



Motivations and Measurement of Financial Wellness Initiatives

EBRI-ERF POLICY FORUM #86

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Outline

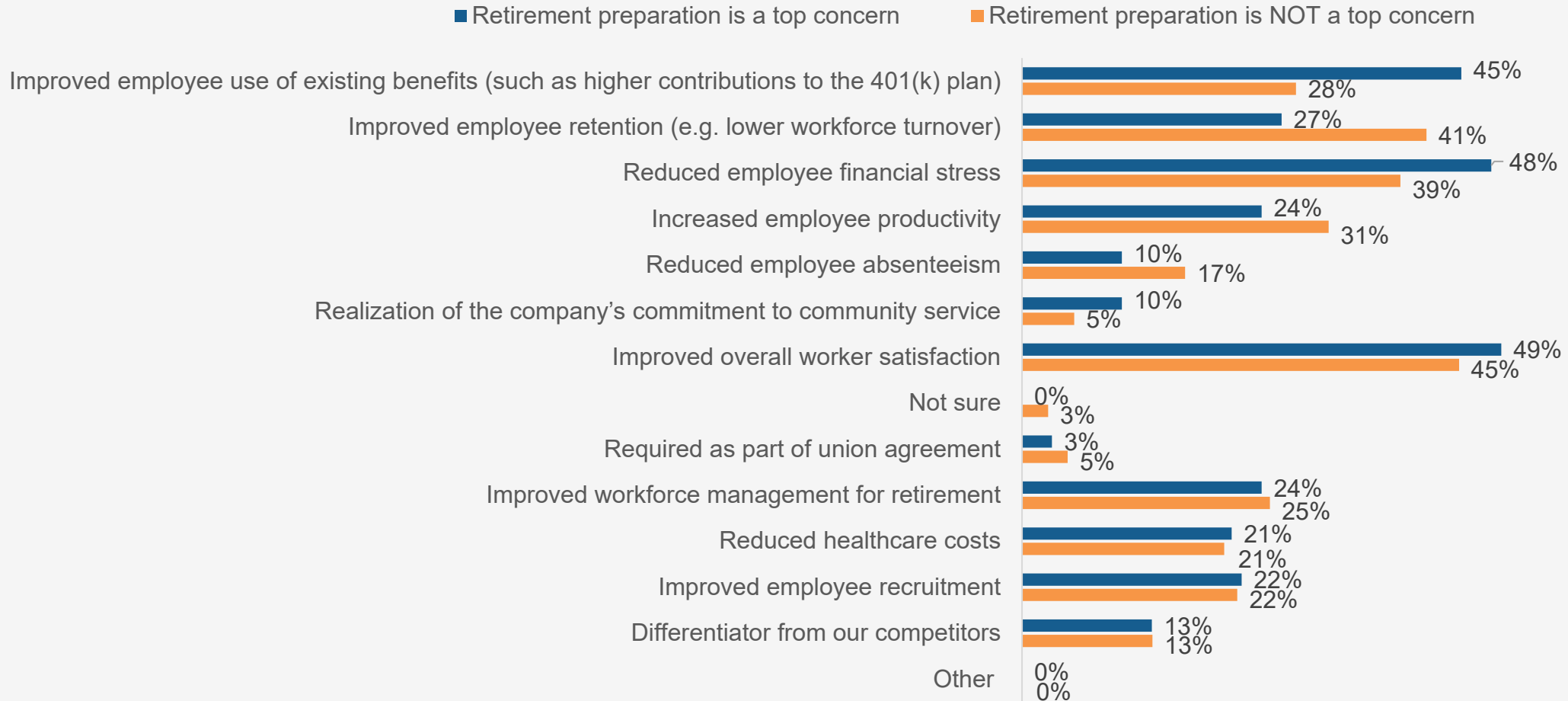
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Methodology: 2019 Employer Financial Well-Being Survey

- Information for this report was collected from 15-minute online survey with 248 full-time benefits decision-makers conducted in June 2019.
 - All respondents worked full-time at companies with at least 500 employees that were at least interested in offering financial wellness programs.
 - An additional 27 respondents who worked at companies with 250 to 499 employees were also collected but are not included in this report.
- 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.
- The survey was administered by Mathew Greenwald & Associates.
- Additional information can be found at: Lori Lucas and Jack VanDerhei, "2019 Employer Approaches to Financial Wellbeing Solutions," EBRI Issue Brief, no. 491 (Employee Benefit Research Institute, September 26, 2019).

