Financial Well-Being – Findings from the EBRI/Greenwald Research Workplace Wellness Survey

EBRI Webinar
December 1, 2020
Thank you 2020 WWS Partners!

- Cigna
- Mercer
- Segal
- Voya Financial
- MassMutual
- Prudential Financial Inc.
- Unum
Become a 2021 Workplace Wellness Survey Partner!

• The 2021 Survey, with a focus on African-American and Latinx employees as well as White employees, will examine:
  • Employees’ thoughts about their benefits, including wellness
  • Paid leave
  • Workplace financial protection
  • Education
  • Health Benefits
  • Emerging Benefits
  • Programs aimed at addressing employees’ physical, emotional, and financial wellbeing

Contact Paul Fronstin (fronstin@ebri.org) or Betsy Jaffe (jaffe@ebri.org) for more information!
Speakers

Paul Fronstin, Director of the Health Research and Education Program, EBRI

Lisa Greenwald, President/CEO, Greenwald Research

Bennett Hadley, Actuarial Associate, Segal

Nate Black, VP Consumer Driven Health, Voya Financial

Moderator: Darcie Da Silva, Project Director, Market Research, Prudential Financial
John Doe

Click this button

Type question(s) here

To: All panelists
Your text can only be seen by panelists
2020 Workplace Wellness Survey
Methodology Overview

• 1st year of the Workplace Wellness Survey which builds on:
  • The Health and Workplace Benefits Survey (2013-2018)
  • The Health Confidence Survey (1998-2012)
  • The Value of Benefits Survey (1999 and 2001)

• Interviewed 1,028 American workers ages 21-64. This report focuses on those currently employed with significant differences for furloughed workers called out:
  • 900 are currently employed full or part-time in their primary job
  • 128 are currently furloughed from their primary job, but still have access to their employee benefits

• Information for this study was gathered through 20-minute online interviews conducted July 13 – August 6, 2020 using the Dynata online panel.

• Data weighted by race, age, gender, and education to reflect employed Americans ages 21-64.

• Percentages in the tables and charts may not total to 100 due to rounding and/or missing categories.

• The margin of error (at the 95% confidence level) for the total sample of current workers in this study (n=900) would be plus or minus approximately 3.3 percentage points.
When it comes to feeling concerned about their household’s financial well-being, employees are split with roughly half concerned and a similar share not concerned. 

Please rate your level of concern about your household’s financial well-being. (2020 n=900)

Concern About Household’s Financial Well-Being

Mean Level of Concern: 6.0

- High concern (9-10)
- Moderate concern (7-8)
- Low concern (1-6)

19%  27%  54%

Three in four furloughed workers are concerned about their household’s financial well-being (mean level of concern: 7.6).

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Survey
Two in three employees feel stressed when thinking about their financial future. However, a similar share feel they have enough savings to handle an emergency or sudden large expense.

To what extent do you agree or disagree with the following statements? (2020 n=900)

- Thinking about your financial future makes you feel stressed:
  - Strongly agree: 23%
  - Somewhat agree: 46%
  - Somewhat disagree: 21%
  - Strongly disagree: 11%

- You feel you have enough savings to handle an emergency or sudden large expense:
  - Strongly agree: 26%
  - Somewhat agree: 42%
  - Somewhat disagree: 21%
  - Strongly disagree: 12%

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Survey
Seven in ten employees agree that they need their employer’s help ensuring they are healthy and financially secure, and just over six in ten say it is their employer’s responsibility to do so.

To what extent do you agree or disagree with the following statements? (2020 n=900)

- **Employees need their employer’s help ensuring they are healthy and financially secure**
  - Strongly agree: 23%
  - Somewhat agree: 47%
  - Somewhat disagree: 22%
  - Strongly disagree: 8%

- **Your employer has a responsibility to make sure employees are healthy and financially secure**
  - Strongly agree: 21%
  - Somewhat agree: 42%
  - Somewhat disagree: 26%
  - Strongly disagree: 11%

- **You rely on your employer as a source of financial planning information**
  - Strongly agree: 16%
  - Somewhat agree: 28%
  - Somewhat disagree: 27%
  - Strongly disagree: 28%

- **Worrying about your finances distracts you from work**
  - Strongly agree: 14%
  - Somewhat agree: 30%
  - Somewhat disagree: 30%
  - Strongly disagree: 26%

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Survey
Four in ten employees rate their employer’s efforts to improve their financial and emotional well-being as very good or excellent. About half say the same about their physical well-being.

