



Moving the Dial: Measuring and Increasing the Impact of Financial Wellbeing Initiatives

EBRI Webinar

April 13, 2022

Speakers



**Lori Lucas,
President and
CEO, EBRI**



**Kathleen M. Floyd,
Sr. Vice President:
Education and
Wellness, Church
Pension Group**



**Joleen Workman,
VP – Customer
Care, Retirement
and Income
Solutions, Principal**



**Moderator: Brett
Hammond,
Research Leader,
Capital Group**

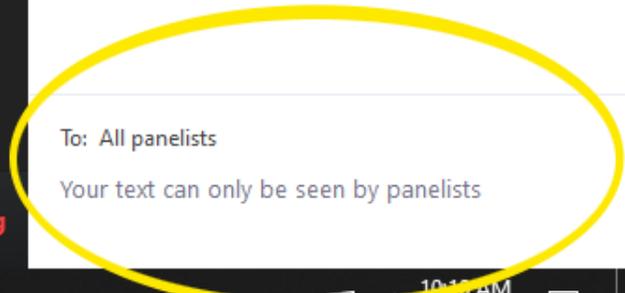
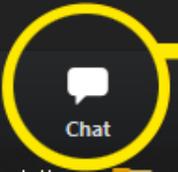
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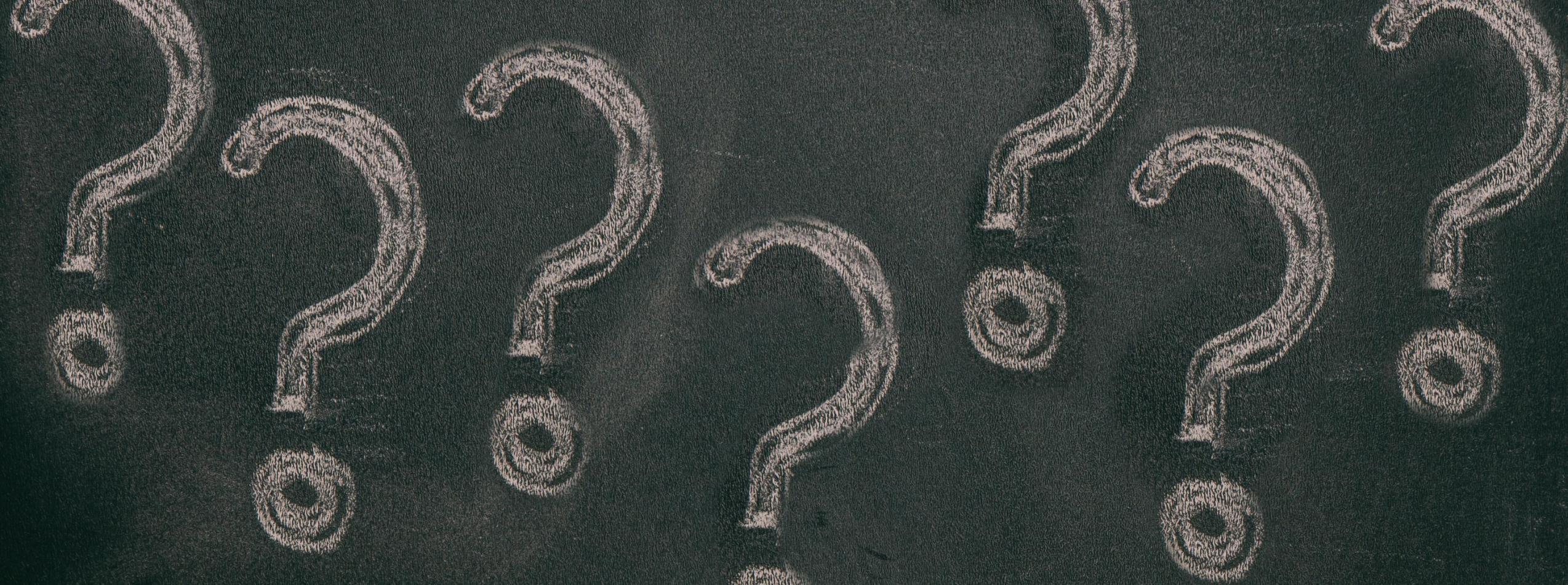
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Type question(s) here



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POLLING QUESTION

PLEASE SHARE YOUR THOUGHTS



Measuring the Impact of Financial Wellbeing Initiatives: What Moves the Dial on Worker Behavior?

Lori Lucas
President & CEO
April 2022

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FIELD OF DREAMS?

