Wi-Fi Network: DCCTR
Password: meeting2015DC
#EBRIPolicyForum
EBRI’S MISSION

EBRI produces and communicates independent, objective, nonpartisan data, research, and other information about employee benefits. The organization serves the public, employers, service providers, workers and their families, and policymakers.
AGENDA

11:30 a.m. — Welcome

11:45 a.m. — What is Driving the Great Resignation/Retirement—and What Does the Future Hold for the Labor Force?

12:45 p.m. — Networking Lunch and Keynote Speaker

1:45 p.m. — Debt and Financial Security: Challenges and Possible Solutions

2:45 p.m. — Break

3:15 p.m. — The State of Mental Health in the Workplace

4:15 p.m. — Wrap-Up
THANK YOU, POLICY FORUM DEVELOPMENT TASK FORCE!

Task Force:
Nevin Adams, American Retirement Association
Reagan Anderson, Capital Group
Rhonda Berg, Mercer
Nicky Brown, HealthEquity, Inc.
Chris Byrd, WEX Health
Rob Capone, Legal & General Investment Management America
Kathryn Carleson, HealthEquity, Inc.
Drew Carrington, Franklin Templeton
Kelsey Chin, Millennium Trust Company
Josh Cohen, PGIM
David Cruz, New York Life
Liz Davidson, Financial Finesse, Inc.
Mark Dennis, Financial Finesse, Inc.
Jody Dietel, HealthEquity, Inc.
Bob Doyle, Prudential Retirement
Jennifer Flodin, Mercer
Josh Freely, TIAA
Kris Haltmeyer, Blue Cross Blue Shield Association
Katie Hockenmaier, Mercer
Bob Holcomb, Empower Retirement
Sarah Holden, Investment Company Institute
Kirsten Hunter, Fidelity Investments
Melissa Kahn, State Street Corporation
Marla Kreindler, Morgan, Lewis & Bockius LLP
Mike Lanza, Ameriprise Financial
Lisa Margeson, Bank of America
Martin McGuiness, Unum
Ed Murphy, Empower Retirement
Meenu Natarajan, Mercer
Chantel Sheaks, U.S. Chamber of Commerce
Kevin Smart, Custodia
Christopher T. Stephen, National Rural Electric Cooperative Association
Aron Szapiro, Morningstar
Renee Wilder Guerin, Retirement Clearinghouse LLC

Vice Chair, PPAC: Liz Varley, Ameriprise Financial
What region of the country do you hail from?
What do you think the biggest workplace challenge for employers will be over the next 12 months?
WHAT IS DRIVING THE GREAT RESIGNATION/RETIREMENT — AND WHAT DOES THE FUTURE HOLD FOR THE LABOR FORCE?

Craig Copeland, Director of Wealth Research, EBRI

Fiona Greig, Co-President, JPMorgan Chase Institute

Ragan Decker, Senior Researcher, Strategic Researcher Initiatives, SHRM

Moderated by: Chantel Sheaks, Vice President, Retirement Policy, U.S. Chamber of Commerce
Great Resignation? Great Reshuffle?

EBRI Spring Policy Forum
May 10, 2022
Separations/Hires and Labor Force Participation

- Actions of those within the labor force?
  - Quitting
  - Being laid off/discharged
  - Retiring
  - Finding new jobs

- Are Americans returning to the labor force at 2019 levels?
SEPARATIONS AND HIRES
Separations/Hires

- Total separations includes quits, layoffs and discharges, and other separations.
- Quits are generally voluntary separations initiated by the employee. Therefore, the quit rate can serve as a measure of workers’ willingness or ability to leave jobs.
- Layoffs and discharges are involuntary separations initiated by the employer.
- Other separations includes separations due to retirement, death, disability, and transfers to other locations of the same firm.
- The annual total separations rate is the number of total separations during the entire year as a percent of annual average employment.
- The hire rate is the number of hires during the entire month as a percent of total employment.
Separation Rates, by Separation Type, 2017-2021

Source: Job Openings and Labor Turnover Survey News Release - 2022 M01 Results (bls.gov)
Quit Rates, by Industry, 2017-2021

Source: Job Openings and Labor Turnover Survey News Release - 2022 M01 Results (bls.gov)
Other Separation Rates, by Industry, 2017-2021

Source: Job Openings and Labor Turnover Survey News Release - 2022 M01 Results (bls.gov)
Hire Rates, by Industry, 2017-2021

Source: Job Openings and Labor Turnover Survey News Release - 2022 M01 Results (bls.gov)
# Job Openings, January 2021–January 2022

## Openings (in thousands)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,232</td>
<td>10,673</td>
<td>11,094</td>
<td>10,922</td>
<td>11,448</td>
<td>11,263</td>
</tr>
</tbody>
</table>

## Openings Rate

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Rate</td>
<td>6.8%</td>
<td>7.0%</td>
<td>6.8%</td>
<td>7.1%</td>
<td>7.0%</td>
<td></td>
</tr>
</tbody>
</table>

The job openings rate is the number of job openings on the last business day of the month as a percent of total employment plus job openings.

