EBRI EMPLOYEE BENEFIT RESEARCH INSTITUTE

Members Only Research Round-Up Webinar

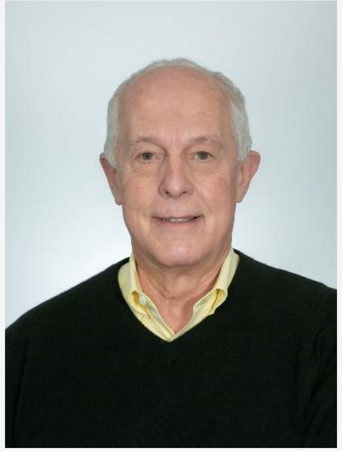
EBRI Webinar

March 9, 2022

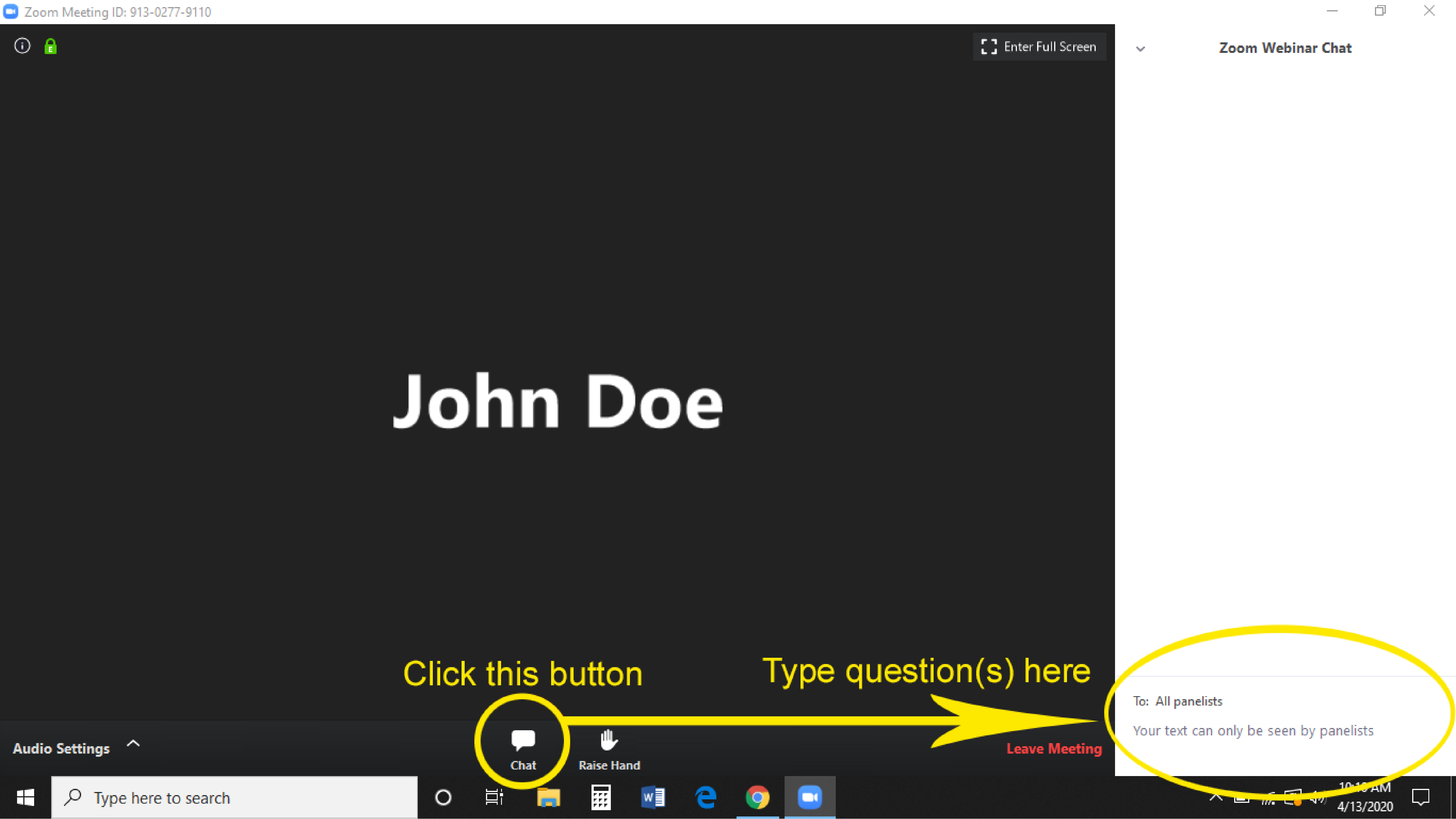
Speakers

Craig Copeland, Director, Wealth Benefits Research, EBRI

Jake Spiegel, Research Associate, Health and Wealth, EBRI



Moderator: **Brett Hammond, Research Leader, Capital Group**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4/13/2020

HEALTH BENEFITS RESEARCH REVIEW

JAKE SPIEGEL, EBRI

Today’s Health Benefits Agenda

- Today, I’ll recap three studies that showcase EBRI’s health research capabilities

- One that leverages a commercial claims database to examine trends in employer-sponsored health benefits
  - The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013-2019

- One that sits at the intersection of health and retirement
  - Projected Savings for Medicare Beneficiaries Need for Health Expenses in Retirement

- One that gauges how employers are reacting to a constantly-changing regulatory environment
  - Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013-2019

EBRI Issue Brief

October 28, 2021 • No. 545

The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013–2019

By Paul Fronstin, Ph.D., Employee Benefit Research Institute; Stuart Hagen, Ph.D., Blue Cross Blue Shield Association; Olivia Hoppe, Blue Cross Blue Shield Association; and Jake Spiegel, Employee Benefit Research Institute

AT A GLANCE

***"The future ain't what it used to be."* - Yogi Berra**

In this paper we explore trends in actuarial value — or relative generosity of health plans — in the employment-based health coverage market since the implementation of the major coverage provisions of the Affordable Care Act (ACA) in 2014. Because there is a concern that workers would migrate to lower actuarial value (AV) plans in the exchanges if the Biden Health Care Plan were adopted, it is also important to know whether workers are already enrolling in lower AV plans in the employment-based market as a result of the ACA. In our analysis, we observe:

- Both average and median AV were about 83 percent in each year from 2013 to 2019.
- There were differences in average AV by plan type. The average AV for enrollees in health maintenance organizations (HMOs)/exclusive provider organizations (EPOs) was highest. This was followed by the AV of enrollees in fee-for-service plans. Preferred provider organization (PPO) and point of service (POS) enrollees saw an average AV of 85 percent and 84 percent, respectively. Not surprisingly, plans linked to spending accounts had the lowest AVs.
- Average AV increased for every type of health plan between 2013 and 2019.
- We did not find that demographics significantly affected plan choice.
- We did find variation in AV by industry. Workers in retail trade, agriculture, forestry, fishing, construction, finance, insurance, and real estate are in the lowest AV plans.

As opposed to group coverage, health insurance purchased in the individual market tends to be somewhat less generous in benefits, on average.

This study was conducted through the EBRI Center for Research on Health Benefits Innovation (EBRI CRHBI), with the funding support of the following organizations: Aon, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, Pfizer, and PhRMA.

https://www.ebri.org/health/publications/issue-briefs/content/the-more-things-change-the-more-they-stay-the-same-an-analysis-of-the-generosity-of-employment-based-health-insurance-2013-2019

EBRI FAST Facts

January 6, 2022, #418

Generosity of Employment-Based Health Insurance Unchanged Since 2013

When the Patient Protection and Affordable Care Act (ACA) was passed in 2010, some voiced concern about a race to the bottom when it came to actuarial value (AV) of employment-based health care plans. That's because the ACA required that employers offering health coverage provide plans with at least 60 percent actuarial value. The fear was that the new law would cause employers to reduce the generosity of their plans to the 60 percent floor. However, recent research from the Employee Benefit Research Institute (EBRI) shows that this has not been the case.

About Actuarial Value

Actuarial value (AV) is a summary measure that may be used by consumers and regulators to compare the relative generosity of health plans. Actuarial value is the percentage of covered, allowed health care expenses that is paid by the plan.

AV is measured on a standard population basis. For example, in a health plan with an AV of 80 percent, the plan would expect to pay 80 percent of the expenses of a standard population, which is generally meant to reflect the demographics and health status distribution of the people who will be covered by the plan, and on average, the covered individuals in the plan would pay the remaining 20 percent as cost sharing. Of course, because people have different health conditions with varying health care needs, any particular plan member may pay more or less than 20 percent of their own covered health care expenses.

Although AV does not measure the premium nor the percentage of the premium that workers may be required to pay as their employee contribution, premiums are often correlated with AV.[1] Plans with a higher AV will almost always have higher premiums than lower AV plans unless there is a significant difference in other aspects of the plan, such as benefits covered, extent of the network, characteristics of the drug formulary, or restrictions on utilization of high-cost services.

Key Findings:

The research shows that both average and median AV were about 83 percent in each year from 2013 — prior to the implementation of the major coverage provisions of the ACA — to 2019.

[1] The premium is the price of the health insurance policy, which reflects the expected cost of the covered health care services after the worker's cost sharing (i.e., copayments, coinsurance, and deductibles) as well as the administrative costs of the policy (enrollment, claims payment, etc.). Typically, workers and their employers purchase employment-based insurance together, with the worker paying a relatively small fraction of the total premium (in 2020, the worker share averaged 17 percent) and the employer paying for the remainder.

EBRI's on Twitter! @EBRI or http://twitter.com/EBRI EBRI blog: https://ebriorg.wordpress.com/

https://www.ebri.org/docs/default-source/fast-facts/ff-418-av-6jan22.pdf?sfvrsn=7fa53b2f_4

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The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013-2019

- Some analysts predicted that the introduction of ACA exchanges might lead to a condition in which employer-sponsored health plans became less generous
- We measure this "generosity" as actuarial value (AV), a measure of how much a health plan will pay for the costs patients incur
  - To illustrate, if a particular health plan has an AV of 80%, the plan would pay out 80% of the expenses of the population covered by the plan. On average, patients would pay the remaining 20%

The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013-2019

- To answer these questions, EBRI turned to MarketScan data
- MarketScan is a proprietary database containing administrative claims data for patients with employer-sponsored health insurance
- We looked at 7 years of data, stretching back to 2013, before the implementation of major ACA provisions, like the individual exchanges and premium subsidies
- If ACA exchanges did indeed induce employer-sponsored plans to become less generous, then we would see health plans’ actuarial values decrease over time

The More Things Change, the More They Stay the Same: An Analysis of the Generosity of Employment-Based Health Insurance, 2013-2019

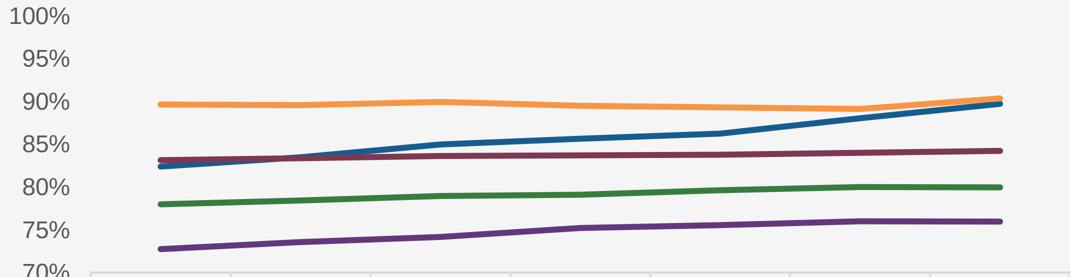
- However, we did not find this to be the case
- Health plan actuarial values remained remarkably stable over the study period
- In fact, most plans became *more* generous during the study period
- We also did not find evidence that workers self-sorted into more- or less-generous plans; average AV based on worker age and gender did not vary significantly
- However, we did find evidence that plan generosity varied based on industry

Average and Median Actuarial Value (AV), 2013–2019

	Average AV	Median AV
2013	82.9%	83.5%
2014	82.8%	83.1%
2015	82.9%	83.0%
2016	82.9%	83.2%
2017	82.9%	82.4%
2018	83.3%	83.2%
2019	83.5%	83.1%

Source: Employee Benefit Research Institute estimates based on administrative enrollment and claims data.

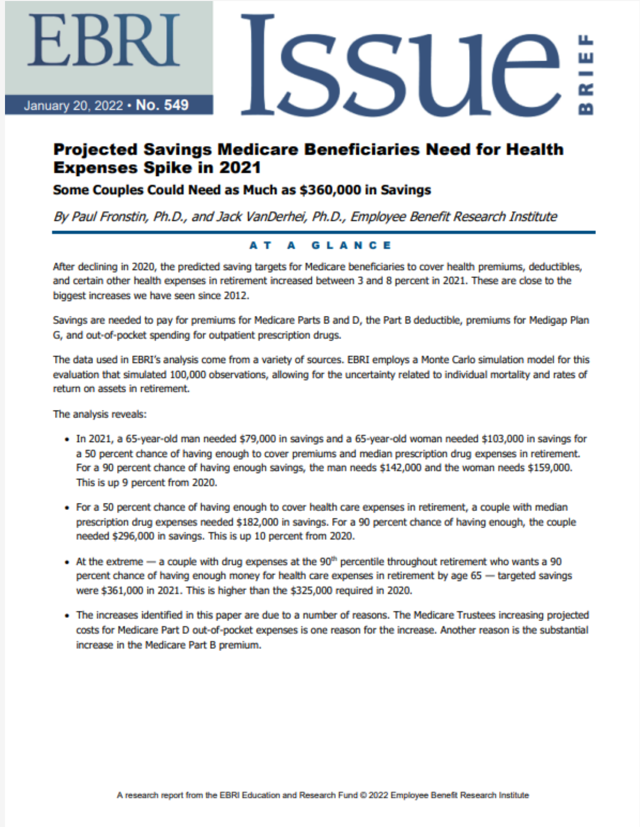
Average Actuarial Value (AV), by Plan Type, 2013–2019



	2013	2014	2015	2016	2017	2018	2019
Fee-for-Service	82.4%	83.5%	85.0%	85.6%	86.2%	88.1%	89.7%
HMO/EPO	89.7%	89.6%	89.9%	89.5%	89.3%	89.1%	90.4%
PPO/POS	83.1%	83.4%	83.6%	83.7%	83.8%	84.0%	84.2%
HRA	78.0%	78.4%	79.0%	79.1%	79.6%	80.0%	80.0%
HSA-Eligible Health Plan	72.7%	73.6%	74.2%	75.2%	75.5%	76.0%	76.0%

Source: Employee Benefit Research Institute estimates based on administrative enrollment and claims data.