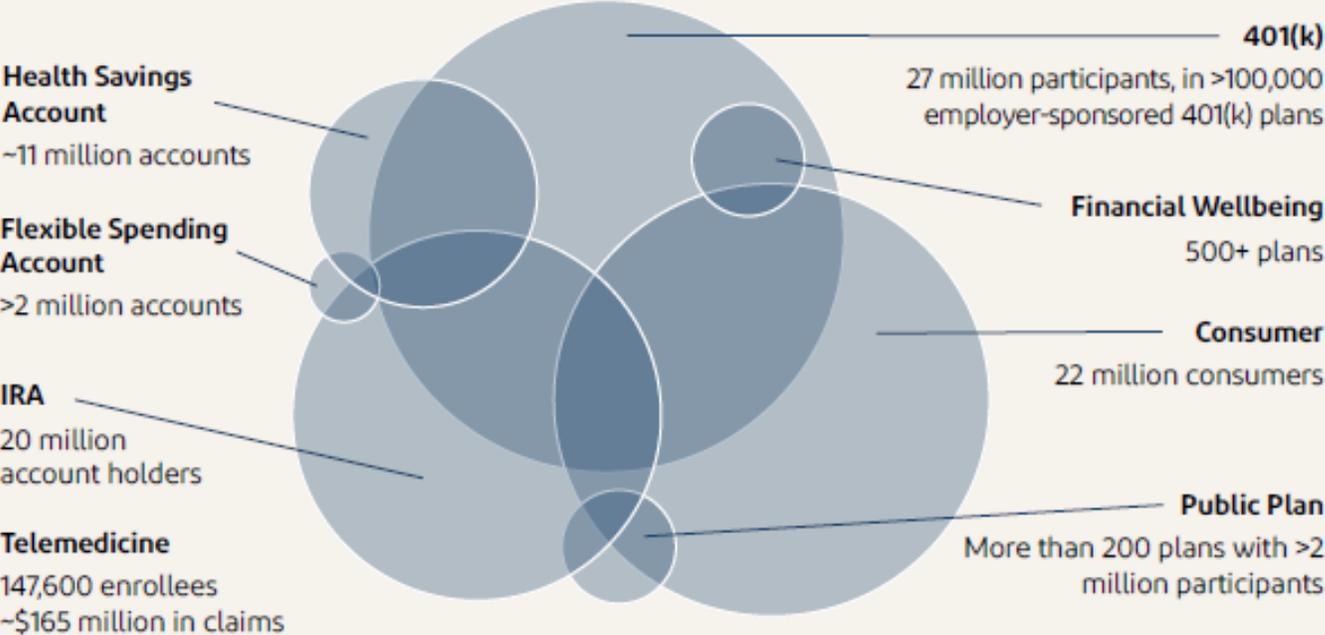
- Do workers utilize financial wellness initiatives?
- If so, does their behavior change as a result?



ABOUT EBRI'S DATABASES

EBRI's World Class Databases:

Much of EBRI's research is based on its interconnected participant-level databases.



MULTI-PHASED APPROACH

Phase One

- Integrates financial wellness utilization of webinars during 2018 with 401(k) data from 2017, 2018 and 2019
- Segment participants into four cohorts:
 - Age: younger/older defined as age 45
 - Contributions: low/high based on age-specific medians

Future Phases

- Additional types of financial wellness programs
 - Emergency Savings Funds
 - Student Loan Debt Help
 - Financial Coaching
- Additional success metrics:
 - Turnover
 - Absenteeism
 - Productivity
 - Other components that will help measure ROI of financial wellness initiatives

UTILIZATION

LIKELIHOOD OF FINANCIAL WELLBEING WEBINAR UTILIZATION FOR **OLDER** EMPLOYEES WITH **HIGHER** CONTRIBUTIONS

| Row Labels | Any | Budgeting | Emergency funds | Estate Planning | Healthcare choices | HSA | Investments | Retiree Health Costs | Social Security | Student Loans | Tax Changes |
|-------------------------|------|-----------|-----------------|-----------------|--------------------|------|-------------|----------------------|-----------------|---------------|-------------|
| Age | 9.08 | -1.66 | 0 | 0 | 0 | 0 | 0 | 7.68 | 10.14 | 0 | 0 |
| Asset level | 5.37 | 0 | 0 | 0 | 0 | 0 | 3.78 | 2.61 | 4.37 | 0 | 2.41 |
| Employee contribution | 4.95 | 0 | 0 | 2.53 | 0 | 2.72 | -2.66 | 4.76 | 2.98 | 2.1 | 0 |
| Loan balance | 0 | 0 | 0 | 0 | 0 | 0 | -2.38 | 0 | 0 | 0 | -1.66 |
| Total Equity Percentage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note: Table omits values not statistically significant at the 10 percent level.