How would you rate your employer’s efforts to help employees improve their financial, emotional, and physical well-being? (2020 n=900)

Less than one in four furloughed workers rate their employer’s efforts to improve their financial and emotional well-being as very good or excellent (24% and 22%, respectively).

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Surveys
Only three in ten employees feel their employer’s efforts to help them manage their overall well-being since the COVID-19 pandemic began has increased. Six in ten say efforts have stayed the same.

Since the start of the COVID-19 pandemic began, do you feel that your employer’s efforts to help employees manage their overall well-being have…? (2020 n=900)

- Increased: 28%
- Decreased: 10%
- Stayed the same: 61%

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Survey
Health and retirement benefits contribute most to employees’ feelings of financial security, even more than in 2018.

How does each of the following benefits offered by your employer contribute to your feeling of financial security? (Employer offers benefit)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>2020 (n=311)</th>
<th>2018 (n=392)</th>
<th>2020 (n=686)</th>
<th>2018 (n=858)</th>
<th>2020 (n=625)</th>
<th>2018 (n=762)</th>
<th>2020 (n=518)</th>
<th>2018 (n=687)</th>
<th>2020 (n=252)</th>
<th>2018 (n=687)</th>
<th>2020 (n=317)</th>
<th>2018 (n=389)</th>
<th>2020 (n=393)</th>
<th>2018 (n=677)</th>
<th>2020 (n=556)</th>
<th>2018 (n=677)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional pension or defined benefit plan</td>
<td>54%</td>
<td>43%</td>
<td>63%</td>
<td>55%</td>
<td>55%</td>
<td>49%</td>
<td>42%</td>
<td>40%</td>
<td>39%</td>
<td>45%</td>
<td>36%</td>
<td>45%</td>
<td>34%</td>
<td>41%</td>
<td>39%</td>
<td>42%</td>
</tr>
<tr>
<td>Health insurance</td>
<td>43%</td>
<td>45%</td>
<td>28%</td>
<td>34%</td>
<td>36%</td>
<td>39%</td>
<td>45%</td>
<td>36%</td>
<td>11%</td>
<td>14%</td>
<td>19%</td>
<td>17%</td>
<td>17%</td>
<td>20%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Retirement savings plans</td>
<td>55%</td>
<td>36%</td>
<td>9%</td>
<td>12%</td>
<td>9%</td>
<td>12%</td>
<td>14%</td>
<td>19%</td>
<td>17%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Life insurance</td>
<td>42%</td>
<td>45%</td>
<td>14%</td>
<td>19%</td>
<td>17%</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
<td>29%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>A financial wellness program*</td>
<td>39%</td>
<td>44%</td>
<td>17%</td>
<td>20%</td>
<td>17%</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
<td>29%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>Long-term care insurance</td>
<td>45%</td>
<td>35%</td>
<td>20%</td>
<td>20%</td>
<td>21%</td>
<td>22%</td>
<td>23%</td>
<td>24%</td>
<td>25%</td>
<td>26%</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>32%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Accident, critical illness, or cancer insurance*</td>
<td>38%</td>
<td>42%</td>
<td>20%</td>
<td>21%</td>
<td>20%</td>
<td>22%</td>
<td>23%</td>
<td>24%</td>
<td>25%</td>
<td>26%</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>32%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Disability insurance</td>
<td>33%</td>
<td>46%</td>
<td>21%</td>
<td>23%</td>
<td>22%</td>
<td>24%</td>
<td>25%</td>
<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>32%</td>
<td>34%</td>
<td>36%</td>
<td>38%</td>
<td>40%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute and Greenwald Research, 2018, 2020 Workplace Wellness Surveys