Projected Savings for Medicare Beneficiaries Need for Health Expenses in Retirement



EBRI Issue BRIEF

January 20, 2022 • No. 549

Projected Savings Medicare Beneficiaries Need for Health Expenses Spike in 2021

Some Couples Could Need as Much as $360,000 in Savings

By Paul Fronstin, Ph.D., and Jack VanDerhei, Ph.D., Employee Benefit Research Institute

AT A GLANCE

After declining in 2020, the predicted saving targets for Medicare beneficiaries to cover health premiums, deductibles, and certain other health expenses in retirement increased between 3 and 8 percent in 2021. These are close to the biggest increases we have seen since 2012.

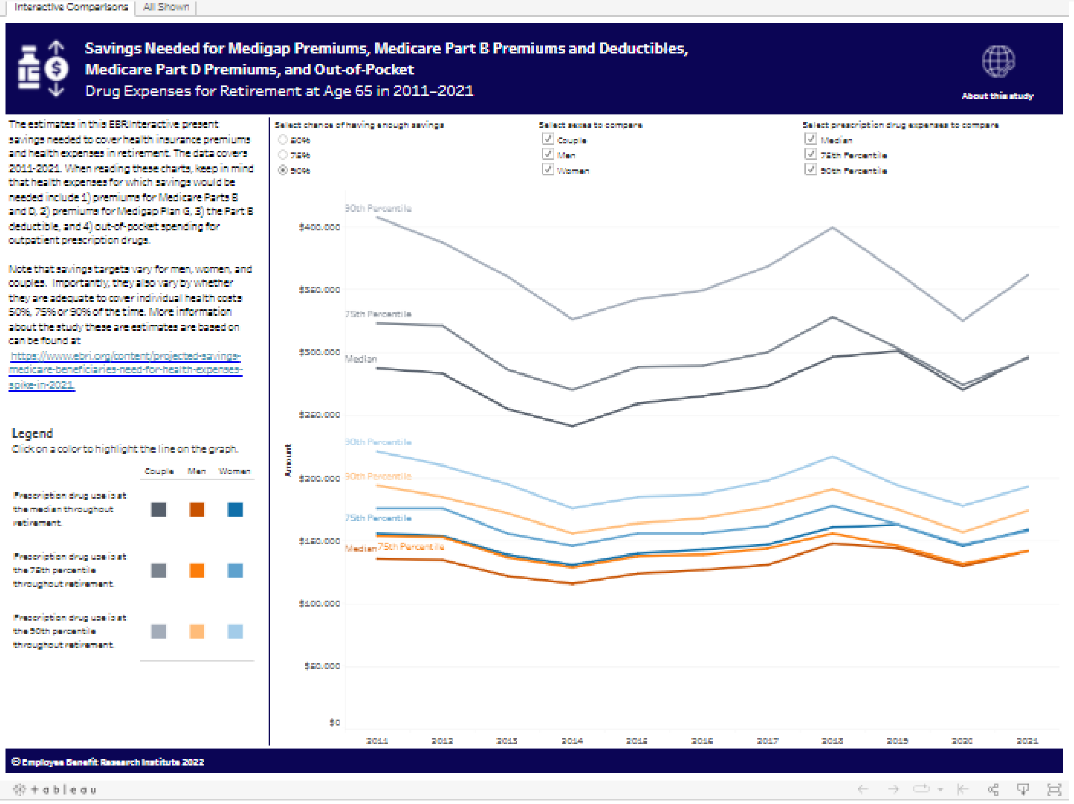
Savings are needed to pay for premiums for Medicare Parts B and D, the Part B deductible, premiums for Medigap Plan G, and out-of-pocket spending for outpatient prescription drugs.

The data used in EBRI's analysis come from a variety of sources. EBRI employs a Monte Carlo simulation model for this evaluation that simulated 100,000 observations, allowing for the uncertainty related to individual mortality and rates of return on assets in retirement.

The analysis reveals:

- In 2021, a 65-year-old man needed $79,000 in savings and a 65-year-old woman needed $103,000 in savings for a 50 percent chance of having enough to cover premiums and median prescription drug expenses in retirement. For a 90 percent chance of having enough savings, the man needs $142,000 and the woman needs $159,000. This is up 9 percent from 2020.
- For a 50 percent chance of having enough to cover health care expenses in retirement, a couple with median prescription drug expenses needed $182,000 in savings. For a 90 percent chance of having enough, the couple needed $296,000 in savings. This is up 10 percent from 2020.
- At the extreme — a couple with drug expenses at the 90th percentile throughout retirement who wants a 90 percent chance of having enough money for health care expenses in retirement by age 65 — targeted savings were $361,000 in 2021. This is higher than the $325,000 required in 2020.
- The increases identified in this paper are due to a number of reasons. The Medicare Trustees increasing projected costs for Medicare Part D out-of-pocket expenses is one reason for the increase. Another reason is the substantial increase in the Medicare Part B premium.

A research report from the EBRI Education and Research Fund © 2022 Employee Benefit Research Institute



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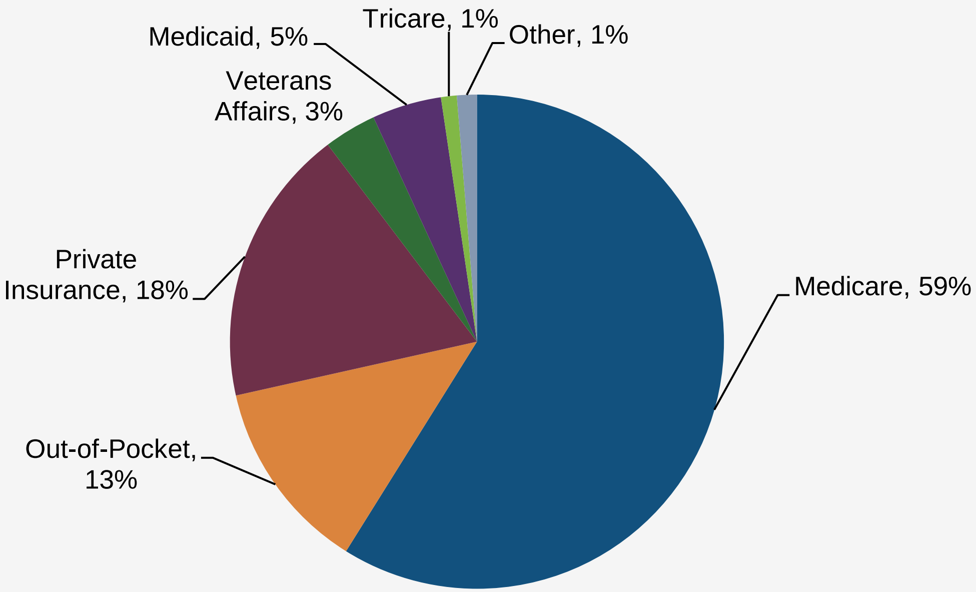
https://www.ebri.org/publications/research-publications/ebrinteractive/savings-people-need-to-afford-health-insurance-and-expenses-at-age-65

Projected Savings for Medicare Beneficiaries Need for Health Expenses in Retirement

- While Medicare helps older people pay for health care, it does not cover expenses in full; patients are on the hook for deductibles, as well as prescription drug expenses
- EBRI used a Monte Carlo simulation model to estimate the probability that individuals and couples have enough saved to cover their health care costs in retirement, such as premiums for Medicare Parts B and D, Part B deductibles, Medigap Plan G, as well as out-of-pocket spending on prescription drugs
- Last year, we estimated that the amount Medicare beneficiaries would need to save to cover their health care costs in retirement decreased, but this proved to be a pandemic-related aberration rather than a secular trend

Source of Payment for Incurred Health Care Expenses, Noninstitutionalized Population of Medicare Beneficiaries, Ages 65 and Older, 2019



Source: EBRI estimates from the 2019 Medical Expenditure Panel Survey.

Projected Savings for Medicare Beneficiaries Need for Health Expenses in Retirement

- For 2021, the savings required increased by between 3 and 8 percent, one of the largest year-over-year increases EBRI has projected
- The Medicare Trustees increased their cost projections for Medicare Part D, and Medicare Part B premiums increased by 15% as well
- A couple with particularly high drug expenses would need $361,000 to have a 90% chance of having enough savings for health care costs in retirement

Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

EBRI Issue BRIEF

October 14, 2021 • **No. 542**

Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

By Paul Fronstin, Ph.D., Employee Benefit Research Institute and A. Mark Fendrick, M.D., University of Michigan

AT A GLANCE

IRS Notice 2019-45 allows health savings account (HSA)-eligible health plans the flexibility to cover 14 medications and services used to prevent the exacerbation of chronic conditions prior to meeting the plan deductible.

In this *Issue Brief*, we report on the findings from a 2021 Employee Benefit Research Institute (EBRI) survey of employers that collected information on their response to the 2019 guidance. The survey examined not only whether employers added pre-deductible coverage as a result of Notice 2019-45, but also examined each of the allowed services individually; the type of cost sharing, if any, used in lieu of deductibles; and other relevant questions.

Key findings:

- Three in four employers (76 percent) say that they have added pre-deductible coverage as a result of IRS Notice 2019-45.
- Pre-deductible coverage was often added for health care services related to heart disease and diabetes care. Two-thirds added pre-deductible coverage for blood pressure monitors and insulin/glucose lowering agents, 61 percent added coverage for glucometers, and 54 percent added coverage for beta blockers. Health care services least likely to have pre-deductible coverage include peak flow meters and INR testing (25 percent each).
- Nearly two-thirds (64 percent) of employers covered six or fewer of the 14 health care services allowed per IRS Notice 2019-45. Only 8 percent added pre-deductible coverage for all 14 services.
- The percentage of employers that eliminated cost sharing for the pre-deductible services ranged from a low of 25 percent to a high of 40 percent. Between nearly one-half and two-thirds require a copayment from employees, depending on the health care service.
- Between 57 percent and 69 percent provide pre-deductible coverage for both brand and generic drugs in the specified drug classes.
- Most employers would add pre-deductible coverage for additional health care services if allowed by law.
- Employers offered several reasons for adding pre-deductible coverage: for the sake of their employees (74 percent), employee retention (64 percent), employee attraction (52 percent), and as a long-term cost-saving measure (48 percent).
- Nearly all (96 percent) employers adopted pre-deductible coverage for telehealth services under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Three-quarters (76 percent) prefer to make the provision permanent, while only 20 percent would like the provision to remain temporary.

A research report from the EBRI Education and Research Fund © 2021 Employee Benefit Research Institute

Reach of 12M, including direct coverage by American Journal of Managed Care and citation by Academy of Oncology Nurse & Patient Navigators (AONN+) and Alliance for Connected Care

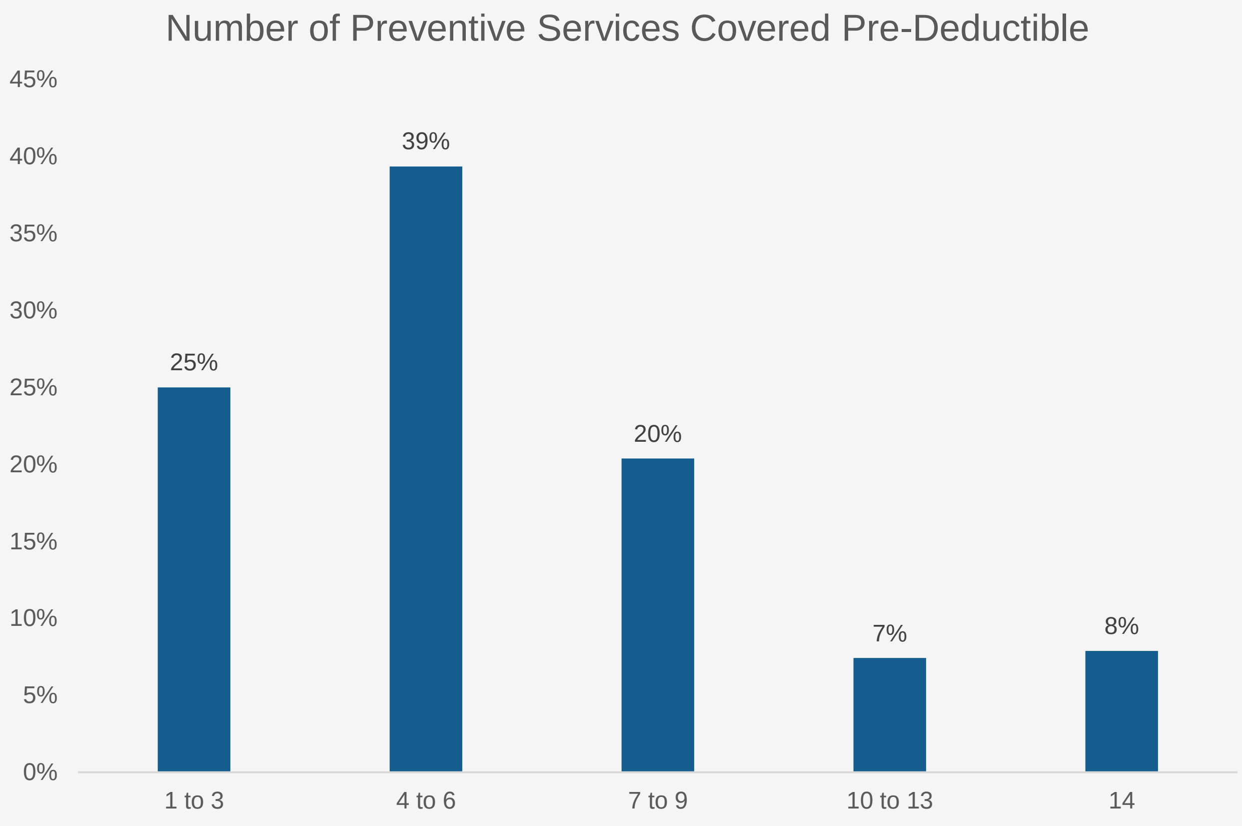
https://www.ebri.org/docs/default-source/ebri-issue-brief/ebri_ib_542_hsaemployersur-14oct21.pdf?sfvrsn=73563b2f_6

Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

- In 2019, the IRS released guidance that allowed HSA-eligible plans to cover 100% of the costs of certain medical services and medication before the plan's deductible was met
- EBRI fielded a survey of 354 large employers to gauge whether they adopted these provisions and to what extent
    - Employers could pick and choose from the 14 additional coverages, for instance

Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

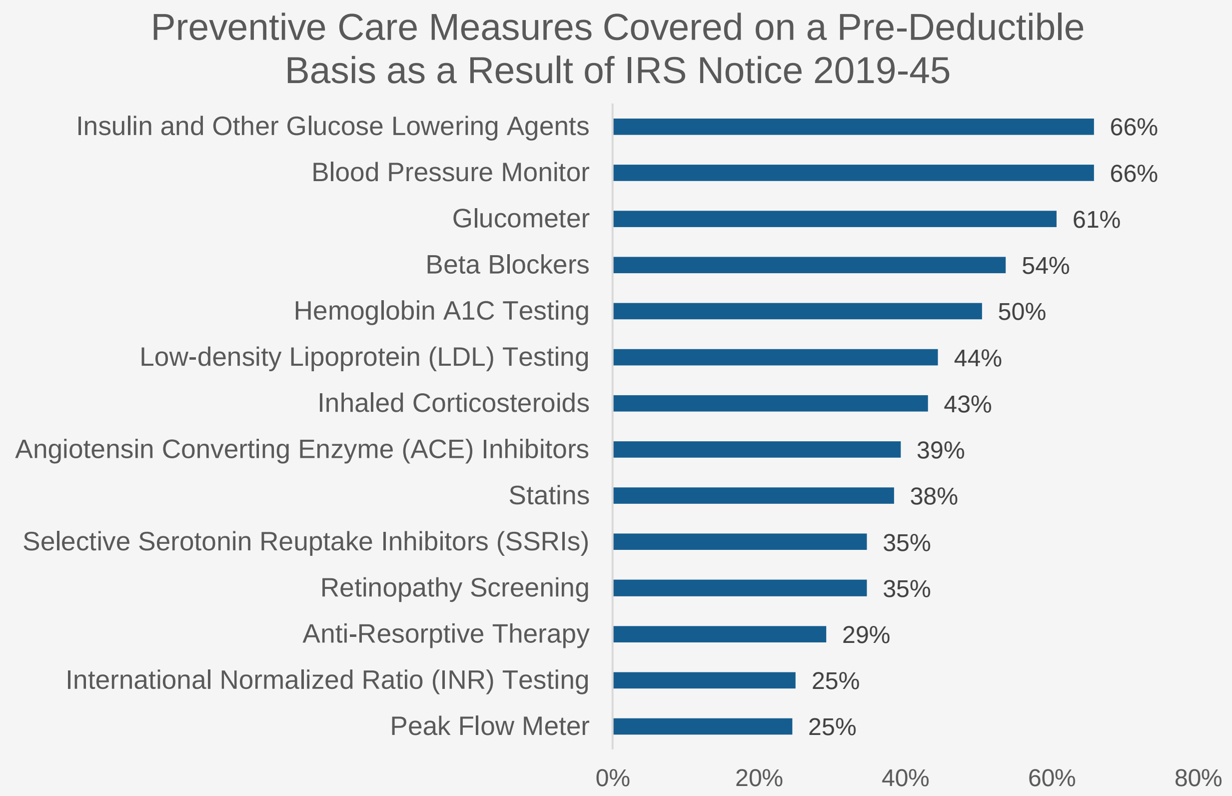
- We find that 76 percent added at least some pre-deductible coverages; a substantial increase over 2020, when another study found that only 29% adopted these changes
- Very few covered all 14 services and medications allowed by the IRS' guidance; a plurality covered between 4 and 6



Source: Employee Benefit Research Institute survey.

Employer Uptake of Pre-Deductible Coverage for Preventive Services in HSA-Eligible Health Plans

- Employers more often added coverage for managing conditions like heart disease and diabetes
- Employers also expressed an interested in expanding pre-deductible coverage if they were allowed to
- Among employers who *did not* add pre-deductible coverage, the vast majority either plan to do so later, or are exploring whether to do so



Source: Employee Benefit Research Institute survey.

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Coming Down the Pike

- Impact of high deductibles on usage of mental health services
- Trends in out-of-pocket spending
- The future of employment-based health care
- Updates from EBRI's FSA Database

WEALTH BENEFITS RESEARCH REVIEW

CRAIG COPELAND, EBRI

Topics on Today's Wealth Benefits Agenda

1. Generational Comparisons of Various Financial Measures
2. Percentage of Families With Working Heads Having Sufficient Emergency Savings
3. 2021 Financial Wellbeing Employer Survey

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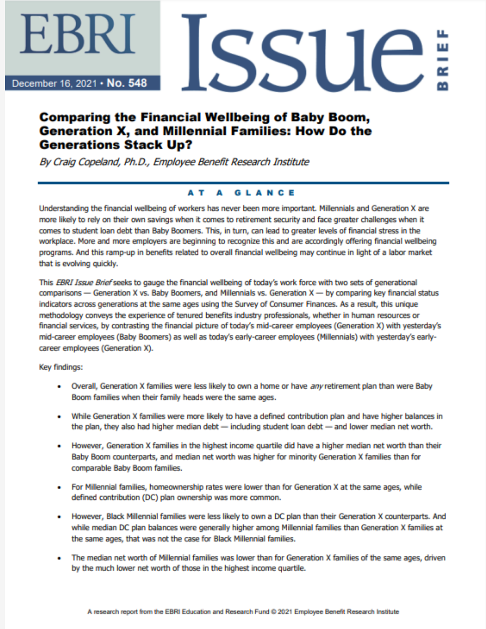
Generational Comparisons of Various Financial Measures

Generational Comparisons of Various Financial Measures



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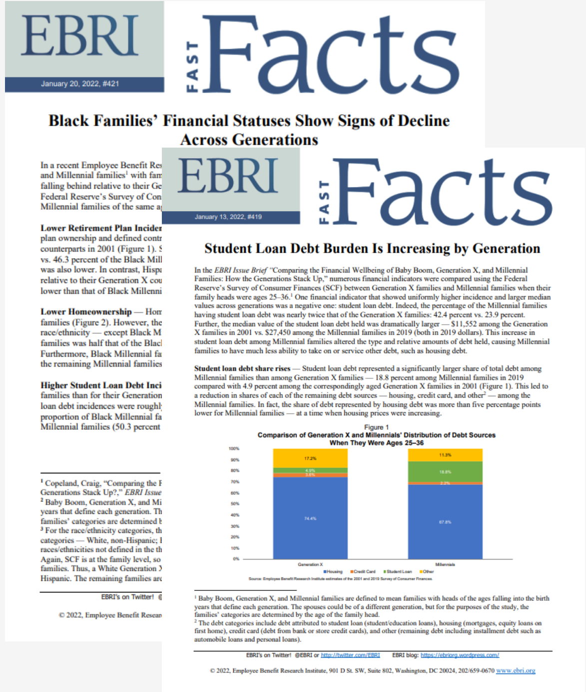

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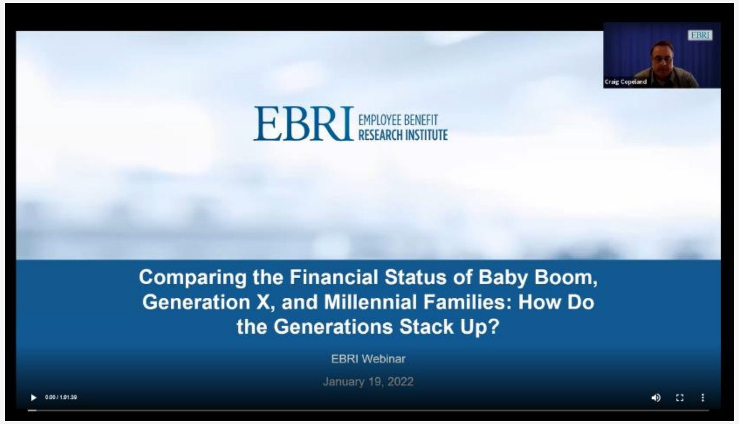

https://www.ebri.org/videos/default-source/webinar-replays/generationswebinar_011922.mp4?sfvrsn=ab943b2f_2

Data Definitions

Data Source: Survey of Consumer Finances (SCF)-triannual survey from the Federal Reserve-considered the best source for wealth of American families — 2019 (latest) and every 3 years before that 2016, 2013, 2010, ….

- Generations (birth years)
  - Baby Boom (1946-1964)
    - Ages in 2001 37-55
  - Generation X (1965-1980)
    - Ages in 2019 39-54
    - Ages in 2001 21-36
  - Millennials (1981-1996)
    - Ages in 2019 23-38
- For nonoverlapping Baby Boom and Generation X families, the closet SCF year is 2001, so ages 39-54 are used.
- Due to unequal generation birth years, the same clean separation does not work between Generation X and Millennials, so the ages are 25-36 for this comparison. Age 25 is used because family formation is most likely by that age.
- The racial/ethnicity categories from SCF are self-identified and include White, non-Hispanic; Black/African American; Hispanic; and other, which consists of those races/ethnicities not defined in the three prior categories, such as Asian Americans and those who identify as multiracial. SCF is at the family level, so the characteristics of the family head (or the reference person) are used to categorize the families.

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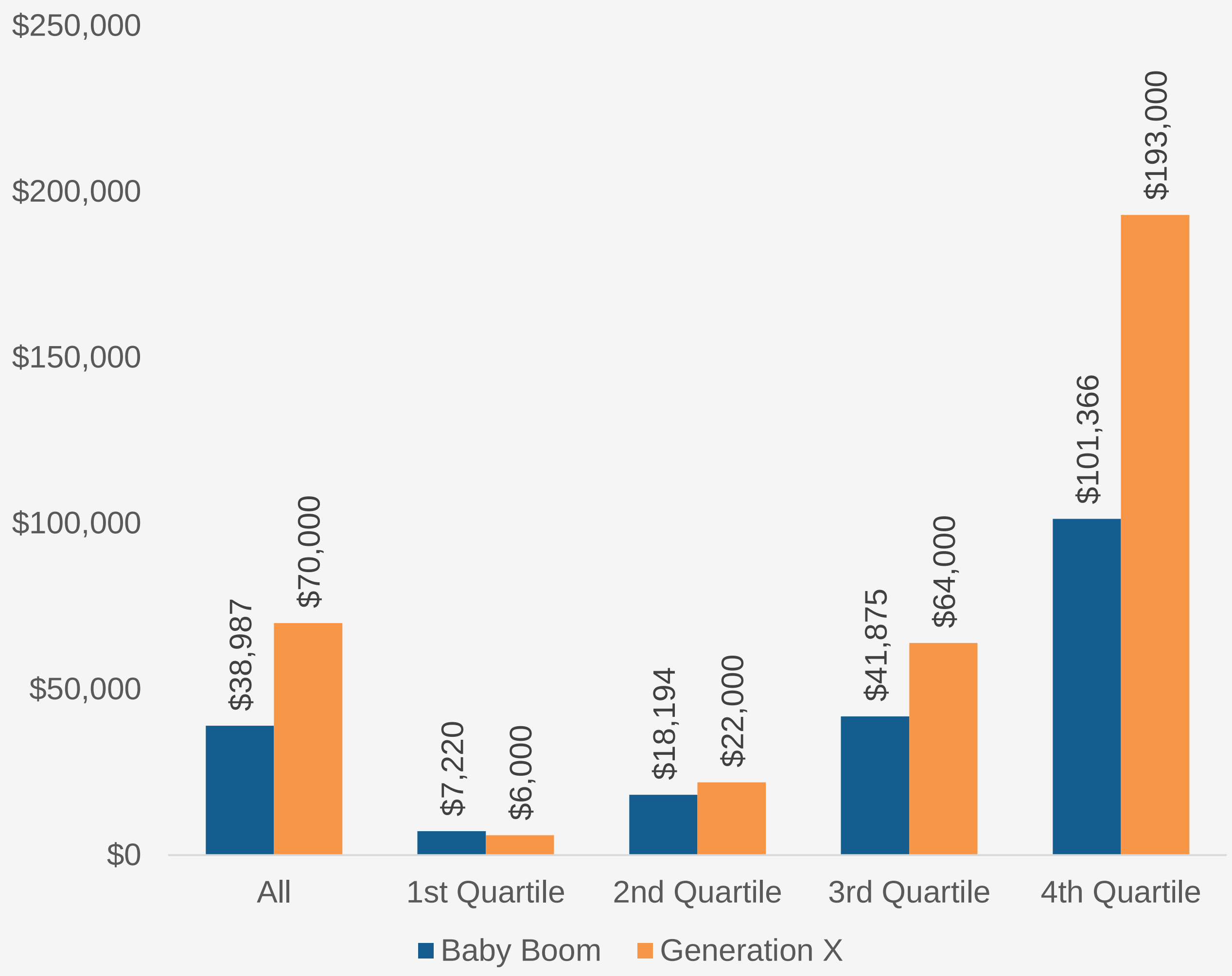
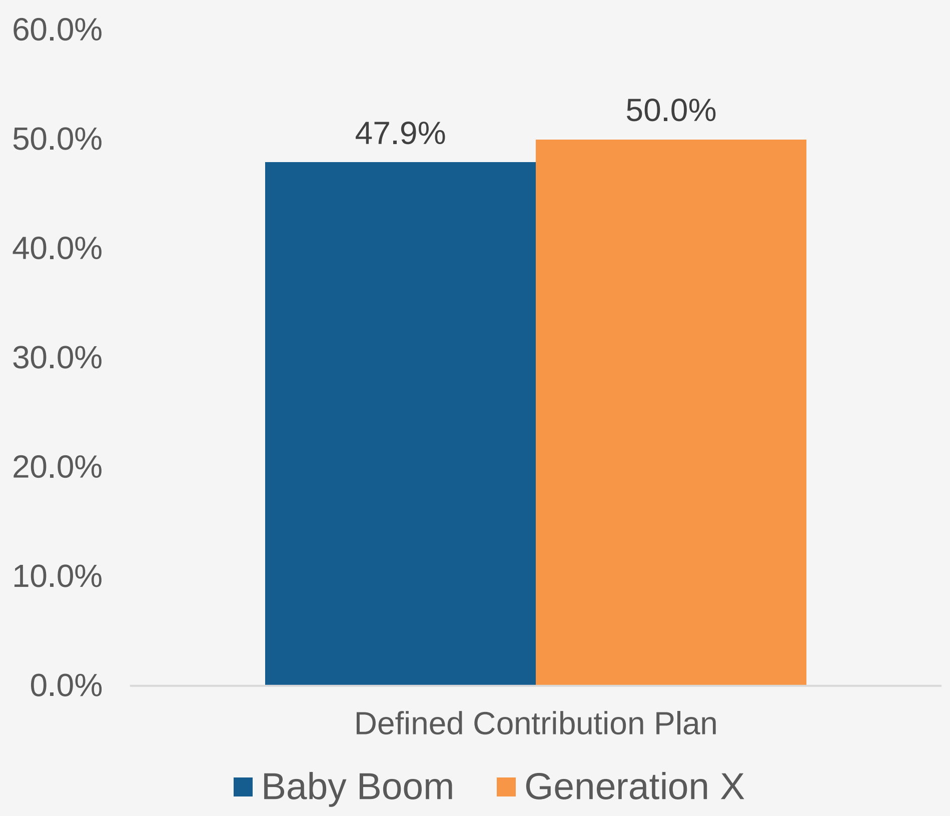
RETIREMENT PLANS

Comparison of Baby Boom and Generation X's Ownership of Defined Contribution Plans and Median Balances When They Were Ages 39-54, by Income Quartile





Note: All estimates in 2019 dollars.

