 89% have taken at least one step to understand their employees' financial wellness needs. On average, firms have taken 3.8 out of a possible 10 steps.

- 72% have examined some type of existing employee data.
- 55% have used qualitative methods—either through interviews or focus groups with their employees.
- 41% have created or implemented a score or metric.

Q29. What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=250)

Employers most commonly track data around employee satisfaction, retention, and medical claims in order to evaluate the effectiveness of their financial wellness offerings.

Data Tracked to Evaluate Effectiveness of Offerings

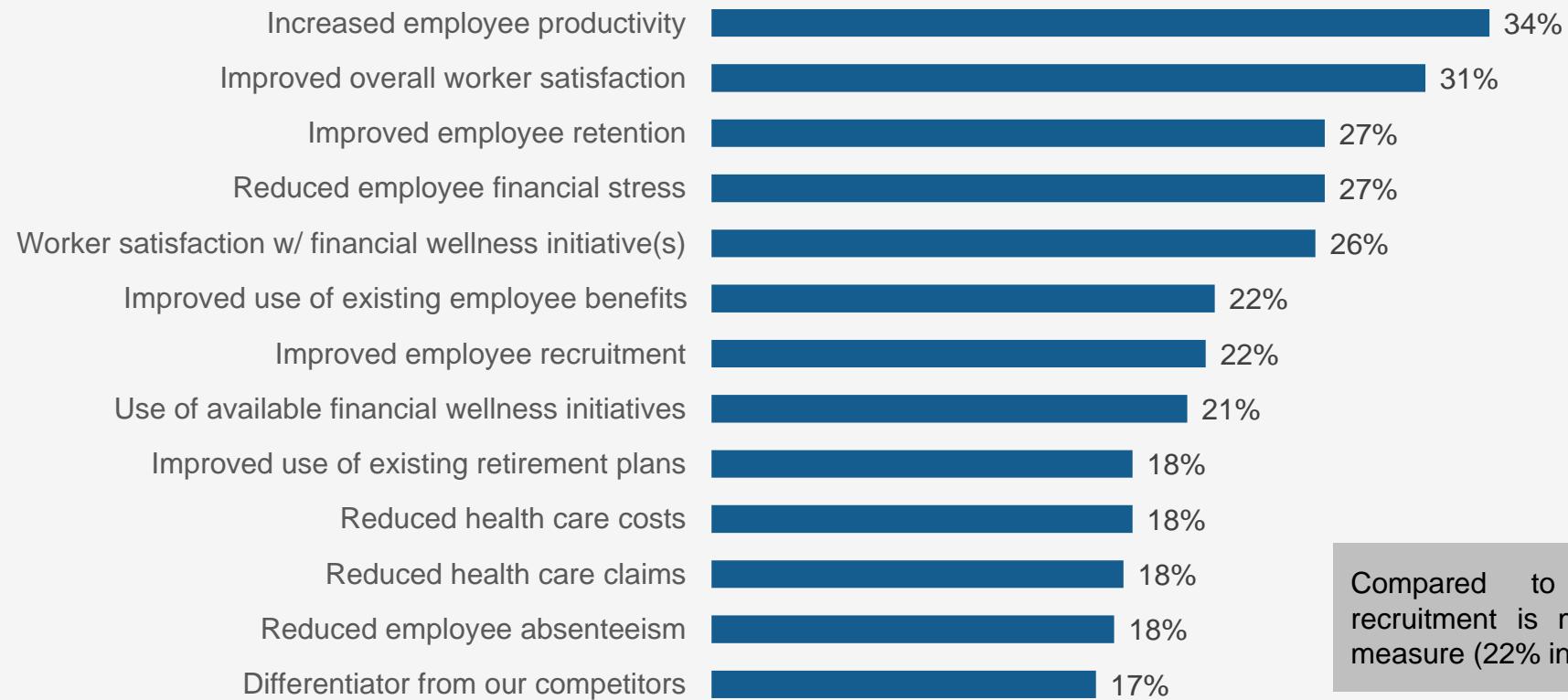


Those with high concern are more likely to track employee satisfaction.

Q34. Do you track any of the following to evaluate the effectiveness of your financial wellness offerings? Please select all that apply. (n=250)

Employee productivity, overall worker satisfaction, and employee retention are the top aspects employers use to measure their financial wellness initiatives' success.

Top Factors in Measuring Financial Wellness Initiatives' Success



Compared to 2020, employee recruitment is more likely to be a measure (22% in 2021 vs. 13%).

Q33. 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)

Diversity, Equity, and Inclusion

8 in 10 agree their company understands the needs of their distinct employee population. A similar share say their company has put substantial effort into identifying these unique needs.

Diversity, Equity, and Inclusion Sentiment: Understanding Needs

■ Strongly agree ■ Somewhat agree ■ Neither agree nor disagree ■ Somewhat disagree ■ Strongly disagree

Your company provides a safe space for your employees to provide feedback on their needs



Your company understands the needs of your distinct employee population



Your company has put substantial effort into identifying the financial wellness needs and inequities among your workforce demographic



Those more likely to agree with each statement include:

- Those with high concern
- Those with a high number of financial wellness benefits
- Rate their employers' initiative as great or very good
- Created a score, conducted a needs assessment, examined data, or held employee interviews

Q23. To what extent do you agree or disagree with the following regarding diversity, equity, and inclusion? (n=250)

8 in 10 agree their benefits are tailored to their distinctive workforce. 7 in 10 believe the initiatives address unique barriers faced by racial and ethnic groups.