*New or revised in 2020.
Since the start of the COVID-19 pandemic, how would you rate your employer’s communications to employees about the following? (2020 n=900)

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Very good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID policies and procedures</td>
<td>25%</td>
<td>29%</td>
<td>27%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Health insurance and health care</td>
<td>22%</td>
<td>27%</td>
<td>27%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Online resources about your benefits</td>
<td>19%</td>
<td>30%</td>
<td>29%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Encouraging collaboration and teamwork while tele-working</td>
<td>19%</td>
<td>29%</td>
<td>30%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>The financial health of your company</td>
<td>19%</td>
<td>28%</td>
<td>28%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Mental health and work-life balance</td>
<td>20%</td>
<td>26%</td>
<td>27%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Encouraging work-life balance</td>
<td>16%</td>
<td>30%</td>
<td>28%</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Furloughed workers are less likely to rate their employer’s communications about online resources (26%), encouraging collaboration (25%), and the financial health of the company (22%) to be very good or excellent.

Source: Employee Benefit Research Institute and Greenwald Research, 2020 Workplace Wellness Survey
Furloughed Workers

• Three in four furloughed workers are concerned about their financial well-being. Compared to other workers, they are more often stressed about job and income security and paying their monthly bills.

• Furloughed workers are less likely to think their employers are doing a very good job in helping them improve their financial and emotional well-being.

• Furloughed workers are less likely to be satisfied with their primary job and employee benefits. They are also less likely to feel confident in their ability to make informed decisions about their employee benefits. Perhaps not surprisingly, they are more interested in being offered an emergency fund.

• Furloughed workers are less often contributing to a retirement savings plan and are more likely to now plan to retire later since COVID-19. They also feel less confident in having enough money to live comfortably throughout retirement.

Workers vs. Furloughed

<table>
<thead>
<tr>
<th></th>
<th>Furloughed</th>
<th>Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interested in emergency fund</td>
<td>79%</td>
<td>57%</td>
</tr>
<tr>
<td>Concerned about financial well-being</td>
<td>76%</td>
<td>46%</td>
</tr>
<tr>
<td>Stressed about job/income security</td>
<td>71%</td>
<td>33%</td>
</tr>
<tr>
<td>Stressed about paying monthly bills</td>
<td>50%</td>
<td>27%</td>
</tr>
<tr>
<td>Contributing to retirement savings plan</td>
<td>44%</td>
<td>94%</td>
</tr>
<tr>
<td>Confident will have enough money for retirement</td>
<td>39%</td>
<td>62%</td>
</tr>
<tr>
<td>Plan to retire later due to COVID-19</td>
<td>34%</td>
<td>18%</td>
</tr>
<tr>
<td>Extremely/Very satisfied with job</td>
<td>33%</td>
<td>54%</td>
</tr>
<tr>
<td>Extremely/Very confident in making benefits decisions</td>
<td>27%</td>
<td>65%</td>
</tr>
<tr>
<td>Extremely/Very satisfied with benefits</td>
<td>26%</td>
<td>47%</td>
</tr>
<tr>
<td>Employer’s efforts to improve financial well-being are excellent/very good</td>
<td>24%</td>
<td>42%</td>
</tr>
<tr>
<td>Employer’s efforts to improve emotional well-being are excellent/very good</td>
<td>22%</td>
<td>42%</td>
</tr>
</tbody>
</table>
FINANCIAL WELLNESS PROGRAMS
Does your employer offer you the chance to participate in a financial wellness program?

The purpose of this type of program is to help employees reduce financial stress and put them on track to achieve their financial goals. It may include services such as financial planning, debt and budget management, financial education, and discount programs.
The share of employees offered a financial wellness program returns to 2015 levels, with 1 in 3 offered the chance to participate.

Does your employer offer you the chance to participate in a financial wellness program? (2020 n=900)

Among those offered a financial wellness program, 4 in 10 participate, returning to shares seen in 2015.

Have you participated in the financial wellness programs? (Employer offers financial wellness program: 2020 n=297)

2020
- Yes: 42%
- No: 58%

2018
- Yes: 51%
- No: 49%

2015
- Yes: 41%
- No: 59%

1 in 3 employees feel that financial wellness programs are more important given the COVID-19 pandemic. Half say importance hasn’t changed.

