

## Realizing EBRI's "Why": How We Will Fulfill Our Mission in 2020

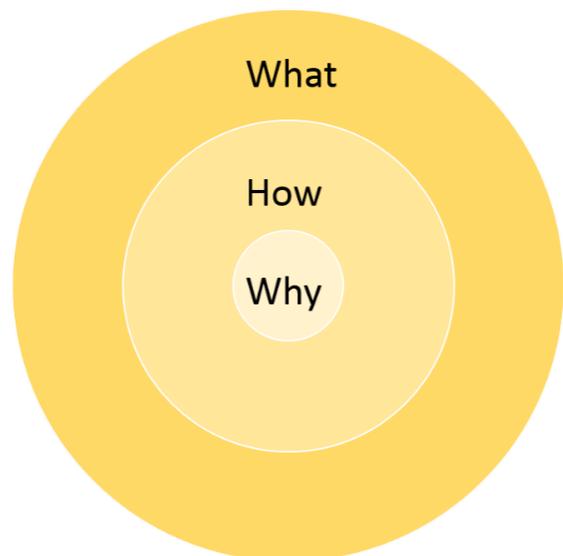
At an EBRI member's recent client conference there was a discussion about what allows an organization to evolve and remain relevant. It's difficult to do when the focus of the organization is "what." For example, say a company focuses on telling customers that what it does is make the best laptops: they are light as a feather, have a zillion gigabytes of memory, and never crash. Customers will buy the laptops. But what happens when the company wants to make smartphones? Customers associate the company with computers, not smartphones. The pivot is difficult.

However, if the company focuses on "why," doing other things is much easier. Why do you do what you do? Why does it matter? Why is it important? One example of a "why"-focused organization is Apple. Apple's message to consumers is that they believe in challenging the status quo and in doing things differently. The way they challenge the status quo is to make their products simply and beautifully designed. Once upon a time those products happened to be computers. However, when Apple pivoted to smartphones, no one blinked. Smartphones fit into their mission of making products that are simply and beautifully designed.

It got me thinking about EBRI. Our "what" is that we develop research on employee benefits such as retirement, health benefits, and financial wellness. But that's not why we exist. We exist to help employers, policymakers, and providers make better decisions around employee benefits. That's our mission. Why does EBRI have the mission that it does? The most basic answer is that if employers, policymakers, and providers make better decisions, they provide benefits that are of greater value to workers. But even that doesn't get to the heart of EBRI's mission. Valued benefits are essential because when employees have better benefits, they tend to be more productive. Indeed, behavioral research shows that when relationships are merely transactional, people are less loyal and engaged than when relationships are robust in nature. In other words, sound benefits are good for workers, good for employers, and good for our economy. Now that's a pretty meaningful "why."

My experience is that many employers fully understand the need for sound benefits — and also recognize the dangers of dwindling defined benefit plans, disappearing retiree medical benefits, and the move away from traditional health care plans. It's why so many employers are interested in financial wellness benefits such as student loan debt help and emergency savings support. As one employer recently put it: "We have taken away a lot of benefits — we need to find ways to fill in the gaps."

Findings from EBRI's recent Employer Approaches to Financial Wellbeing Solutions Survey seem to bear out employers' desire to "fill in the gaps" in order to bolster the goodwill of their work force. When asked their motivations for offering financial wellness benefits, the top reasons given by employers were overall worker satisfaction (46 percent), reduced financial stress (42 percent), improved employee retention (35 percent), and improved employee use of existing benefits (35 percent). While on the surface these reasons seem to range from



altruistic to bottom-line oriented, some employers have pointed out to me that in fact they all stem from the same source: A happier work force is a more loyal and productive work force.

I've also noticed that employers are becoming increasingly creative when it comes to repurposing benefit solutions to make them effective in different ways. HSAs, while traditionally thought of as a health care benefit, are increasingly being packaged also as retirement vehicles and even as an approach to achieving overall financial wellbeing. Employers and providers are focusing on ways to leverage the investments in their 401(k) plans for spending in retirement. Retirement providers are increasingly being leveraged for financial wellness solutions.

That gets us to EBRI's "what" for 2020 to help us fulfill our mission, and that is to focus on research that will explore the impact of this cross-pollination of benefits by cross-pollinating our own databases. First up will be research — already in the works — linking our 6.7-million-account Health Savings Account database with our 27-million-account 401(k) database. Initial studies will cover topics such as how workers with both 401(k) plans and HSAs allocate their contributions across both and the impact of HSA balances on retirement readiness according to EBRI's Retirement Security Projection Model.<sup>®</sup> Next up will be connecting our new Financial Wellbeing Database with our 401(k) database in order to understand the impact of financial wellness initiatives on 401(k) behavior such as contribution levels, loan-taking, and withdrawals. We are also very excited about new consumption data that will be available to EBRI to pair with our other databases. For example, this will allow us to look at the outside debt and consumer spending patterns of 401(k) participants and how they align with savings behaviors.

Other initiatives will also help us fulfill our "why" in 2020, including:

- Continuing the Capitol Hill research briefings that we started with our Public Policy Advisory Council this month.
- Releasing our 30<sup>th</sup> Annual Retirement Confidence Survey, which we began developing last week with our survey partners.
- Launching our Public Retirement Research Lab in collaboration with NAGDCA.
- Rolling out our new Plan Sponsor Membership Model.
- Continuing our Regional roundtables with partners such as ERIC, Silicon Valley Employers Forum, Midwest Business Group on Health, and more.

For now, however, the "what" we are focusing most on is our December 12 Policy Forum. Topics will include spending in retirement, findings from EBRI's Financial Wellness Database, and price and quality transparency and other initiatives to address high-cost claimants.

At the member's client conference, it was noted that connecting the "why" and the "what" is the "how." How does your organization do what it does? At EBRI, our "how" is having the best researchers; the greatest databases; incredibly hard-working staff; and of course the support of our phenomenal members, who are as dedicated to our mission as EBRI is.

Lori Lucas

President and CEO