Diversity, Equity, and Inclusion Sentiment: Tailored Benefits

■ Strongly agree ■ Somewhat agree ■ Neither agree nor disagree ■ Somewhat disagree ■ Strongly disagree

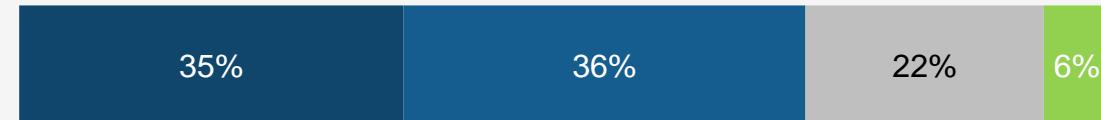
Your company's financial wellness initiatives are tailored to the values and needs of various communities in your workforce



Your company ensures that your employees have access to financial counselors or coaches from diverse backgrounds



Your company's financial wellness initiatives address the unique barriers faced by many racial and ethnic groups



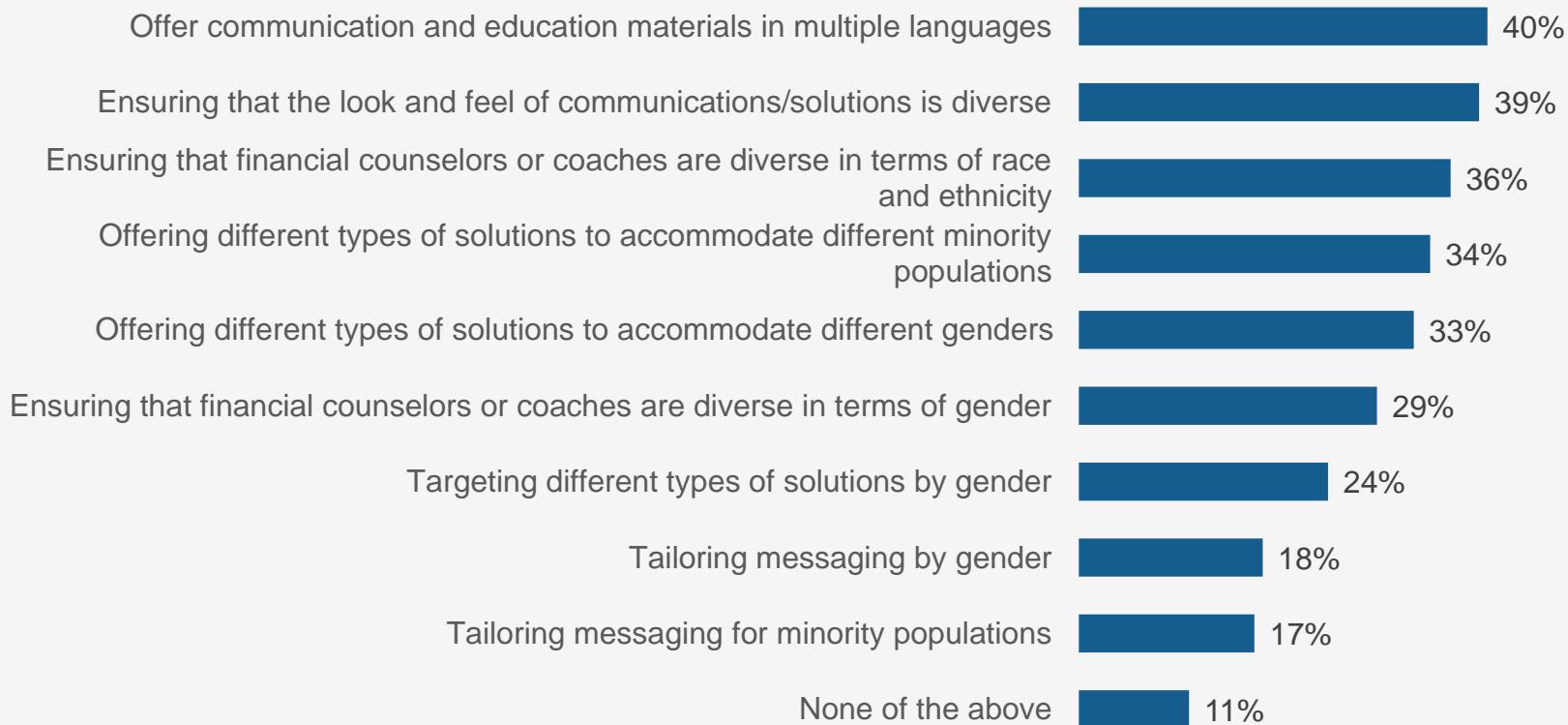
Those more likely to agree with each statement include:

- Those with high concern
- Those with a high number of financial wellness benefits
- Rate their employers' initiative as great or very good
- Created a score, conducted a needs assessment, examined data, or held employee interviews

Q23. To what extent do you agree or disagree with the following regarding diversity, equity, and inclusion? (n=250)

About 4 in 10 address diversity, equity, and inclusion within their financial wellness strategy through communications. Only a third offer different solutions to accommodate specific groups.