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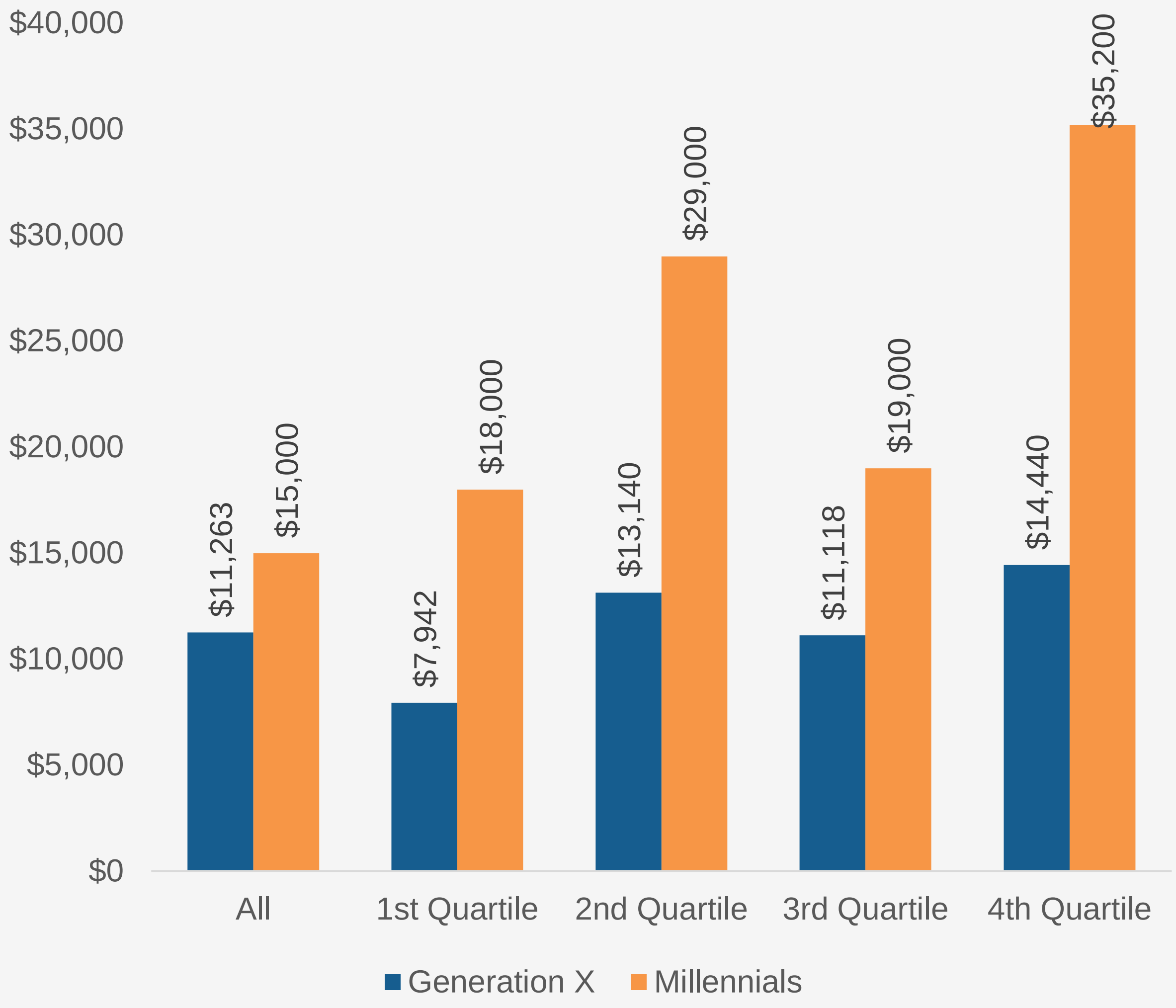
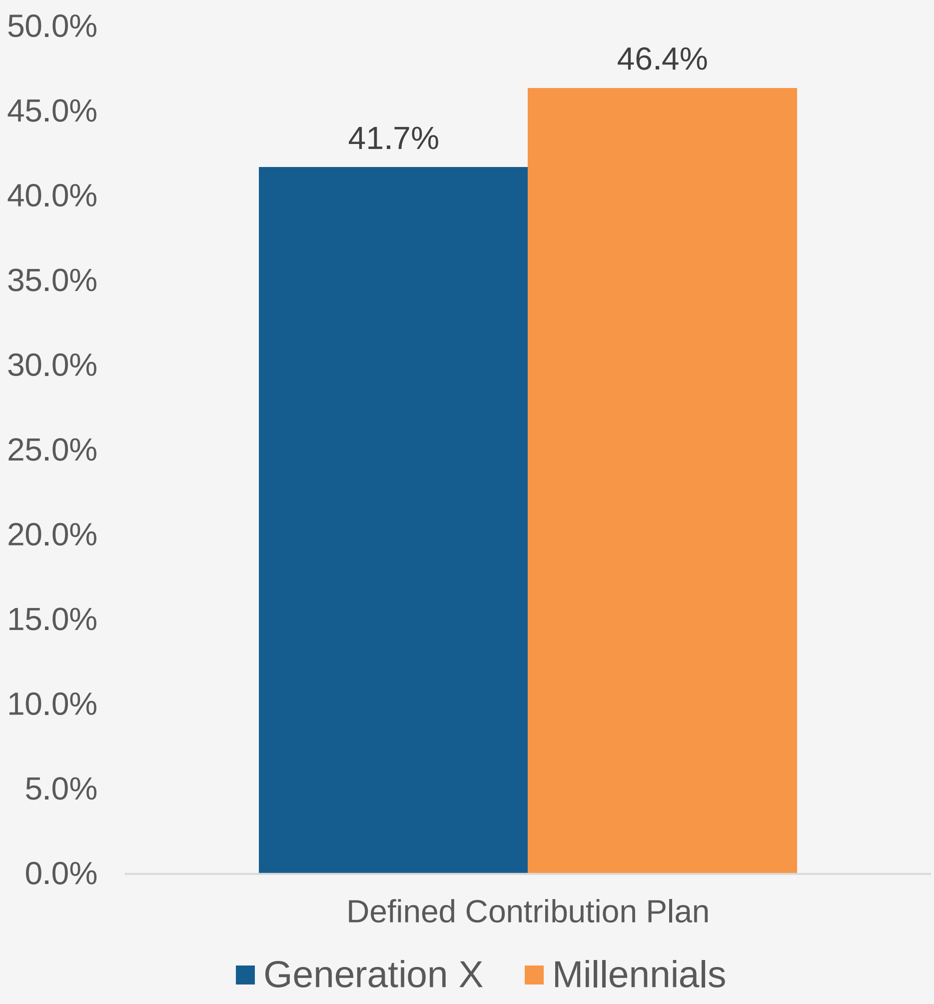
Comparison of Generation X and Millennials' Ownership of Defined Contribution Plana and Median Balances When They Were Ages 25-36, by Income Quartile





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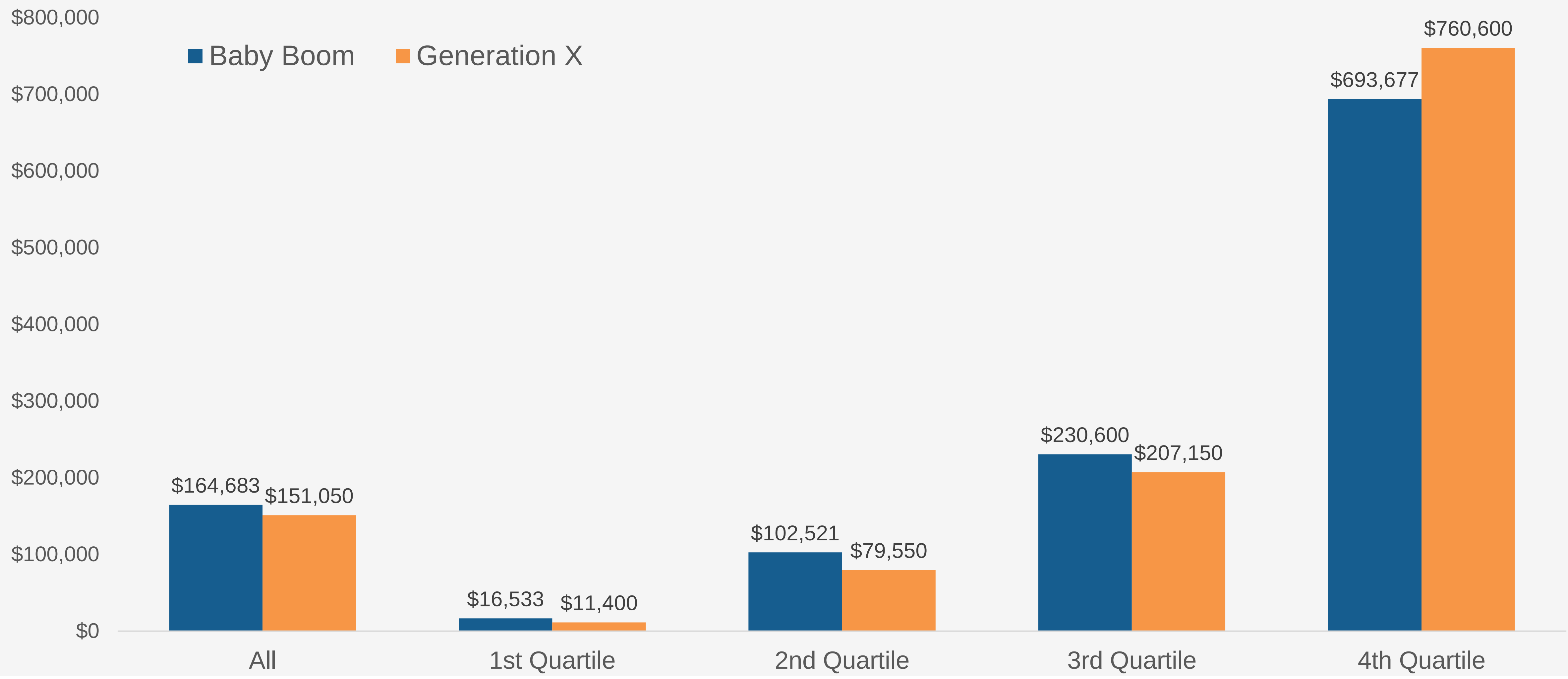
Note: All estimates in 2019 dollars.

NET WORTH

Comparison of Baby Boom and Generation X's Median Net Worth When They Were Ages 39-54, by Income Quartile



Note: All estimates in 2019 dollars.