LIKELIHOOD OF FINANCIAL WELLBEING WEBINAR UTILIZATION FOR **YOUNGER** EMPLOYEES WITH **LOWER** CONTRIBUTIONS

| Row Labels | Any | Budgeting | Emergency funds | Estate Planning | Healthcare choices | HSA | Investments | Retiree Health Costs | Social Security | Student Loans | Tax Changes |
|-------------------------|------|-----------|-----------------|-----------------|--------------------|------|-------------|----------------------|-----------------|---------------|-------------|
| Age | 1.81 | 0 | 0 | 1.68 | 1.84 | 0 | 0 | 0 | 0 | 0 | 0 |
| Asset level | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.9 |
| Employee contribution | 0 | 1.65 | 0 | 0 | -1.74 | 1.79 | 0 | 0 | 0 | 0 | -1.82 |
| Loan balance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -2.02 |
| Total Equity Percentage | 0 | -1.72 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note: Table omits values not statistically significant at the 10 percent level.

LIMITATIONS OF BUILD IT AND THEY WILL COME

In summary, for workers in the ages 45 and older cohort, regardless of contribution level:

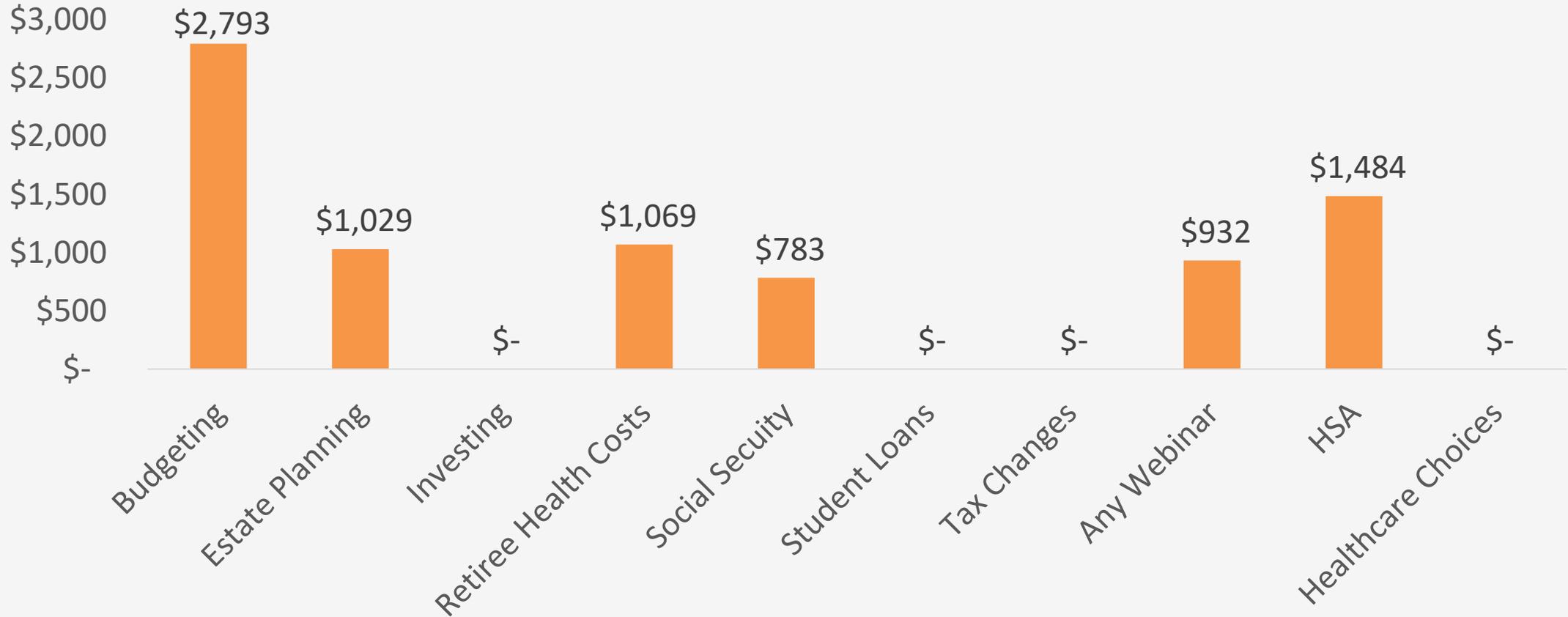
- The higher the assets, the more likely they were to attend webinars.
- The older the individual in this cohort, the more likely they were to attend a ***Social Security or retiree health cost webinar***.

For workers in the below-age-45 cohort:

- The greater their age, the more likely they were to attend an ***estate planning webinar***, regardless of contribution level.
- Higher loan balances were negatively related to attendance at ***estate planning, health care choices, investments, Social Security webinars*** for those contributing at levels above the median.