Addressing Diversity, Equity, and Inclusion Within Financial Wellness Strategy



- Many are addressing diversity, equity, and inclusion through a variety of methods. On average, firms utilize 2.7 of these methods.
- Those with high levels of concern are more likely to ensure communications are diverse, have diverse counselors, and offer different solutions to accommodate different minority populations and genders.
- Those with a high number of benefits are more likely to address diversity, equity, and inclusion concerns in each way.

Q24. How are you addressing diversity, equity, and inclusion concerns within your financial wellness strategy? Select all that apply. (n=250)

Among those who have surveyed employees or held focus groups, over 6 in 10 did so specifically to understand the needs of different groups.

Steps Taken to Understand Needs with Respect to Diversity, Equity, and Inclusion

Among those taking each step



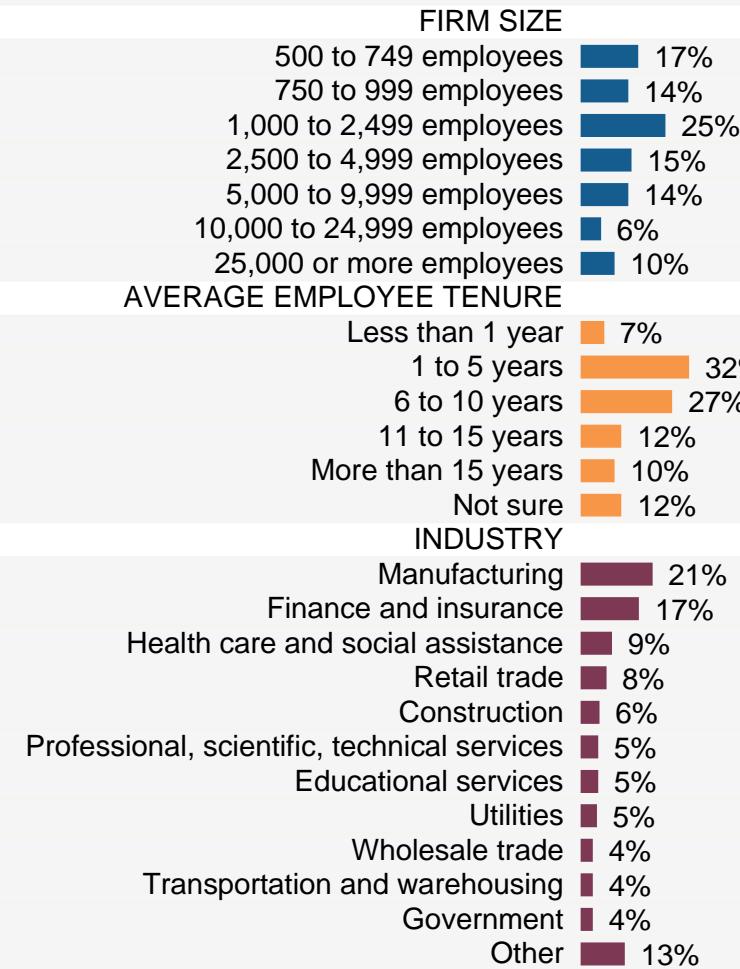
Firms with less than 10,000 employees are more likely to have taken many of these steps including surveying employees and examining existing data.

Q30. Have you done any of the following specifically to understand the needs of different groups with respect to diversity, equity, and inclusion? Select all that apply.