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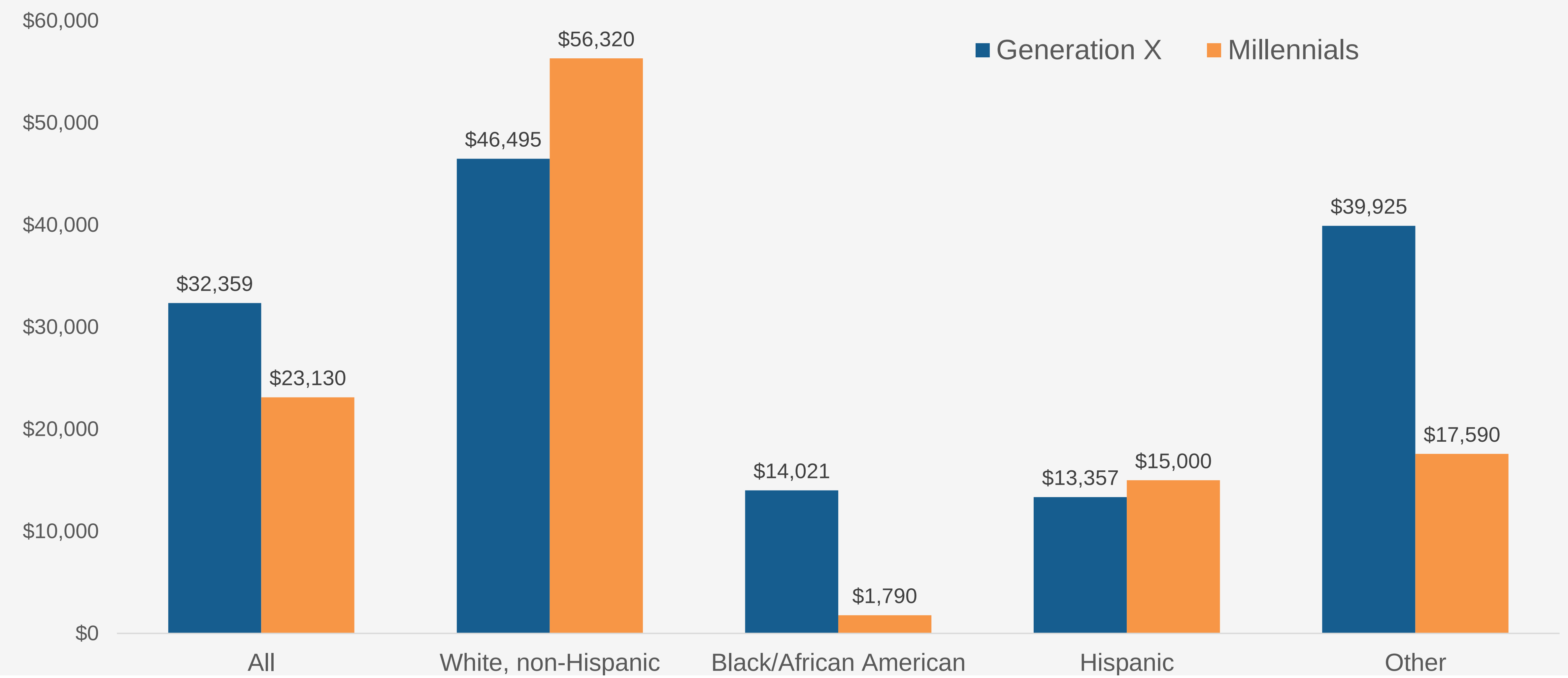
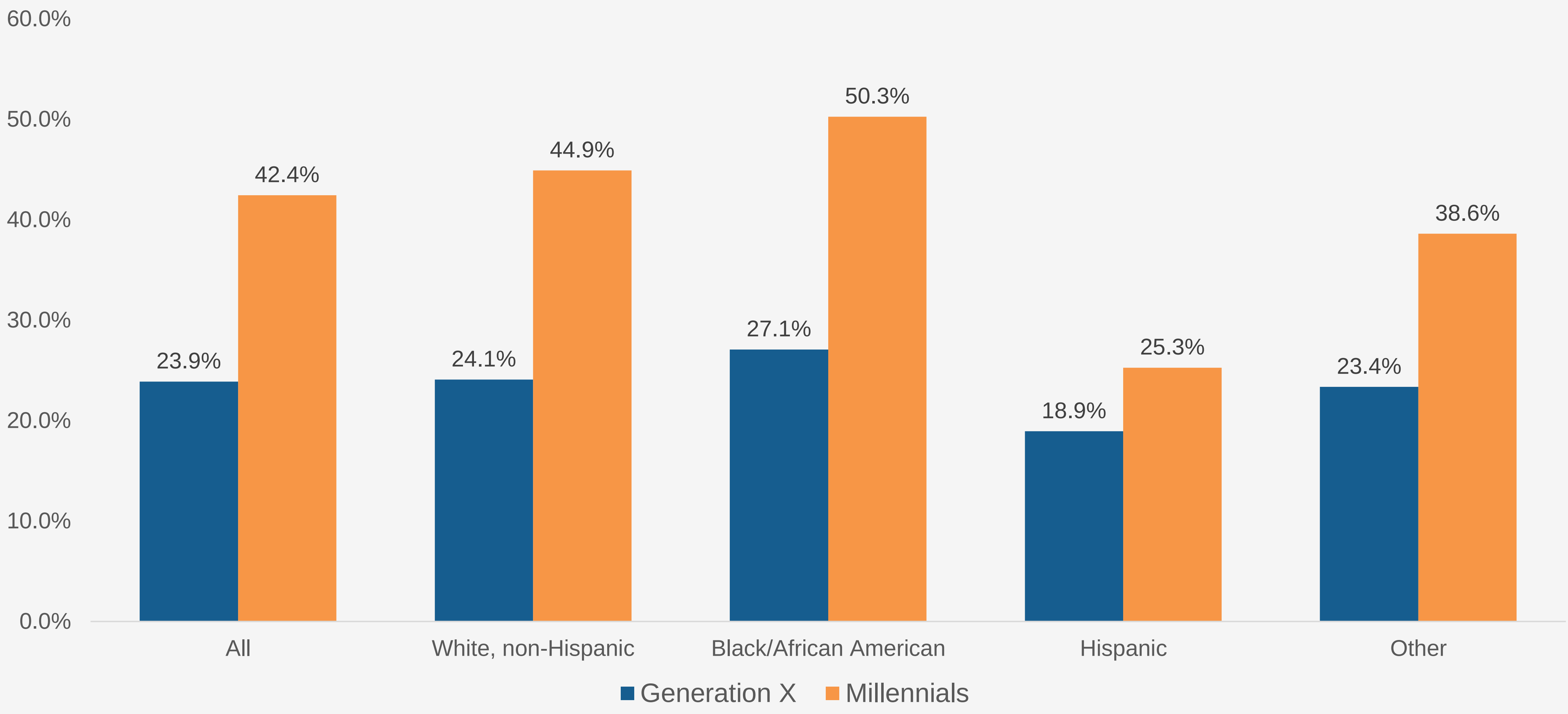
Comparison of Generation X and Millennials' Median Net Worth When They Were Ages 25-36, by Race/Ethnicity of the Family Head



Note: All estimates in 2019 dollars.

STUDENT LOAN DEBT

Comparison of Generation X and Millennials' Student Loan Incidence When They Were Ages 25-36, by Race/Ethnicity of the Family Head



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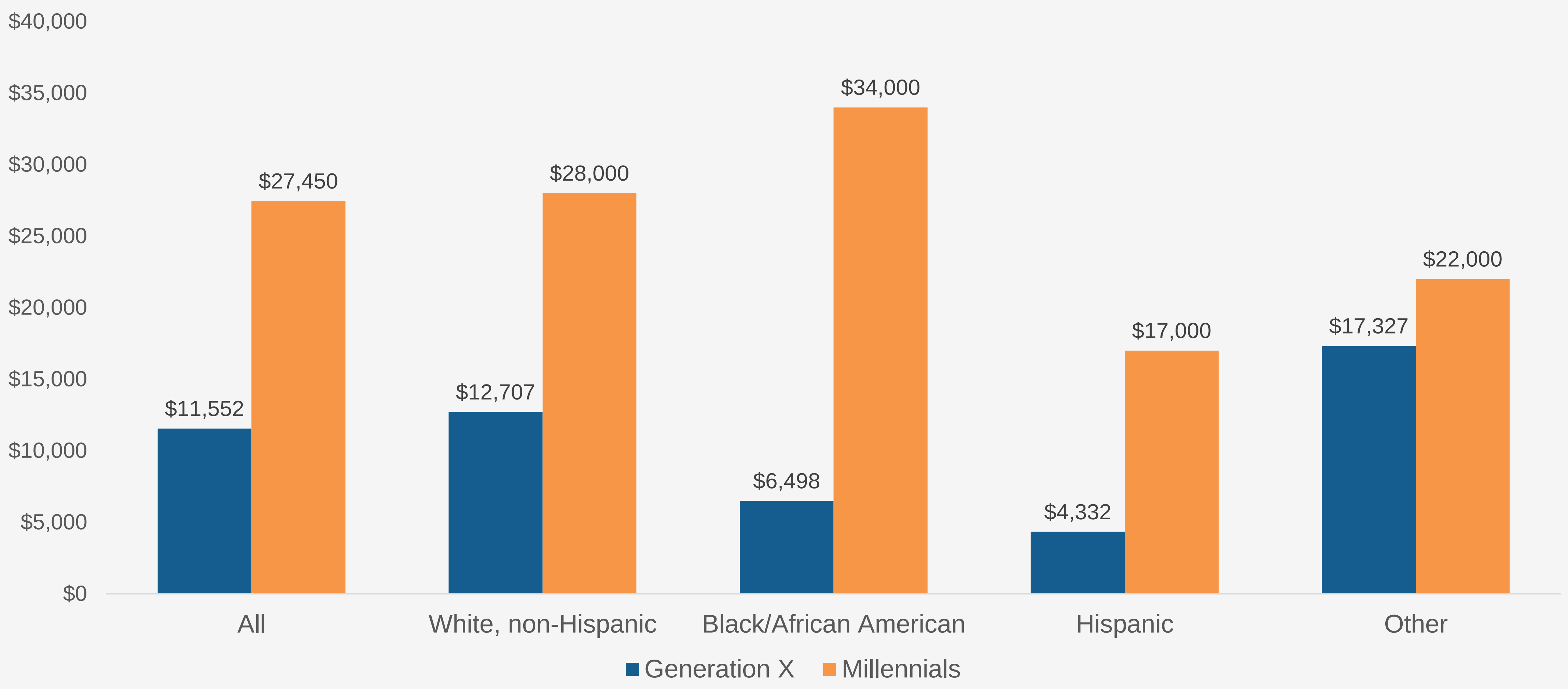
Comparison of Generation X and Millennials' Median Student Loan Balances When They Were Ages 25-36, by Race/Ethnicity of the Family Head



Note: All estimates in 2019 dollars.

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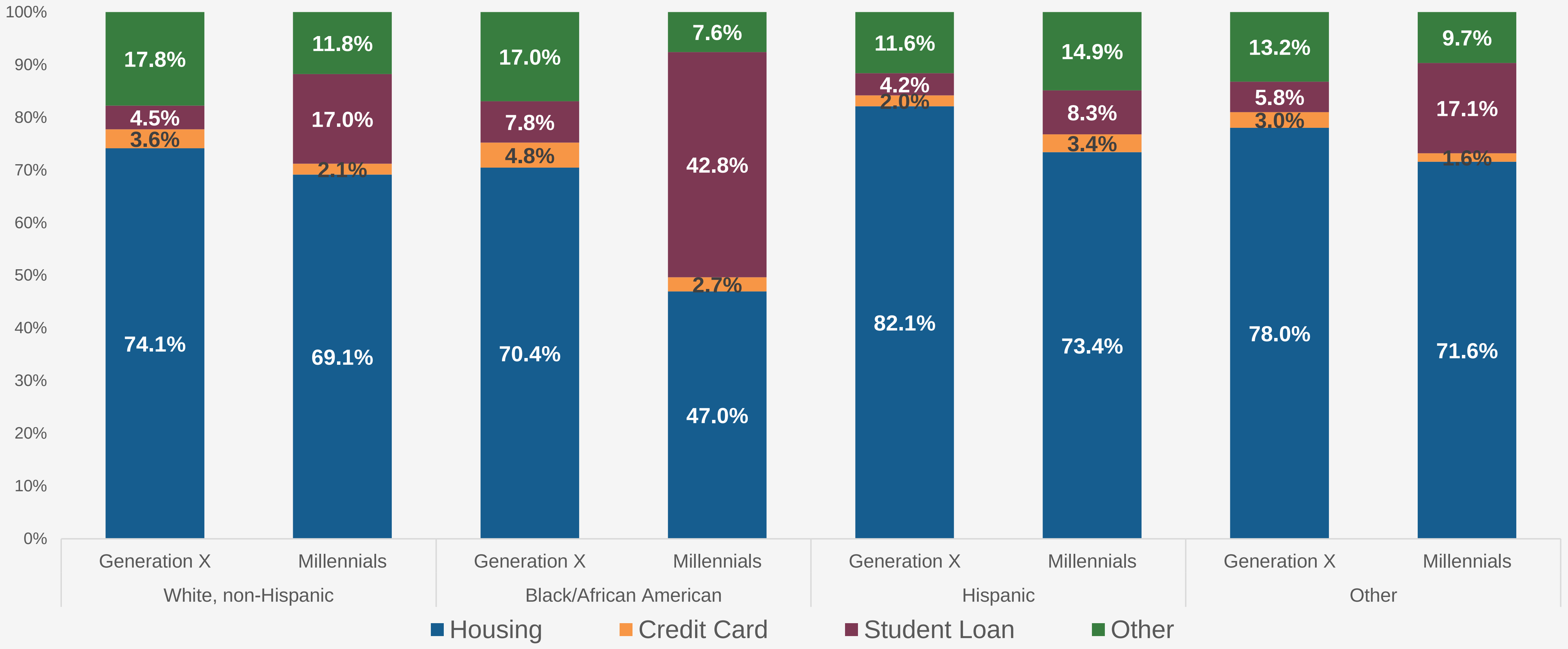
Comparison of Generation X and Millennials' Distribution of Debt Sources When They Were Ages 25-36, by Race/Ethnicity of the Family Head



Percentage of Families With Working Heads Having Sufficient Emergency Savings

Percentage of Families With Working Heads Having Sufficient Emergency Savings

EBRI Issue BRIEF

August 12, 2021 • No. 535

Emergency Savings: What Do Workers Have Available in Liquid Savings? How Long Can They Afford a Loss of Income?

By Craig Copeland, Ph.D., Employee Benefit Research Institute

A T A G L A N C E

An important factor for a family's financial wellbeing is the ability to cover unexpected expenses, such as a car or furnace repair or something even more financially challenging such as a loss of a job. Being able to cover short-term emergency expenses can help improve workers' long term financial prospects. However, American families do not appear to be prepared for significant short-term financial emergencies, potentially creating a role for employers to help with the development of emergency savings funds.

The need is clearly outlined in findings from the Federal Reserve's triennial survey of wealth, the Survey of Consumer Finances (SCF). Findings from the SCF show that:

- Of all families with working family heads under age 65, less than one-quarter had liquid savings of more than three months of their family income in 2019.
- This goes up slightly when certificates of deposit are added to the liquid savings.
- Even if the threshold is reduced to 75 percent of three months of family income, only just over a quarter of families with working family heads under age 65 had liquid savings in excess of this amount.
- At the median, among all families, less than one month of income in liquid savings was available. This only increased to one and three-quarters months for the families with incomes in the highest quartile.
- The relatively low percentage of families who had liquid savings that surpassed the three-months-of-income threshold held regardless of the family head's age or race/ethnicity or of the family's income. The need for emergency savings was *not* limited to just the families with low incomes or with younger heads.
- Families whose heads were defined contribution (DC) plan participants were more likely to have sufficient liquid savings to cover three months of expenses than those headed by a nonparticipant.
- However, even for families headed by a DC plan participant, the number with sufficient liquid savings to cover three months of expenses would not be considered substantial.