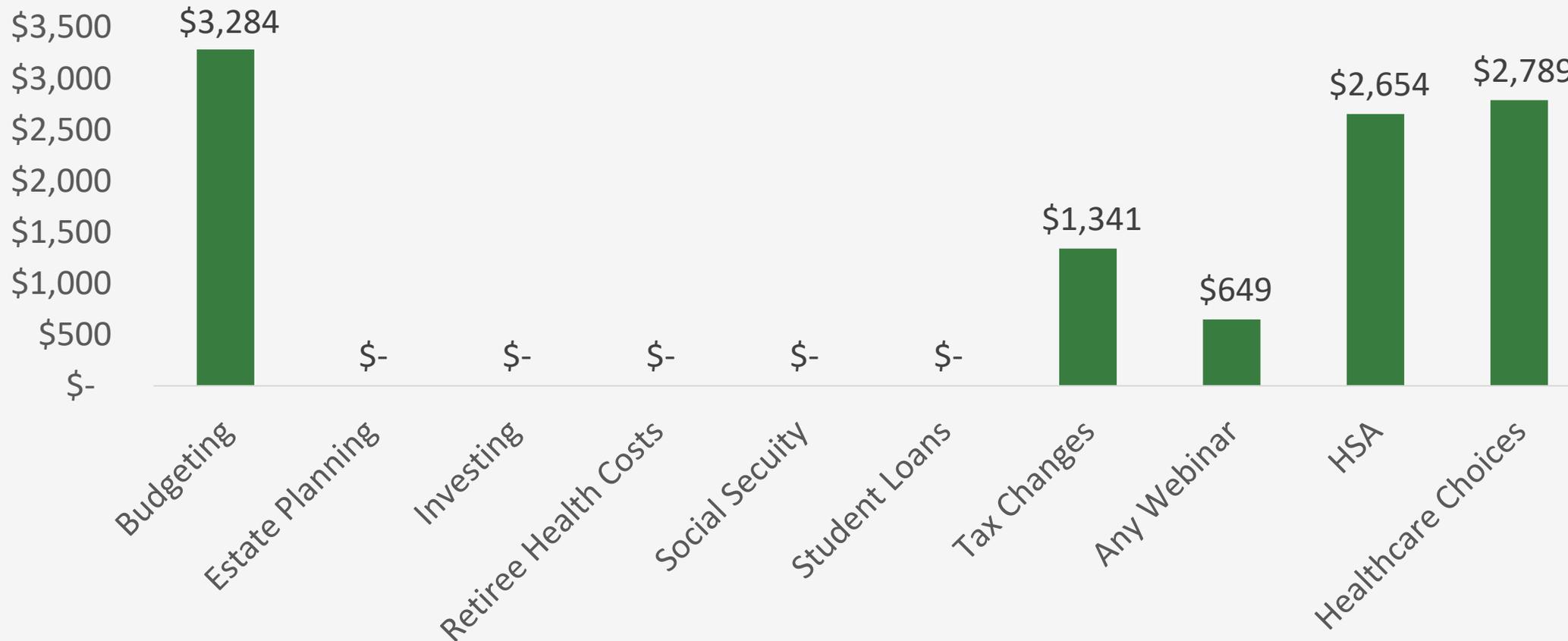
CONTRIBUTION LEVELS

ESTIMATED CHANGE IN EMPLOYEE CONTRIBUTION AFTER UTILIZATION OF FINANCIAL WELLNESS WEBINARS BY AGE AND CONTRIBUTION LEVEL: OLDER/HIGHER CONTRIBUTION PARTICIPANTS



Note: Graph omits values not statistically significant at the 10 percent level.
Only variables that are statistically significant for one of the four cohorts are included.

ESTIMATED CHANGE IN EMPLOYEE CONTRIBUTIONS AFTER UTILIZATION OF FINANCIAL WELLNESS WEBINARS BY AGE AND CONTRIBUTION LEVEL: YOUNGER/LOWER CONTRIBUTION PARTICIPANTS



Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

ESTIMATED CHANGE IN EMPLOYEE CONTRIBUTION AFTER UTILIZATION OF FINANCIAL WELLNESS WEBINARS BY AGE AND CONTRIBUTION LEVEL: YOUNGER/HIGHER CONTRIBUTION PARTICIPANTS