MOTIVATIONS AND MEASUREMENT OF FINANCIAL WELLNESS INITIATIVES

Top Reasons for Offering Financial Wellness Initiatives by Whether Retirement Preparation is a Top Concern (ranked by absolute value of the difference in percentages)



Q33. What are or would be your top 3 reasons for offering financial wellness initiatives to employees? (n=248)

Further Analysis on Employer Motivators

- Reducing employee financial stress was actually much more important for those who were still only interested in offering financial well-being programs but hadn't done it.
 - 58% of those indicated that was one of their major motivators.
 - For those who were actually offering well-being initiatives already, it was only 32%.
- Differentiation from competitors was much more important for those who were actually currently offering a financial well-being initiative, 19% of that group chose that.
 - For the other two groups, it was only 6 or 8%.

When deciding to offer financial wellness benefits, cost to both the employer and employees and employee interest are the top considerations.

Top Considerations in the Decision to Offer Financial Wellness Benefits

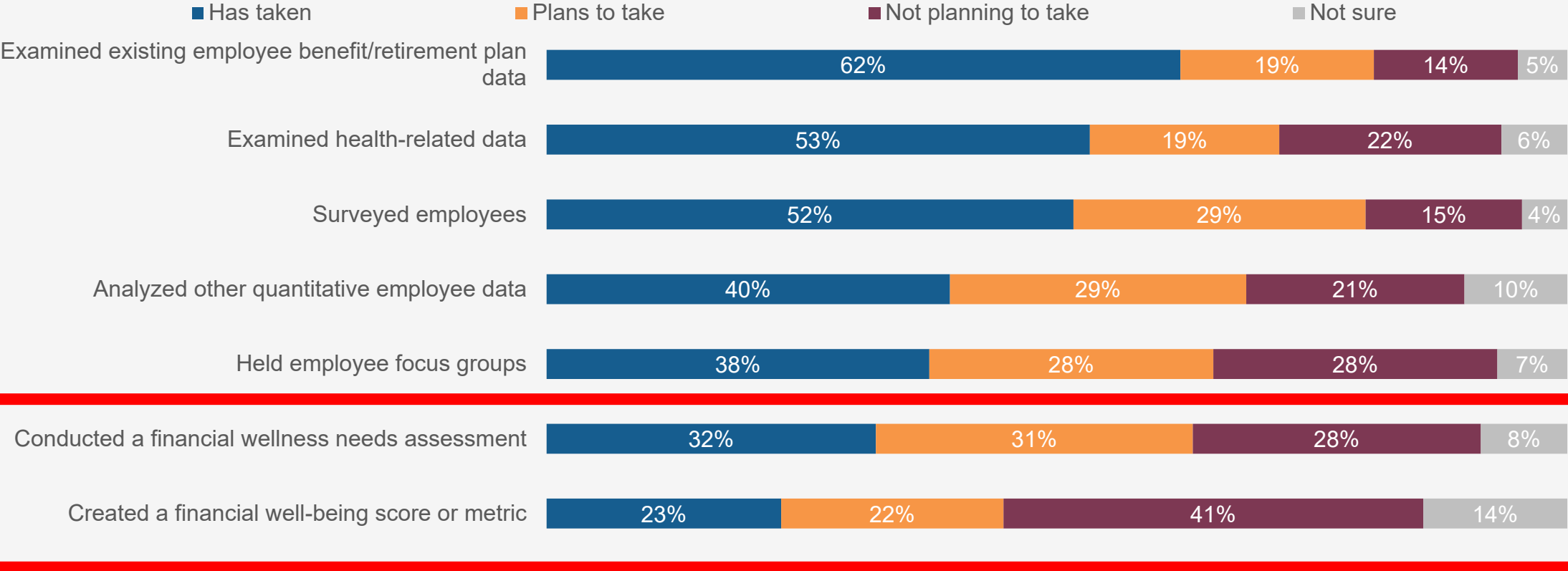


Considering the cost to employees and the impact on employees' retirement preparedness are significantly more likely in 2019 than in 2018.

