ebri.org
Employee Benefit Research Institute

April 10, 2018, #301

FAST Facts

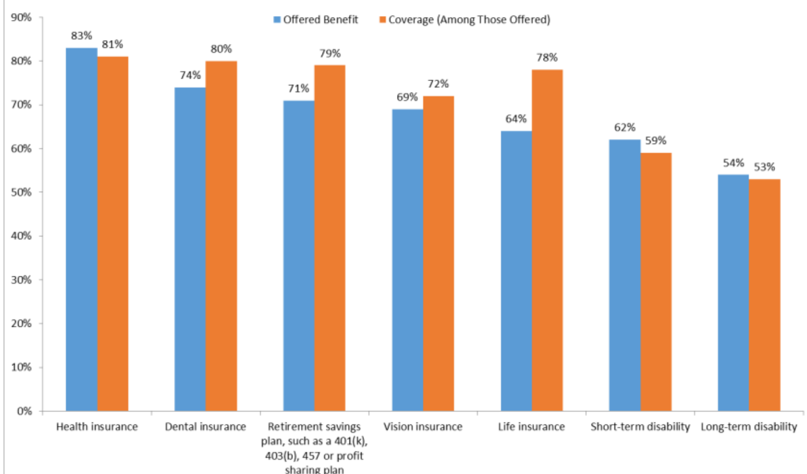
Low Worker Take Up of Workplace Benefits May Impact Financial Wellbeing

Employers are taking steps to improve the financial wellbeing of their workers. Yet, evidence from the 2017 EBRI/Greenwald & Associates Health and Workplace Benefits Survey (WBS) shows that some of their efforts may not be working optimally.

According to a 2016 survey of large and midsized employers, 84 percent offer some type of financial wellness program.[1] Employers offer financial wellness programs for a number of reasons, including to:

- Give themselves a competitive edge in recruiting and retaining talented workers
- Address concerns that financial stress may be reducing employee productivity and engagement
- Reduce overall use of health care services and spending due to financial stress[2] and therefore prevent impact to the employer's bottom line

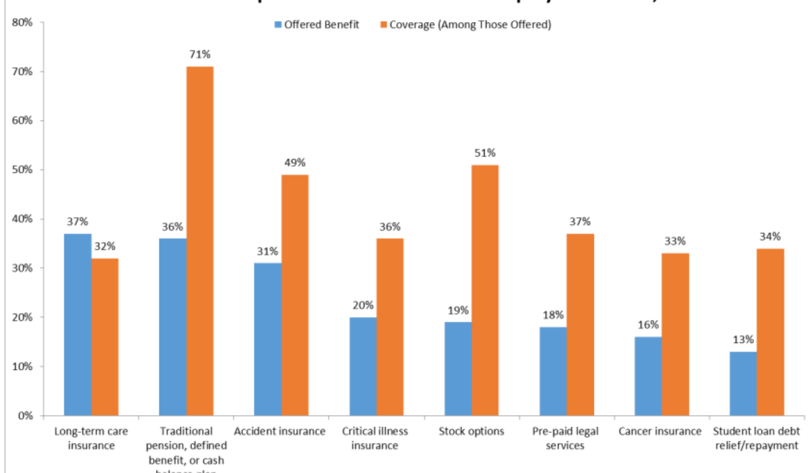
Figure 1
Offer and Takeup Rates of Most Common Employee Benefits, 2017



Source: 2017 EBRI/Greenwald & Associates Health and Workplace Benefits Survey.

One way that employers may potentially improve worker financial wellbeing is by offering various types of workplace benefits. To examine the association between workplace benefits and potential workers financial wellbeing, researchers at the Employee Benefit Research Institute (EBRI) examined data from the 2017 WBS, which reports on a broad spectrum of health care issues, as well as other workplace benefits as they relate to worker financial wellbeing.[3]

Figure 2
Offer and Takeup Rates of Least Common Employee Benefits, 2017



Source: 2017 EBRI/Greenwald & Associates Health and Workplace Benefits Survey.

According to the 2017 WBS, worker takeup of some of the more common workplace benefits[4] is relatively high. For instance, 83 percent workers are offered health coverage, and just over four-fifths of those offered coverage take the coverage (Figure 1). Overall, the takeup rate is above 50 percent among every common workplace benefit offered. This includes health insurance, dental insurance, a retirement savings plan, vision insurance, life insurance, and disability benefits.

In contrast, worker take up of less common benefits is generally low. Other than among workers offered a traditional pension plan or stock options, fewer than one-half of workers offered less common benefits take those benefits when offered, with most take up rates being in the 30-40 percent range (Figure 2). In addition to traditional pensions and stock options, less common benefits include long-term care insurance, accident insurance, critical illness insurance, pre-paid legal services, cancer insurance, and student loan or debt relief/repayment.

Clearly, simply offering additional benefits does not guarantee utilization. This may be one reason that employers are exploring more holistic financial wellbeing solutions.

The EBRI report, "The State of Employee Benefits: Findings from the 2017 Health and Workplace Benefits Survey" is published as the April 10, 2018, *EBRI Issue Brief*, and is available online here.

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org and www.asec.org

###

[1] See: https://www.fidelity.com/about-fidelity/employer-services/Companies-Expand-Well-Being-Programs-and-Increase-Financial-Incentives

[2] See: http://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf

[3] More information about the survey can be found at: https://www.ebri.org/pdf/notespdf/EBRINotes%20v39no13.pdf

[4] Those offered by at least 50 percent of employers.