Source: Job Openings and Labor Turnover Survey News Release - 2022 M01 Results (bls.gov)
EMPLOYMENT AND LABOR FORCE PARTICIPATION
Overview - Labor Force and Employment


All statistics are December to December (end of the year), not seasonally adjusted

Age comparisons from 2019

• Change in number of Americans employed
• Change in the labor force participation rate (percentage of Americans working or actively seeking employment)
• Changes in the number of Americans in the labor force
Change in the Number of Americans Employed from 2019, by Age (in millions)

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Change From 2019 to 2020</th>
<th>Change From 2019 to 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>16–24</td>
<td>-1.18</td>
<td>-2.50</td>
</tr>
<tr>
<td>25–34</td>
<td>-2.27</td>
<td>-2.00</td>
</tr>
<tr>
<td>35–44</td>
<td>-1.38</td>
<td>-1.50</td>
</tr>
<tr>
<td>45–54</td>
<td>-1.71</td>
<td>-1.00</td>
</tr>
<tr>
<td>55–64</td>
<td>-1.55</td>
<td>-0.50</td>
</tr>
<tr>
<td>65+</td>
<td>-0.80</td>
<td>-0.01</td>
</tr>
</tbody>
</table>

Note: The numbers are from December of each year and not seasonally adjusted.
Labor Force Participation Rates, by Age (Civilians Ages 16-44)

Ages 16-24
- 2019: 54.3%
- 2020: 53.7%
- 2021: 54.6%

Ages 25-34
- 2019: 83.5%
- 2020: 82.7%
- 2021: 81.0%

Ages 35-44
- 2019: 84.0%
- 2020: 83.5%
- 2021: 82.3%

Note: The numbers are from December of each year and not seasonally adjusted.
Labor Force Participation Rates, by Age (Civilians Ages 45 or Older)

**Ages 45-54**

- 2019: 81.9%
- 2020: 80.8%
- 2021: 80.8%

**Ages 55-64**

- 2019: 65.1%
- 2020: 64.0%
- 2021: 64.4%

**Ages 65 or Older**

- 2019: 21.0%
- 2020: 20.5%
- 2021: 20.6%

**Note:** The numbers are from December of each year and not seasonally adjusted.

Change in the Number of Americans in the Labor Force from 2019, by Age (in millions)

Note: The numbers are from December of each year and not seasonally adjusted.
Labor market dynamics during the pandemic: Insights from administrative data

May 2022

Fiona Greig, Co-President, JPMorgan Chase Institute
@FionaGreigDC
Unemployment spiked when the pandemic first hit, with potentially catastrophic impacts on the economy.
Where $5 Trillion in Pandemic Stimulus Money Went

By Alicia Parlapiano, Deborah B. Solomon, Madeleine Ngo and Stacy Cowley  March 11, 2022

- Individuals and families: $1.8 trillion
  - Workers received nearly $700 billion in unemployment benefits, including an extra $600 per week from March to July 2020.
- Businesses: $1.7 trillion
- State and local aid: $745 billion
- Health care: $482 billion
- Other: $288 billion

- Roughly $80 billion went to airlines to help pay pilots, flight attendants and other staff who were furloughed as travel dried up.
- Almost $70 billion went to struggling transit agencies that rely on commuters for income.
Median **cash balances** through the end of 2021 remain elevated, especially for lower-income families.
Lower-income households saw the largest boost in income growth as the labor market tightened prior to COVID. Policies undertaken during COVID-19 accelerated the trend.
The number of households experiencing substantial **downward income changes** fell most for low-income households during the expansion. COVID relief sustained that drop.
In response to the COVID-19 pandemic, the U.S. implemented the largest Unemployment Insurance (UI) expansion in history. The expansions included:

- **Benefit supplements**: $600 and then $300 per week (Federal Pandemic Unemployment Compensation)
- **Benefit extensions**: 53 weeks (Pandemic Emergency Unemployment Compensation)
- **Expanded eligibility**: self-employed, care-takers (Pandemic Unemployment Assistance)

The chart illustrates the unemployment insurance as a share of labor income, with peaks during the COVID-19 pandemic.
The share of jobless workers exiting UI to new jobs changes modestly when UI supplements change.

Expiration of $600 supplement Change: +0.8 p.p.
Onset of $300 supplement Change: −0.6 p.p.
Work disincentive effect sizes during the pandemic are small.

- **Duration elasticity**: A 10% increase in benefit level is associated with a ~1% increase in duration unemployed.

- **Calibration: work dis-incentive effects were low relative to 3 benchmarks**
  - Literature: 18 other historical studies that found duration elasticities in the 0.2 – 1.0 range.
  - Size of the pool of missing workers at the time: Without the $300 supplements in August 2021 the employment shortfall would have been 4.5 million instead of 5.0 million workers.
  - Spending boost they generated for jobless workers: When 26 states turned off expanded benefits in the summer of 2021. Cumulatively over 8 weeks, jobless workers lost ~$1400 in UI. Their earnings increased by just $93, but their spending fell by $678.

- **Open question: Why was work disincentive effect during pandemic so low?**
  - Possibly hypotheses: (initially) low labor demand, high household liquidity, high recalls, childcare constraints, healthcare concerns, historical publication bias?
Where we stand today

Nonfarm employment is back up in levels terms, but still below pre-pandemic trend.

Labor force participation rates dropped slightly and still below pre-pandemic levels, especially for older workers.

Source: BLS, J.P. Morgan

Source: J.P. Morgan
The Great Resignation: Why Workers Quit and How Organizations Should Respond
No back up plan? No problem.

