

2020 EMPLOYEE FINANCIAL WELLNESS REPORT

WHAT EMPLOYEES WANT TO SEE OFFERED IN A FINANCIAL WELLNESS PROGRAM



Enrich

Wellable

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FOREWORD

Financial Wellness Versus Retirement

Financial wellness is a trending buzzword among companies and within human resources (HR) departments across the United States. As the era of “a pat on the back and a gold watch at retirement” has ended, HR executives now understand that they must create added value for their employees. Today’s employees expect benefits that enhance not only their work environment but also their lives. One of those benefits is financial wellness.

Unfortunately, the definition of financial wellness is vague, leading many companies to offer programs touted as financial wellness when, in actuality, they simply provide retirement guidance. However, with American adults stating that money concerns are their most common stressor, companies would be well-advised to offer programs that have the potential to change the lives of employees now, not just in retirement.

True financial wellness is having the knowledge, ability, and desire to make intelligent financial decisions, as well as having the capacity to live a happy life within one’s means. Therefore, a life-enhancing financial wellness program must offer a holistic approach that counters the financial ills experienced by employees. Such a plan would:

- Help employees feel satisfied with their current finances
- Encourage positive financial behaviors
- Increase financial knowledge
- Reduce stress
- Create strategies to help employees reach financial goals

In addition to the vague terminology used to define financial wellness, not all financial wellness programs are created equal, and not every program will meet the needs of the company or its employees. Unfortunately, though many HR professionals state that they vet financial wellness programs, they do so based on common core components rather than specific needs. Without proper due diligence, such as employee surveys on the matter of financial wellness, HR professionals tasked with finding the right program cannot make a sound decision.

Financial wellness is an ongoing, evolving, and personal concept based not only on financial literacy but also on the successful implementation of these sound financial principles. These issues were the catalyst for the 2020 Employee Financial Wellness Report.

EXECUTIVE SUMMARY

Enrich and Wellable surveyed more than 1,000 individuals across the U.S. to explore their financial wellness as well as how they are looking to improve it. With one in five Americans living paycheck to paycheck, 30% being stressed about money all the time, and 85% feeling financial stress from [time to time](#), understanding employee needs is a critical component to increasing financial wellness.

To develop the questions, we looked at the current offerings in the financial wellness space, delivery mediums, popular incentives, and motivations behind behavior change. These questions were then analyzed based on gender, age, financial wellness, and income.

Our findings suggest that financial wellness needs and preferences differ between genders and change with age, perceived financial wellness, and income. In an era where personalization is expected and no longer a nice-to-have, businesses would be wise to customize their benefits to serve their population's unique needs.

Going beyond looking for popular offerings, the survey segments respondents by age, gender, income, and self-reported financial wellness level. This information allows organizations to determine the best offerings for their employees based on their own population's demographics.

Key Takeaways

TIME = MONEY

Two of the five most popular financial wellness benefits are actually about getting more time and less about "free money" in the pocket. Flexible work arrangements and paid family time off, while not traditionally considered financial wellness perks, indirectly help employees by allowing them to save money elsewhere (e.g., nanny or eldercare costs).

MOBILE-FIRST

The top three delivery mediums are emails, mobile apps, and text messages, all of which are either mobile-friendly or mobile-first, which aligns with the content consumption trend across all industries. Accessibility on mobile is the second most important motivator for people to utilize financial wellness offerings.

FINANCIAL WELLNESS IS PERSONAL

The results suggest that financial wellness tends to be a personal endeavor. Personalized information, strategies, and recommendations as well as the ability to track individual progress are popular among employees, but social motivators, such as the ability to compete with and receive recommendations from peers, are not.

FLEXIBLE WORK ARRANGEMENTS AND PAID FAMILY/ELDERCARE LEAVE PREFERRED BY WOMEN

Women are more likely to want flexible work arrangements and paid family/eldercare leave. This discrepancy reflects that women are more likely than men to be primary caretakers of children and extended family.

CASH IS STILL KING

Findings corroborate a recent [Enrich case study](#), which shows that incentives increase financial wellness participation. Adding incentives, especially financial ones, is a great way to nudge employees to act and move toward maintaining new behaviors.

YOUNGER EMPLOYEES ARE TOO CASH-STRAPPED TO SAVE FOR RETIREMENT

A recent [PWC study](#) confirms that millennials are having financial difficulty — 57% cannot meet their household expenses on time each month, 35% use credit cards to pay for monthly necessities they can't otherwise afford, and 76% would not be able to meet their basic needs if out of work for an extended period of time. It is no wonder that younger employees are more concerned with tuition reimbursement and student-loan related benefits that will help them with current pressing needs than they are with 401K matching.