Q34. What were or will be your top 3 considerations used to determine whether to offer financial wellness benefits to your employees? Please select your top 3 reasons. (n=248)

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

Steps Taken to Understand Employees' Financial Wellness Needs



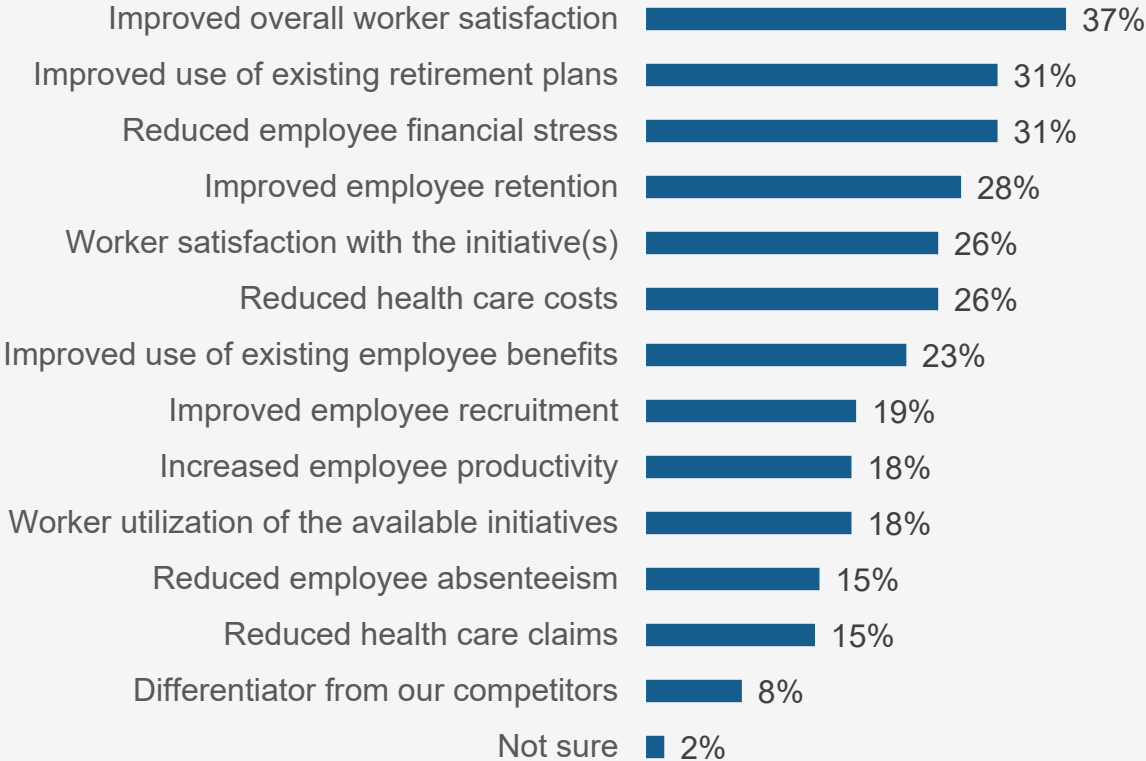
Q31. What steps has your company taken or does it plan to take to understand your employees' financial wellness needs? (n=248)

Firms who have created a financial well-being score or metric are more likely to currently offer financial wellness benefits. They are also more likely to have more offerings in a holistic approach.