DEMOGRAPHICS

Demographics



DECISION-MAKING FOR EMPLOYEE BENEFITS



DECISION-MAKING FOR FINANCIAL WELLNESS



Financial Wellness

One Size Does Not Fit All

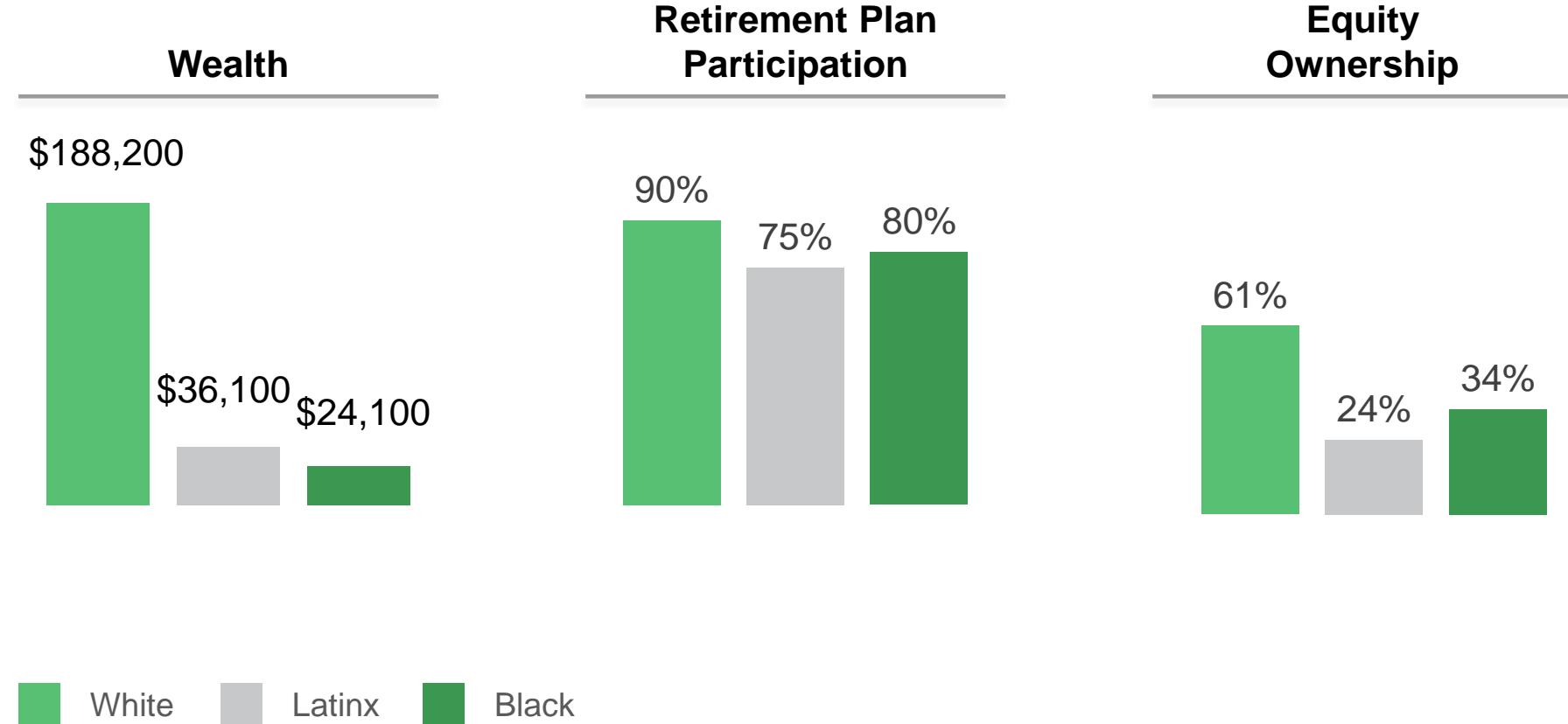
EBRI 2021 Financial Wellbeing Symposium

Meghan Panici, Executive Director

September 22, 2021



Meeting the Needs of a Diverse Employee Base¹



^{1.} [Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances, Federal Reserve, September 2020](#)

Addressing the Needs of a Diverse Employee Base

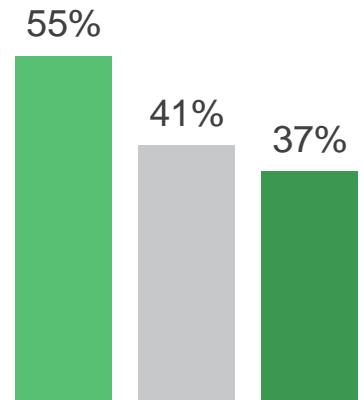
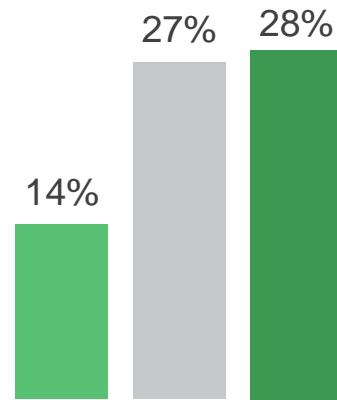
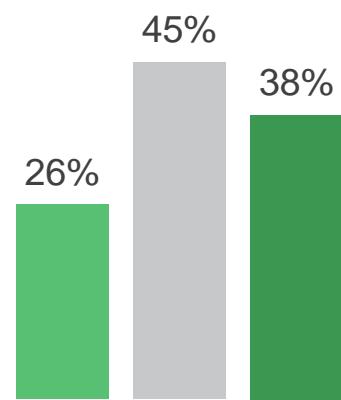
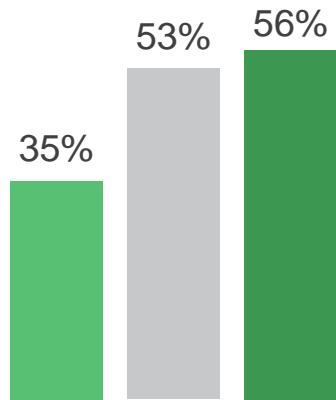
The 2021 TIAA Institute-GFLEC Personal Finance Index

% of non-retirees who do not have non-retirement savings sufficient to cover one month of living expenses

Strongly or somewhat agree that debt and debt payments prevents them from adequately addressing other financial priorities.

% who typically spend 10 or more hours per week thinking about and dealing with issues and problems related to personal finances.