Given the low percentage of families who have sufficient savings to cover a loss of income for any extended period, it is not surprising that more and more employers are seeking to address the overall financial wellness of American workers. Employer interest in emergency savings programs lies both in the direct potential benefit to workers as well as the benefit to employers in the form of higher employee satisfaction.

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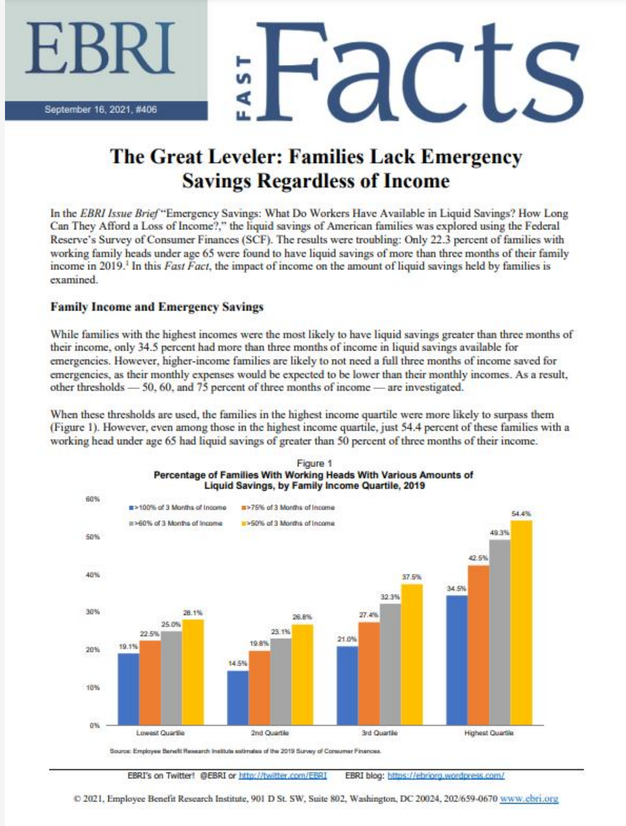

EBRI FAST Facts

September 16, 2021, #406

The Great Leveler: Families Lack Emergency Savings Regardless of Income

In the *EBRI Issue Brief* "Emergency Savings: What Do Workers Have Available in Liquid Savings? How Long Can They Afford a Loss of Income?," the liquid savings of American families was explored using the Federal Reserve's Survey of Consumer Finances (SCF). The results were troubling: Only 22.3 percent of families with working family heads under age 65 were found to have liquid savings of more than three months of their family income in 2019.[1] In this *Fast Fact*, the impact of income on the amount of liquid savings held by families is examined.

Family Income and Emergency Savings

While families with the highest incomes were the most likely to have liquid savings greater than three months of their income, only 34.5 percent had more than three months of income in liquid savings available for emergencies. However, higher-income families are likely to not need a full three months of income saved for emergencies, as their monthly expenses would be expected to be lower than their monthly incomes. As a result, other thresholds — 50, 60, and 75 percent of three months of income — are investigated.

When these thresholds are used, the families in the highest income quartile were more likely to surpass them (Figure 1). However, even among those in the highest income quartile, just 54.4 percent of these families with a working head under age 65 had liquid savings of greater than 50 percent of three months of their income.

Figure 1

Percentage of Families With Working Heads With Various Amounts of Liquid Savings, by Family Income Quartile, 2019

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

EBRI's on Twitter! @EBRI or http://twitter.com/EBRI EBRI blog: https://ebriorg.wordpress.com/

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https://www.ebri.org/docs/default-source/fast-facts/ff-406-emergencysavings-16sep21.pdf?sfvrsn=76673b2f_4

Press release reach of 15M, with coverage in PLANSPONSOR, SHRM, Morningstar, MarketWatch, NAPA, and InsuranceNewsNet, among others

Overview

Data Source: Survey of Consumer Finances (SCF) – triannual survey from the Federal Reserve – considered the best source for wealth of American families.

The metric of interest: *Sufficient emergency savings* — three months of family income in liquid savings (checking and savings accounts and money market funds)

What percentage of families meet this threshold by various demographic characteristics and DC plan participation?

- Race/ethnicity of family head
- Family income
  - Necessary income replacement is likely lower for families with higher incomes, as they are more likely to *not* spend their full incomes each month
  - Thus, lower thresholds of family income are examined—75%, 60%, and 50% of three months of family income

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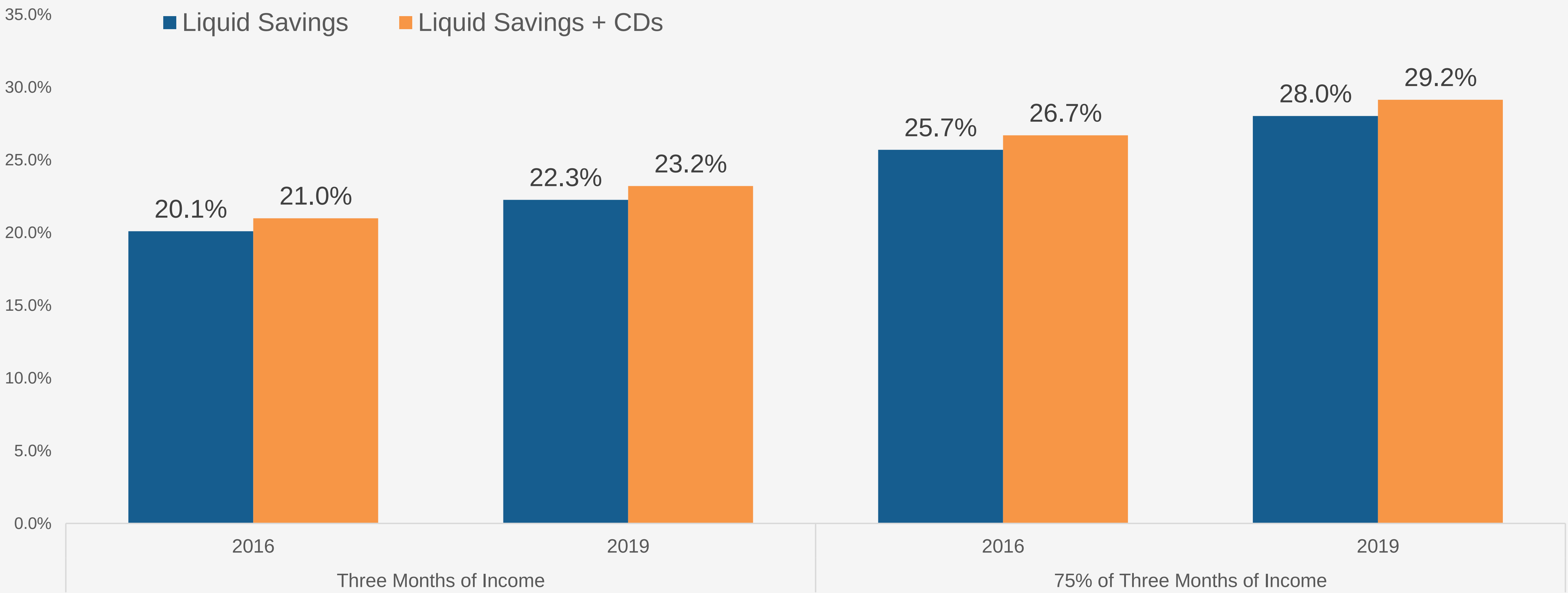
Percentage of Families With Working Heads Under Age 65 Who Have More Than Three Months of Income and 75 Percent of Three Months of Income in Liquid Savings and Liquid Savings Plus Certificates of Deposit (CDs), 2016 and 2019



Source: Employee Benefit Research Institute estimates of the 2016 and 2019 Survey of Consumer Finances.

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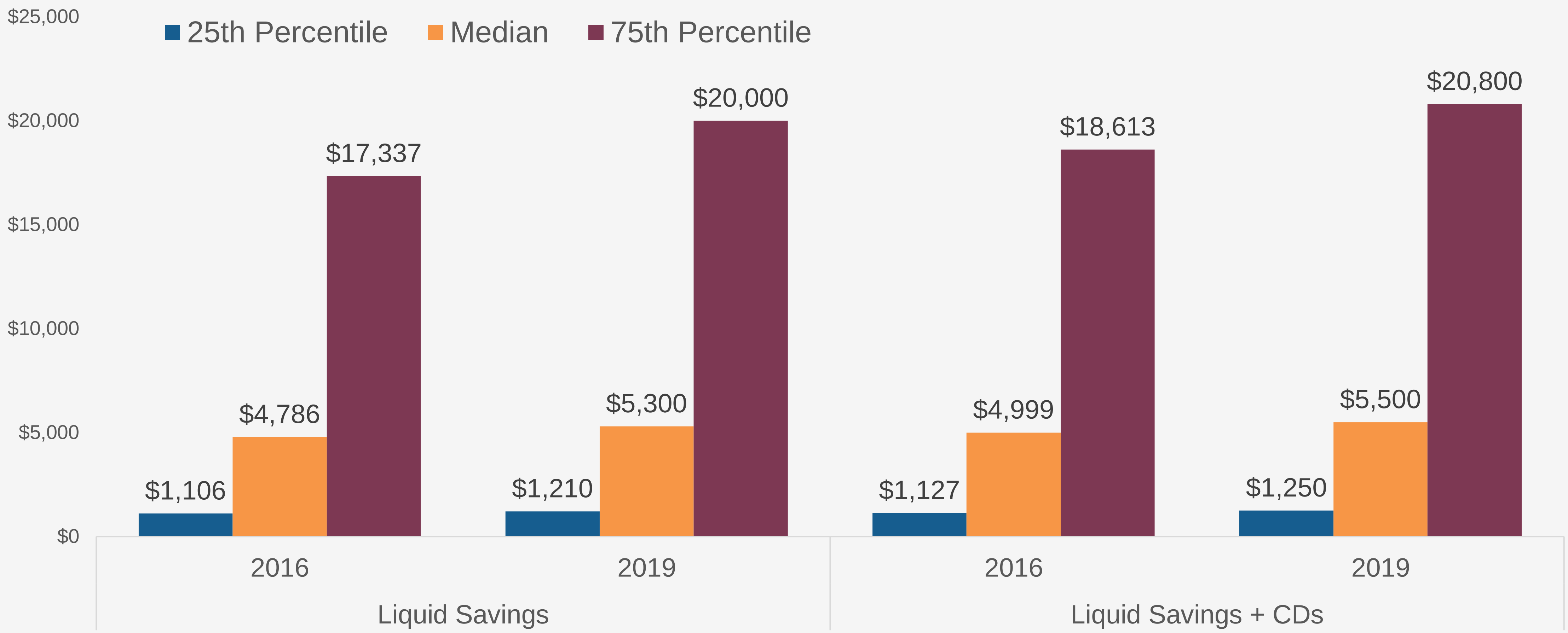
Distribution of Liquid Savings and Liquid Savings Plus Certificates of Deposit (CDs) Amounts for Families With Working Heads, 2016 and 2019



Note: All dollar values are in 2019 dollars.
Source: Employee Benefit Research Institute estimates of the 2016 and 2019 Survey of Consumer Finances.

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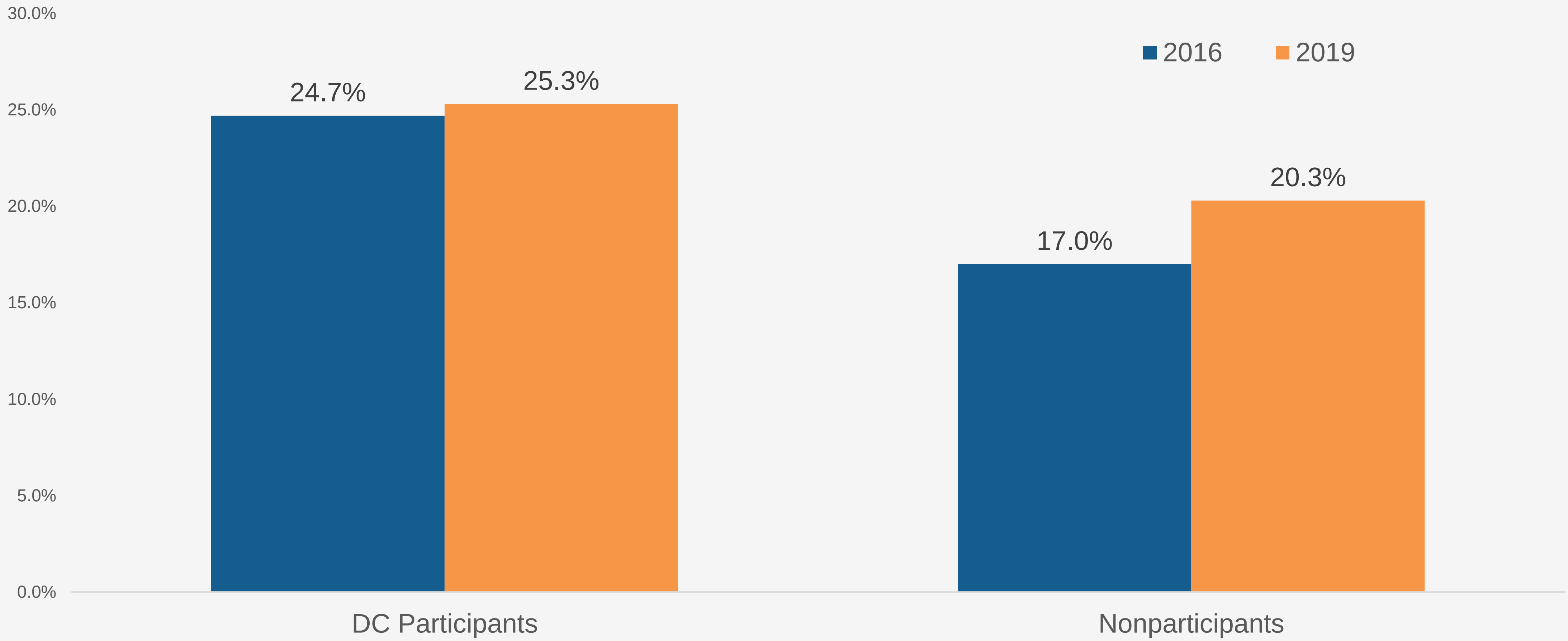
Percentage of Families With Working Heads Under Age 65 Who Have More Than Three Months of Income in Liquid Savings, by Defined Contribution (DC) Plan Participation, 2016 and 2019



Source: Employee Benefit Research Institute estimates of the 2016 and 2019 Survey of Consumer Finances.