Some workers are quitting even without a new job lined up.

% of U.S. workers who had not accepted a new job when they quit:

- 24% in 2019
- 26% in 2020
- 30% in 2021
Why are more U.S. workers quitting their jobs than ever before?

Top 5 reasons for quitting:

- Better compensation: 32%
- Better work/life balance: 29%
- Better benefits: 25%
- Organizational leadership lacked empathy toward employees: 21%
- Workplace culture or politics: 21%
How are organizations currently responding to the Great Resignation?
Organizations are Offering Higher Starting Salaries to Recruit New Employees

Many organizations are reporting higher starting salaries/wages beyond normal yearly increases, as compared to 2020.

Within a span of 3 months, there was a **10-percentage point increase** in the number of organizations reporting higher starting salaries/wages.

<table>
<thead>
<tr>
<th>Percentage of Organizations Reporting Higher Starting Salaries/Wages as Compared to 2020.</th>
</tr>
</thead>
<tbody>
<tr>
<td>September, 2021: 58%</td>
</tr>
<tr>
<td>December, 2021: 68%</td>
</tr>
</tbody>
</table>
Organizations are Offering New Benefits to Retain Current Employees

In the past 6 months, organizations have offered new or additional benefits to reduce turnover:

- 45% Remote work or flexibility options
- 35% Merit increases
- 31% Employee referral bonus
- 25% Training/Career Development Opportunities
- 25% Spot bonuses (beyond holiday/annual bonuses)
- 22% Team building activities
Organizations are Conducting Stay Interviews to Retain Current Employees

Nearly a third of organizations conduct stay interviews:

- **31%**

Of these organizations, nearly a third began conducting stay interviews in the past 6 months:

- **31%** in the past 6 months
- **8%** in 7-11 months
- **20%** in 1-2 years
- **41%** more than 2 years
What else can organizations do?

Additional strategies we recommend for recruiting and retaining employees amid the Great Resignation
Recruitment

1. Hire boomerang employees

- **86%** of organizations say they are willing to re-hire employees who previously quit.
- **23%** of U.S. workers who quit their last job have considered going back to their last job.
- **38%** of unemployed Americans who recently quit their last job have considered going back to their last job.
In the past 6 months, the top three untapped talent pools organizations report recruiting from include:

- Newly graduated college students (53%)
- Former employees who quit (42%)
- Veterans (38%)

The top three talent pools organizations are recruiting from more now than last year:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Former employees who were laid off</td>
<td>55%</td>
</tr>
<tr>
<td>Former employees who quit</td>
<td>51%</td>
</tr>
<tr>
<td>Those with a criminal record</td>
<td>46%</td>
</tr>
</tbody>
</table>
1 Foster a sense of belonging

When workers feel a strong sense of belonging to their organization, they may be less likely to leave.

% of U.S. workers that feel a strong sense of belonging to their current organization:

- Workers who are actively searching or planning to search for a new job: 47%
- Workers who are not actively searching or planning to search for a new job: 86%
U.S. workers (41%) who quit their previous job say their supervisor micromanaging them influenced their decision to quit.

In the last 2 years, micromanagement has had more of an influence on voluntary turnover.

% of U.S. workers who quit due to supervisor micromanagement:

- In the last 9 months: 48%
- 10 months to 2 years ago: 51%
- More than 2 years ago: 31%

2. Train people managers
Additional Resources

- Surviving the Great Resignation SHRM Research Report
- SHRM Resignation Recovery Playbook

Methodology

• A sample of 2,000 U.S. workers were surveyed using a third-party online panel. The survey was administered Friday, December 17, 2021 to Friday, December 28, 2021.

• A sample of 200 unemployed Americans who quit their job in last 9 months were surveyed using a third-party online panel. The survey was administered Friday, December 17, 2021 to Sunday, December 26, 2021.

• A sample of 892 HR professionals were through SHRM membership. The survey was administered Friday, December 17, 2021 to Tuesday, January 11, 2022. Only HR professionals who were currently working for an organization (either remotely, in person, or through a hybrid model) were eligible to participate in this survey.
Thank you

Please reach out if you have any additional questions.

Ragan Decker, PhD
Senior Researcher, SHRM
ragan.decker@shrm.org

Ragan Decker, Ph.D., is a Senior Researcher, Strategic Research Initiatives, at SHRM. She is responsible for conducting workplace research, and has lead research on financial wellness, people analytics, and the “Great Resignation.” Dr. Decker received her doctorate in Industrial-Organizational Psychology from the University of Connecticut in 2021.
NETWORKING LUNCH
PLEASE BE BACK BY 1:15 PM
What do you think the long-term (e.g., 10 year) future of the workplace will look like?
LUNCHEON KEYNOTE

Amber Rivers, Director, Office of Health Plan Standards and Compliance Assistance, U.S. Department of Labor

Moderated by: Jody Dietel, Special Advisor, Government Affairs, HealthEquity, Moderator
DEBT AND FINANCIAL SECURITY: CHALLENGES AND POSSIBLE SOLUTIONS

Craig Copeland, Director of Wealth Research, EBRI

Alex Smith, Chief HR Officer, City of Memphis

Jay Washington, Associate Vice President, Diverse Markets, Voya

Moderated by: Liz Varley, Vice President, Federal Government Affairs, Ameriprise, Moderator
Click this button