% of Financial Literacy questions answered correctly



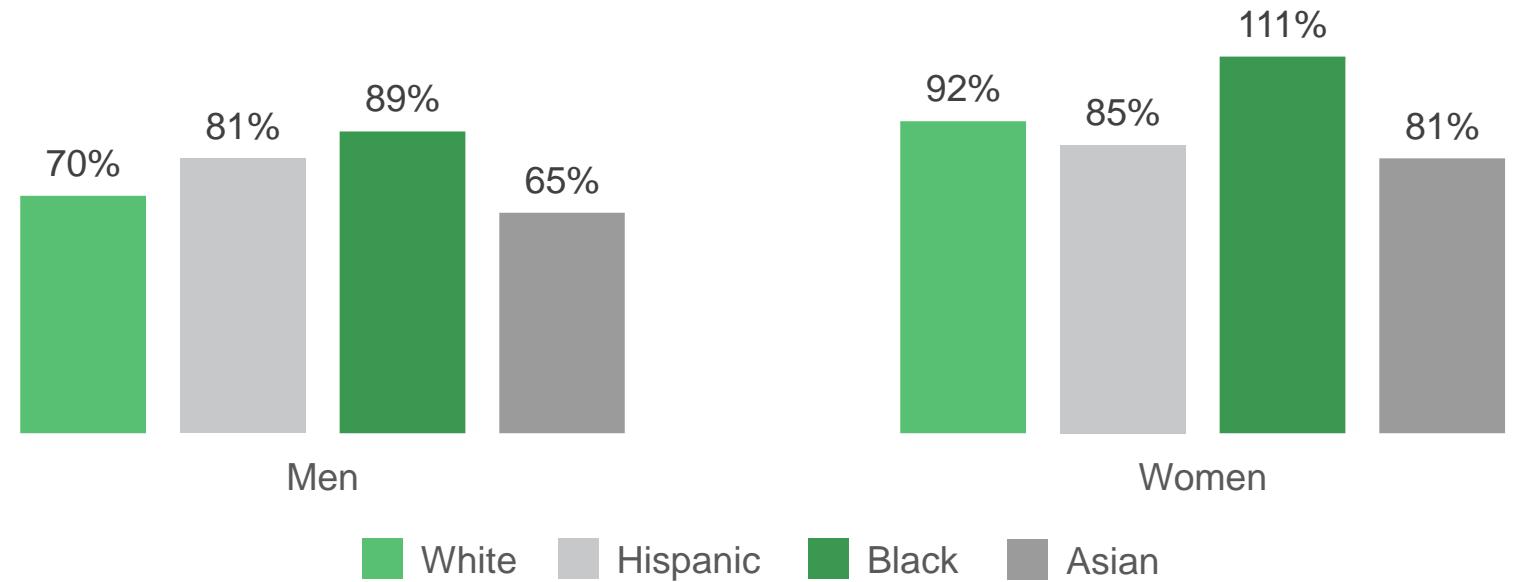
White Latinx Black

Education Costs Disproportionally Impact Women and Minorities

Student Loan Debt as a Percentage of First-Year Income



Student Debt Percentage of First- Year Income¹



1. <https://www.valuepenguin.com/average-student-loan-debt>

Employers Assessments of Employee Needs Are Out of Sync With The Needs of a Diverse Workforce:

Current categorizations used to determine benefits

33%
Race/
Ethnicity

64%
Job
classification

45%
Geography

61%
Age

7%
None of these

57%
Income
level

45%
Gender

Source: [Knowing Better, Doing Better: HR Executives' Perspectives on Employee Financial Health, Financial Health Network, October 2020](#)

Disclosures

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Laura Finn

The Racial Wealth Gap By Race in the United States

| Age | White | Black | Hispanic | Other |
|----------|-----------|----------|-----------|-----------|
| Under 35 | \$25,400 | \$600 | \$11,200 | \$13,500 |
| 35-54 | \$185,000 | \$40,100 | \$46,100 | \$154,500 |
| Over 55 | \$315,000 | \$53,800 | \$111,500 | \$213,200 |

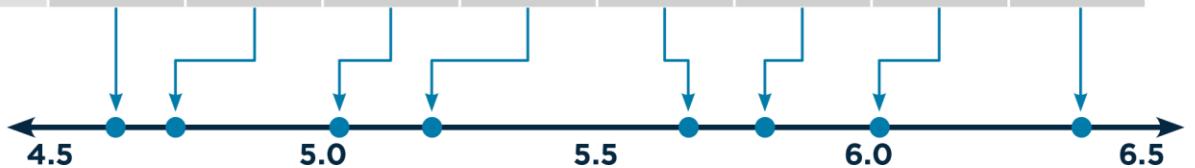
Source: Federal Reserve Board, 2019 Survey of Consumer Finances.

Note: Table displays median wealth by age group and by race and ethnicity in 2019 dollars.