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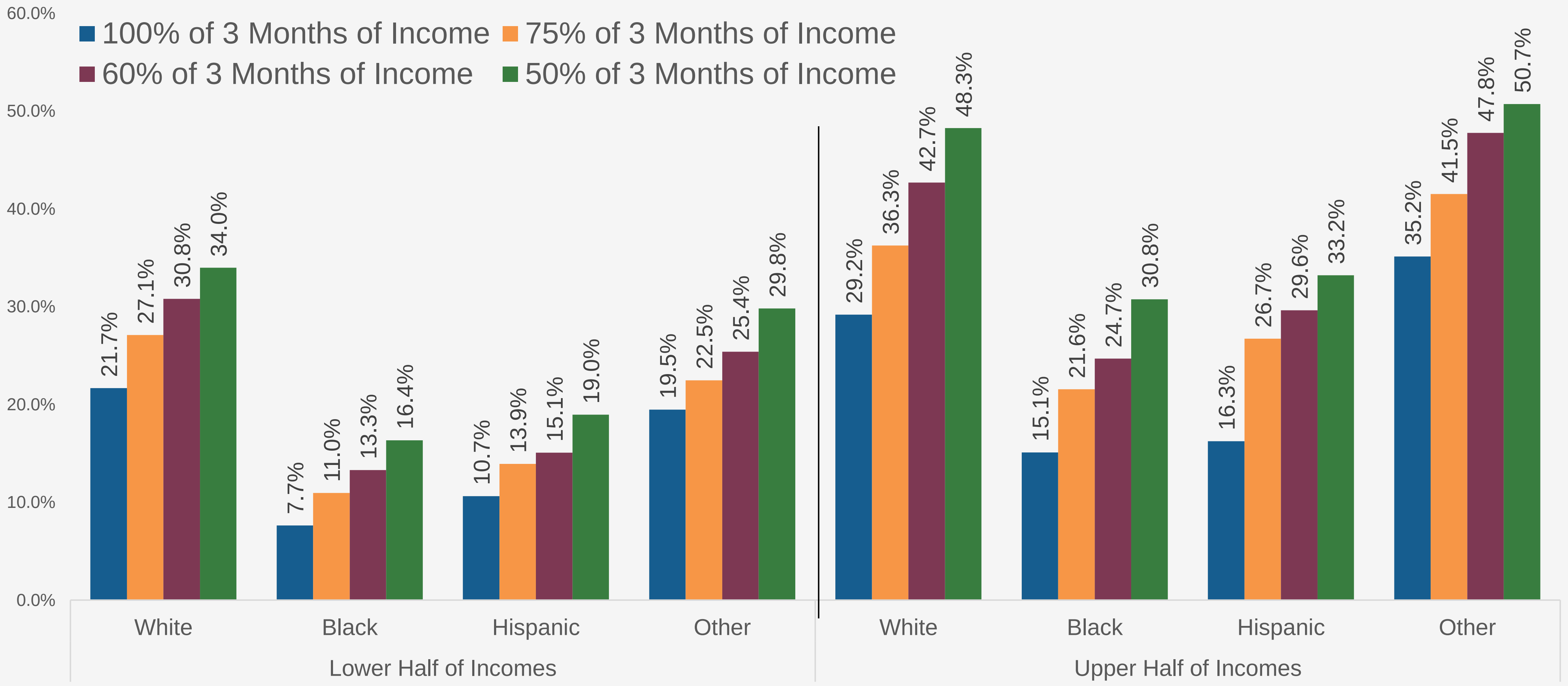
DIFFERENT INCOME THRESHOLDS

Percentage of Families With Working Heads Who Have More Than Various Percentages of Three Months of Income in Liquid Savings, by Family Income and Race/Ethnicity of Family Head, 2019



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

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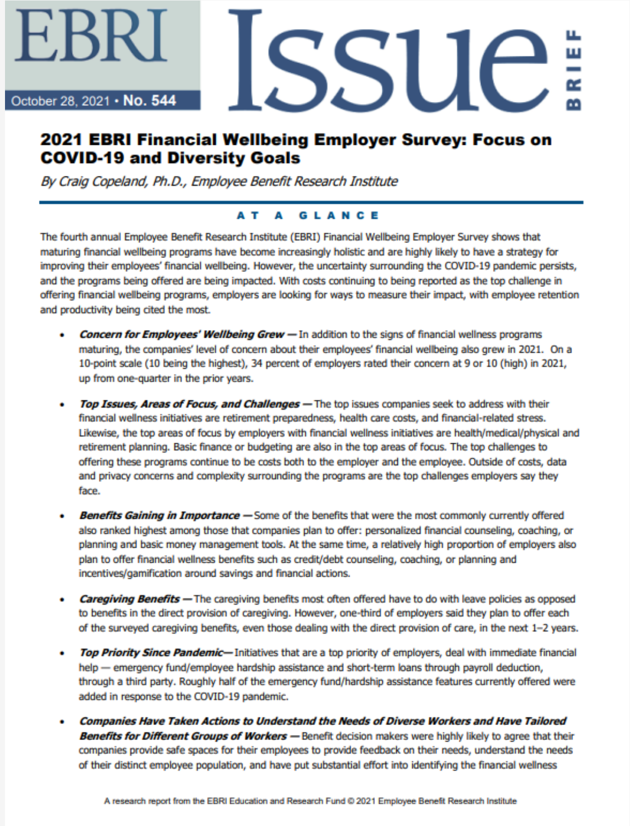
2021 Financial Wellbeing Employer Survey

2021 Financial Wellbeing Employer Survey



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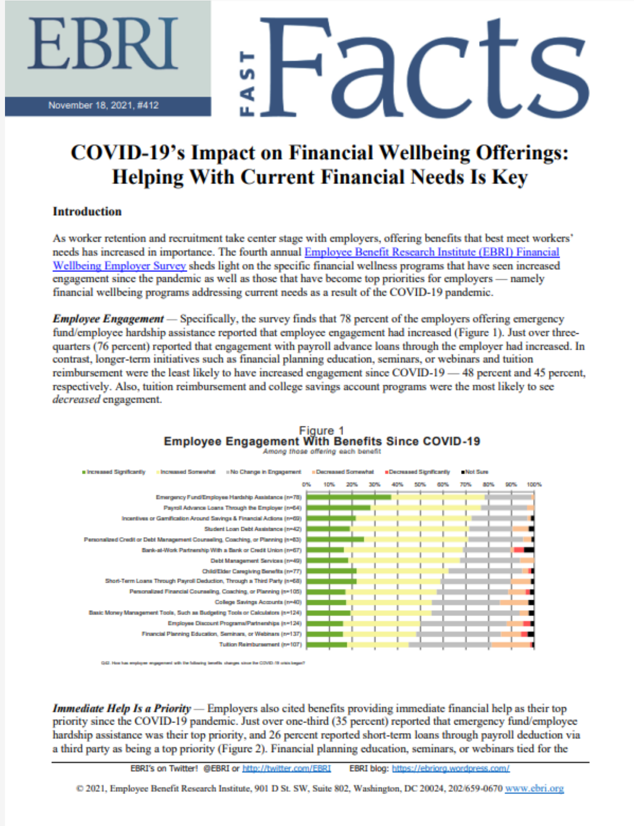

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https://www.ebri.org/financial-wellbeing/2021-financial-wellbeing-symposium

Methodology

2021 Financial Wellbeing Employer Survey

Information for this report was collected from a 15-minute online survey with 250 full-time benefits decision-makers conducted in June and July 2021.

All respondents worked full-time at companies with at least 500 employees that were at least interested in offering financial wellness programs. Respondents were required to:

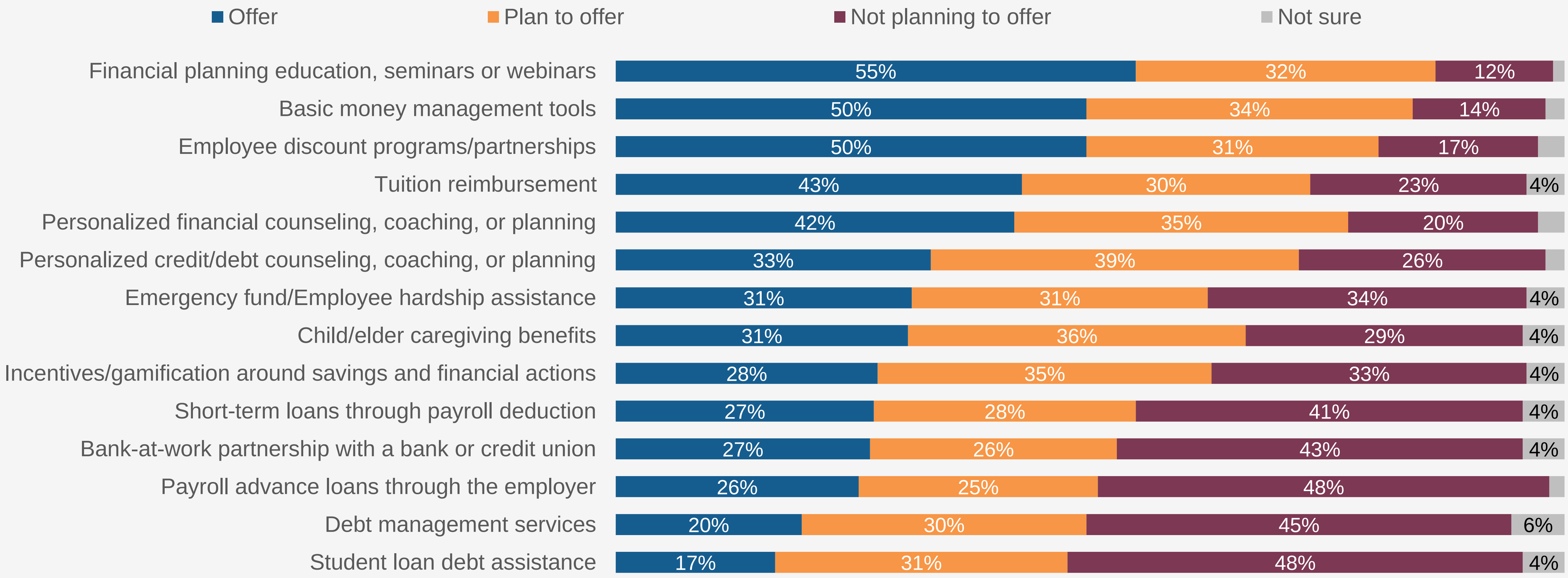
- Be employed full-time
- Have at least moderate influence on their company's employee benefits program and selection of financial wellness offerings
- Hold an executive, officer, or manager position in the areas of human resources, compensation, or finance.

Where applicable, trend data from the 2018, 2019, and 2020 surveys are shown.

Note that percentages in the tables and charts may not total to 100 due to rounding and/or missing categories. Trend data from the 2018, 2019, and 2020 Employer Financial Wellbeing Survey is shown when applicable.

Financial planning education, employee discount programs, and basic money management tools are the most offered benefits. Few are currently offering debt or student loan services.

Financial Wellbeing Benefits Offered



Q15. Does your company offer or plan to offer any of the following financial wellbeing or debt assistance benefits to employees? (n=250)
Q20. Which of the following does your company offer to help employees with personal financial challenges? (n=250)

Employee productivity, overall worker satisfaction, and employee retention are the top aspects employers use to measure their financial wellness initiatives' success.

Top Factors in Measuring Financial Wellness Initiatives' Success

Compared to 2020, employee recruitment is more likely to be a measure (22% in 2021 vs. 13%).

Q33. What are the top three factors that are or will be important in the measurement of your financial wellness initiatives? Please select your top three. (n=250)

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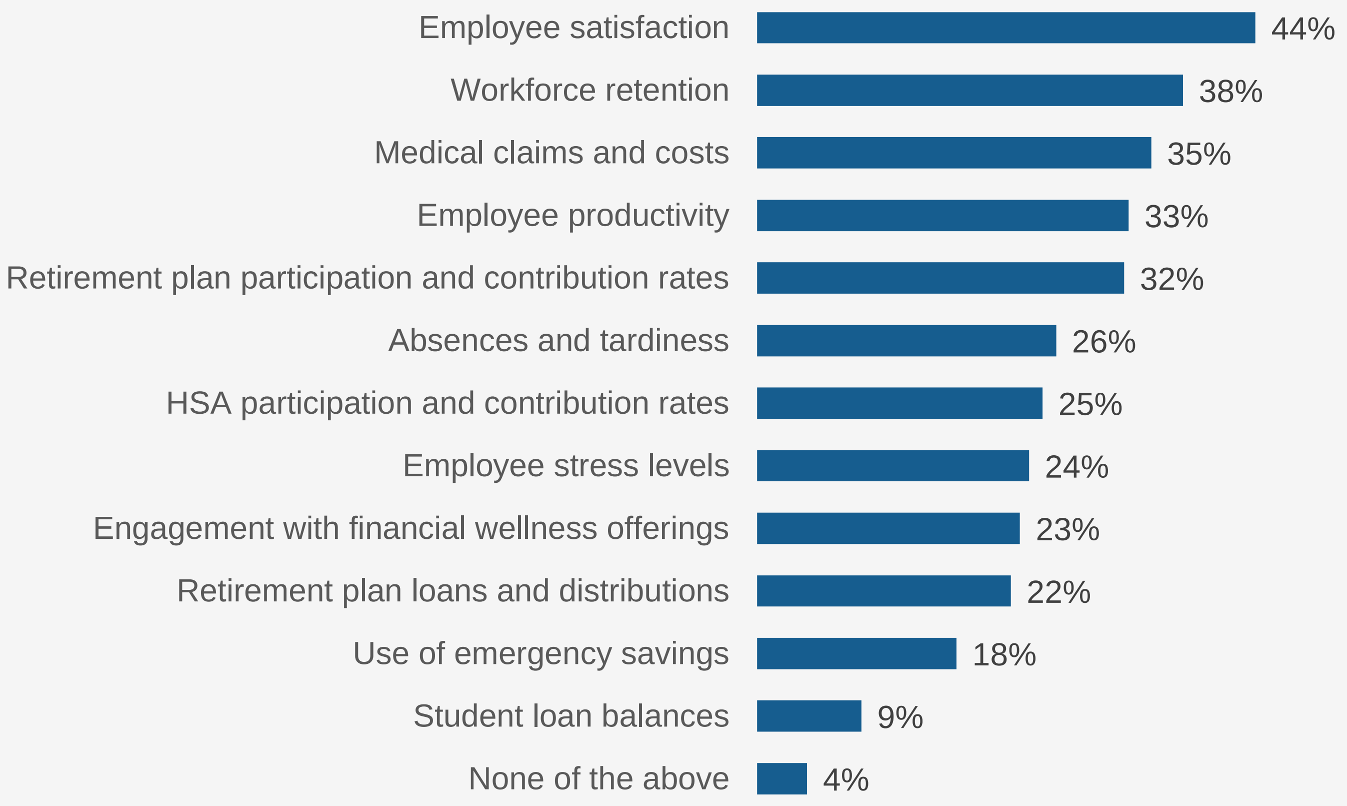
Employers most commonly track data around employee satisfaction, retention, and medical claims in order to evaluate the effectiveness of their financial wellness offerings.