Type question(s) here

To: All panelists
Your text can only be seen by panelists
Debt: How It Is Changing and Its Impact

EBRI Spring Policy Forum
May 10, 2022
Overview

- Debt statistics—Survey of Consumer Finances from the Federal Reserve, comprehensive data on families’ wealth
  - Families with heads ages 55 or older
    - Changes in debt type incidence
  - Families with heads ages 55 or older
  - Debt comparisons 2010 and 2019
  - Distribution of debt sources (Millennials vs. Generation X)
- Attitudes and experiences with debt (Retirement Confidence Survey)
Percentage of Families With Heads Ages 55 or Older With Debt, by Age of Family Head, 1992–2019

Percentage of Families With Heads Ages 75 or Older With Housing or Credit Card Debt, 1992–2019

- **Housing**
- **Credit Card**

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing</th>
<th>Credit Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>1995</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>1998</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>2001</td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>2004</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>2007</td>
<td>14%</td>
<td>19%</td>
</tr>
<tr>
<td>2010</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>2013</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>2016</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>2019</td>
<td>28%</td>
<td>28%</td>
</tr>
</tbody>
</table>
Percentage of Families With Heads Ages 54 or Younger With Debt, by Age of Family Head, 1992–2019

Comparison of Various Debt Statistics Between Families With Heads Ages Ages 55 or Older and of Those With Heads Ages Younger Than 55, 2010 and 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Heads Ages Younger Than 55</th>
<th>Heads Ages 55 or Older</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2019</td>
</tr>
<tr>
<td>Percentage With Debt</td>
<td>82.5%</td>
<td>83.5%</td>
</tr>
<tr>
<td>Average Debt</td>
<td>$131,562</td>
<td>$128,085</td>
</tr>
<tr>
<td>Median Debt of Those Having Debt</td>
<td>$96,377</td>
<td>$87,550</td>
</tr>
<tr>
<td>Total Debt Payments as a Percentage of Income</td>
<td>17.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Percentage With Debt Payments Greater Than 40% of Income</td>
<td>12.4%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Debt as a Percentage of Assets</td>
<td>27.9%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Median Debt-to-asset Ratio of Those Having Debt</td>
<td>55.2%</td>
<td>47.8%</td>
</tr>
<tr>
<td>Percentage With Housing Debt</td>
<td>50.4%</td>
<td>44.9%</td>
</tr>
<tr>
<td>Percentage With Credit Card Debt</td>
<td>43.5%</td>
<td>49.8%</td>
</tr>
<tr>
<td>Median Housing Debt of Those Having It</td>
<td>$142,562</td>
<td>$154,000</td>
</tr>
<tr>
<td>Median Credit Card Debt of Those Having It</td>
<td>$3,299</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute estimates from the 2010 and 2019 Survey of Consumer Finances.

Note: All dollar amounts are in 2019 dollars.
Comparison of Generation X and Millennial Families’ Median Debt and Distribution of Debt Sources When The Family Heads Were Ages 25-36

Median Debt

- Generation X: $39,492
- Millennials: $38,500

Distribution of Debt Sources by Value Held

- Generation X:
  - Housing: 74.4%
  - Credit Card: 17.1%
  - Student Loan: 3.6%
  - Other: 11.3%

- Millennials:
  - Housing: 67.8%
  - Credit Card: 18.7%
  - Student Loan: 2.2%
  - Other: 11.3%

Source: Employee Benefit Research Institute estimates from the 2001 and 2019 Survey of Consumer Finances.
Note: All dollar amounts are in 2019 dollars.
Experience With Debt

- Retirement Confidence Survey (RCS)
  - Retirement planning and stress
  - Debt impact
  - Reasons for loans and withdrawals from workplace savings plans

- Financial Wellbeing Employer Survey (FWES)
  - Financial wellbeing initiatives seeing the largest increases in engagement since the pandemic
Percentage of Workers Who Agree That Preparing for Retirement Makes Them Feel Stressed

To what extent do you agree or disagree with the following statement?
Preparing for retirement makes you feel stressed
(Workers n=1,545)

- Strongly agree: 21%
- Somewhat agree: 42%
- Disagree: 37%

Source: EBRI and Greenwald Research 2022 Retirement Confidence Survey.
Percentage of Workers and Retirees Who Say Debt is Negatively Impacting Their Ability to Save for Retirement

To what extent do you agree or disagree with the following statements?
Workers n=1,545

Strongly agree       Somewhat agree       Disagree
18%                     54%                        27%

46% Agree

Debt is negatively impacting your ability to save for retirement

Source: EBRI and Greenwald Research 2022 Retirement Confidence Survey.
Percentage of Workers Who Say Debt is Impacting Their Ability to Participate in Employee Benefits

To what extent is your non-mortgage debt having a negative impact on your ability to do the following?
Workers n=1,545

- Participate in or contribute to an employer’s retirement plan
  - Major impact: 15%
  - Minor impact: 27%
  - No impact: 42%

- Participate in or buy other employee benefits, such as life or disability insurance
  - Major impact: 13%
  - Minor impact: 29%
  - No impact: 41%

Source: EBRI and Greenwald Research 2022 Retirement Confidence Survey.
Reasons For Taking a Loan or Withdrawal From a Retirement Savings Plan

Which of the following, if any, are reasons you took a loan or withdrawal from your retirement savings plan?