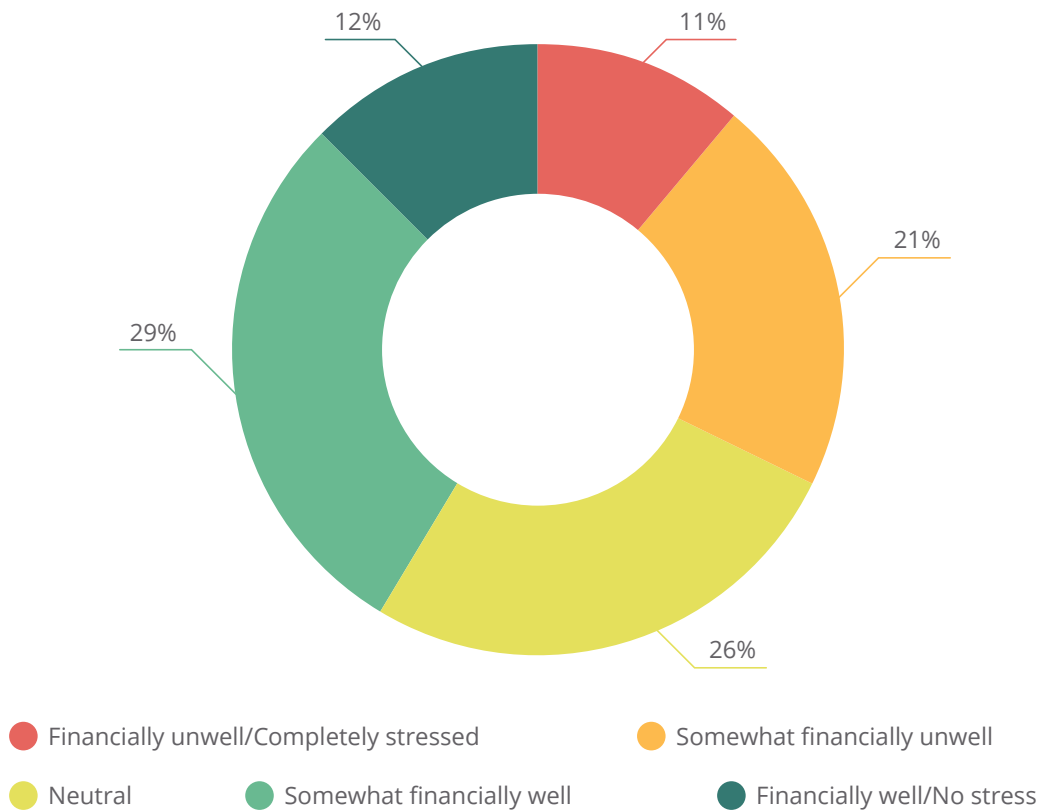
Demographics Of Survey Respondents

To better understand the financial wellness needs of employees across age, gender, household income, and financial well-being, the 2020 Employee Financial Wellness Report surveyed more than 1,000 employees about their thoughts on financial wellness and financial wellness programs. Respondents were:

- From the United States
- Gender-balanced
- Between the ages of 18 and 70

Current State Of Employee Financial Wellness

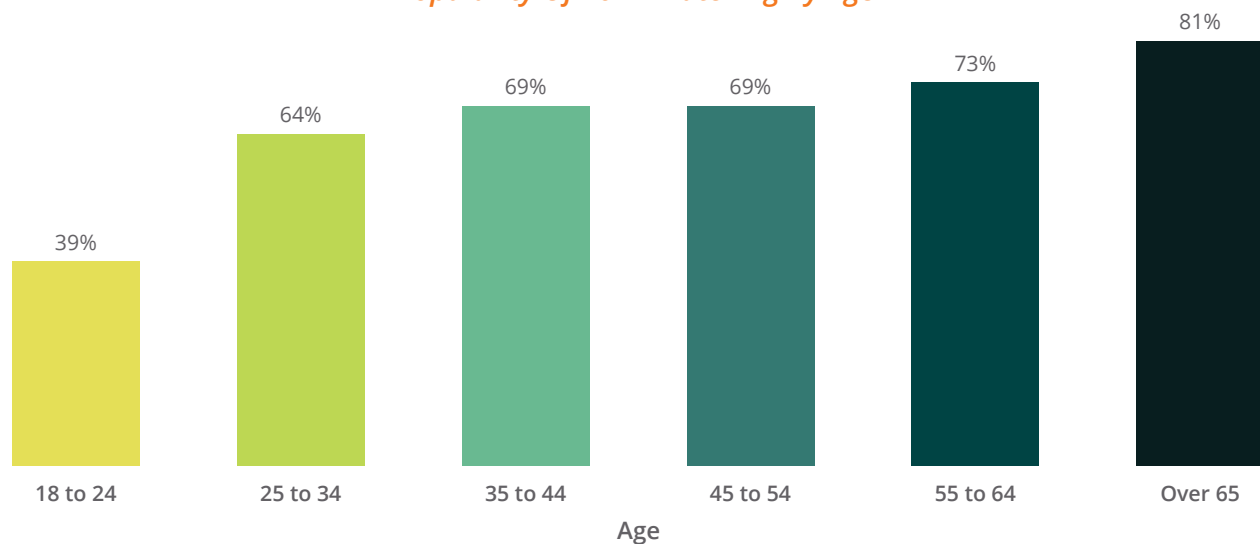
When asked, "How do you feel about your finances?" less than half (41.3%) of respondents feel they are somewhat or completely financially well. This is not surprising, as finances have remained a major source of stress for U.S. employees for many years. Looking on the bright side, the data presents an opportunity for employers to help their population, as almost 60% of respondents indicated that they could benefit from better financial wellness.