Do you feel that financial wellness programs are more or less important for employers to offer given the COVID-19 pandemic and economic impact? (2020 n=900)

**Furloughed workers** are more likely to feel that financial wellness programs are more important to offer now (55%).

<table>
<thead>
<tr>
<th>Perception</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More important to offer now</td>
<td>36%</td>
</tr>
<tr>
<td>The same level of importance</td>
<td>48%</td>
</tr>
<tr>
<td>Less important to offer now</td>
<td>5%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute and Greenwald & Associates, 2020 Workplace Wellness Survey
Employees are most interested in retirement education or advice. 1 in 4 want to learn about managing health costs in retirement or building emergency savings.

Which of the following topics would you want your employer or the benefits companies they use to educate or advise employees on? Please select all that apply.

*(Employer offers at least one benefit: 2020 n=780)*

<table>
<thead>
<tr>
<th>Retirement</th>
<th>Health</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to invest the money in your retirement plan</td>
<td>How to manage health care costs in retirement</td>
<td>How to build emergency savings</td>
</tr>
<tr>
<td>31%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>How much you should be saving for retirement</td>
<td>How your health insurance works</td>
<td>Help with wills or estate planning</td>
</tr>
<tr>
<td>30%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>How to use your retirement savings to generate income in…</td>
<td>How a health savings account (HSA) works</td>
<td>Reducing financial stress in general</td>
</tr>
<tr>
<td>27%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>How to transition from work to retirement</td>
<td>How much you should contribute to your health savings account (HSA)</td>
<td>How to budget, reduce debt, or manage your personal finances</td>
</tr>
<tr>
<td>26%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>How to manage health care costs in retirement</td>
<td></td>
<td>Determining the right life or disability insurance coverage</td>
</tr>
<tr>
<td>24%</td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>Help with wills or estate planning</td>
<td></td>
<td>How to manage student loan debt</td>
</tr>
<tr>
<td>21%</td>
<td></td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute and Greenwald & Associates, 2020 Workplace Wellness Surveys
A wide variety of benefits providers and companies are involved in financial wellness programs. Very few employees say their employers handle the programs by themselves.

To the best of your knowledge, which types of benefits providers or companies are involved in your company's financial wellness program? Please select all that apply. (Offered a financial wellness program: 2020 n=297)

<table>
<thead>
<tr>
<th>Type of Provider/Company</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your health insurance company</td>
<td>24%</td>
</tr>
<tr>
<td>An investment or wealth management company</td>
<td>23%</td>
</tr>
<tr>
<td>A bank or credit union partner</td>
<td>23%</td>
</tr>
<tr>
<td>An independent financial advisor</td>
<td>22%</td>
</tr>
<tr>
<td>Your retirement plan provider/recordkeeper</td>
<td>22%</td>
</tr>
<tr>
<td>Your life or disability insurance company</td>
<td>21%</td>
</tr>
<tr>
<td>A financial wellness benefits vendor</td>
<td>21%</td>
</tr>
<tr>
<td>A non-profit or government agency partner</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>None, done entirely by my employer</td>
<td>6%</td>
</tr>
<tr>
<td>Don't know</td>
<td>18%</td>
</tr>
</tbody>
</table>

61% of furloughed workers say their health insurance company is involved in their employer's financial wellness program.

Source: Employee Benefit Research Institute and Greenwald & Associates, 2020 Workplace Wellness Survey
Employee Financial Well-Being: An Employer’s Perspective

EBRIefing: Financial Well-Being – Findings from the EBRI/Greenwald Research Workplace Wellness Survey

December 1, 2020 / Bennett Hadley
Impact of Employee Financial Well-Being on Employers

A Framework for Successful Employer Provided Financial Well-Being Benefits
It’s clear from our data that the #1 thing on the minds of most employees today is personal financial security.”