Workers Who Have Ever Taken Money from Plan (n=204)

- Pay off credit card bill/debt: 28%
- Make ends meet: 21%
- Make a large purchase/buy a home: 20%
- Cover a COVID-related need: 20%
- Cover another emergency expense: 19%
- Pay for childcare, or eldercare, or another caregiving obligation: 16%
- Cover an education expense: 15%
- Cover having or adopting a child: 15%
- Job loss or spouse's job loss: 13%
- Pay for home or car repairs: 11%
- Cover medical expenses: 5%
- Required minimum distribution: 1%
- Other: 1%

Source: EBRI and Greenwald Research 2022 Retirement Confidence Survey.
Q42. How has employee engagement with the following benefits changed since the COVID-19 crisis began?

Improving wellness in the workplace

Our multi-channel financial wellness experience is integrated with myOrangeMoney, and helps employees address, balance and prioritize competing financial interests.

Financial wellness pillars

Quick assessment
+ easy scoring: ☑️ ⬤ ⬤

9 out of 10 users have taken action or plan to take action to improve their financial situation after completing the assessment

88% completed the assessment and viewed the results

Resource center

1 Voya Internal Data as of 6/30/20
2 Voya Internal Data as of 6/30/20 - reflects percent completion of users that began assessment
Guiding principles of our financial wellness experience

Six pillars of financial wellness:

- Protection
- Spending & Saving
- Emergency Fund
- Retirement
- Debt
- Other Goals

To improve outcomes, we must effectively:

**ENGAGE**
Reaching employees where they are, with the right message at the right time.

**GUIDE**
Delivering personalized experiences that lead employees to their next best action based on their current financial situation and goals for the future.

**DRIVE ACTION**
Help employees take action to improve their financial outcomes.
Student loan debt solutions can help employees and employers

Student loan debt is the 2nd highest consumer debt category – behind only mortgage debt – and higher than both credit cards and auto loans¹

44.7 million
Americans owe student loans worth more than $1.56 trillion²

$32,731
is the average student loan debt per person²

$393
is the average monthly student loan payment for graduates³

96% of employees with student loan debt say they’re likely save more for retirement if they had their debt under control⁴

63% more likely to choose an employer that offers student loan debt solution⁵

86% employees age 22-33 would commit to a company for five years if the employer helped pay back their student loans⁶

⁴Voya Consumer Insights and Research, June 2020.
⁵Voya Online Consumer Community research, October 2019.

For plan sponsor and financial professional use only. Not for use with participants.
Saving for unexpected expenses can improve retirement outcomes

American workers are vulnerable to financial emergencies

78% U.S. workers live paycheck to paycheck¹

40% Americans would have to use credit cards or borrow money to cover a $400 expense²

2 in 10 individuals have less than 3 months’ emergency savings and 3 in 10 have no emergency savings at all³

Lack of emergency savings puts retirement at risk³

Employees without adequate emergency savings are…

- 30% more likely to decrease contribution rates
- 13x more likely to take a hardship withdrawal
- 3x more likely to take a loan from their retirement plan

Employees are looking to their employers for help⁴

- 71% likely to participate in a payroll-deduction rainy day savings program if their employer offered one
- 87% more likely to participate in a savings program with an employer match to the emergency savings fund

³Voya internal data, October 2020.
⁴AARP Public Policy Institute, Saving at Work for a Rainy Day Results from a National Survey of Employees, September 2018.
Unplanned expenses are surprisingly common

60% of households experienced a financial shock in the previous 12 months¹

One third of them had to contend with two or more emergencies in the same timeframe¹

Car expenses
Most common unplanned expense¹
New transmission – $2,324²

Household repairs
Second most common unplanned expense¹
Flooded basement repair – $10,000+²

Medical emergencies
Insurance may not cover all medical expenses
Emergency room visit – $150-$3,000+²

Funeral costs
In addition to the funeral itself, there are often bereavement travel expenses
Full-service funeral – $15,000+²

Vet bills
Pets are family members and owners will go to extraordinary lengths to keep their pets healthy
Canine radiation therapy – $2,000-$6,000 per treatment²

Job instability or loss
Bridging the income gap for at least three months is critical to remaining financially and emotionally healthy

²Costhelper, 2020.
Employee Debt Management Strategies

Alex Smith
Chief HR Officer
City of Memphis
WHY ARE WE HERE?

Build an engaged workforce to improve the quality of life for all Memphians, every day.
Why do people want to work for City of Memphis?

TOTAL REWARDS

COMPELLING WORK

MAKING A DIFFERENCE
**Innovation** SUPPORTING EMPLOYEES

**STRATEGY**
- Attract and Retain Talent
- Partnerships

**KNOWLEDGE & INFORMATION**
- Total Rewards Website
- Manager Toolkit
- Virtual Training

**INNOVATIVE PROGRAMS**

<table>
<thead>
<tr>
<th>Free Onsite Financial Counseling</th>
<th>Student Loan Contribution</th>
<th>Tuition Reimbursement</th>
<th>Memphis Employee Credit Union</th>
<th>Retirement Support</th>
</tr>
</thead>
</table>
FREE Financial Counseling

- One-on-one counseling with a financial advisor
- In-person and virtual workshops on establishing and increasing credit scores, creating a budget, money management, and homeownership.