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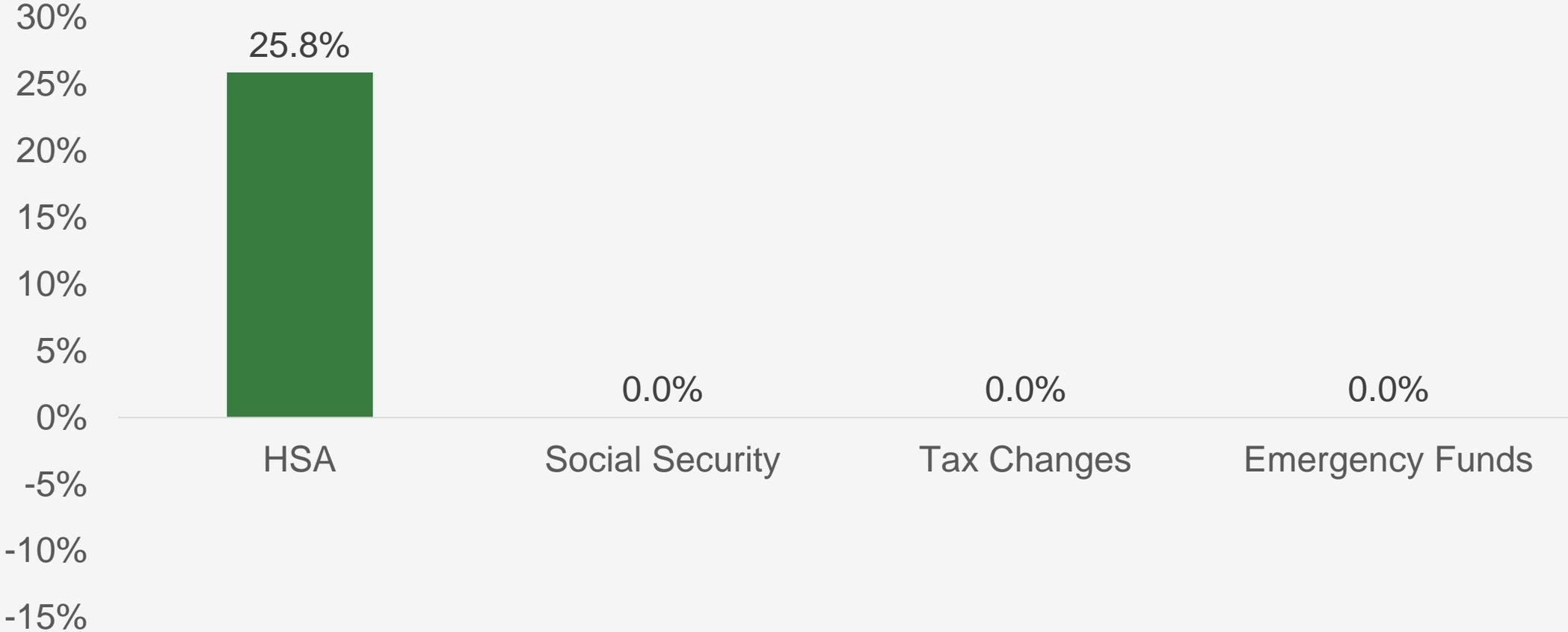
ESTIMATED CHANGE IN EMPLOYEE CONTRIBUTION AFTER UTILIZATION OF FINANCIAL WELLNESS WEBINARS BY AGE AND CONTRIBUTION LEVEL: OLDER/LOWER CONTRIBUTION PARTICIPANTS



Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

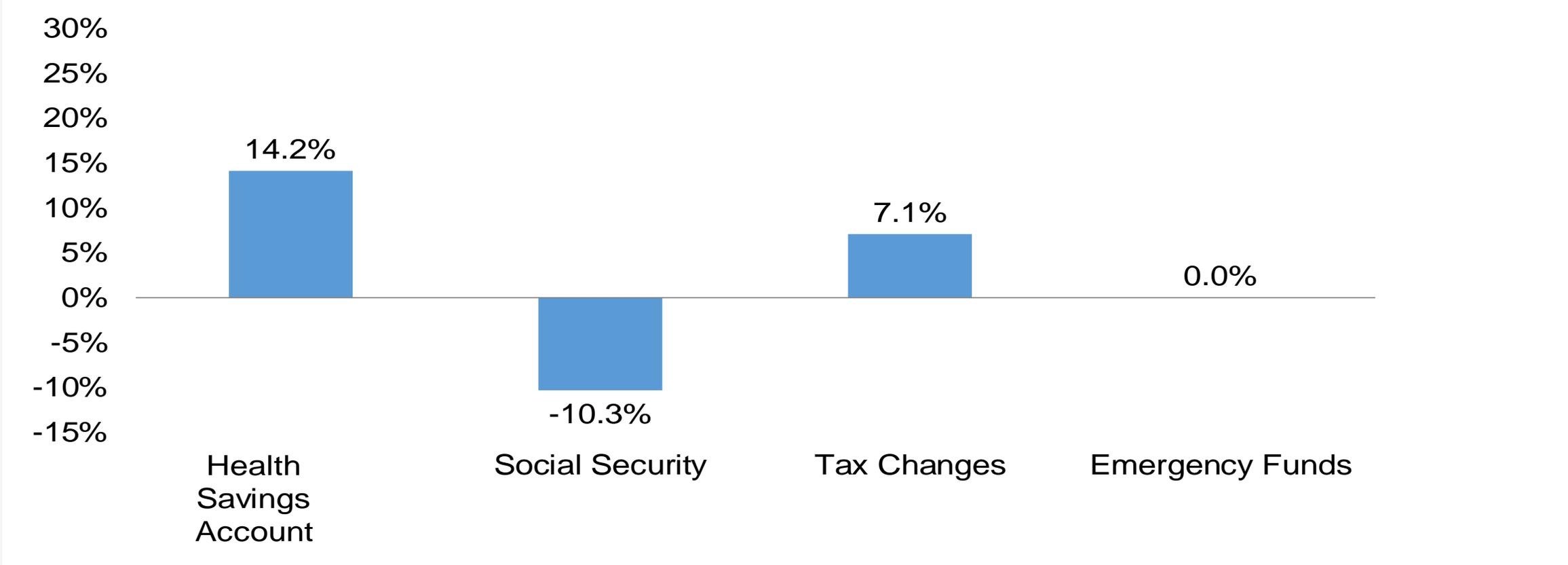
LOAN TAKING

ESTIMATED CHANGE IN LOAN-TAKING AFTER UTILIZATION OF FINANCIAL WELLBEING WEBINARS BY AGE AND CONTRIBUTION LEVEL: **YOUNGER/LOWER CONTRIBUTION PARTICIPANTS**



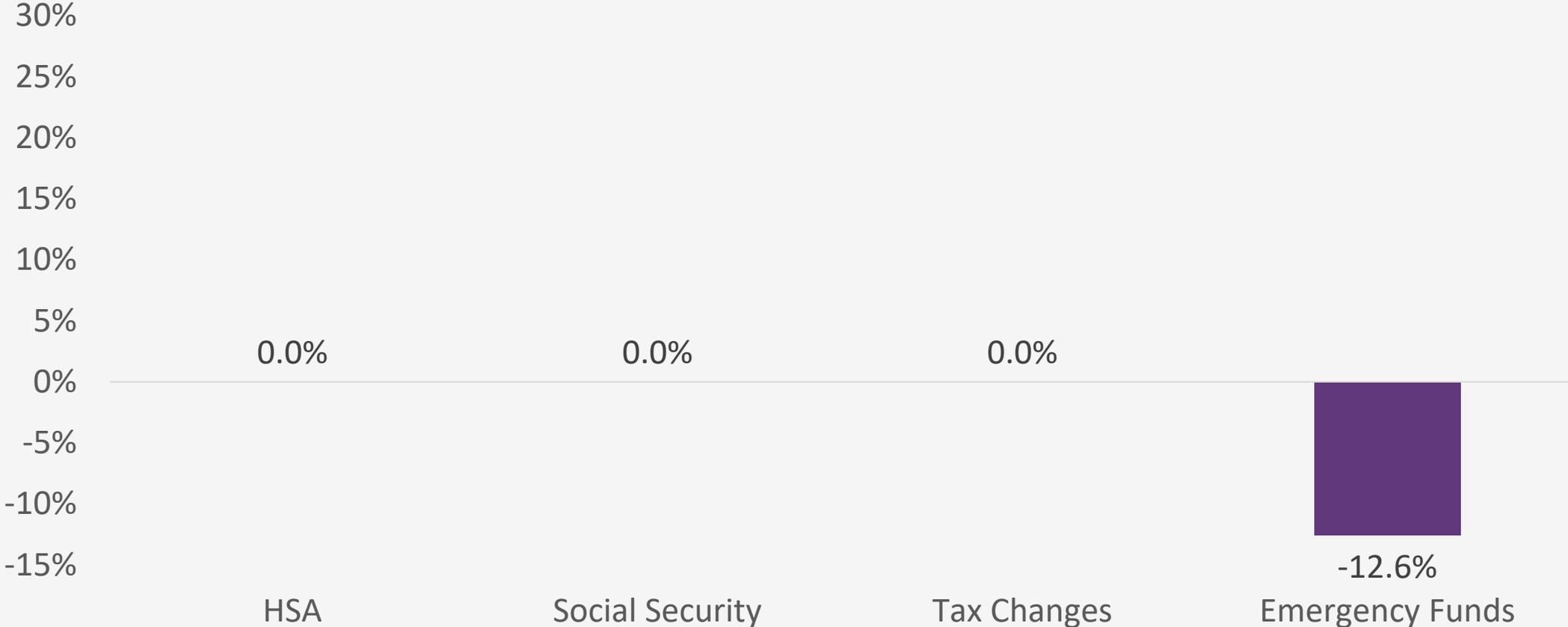
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ESTIMATED CHANGE IN LOAN-TAKING AFTER UTILIZATION OF FINANCIAL WELLBEING WEBINARS BY AGE AND CONTRIBUTION LEVEL: YOUNGER/HIGHER CONTRIBUTION PARTICIPANTS