	Created a Financial Well-Being Score or Metric	Not Planning on Creating a Financial Well-Being Score or Metric
Company's current approach to financial wellness initiatives	68% Currently offer 28% Actively implementing 4% Interested in	51% Currently offer 11% Actively implementing 38% Interested in
How financial wellness initiative is offered	56% Holistic 26% Periodic/Ad hoc 7% Pilot 11% One-time initiative	38% Holistic 38% Periodic/Ad hoc 15% Pilot 9% One-time initiative
Number of financial wellness benefits offered	7% Low (0–2 offerings) 37% Medium (3–5 offerings) 56% High (6+ offerings)	42% Low 43% Medium 15% High
Traditional benefits considered part of financial wellness initiative	91% Health insurance 88% Retirement benefits 84% Time-off benefits	69% Health insurance 86% Retirement benefits 62% Time-off benefits
Employee satisfaction with benefits package	75% Extremely/very satisfied 19% Somewhat satisfied 5% Not too/not at all satisfied	57% Extremely/very satisfied 38% Somewhat satisfied 5% Not too/not at all satisfied
Company's concern about employees' financial well-being	18% Low (1–6) 49% Moderate (7–8) 33% High (9–10)	42% Low 43% Moderate 15% High

Similar to the reasons for offering financial wellness initiatives, overall worker satisfaction, use of existing retirement plans, and employee stress are the top factors to measure these initiatives.

Top Factors in Measuring Financial Wellness Initiatives' Success



Q42. What are the top 3 factors that are or will be important in the measurement of your financial wellness initiatives? Please select your top 3. (n=248)

Lack of employee interest is the top challenge in offering financial wellness benefits. One quarter say not being able to quantify value added is a top challenge.

Top Challenges in Offering Financial Wellness Benefits



Q43. What are the top 3 challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top 3. (n=248)

Looking only at those who are currently interested but not offering or implementing FW, lack of ability/data to quantify value added of the initiatives is the top challenge in offering FW benefits.

Top Challenges in Offering Financial Wellness Benefits (only those who are interested, not offering or implementing currently)



Q43. What are the top 3 challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top 3. (n=72)

PHASE TWO OF THE EBRI FWRC RESEARCH

KEY FINDINGS

APPENDIX: DEMOGRAPHICS

Demographics

Firm Size

500 to 749 employees	13%
750 to 999 employees	15
1,000 to 2,499 employees	27
2,500 to 4,999 employees	16
5,000 to 9,999 employees	13
10,000 to 24,999 employees	8
25,000 or more employees	9

Average Employee Tenure

2 years or less	7%
3 to 5 years	19
6 to 9 years	25
10 to 14 years	21
15 to 19 years	10
20 years or more	10
Not sure	7

Industry

Health care and social assistance	14%
Manufacturing	12
Retail trade	11
Finance and insurance	10
Educational services	10
Professional, scientific, and technical services	9
Government: State or local	8
Utilities	4
Agriculture, forestry, fishing, hunting, mining	2
Transportation and warehousing	2
Wholesale trade	2
Information	2
Nonprofit/charitable	2
Government: Federal	2
Management of companies and enterprises	1
Arts, entertainment, and recreation	1
Construction	1
Real estate and rental and leasing	1
Food services and drinking places	1
Other services, except government	<0.5
Other	6

n=248

Demographics

Employee Satisfaction with Benefits Package

Extremely satisfied	10%
Very satisfied	46
Somewhat satisfied	40
Not too satisfied	3
Not at all satisfied	1

Absenteeism as an Issue

A major problem	8%
A minor problem	61
Not a problem	31

Job Title

Human Resources Manager	30%
Human Resources Officer	17
Senior Executive (CEO, President)	16
Compensation & Benefits Manager	10
Administration Executive	6
Financial Officer	5
Compensation & Benefits Officer	4
Financial Manager	3
Other	8

Decision-Making for Employee Benefits Programs

I am a final decision-maker or I make formal recommendations to senior management	49%
I have a lot of influence	36
I have a moderate amount of influence	15

Decision-Making for Financial Wellness Offerings

I am a final decision-maker or I make formal recommendations to senior management	42%
I have a lot of influence	34
I have a moderate amount of influence	15

n=248