2021 Program Overview
- 74% of employees saw an improvement in their credit scores
- 33% of employees achieved a score of 660 or above
- +15 points FICO score change

"My counselor was extremely thorough and provided a clear understanding of the steps that I could take to achieve my goals. I can proudly say that I have been able to pay off some of my substantial debt. I am also better at prioritizing my spending and getting bills paid on time. I am glad to see positive results. My credit score has gone from the 600s to the mid 700’s. I am greatly appreciative."

- COM Employee Comment
Student Loan Contribution

The City of Memphis offers student loan contributions in the amount of fifty dollars ($50) a month.

To qualify employees must have:

- Full-time employment status
- Twelve consecutive months of employment
- 2021 Program Enrollment
- 522 employees are enrolled
- Over $313K in savings ($600 in savings annually per employee)
Tuition Reimbursement Program

• Eligible employees can receive assistance with tuition and fees up to
  • $3,000 for undergraduate/graduate degree programs
  • $2,000 for certificate programs
  • Per fiscal year

2020-2021 Program Overview
• 175 employees enrolled
• Over $422K in reimbursements during the 2020-2021 program period
Memphis Employee Credit Union

- Free savings account with free membership to new City of Memphis employees
- $100 offer to new checking account members
- Convenient Direct Deposit and Payroll deduction opportunities
- Several account options to include IRAs, money market, CDs and more
- Low interest rates on auto, mortgage, and debt consolidation loans
Retirement Support

• One-on-one counseling for assistance with plan enrollment, investing, account reviews and more

• Assistance with debt reduction before going into retirement

• Full Service financial wellness website with topics on retirement transitioning, smart spending, savings, investing, and estate planning

• Retirement calculator to determine how much you will need to cover your desired retirement lifestyle
Top 4 Suggestions for Transformation

- Don't Be Afraid To Challenge Status Quo
- Needs Assessment
- Effective Partnership, Cooperation, and Collaboration
- Purposeful Communication
- Be Adaptable & Flexible
thank you!

@CHROAlexSmith

https://www.LinkedIn.com/in/ConsultAlexSmith
NETWORKING BREAK
PLEASE RETURN BY 3:15 P.M.
Wi-Fi Network: DCCTR
Password: meeting2015DC

#EBRIPolicyForum

Speaker bios can be found
On a scale of 1 to 10, with 10 being the highest, how much responsibility should employers take when it comes to employees’ mental health?
THE STATE OF MENTAL HEALTH IN THE WORKPLACE

Katy Riddick, Senior Director, One Mind at Work

Paul Fronstin, Director of Health Research, EBRI

Adam Beck, Vice President, Employer Health Policy & Initiatives, Commercial Exchange Policy & Operations, AHIP

Jennifer Posa, Global Head for Employee Mental Wellbeing & Workplace Effectiveness, Johnson & Johnson

Moderated by: Sandra Diaz-Castillo, Head of Research and Insights, U.S. Commercial Global Market Research and Insights, Cigna
What are employees struggling with?
What are employees struggling with?*

- There was a lack of mental health support prior to the pandemic.
- The pandemic introduced new pressures or exacerbated existing issues.
- Many, many people have experienced trauma, grief and profound loss.
- Despite potentially having access to new support mechanisms, stigma and other barriers still exist.

*Not a complete list.*
What are employees struggling with?

- People who report living with depression: 5%
- People experiencing symptoms of depression: 20%
How are employers responding?
How are employers responding?

- Experiencing periodic mental health changes.
- Experiencing a moderate or episodic mental health condition.
- Suffering with an acute mental health issue or serious mental illness.
How are employers responding?

1. **BE AWARE**
   Consider a multi-pronged approach to mental health by addressing cultural and workflow expectations alongside benefits.

2. **BE INFORMED**
   Strategize mental health support around emerging expectations regarding the role of the employer and measure the impact of programs.

3. **BE AN EXAMPLE**
   Lead by example by modeling self-care behaviors and creating a supportive environment.
The State of Mental Health in the Workplace

Paul Fronstin, Ph.D.
Employee Benefit Research Institute
Percent of Population Under Age 65 Diagnosed With Various Mental Health Disorders, 2013-2020*

* Source: EBRI estimates based on administrative enrollment and claims data. Includes substance abuse.
Spending on Mental Health Disorders as a Share of Total Spending, 2013-2020

- Spending on mental health as a share of total spend increased 18% between 2013-2020.
- Increase in mental health spending as a share of total accelerated in 2020 because of reduction in use of other care due to COVID-19 pandemic.
- Overall trend hides interesting underlying findings.

* Source: EBRI estimates based on administrative enrollment and claims data. Includes substance abuse.
## Spending on Mental Health Disorders by Type of Health Care Service, 2013-2019

<table>
<thead>
<tr>
<th>Per Member Per Year Spending</th>
<th>2013</th>
<th>2019</th>
<th>Aggregate Percentage Increase</th>
<th>Average Annual Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Spending</td>
<td>$4,634</td>
<td>$5,847</td>
<td>26%</td>
<td>4%</td>
</tr>
<tr>
<td>Total Spent on MHSA</td>
<td>$323</td>
<td>$449</td>
<td>39%</td>
<td>6%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>$38</td>
<td>$57</td>
<td>48%</td>
<td>7%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>$169</td>
<td>$293</td>
<td>73%</td>
<td>10%</td>
</tr>
<tr>
<td>Rx</td>
<td>$116</td>
<td>$100</td>
<td>-14%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

- Spending on mental health increases faster than overall spending.
- Spending on inpatient and outpatient mental health services increased.
- Spending on prescription drugs for mental health fell.