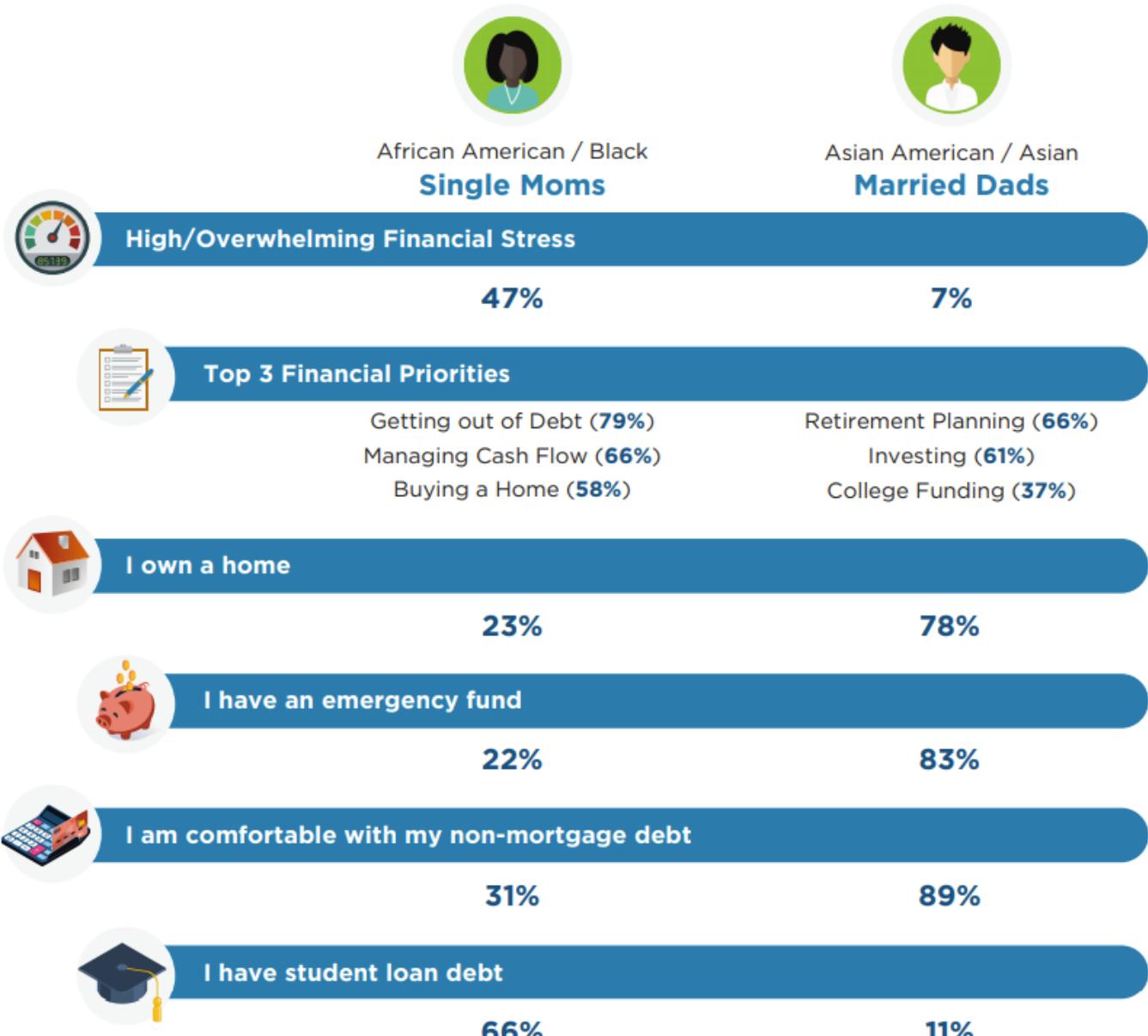
Financial Wellness Gap

Financial Wellness Scores

| Overall | 5.66 | | | | | | | |
|-------------|----------------------------|--------------------|-----------------|------------------|--------------------------|-----------------|-----------------|---------------|
| Gender | Female | | | | Male | | | |
| | 5.40 | | | | 6.11 | | | |
| Race | African American/ Black | | Hispanic/Latino | | Asian American/ Asian | | Caucasian/White | |
| | 4.70 | | 4.89 | | 5.91 | | 5.94 | |
| Race/Gender | Black Female | Hispanic Female | Black Male | Hispanic Male | White Female | Asian Female | Asian Male | White Male |
| | 4.62 | 4.73 | 5.03 | 5.20 | 5.67 | 5.81 | 6.02 | 6.39 |



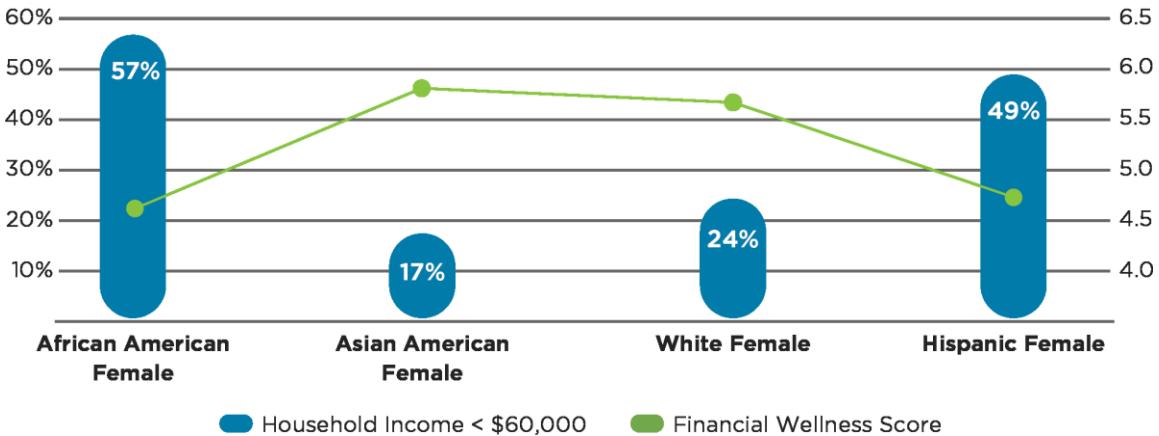
The Financial Stress Divide: A Tale of Two Employees