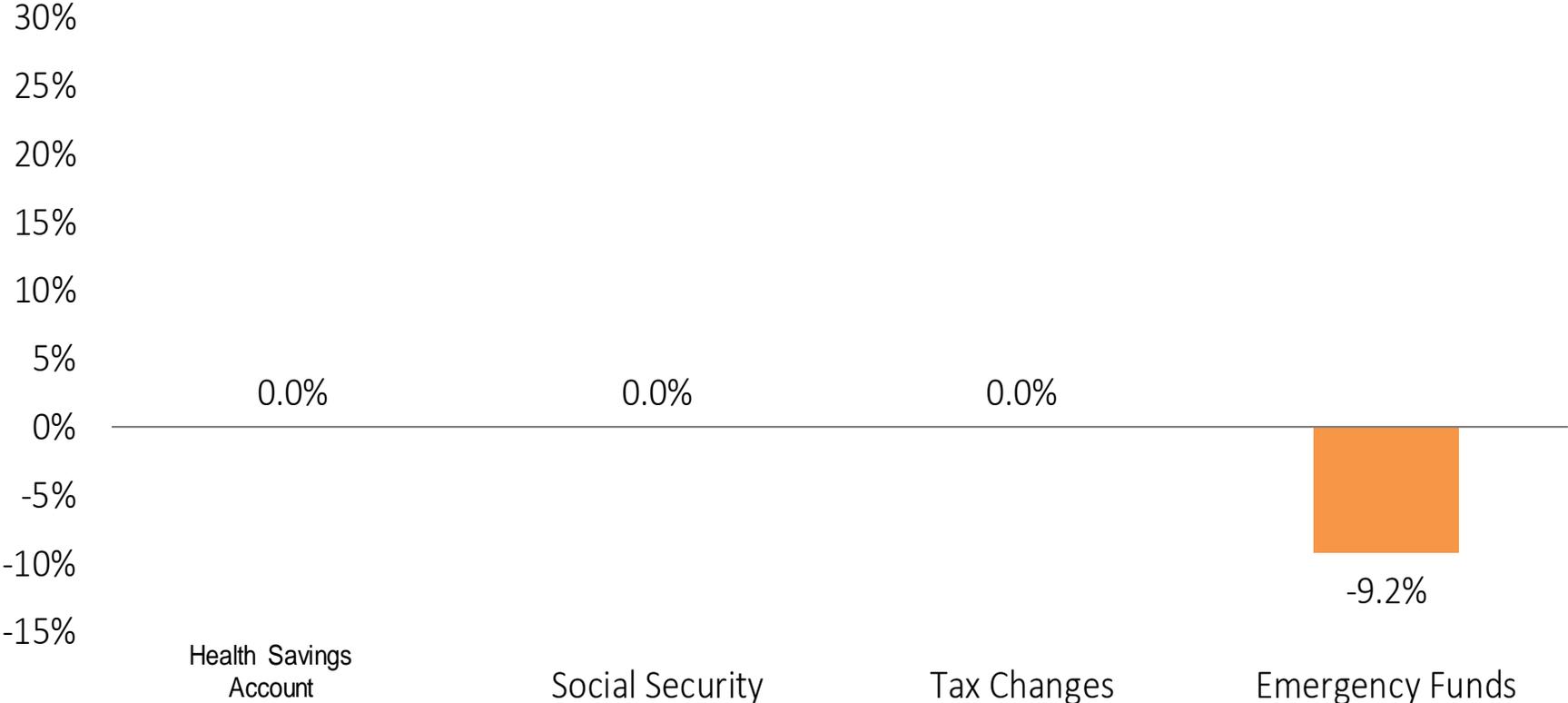
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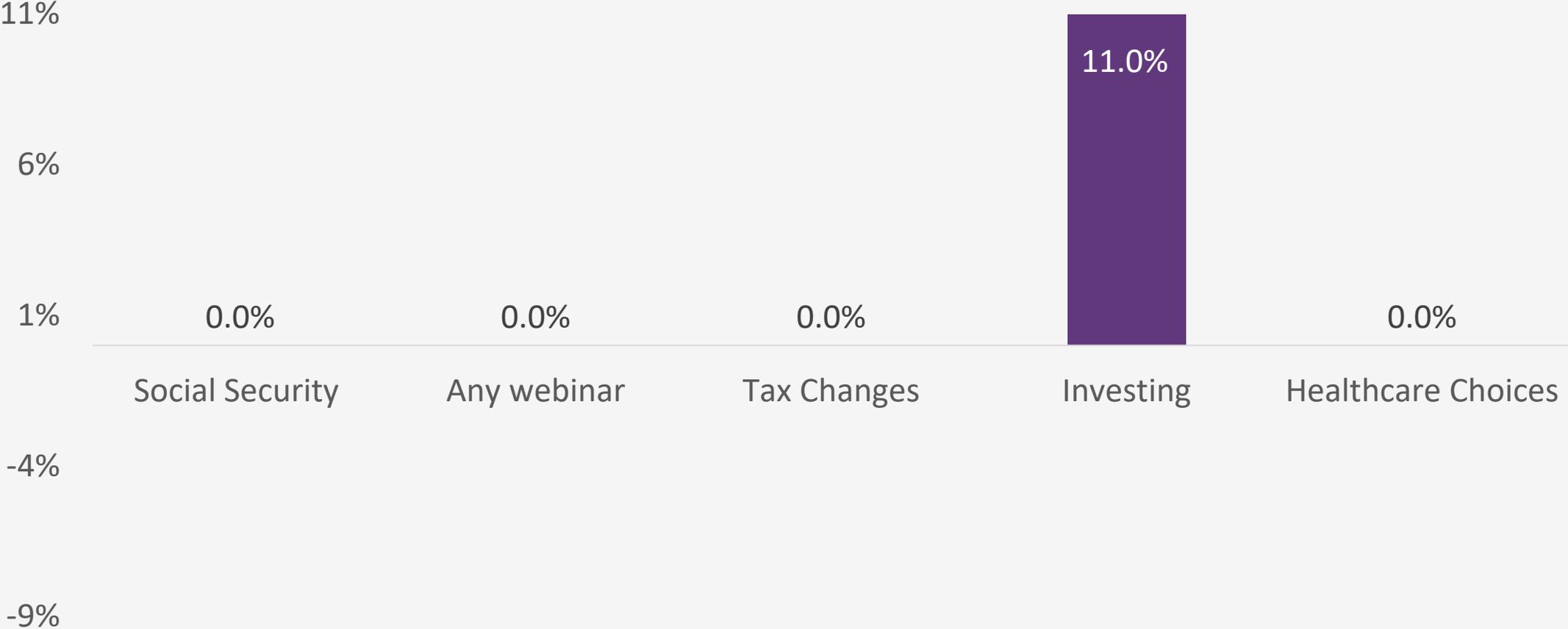
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Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

