

Summer 2020 President's Letter

In my Winter President's Letter in February, I talked about the benefits ecosystem. I had no idea at the time how much that ecosystem would change in just a few weeks thanks to COVID-19. Now, five months into the pandemic, in my Summer 2020 President's Letter, I will outline the state of EBRI during this crisis, our future research agenda, and our recent forays into the virtual environment.

State of EBRI

Many have asked how EBRI is faring during this pandemic. The answer is that it is doing remarkably well. EBRI employees are safe and healthy. Most are working from home, as might be expected. But research is getting done and our educational programs have moved online.

In the first half of the year, as was true for everyone in the benefits realm, we were consumed by COVID-19 and the Coronavirus Aid, Relief, and Economic Security (CARES Act). Research Director Jack VanDerhei wrote an *Issue Brief* on "[Impact of the COVID-19 Pandemic on Retirement Income Adequacy: Evidence From EBRI's Retirement Security Projection Model®](#)" on April 21, 2020, in which he focused on the aggregate potential impact of the 2020 crisis on retirement income security. He found that the dent in retirement deficits due to the market decline as well as the potential employee and employer response — at least up to that point — was manageable. Likewise, Jack's more recent "[CARES Act: Implications for Retirement Security of American Workers](#)" *Issue Brief* found limited reductions in balances at retirement under most scenarios — except where workers failed to repay withdrawals, and particularly where they took repeated CARES-Act-like withdrawals over time — essentially turning their 401(k) plans into emergency savings vehicles.

In turn, Senior Research Associate Craig Copeland examined the impact of COVID-19 on the retirement confidence of workers and retirees in the 30th annual [Retirement Confidence Survey](#). While confidence remained generally high between the original January fielding of the survey and the end of March refielding, it — not unexpectedly — plummeted for one group in particular: those with current or anticipated job losses. EBRI's upcoming Workplace Wellness Survey, which is currently in the field, will explore this phenomenon further as more workers spend more time on furlough or being laid off.

Meanwhile, COVID-19 had Director of the Health Research and Education Program Paul Fronstin and Research Associate Jake Spiegel focusing on [COBRA: A Closer Look at Who Enrolls and the Case for Subsidies](#) during the first half of the year. Bottom line: They found that COBRA subsidies *can* help reduce adverse selection against COBRA plans by making COBRA plans more attractive relative to alternatives for healthier people.

EBRI's research agenda was not entirely dominated by COVID-19 and the current environment. We also released our inaugural [Public Retirement Research Lab \(PRRL\)](#) research study, "[Trends in Public-Sector Employee Tenure](#)," which documented the important tenure differences between workers in the public sector vs. the private sector — and outlined the need for PRRL's public plan database.

Future Research Agenda

EBRI will continue to add to its research on COVID-19 in the second half of the year. On our agenda is **Employer Views on the Future of Employment-Based Health Insurance**. This essentially asks the question: In the first recession since the Affordable Care Act (ACA) was introduced, are employers going to shift employee health benefits to the ACA exchanges? In addition, our Employer Perspectives on Financial Wellbeing Survey, which was

just fielded in July, will examine the impact of the current environment on employer-sponsored financial wellbeing initiatives (look for a symposium on this in the fall).

Our research agenda has plenty of non-COVID-19 topics for the rest of 2020 and entering 2021. EBRI's Retirement Security Research Center will be focusing on developing insights into retirement personas, or the different ways in which people draw down their retirement savings. We'll use the Health and Retirement Study as well as a survey funded by the Retirement Research Foundation for Aging to understand not only how people spend in retirement but why — and what support they need.

We'll continue to mine consumer data in partnership with JP Morgan Chase with an *Issue Brief* on the spending patterns of 401(k) savers. We'll also be releasing our inaugural HSA/401(k) database results, examining the substitution effect on 401(k) plans of introducing health savings accounts.

With the presidential election just around the corner, we'll be modeling the impact of a Medicare buy-in on employers. Finally, standards such as findings from the EBRI/ICI database are also on the agenda, including our report on 401(k) balances, contributions, and asset allocation.

EBRI's Virtual Environment

Like every organization, EBRI has had to adapt to a virtual environment in the first half of 2020. We held our [87th Policy Forum](#) via Zoom — with outstanding turnout. Our first virtual [American Savings Education Council](#) partners meeting was also very well attended and scored some of the best feedback ever on content. We are planning a virtual December Policy Forum as well — and we'll be rolling out some innovations around virtual networking for attendees.

On the technology front, you may have noticed a new way that EBRI is sharing its research: *EBRIInteractive* charts. One of our first such charts — "[HOPD-Infused Oncology Medicines Markup by MSAs and State](#)" — was designed and contributed by EBRI member PhRMA. Since then, *EBRIInteractives* have included "[Average Annual Employee Contribution to Health Savings Accounts \(HSAs\) by State](#)," "[How Much More Secure Does the SECURE Act Make American Workers: Evidence From EBRI's Retirement Security Projection Model,®](#)" and "[Comparison of Retirement Plan Participation by State: Traditional vs. Adjusted Estimates by the Current Population Survey.](#)" Together with our infographics and PowerPoints, the new *EBRIInteractives* provide another user-friendly avenue for consuming EBRI research.

Finally, in September, we will be unveiling our new American Savings Education Council website, which we demoed in our July partners meeting.

Conclusion: Research Is More Important Than Ever

Each day brings a new challenge for the benefits world, EBRI members, and EBRI. We believe EBRI's best and highest value right now is to continue with our mission of providing preeminent fact-based research. Indeed, in an environment as fluid as the current one, EBRI's unbiased research has never been more important. At the same time, we are also committed to providing connections, which are of such value in this time of social distancing, through webinars, forums, and direct outreach to members. Finally, we look forward to continuing to innovate to find new ways of disseminating our research, partnering with members, and collaborating with sister organizations.

Lori Lucas

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