Most Popular Financial Wellness Offerings

Respondents were asked to choose the top five benefits they would participate in if offered by an employer. Sixty-four percent of respondents chose 401K matching as one of their top five. This is hardly surprising, as 401K matching is becoming a standard benefit offered by most employers and is one most familiar to employees. It is also considered “free money” that employees would otherwise not get. Two other similar benefits are represented in the top pack, which are Health Saving Account (HSA) contribution or matching and tuition reimbursement.

Popularity Of 401K Matching By Age

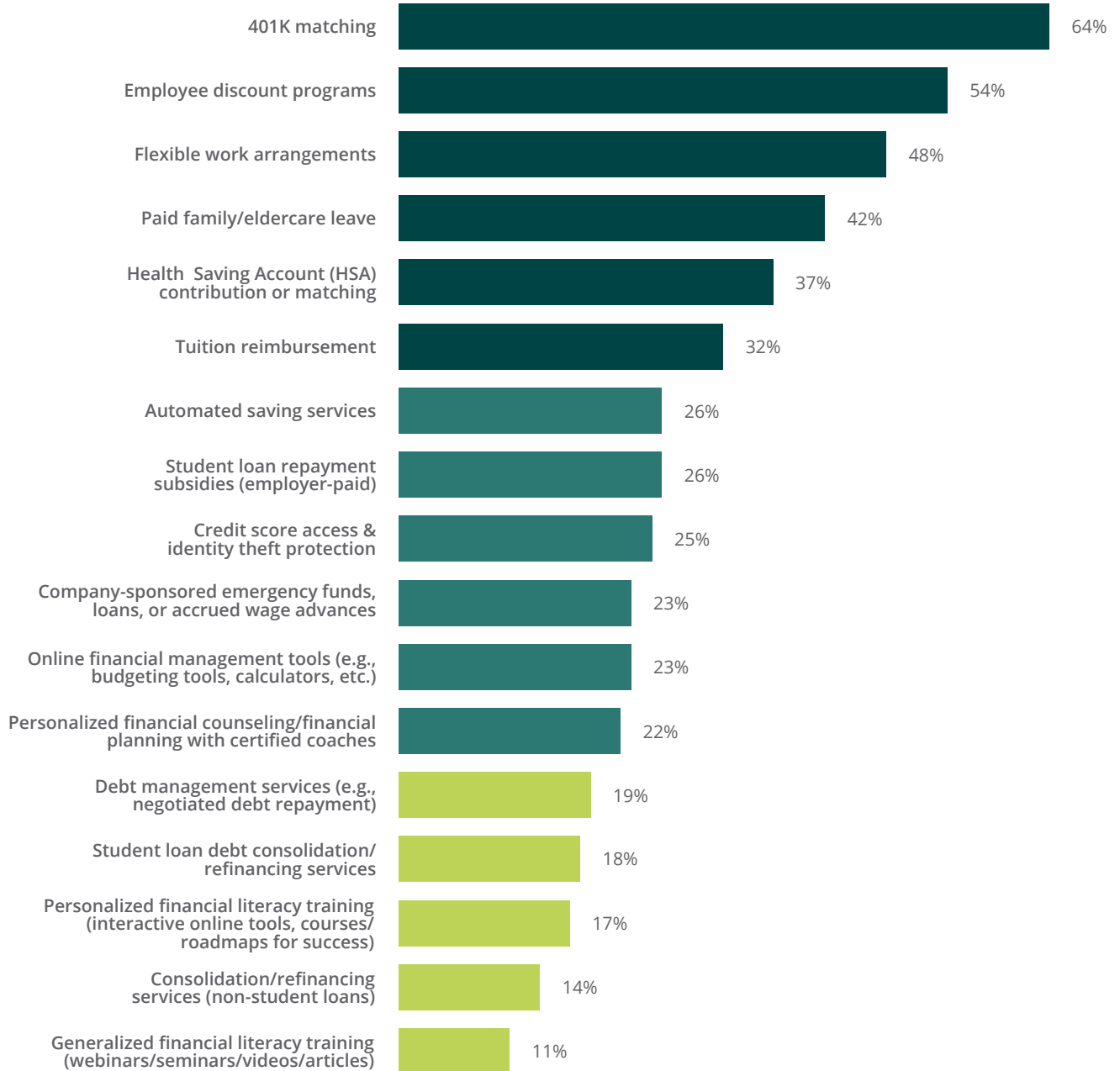


Surprisingly, 401K matching is more popular among those 65 or older (81.3%) than among those 18 to 24 (39.3%), even though the older group is nearing retirement and have little time to benefit from compounding wealth growth. Employers can help young employees get a head start by discussing