ASSET ALLOCATION

ESTIMATED IMPROVEMENT IN EQUITY ALLOCATION AFTER UTILIZATION OF FINANCIAL WELLBEING WEBINARS BY AGE AND CONTRIBUTION LEVEL: OLDER/LOWER CONTRIBUTION PARTICIPANTS



Note: Graph omits values not statistically significant at the 10 percent level. Only variables that are statistically significant for one of the four cohorts are included.

SUMMARY OF FINDINGS

- The likelihood of financial wellbeing webinar utilization varies significantly by participant characteristics across age and 401(k) contribution level cohorts
- Estimated impact of attending any FW webinar increased employee contributions between \$649 and \$988, depending on cohort
- Attending a budgeting webinar had a large statistically significant impact on employee contributions for all cohorts
- Attending an emergency fund webinar had a significant impact on reducing new loans for older employees while HSA webinars had the opposite impact for younger employees
- Attending a webinar on investments “improves” asset allocation for older employees with lower contributions



EBRI Financial Wellness Presentation

Kathleen Floyd

Senior Vice President, Education and Wellness
Church Pension Group

April 2022

Education and Wellness Mission Statement



Inform, Engage and Inspire all active and retired clergy and lay employees of The Church Pension Fund Clergy Pension Plan and their spouses through education and wellness resources that support lifelong learning.

Baseline Data Points

403(b)
Participation

403(b) loans

Lay Employee
Retirement
Readiness

Participant Financial
Fragility

Participant Financial
Knowledge

Participant
Financial
Condition
Satisfaction

End of
Conference
Surveys

Number of
Participants
Reached



What We Have Learned



- 403(b) – 2021
 - 7% increase in participation
 - 22% increased their funding.
- Loans from 403(b) – 2020
 - 7.3% lay, 4.3% clergy
 - < national average of 15.2%
- Retirement readiness for lay employees
 - Scores for age groups and length of employment
 - Scores decreased with age but were above national average

Current Survey Results

| Financial Fragility | Lay Employees | Clergy |
|--------------------------------------|--------------------------|---------------|
| Credit Card Debt | 45% | 38% |
| Savings Account | 69% | 85% |
| Emergency Fund (\$2,000) | 86% | 93% |
| Financial Knowledge | | |
| Received Financial Education | 42% | --- |
| Can Answer Big 3 Questions | 60% | 83% |
| No Financial Education | 58% | --- |
| Can Answer Big 3 Questions | 32% | --- |
| Financial Confidence | | |
| Worry run out of money in retirement | 45% | 24% |
| Satisfied with current financials | 27% high 46% moderate | --- |

Sample of CPG Educational Material

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Five Years to Retirement: Your Roadmap to Retirement Readiness

The Episcopal Church Lay Employees' Defined Contribution Retirement Plan (Lay DC Plan)

Your Healthcare Benefits

Nutrition: Your Next Meal

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Joleen Workman, VP – Customer Care, Retirement and Income Solutions, Principal



Q&A



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- Lincoln Financial Group
- NASAA
- Prudential Retirement

Upcoming Events

May 10 — EBRI May Policy Forum

May 11 — EBRI Research Committee Meeting (Members Only)

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

May 17 — Results From the 2022 Retirement Confidence Survey

Please visit ebri.org for more information.

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