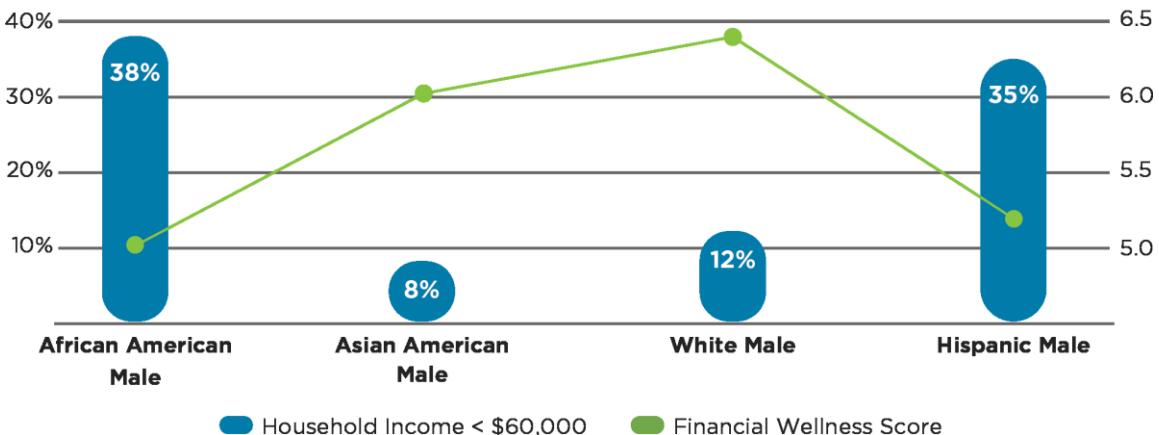
Source: 2020 Race and Financial Stress Report

Income and Financial Health – a Clear Connection

Relationship between Household Income and Financial Wellness Score (by Race/Female)

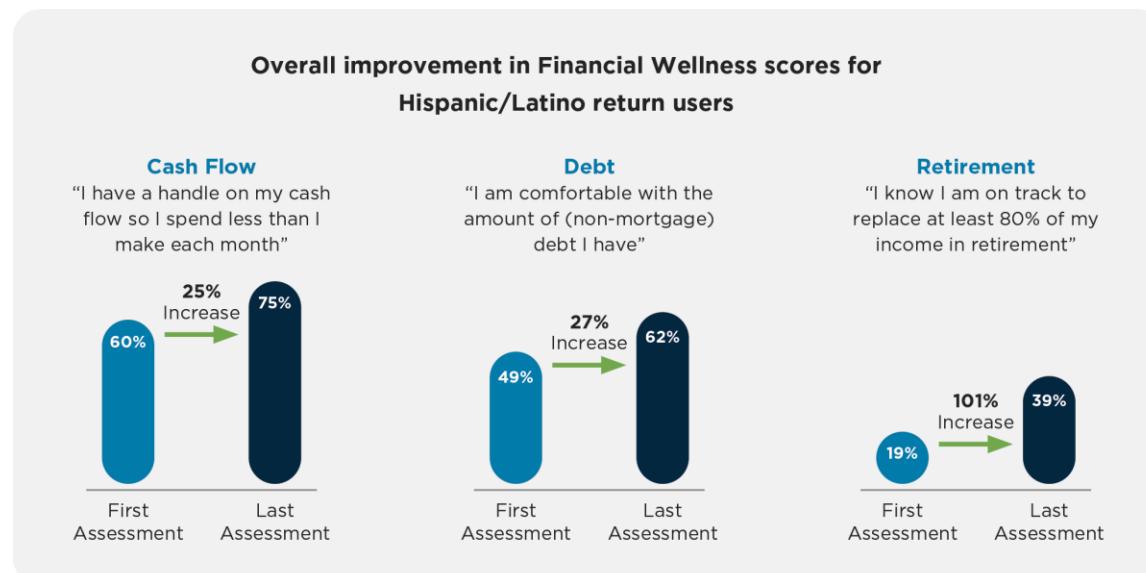
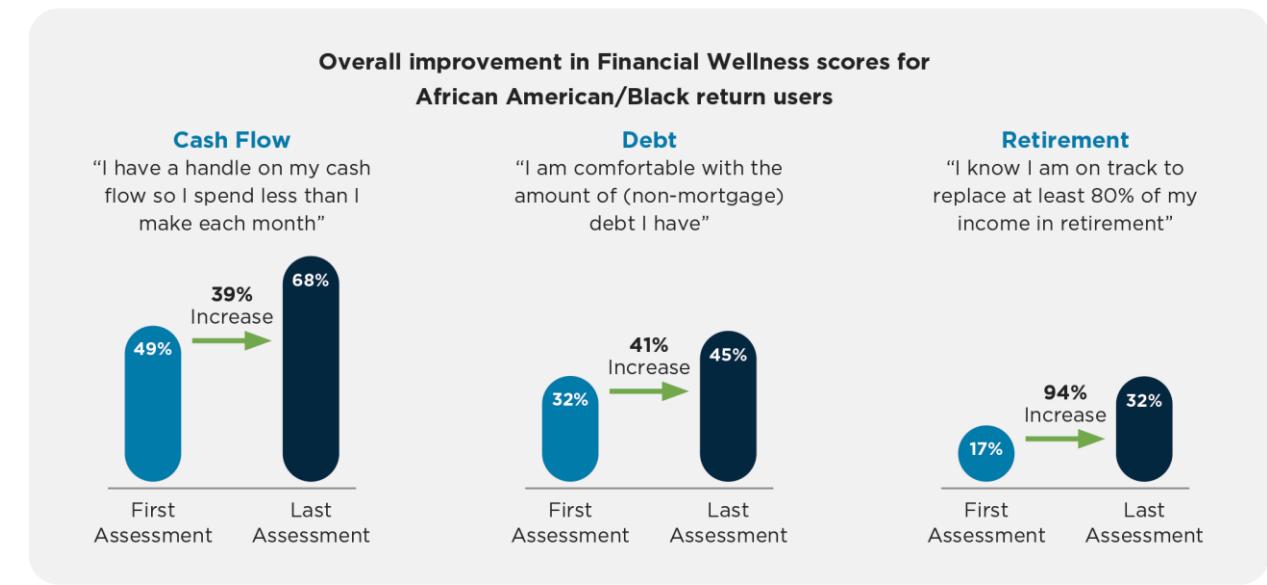