* Source: EBRI estimates based on administrative enrollment and claims data. Includes substance abuse.
Movement to High-Deductibles May Have Tempered Growth in Mental Health Spending

Percentage of Persons Enrolled in a High-Deductible Health Plan (HDHP), by Employer Contribution to HSA or HRA,* Among Those With Private-Sector Health Coverage and Employee-Only Coverage, 2016–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>HDHP Only</th>
<th>HDHP With Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>24.8%</td>
<td>47.1%</td>
</tr>
<tr>
<td>2017</td>
<td>25.8%</td>
<td>53.0%</td>
</tr>
<tr>
<td>2018</td>
<td>28.9%</td>
<td>53.6%</td>
</tr>
<tr>
<td>2019</td>
<td>30.9%</td>
<td>55.3%</td>
</tr>
<tr>
<td>2020</td>
<td>32.0%</td>
<td>57.7%</td>
</tr>
</tbody>
</table>

* HSA = health savings account, HRA = health reimbursement arrangement.
Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).
How Do High-Deductible Health Plans Affect Use of Health Care Services and Spending Among Enrollees With Mental Health Disorders?

By Paul Fronstin, Ph.D., Employee Benefit Research Institute, and M. Christopher Roebuck, Ph.D., RxEconomics, LLC

AT A GLANCE

In this paper, we explore the impact of moving from a preferred provider organization (PPO) to a high-deductible health plan (HDHP) among people with mental health disorders. We focus on individuals with major depressive disorder (MDD), anxiety, and attention deficit hyperactivity disorder (ADHD) since these represent the majority of mental health patients. Furthermore, the prevalence of these conditions in the population with employment-based health insurance is especially high relative to other mental health conditions, and it has been increasing. In our analysis, we observe:
Annual Spending on Health Care Services Among Individuals Ages 18-64 With Depression or Anxiety and Individuals Ages 5-24 With ADHD

- **Total Spending**
  - Depression: $13,299
  - Anxiety: $11,273
  - ADHD: $11,368

- **Total Employer Spending**
  - Depression: $5,832
  - Anxiety: $4,603
  - ADHD: $9,553

- **Total Employee Spending**
  - Depression: $1,931
  - Anxiety: $1,720
  - ADHD: $1,229
Impact of HDHP on Probability of Receiving Various Types of Health Care Services Among Individuals Ages 18-64 With Depression or Anxiety and Individuals Ages 5-24 With ADHD

- Mental Health Office Visits: -18%***
- Primary Care Physician Office Visits: -15%***
- Specialist Office Visits: -14%***
- Emergency Department Visits: -11%***
- Inpatient Hospital Admissions: -9%***
- Prescription Drug Fills: -4%***

***p<0.01, **p< 0.05, *p<0.10.
Impact of HDHP on Health Care Spending Among Individuals Ages 18-64 With Depression or Anxiety and Individuals Ages 5-24 With ADHD

***p<0.01, **p< 0.05, *p<0.10.
Employer-Provided Coverage and Mental Health Care

May 10, 2022
Key Findings of IBM MarketScan® Claims Analysis

• **41 million Americans – 1 in 4 enrolled in** employer-provided coverage (EPC) **- received mental health support** in 2020.

• **6 million children received mental health services and treatment** through a parent or guardian’s employer-provided coverage in 2020.

• There was a **100-fold increase in telehealth appointments** for mental health in 2020.

• Patients spend **less than $15 in out-of-pocket costs** for most drugs prescribed to treat mental health conditions.
Mental Health Treatment Among EPC Enrollees By the Numbers

• 41 million Americans, including 6 million children, received treatment for mental health and substance use disorders, accounting for almost one in four EPC enrollees.

• The treatments included individual and group psychotherapy, received by 13 million enrollees; behavioral health related office visits with primary care physicians (PCP), including pediatricians, received by 22 million enrollees; and prescription drugs, received by 31 million enrollees.

• Patients, on average, had 3 mental health related visits per year with PCPs.

• In addition to primary care visits and prescription drugs, 13 million enrollees received psychotherapy in 2020, with patients, on average, receiving 10 psychotherapy sessions during the year.
# Table 1. Share of EPC Enrollees Receiving Mental Health Support in 2020

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Any Therapy</th>
<th>Psychotherapy</th>
<th>PCP Visit</th>
<th>Rx Therapy</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-17</td>
<td>13%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>18-34</td>
<td>24%</td>
<td>9%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>35-44</td>
<td>27%</td>
<td>8%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>45-54</td>
<td>27%</td>
<td>6%</td>
<td>13%</td>
<td>23%</td>
</tr>
<tr>
<td>55-64</td>
<td>27%</td>
<td>5%</td>
<td>11%</td>
<td>24%</td>
</tr>
<tr>
<td>All Ages</td>
<td>23%</td>
<td>7%</td>
<td>12%</td>
<td>18%</td>
</tr>
</tbody>
</table>
Growth in Telehealth Services for Mental Health Care

Table 2. Growth in Telehealth Appointments in Mental Health.