Josh Bersin
April 25, 2020

Employer Perspective
Employee Financial Insecurity Impacts Employer Financials

- Turnover (recruiting and training costs)
- Employee absenteeism
- Delayed retirement

Poor financial health costs you 13-18% of employees’ annual salaries

Employee Financial Insecurity Impacts all Aspects of Employee Well-being

73% of Americans say their finances are their #1 source of stress

Financially stressed individuals have significantly higher rates of physical and mental health challenges

Sources: 73% of Americans rank their finances as the No. 1 stress in life, according to new Capital One CreditWise survey, CNBC, Nov 10 2020. cnbc.com/select/73-percent-of-americans-rank-finances-as-the-number-one-stress-in-life/
High Potential of Financial Well-Being Benefits

1. **Support struggling employees**
   Address financially stressed employees’ needs and worries and save real dollars

2. **Engage key employees**
   A targeted benefit can be a powerful retention tool

3. **Become an employer of choice**
   Show your employees you care – foster loyalty and a positive company culture
Framework for Increased Employer Success
Form a Comprehensive Financial Well-Being Strategy

Start with your business and people goals

Start with your employee data and demographics

Form a holistic financial well-being strategy at the intersection of your business objectives, people goals and your employees’ needs
Efficient Benefits are Assessed Regularly

At their most effective, well-being benefits are responsive to change and communicated regularly.

What should your financial well-being benefits accomplish?

Define Goals

Data Analysis

What employee insights can be made from your data?

Strategic Plan

Synthesize goals and data insights into a comprehensive financial well-being strategy.

Measure Results

Evaluate outcomes of strategy against defined goals.

Execute and Engage

Execute strategy and engage employees.
Financial Well-Being Tactical Actions

**Now** – assess the resources currently available to you – what wealth tools does your DC recordkeeper offer? What are you already offering? Are current tools being used?

**Soon** – dive deep into your organization imperatives and employee data to develop your financial well-being strategy

**Future** – execute your strategy thoughtfully, for example...

1) **Strategy** – your key employees are recent graduates and workers moving into management roles
2) **Vendor Solutions** – student loan assistance and caregiver benefits
3) **Engagement** – Biannual communication campaigns and employee satisfaction surveys
Thank You

Bennett Hadley
Financial Security Benefits Solution Leader
bhadley@segalco.com
929-332-4578
Financial wellness today can help lead to saving and living well in retirement.

Stressors in the workplace:
- 15% – my job
- 12% – relationships
- 10% – health concerns
- 04% – other stress

Financial stress impacts:

- The mental & physical well-being of your employees
  - 32%¹ indicate their health has been impacted as a direct result of financial stress
  - 63%¹ of employees do not feel confident they’ll be able to retire on time

- How your employees perform
  - 43%¹ report finances have been a distraction at work
  - 21%¹ of employees admit financial worries impact their productivity

The bottom line: Reduced costs

Average employer cost of delayed retirement is $51,000 per employee²

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² Voya Internal Data. Assumptions: An incremental aggregate cost of $51,000 for every individual whose retirement is delayed by three years. This cost is estimated assuming that a 65 year old employee is not replaced by a mid-career employee for three additional years, and assumes a flat 31% cost of benefits as per Bureau of Labor average (https://www.bls.gov/news.release/pdf/ecec.pdf)
Guiding principles of our financial wellness experience

To improve outcomes, we must effectively:

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

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

**DRIVE ACTION**
Help your employees take action to improve their financial outcomes.
Q & A
Get Involved With EBRI!

• **Support the 2021 Workplace Wellness Survey**
  • Contact Paul Fronstin ([fronstin@ebri.org](mailto:fronstin@ebri.org)) or Betsy Jaffe ([jaffe@ebri.org](mailto:jaffe@ebri.org)) for more information

• **Join us for our Winter Policy Forum Webinars**
  • December 7 — Election Results: What They Mean for Employers and the Benefits Landscape
  • December 8 — The Full Picture: Retirement, Financial Wellness, and Health Benefit Considerations of Minorities in the U.S.
  • December 10 — The Stand: Employer Approaches to Health Benefits Post-COVID-19

• **Become an EBRI Member**
  • Contact Betsy Jaffe ([jaffe@ebri.org](mailto:jaffe@ebri.org)) for more information