Relationship between Household Income and Financial Wellness Score (by Race/Male)



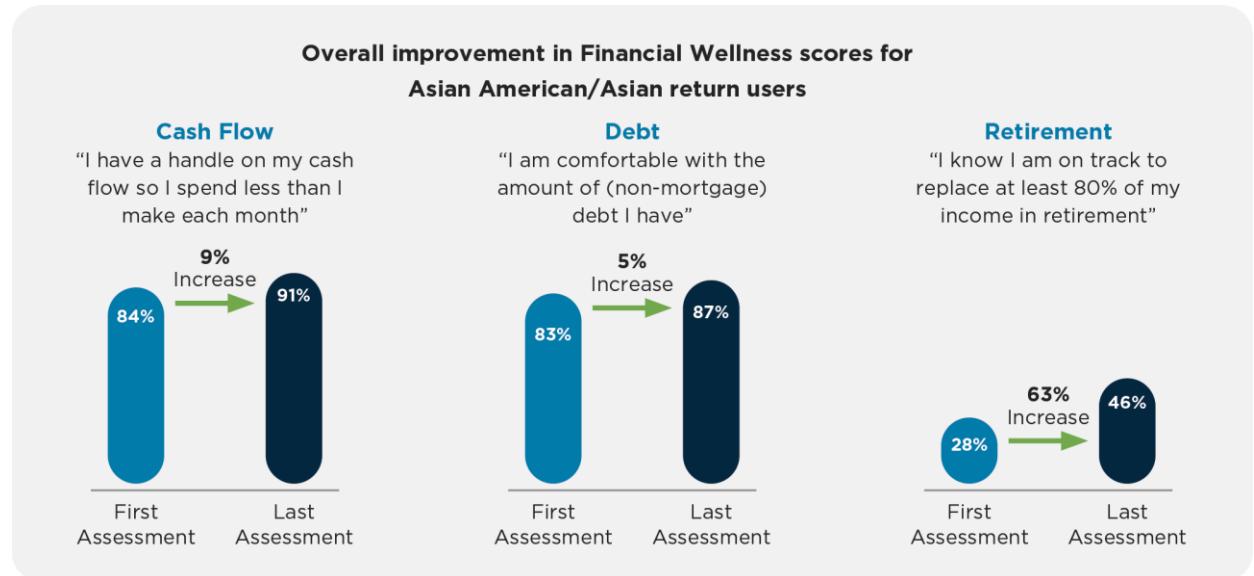
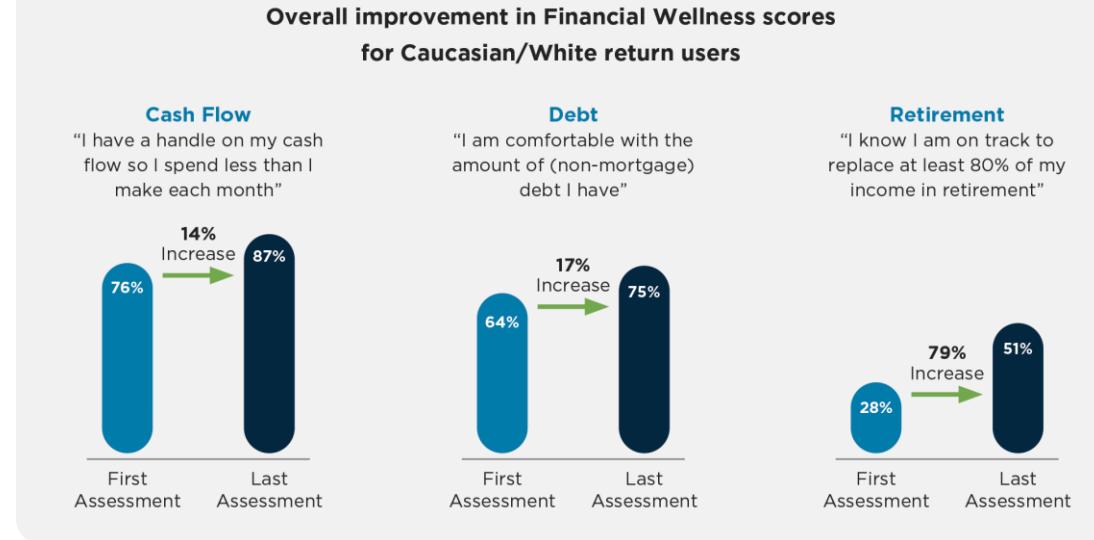
Source: 2020 Race and Financial Stress Report

Engaging with the Benefit Improves Outcomes



Source: 2020 Race and Financial Stress Report

Engaging with the Benefit Improves Outcomes



Source: 2020 Race and Financial Stress Report

Q&A