<table>
<thead>
<tr>
<th>Year</th>
<th>Psychotherapy</th>
<th>PCP Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.05%</td>
<td>0.10%</td>
</tr>
<tr>
<td>2017</td>
<td>0.11%</td>
<td>0.15%</td>
</tr>
<tr>
<td>2018</td>
<td>0.19%</td>
<td>0.27%</td>
</tr>
<tr>
<td>2019</td>
<td>0.39%</td>
<td>0.50%</td>
</tr>
<tr>
<td>2020</td>
<td>39.41%</td>
<td>30.13%</td>
</tr>
</tbody>
</table>
# Prescription Drug Coverage for Mental Health Care

<table>
<thead>
<tr>
<th>Mental Health Disorders</th>
<th>Brand Only</th>
<th>Brand generic available</th>
<th>Generic</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADHD (stimulants, hypotensive drugs)</td>
<td>2%</td>
<td>19%</td>
<td>80%</td>
</tr>
<tr>
<td>Anxiety (benzodiazepines, anxiolytic drugs)</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Bipolar Disorder (anticonvulsants, lithium)</td>
<td>1%</td>
<td>5%</td>
<td>95%</td>
</tr>
<tr>
<td>Depression (SSRI, SNRI, esketamine)</td>
<td>2%</td>
<td>0%</td>
<td>97%</td>
</tr>
<tr>
<td>Schizophrenia (antipsychotics)</td>
<td>15%</td>
<td>1%</td>
<td>84%</td>
</tr>
<tr>
<td>Substance Abuse (opiate antagonists, alcohol deterrents)</td>
<td>13%</td>
<td>4%</td>
<td>83%</td>
</tr>
</tbody>
</table>
## Out of Pocket Expenses for Prescriptions by Condition and Generic Status

<table>
<thead>
<tr>
<th>Mental Health Disorders</th>
<th>Brand Only</th>
<th>Brand generic available</th>
<th>Generic</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADHD (stimulants, hypotensive drugs)</td>
<td>$99</td>
<td>$26</td>
<td>$13</td>
</tr>
<tr>
<td>Anxiety (benzodiazepines, anxiolytic drugs)</td>
<td>$102</td>
<td>$56</td>
<td>$4</td>
</tr>
<tr>
<td>Bipolar Disorder (anticonvulsants, lithium)</td>
<td>$118</td>
<td>$120</td>
<td>$8</td>
</tr>
<tr>
<td>Depression (SSRI, SNRI, esketamine)</td>
<td>$86</td>
<td>$156</td>
<td>$8</td>
</tr>
<tr>
<td>Schizophrenia (antipsychotics)</td>
<td>$109</td>
<td>$110</td>
<td>$9</td>
</tr>
<tr>
<td>Substance Abuse (opiate antagonists, alcohol deterrents)</td>
<td>$59</td>
<td>$63</td>
<td>$14</td>
</tr>
</tbody>
</table>
Mental Health Parity

- MHPAEA requires health insurance providers that offer mental health and substance use disorder benefits to cover them on par with medical and surgical benefits. Numerous states have enacted parity laws as well, some of which include additional protections to the federal law.

- Health insurance providers are committed to ensuring access to quality, affordable mental health care and treatment for substance use disorders in the context of whole-person care.

- Dramatic Growth in Behavioral Health Care Shows MHPAEA Is Working
  - Significantly more people are getting mental health and substance use disorder treatment in the decade since MHPAEA was enacted.
  - For example, according to a FAIR Health study, there has been dramatic growth in use of mental health and substance use treatment services, as demonstrated by an increase in behavioral health claims. —
    - The number of private insurance claims for behavioral health diagnoses increased 320 percent from 2007-2017.

- System-Wide Efforts Are Needed to Further Improve Quality
  - Persistent and significant differences between the behavioral health and medical and surgical treatment infrastructures must be addressed to continue to improve patient access to evidence-based, affordable behavioral health care.

  - For example, there is a well-documented shortage of behavioral health providers in the U.S.
  - The quality and strength of available evidence and standards for assessing mental health and substance use disorder treatment trail behind available data for medical and surgical treatment.
  - Current federal regulations (42 CFR Part 2) limit confidential sharing of critical patient substance use disorder information which can impede the integration of patient services and support and coordination of behavioral and medical care.
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Expanding Mental Health Care Access and Affordability
The Road Ahead for Employer-Provided Coverage

- Grow the number of licensed, quality mental health professionals nationwide.
- Increase participation of mental health providers in health insurance networks.
- Expand the use of telehealth services to meet needs in rural and underserved areas.
- Enhance quality measures to ensure fair evaluation of the efficacy of mental health providers and facilities.
- Address social determinants of health and reduce barriers to care and maintenance of mental health.
- Better integrate mental health into primary care visits and evaluation.
WRAP-UP
Vice Chair, PPAC: Liz Varley, Ameriprise Financial

Nevin Adams, American Retirement Association
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BECOME AN EBRI MEMBER AND SUPPORT OUR RESEARCH!

Please visit ebri.org for more information

Or email our membership coordinator, Masha Romanchak, at romanchak@ebri.org.
UPCOMING EVENTS

May 11 — EBRI Research Committee Meeting and EBRI Board of Trustees Meeting (By Invite Only)

May 17 — Results From the 2022 Retirement Confidence Survey

June 14 — Retirement Confidence Survey — Focus on LGBTQ Individuals

Please visit ebri.org for more information.