Data Tracked to Evaluate Effectiveness of Offerings



Q34. Do you track any of the following to evaluate the effectiveness of your financial wellness offerings? Please select all that apply. (n=250)

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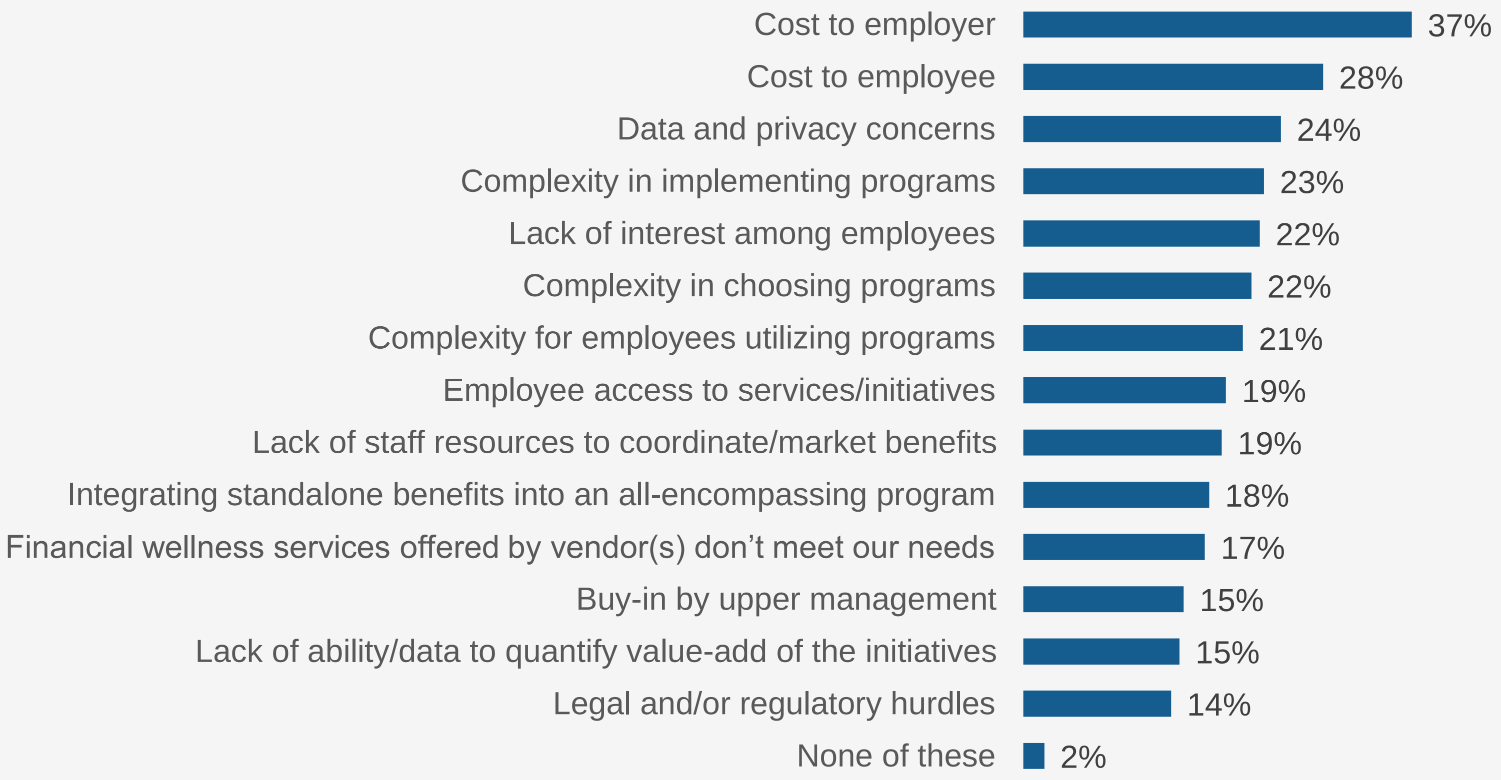
Costs—both to the employer and employee—are the top challenges in offering financial wellness benefits.

Top Challenges in Offering Financial Wellness Benefits



- Employer cost is a bigger challenge for those interested in offering financial wellness programs and for those without an overall strategy.
- Data and privacy concerns are more likely to be an issue for those actively implementing their program.

Q32. What are the top three challenges your company faces or anticipates facing in offering financial wellness benefits in the workplace? Please select your top three. (n=250)

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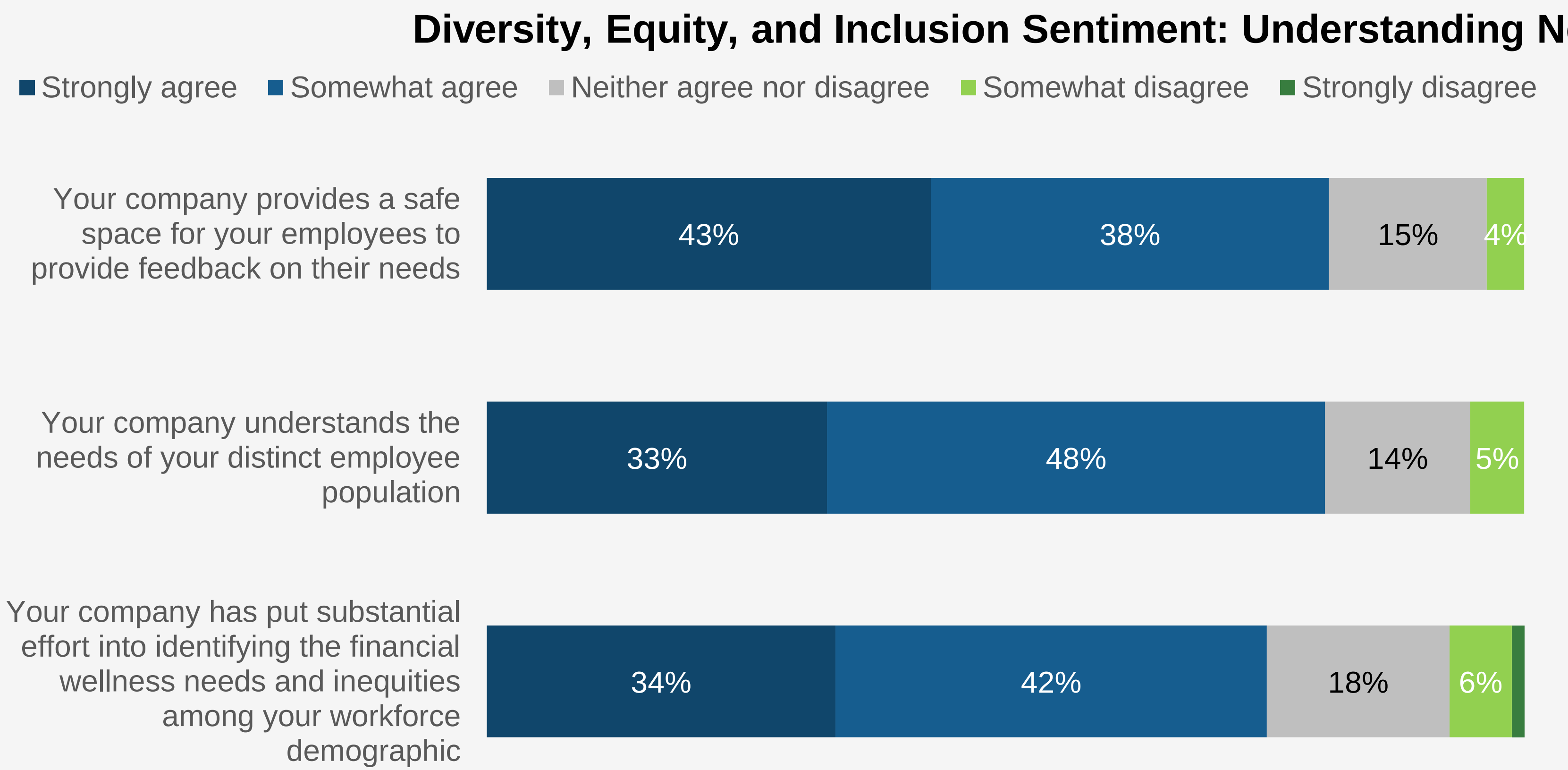
DETAILED FINDINGS

Diversity, Equity, and Inclusion

8 in 10 agree their company understands the needs of their distinct employee population. A similar share say their company has put substantial effort into identifying these unique needs.



Those more likely to agree with each statement include:

- Those with high concern
- Those with a high number of financial wellness benefits
- Rate their employers' initiate as great or very good
- Created a score, conducted a needs assessment, examined data, or held employee interviews

Q23. To what extent do you agree or disagree with the following regarding diversity, equity, and inclusion? (n=250)

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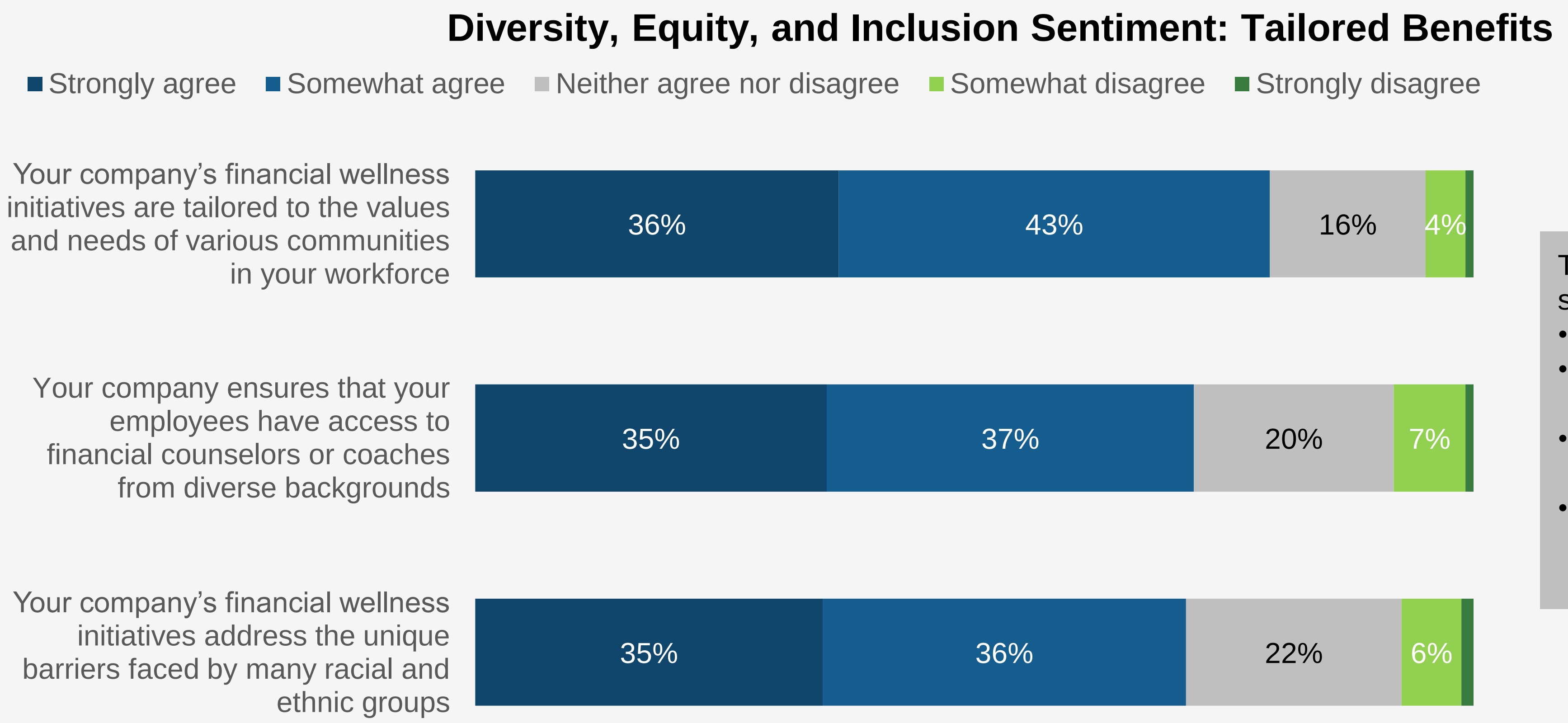
8 in 10 agree their benefits are tailored to their distinctive workforce. 7 in 10 believe the initiatives address unique barriers faced by racial and ethnic groups.



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Q23. To what extent do you agree or disagree with the following regarding diversity, equity, and inclusion? (n=250)

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Q&A

Upcoming Events

March 30 — The Three Certainties of Life: Death, Taxes and Updates From EBRI's HSA Database Webinar

May 10 — EBRI May Policy Forum

May 11 — EBRI Board of Trustees Meeting

May 11 — EBRI Research Committee Meeting

Please visit ebri.org for more information.
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