the importance of 401K contributions, how compounding interest rewards those who start young, and that even small and consistent contributions can add up to substantial wealth over time.

The remainder of the top five benefits overall include:

- Employee discount programs
- Flexible work arrangements
- Paid family/eldercare leave
- Health Saving Account (HSA) contribution or matching

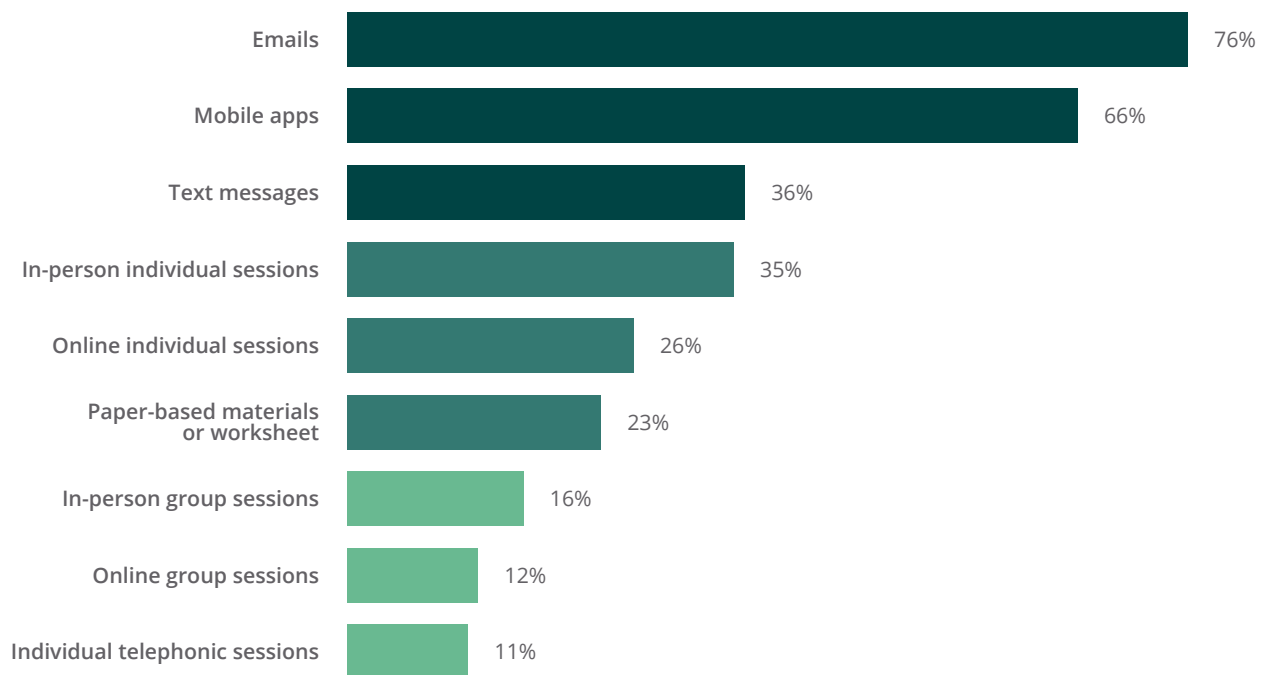
Most Popular Financial Wellness Offerings



Of note is that two of the five most popular financial wellness perks include getting more time, which suggests that companies should expand their definition of financial wellness. Employee discount programs are also highly rated. However, businesses need to think carefully about the options offered so that employees get discounts on the things they typically buy rather than see the coupon as an incentive to spend money.

Preferred Mediums For Financial Wellness Content And Communications

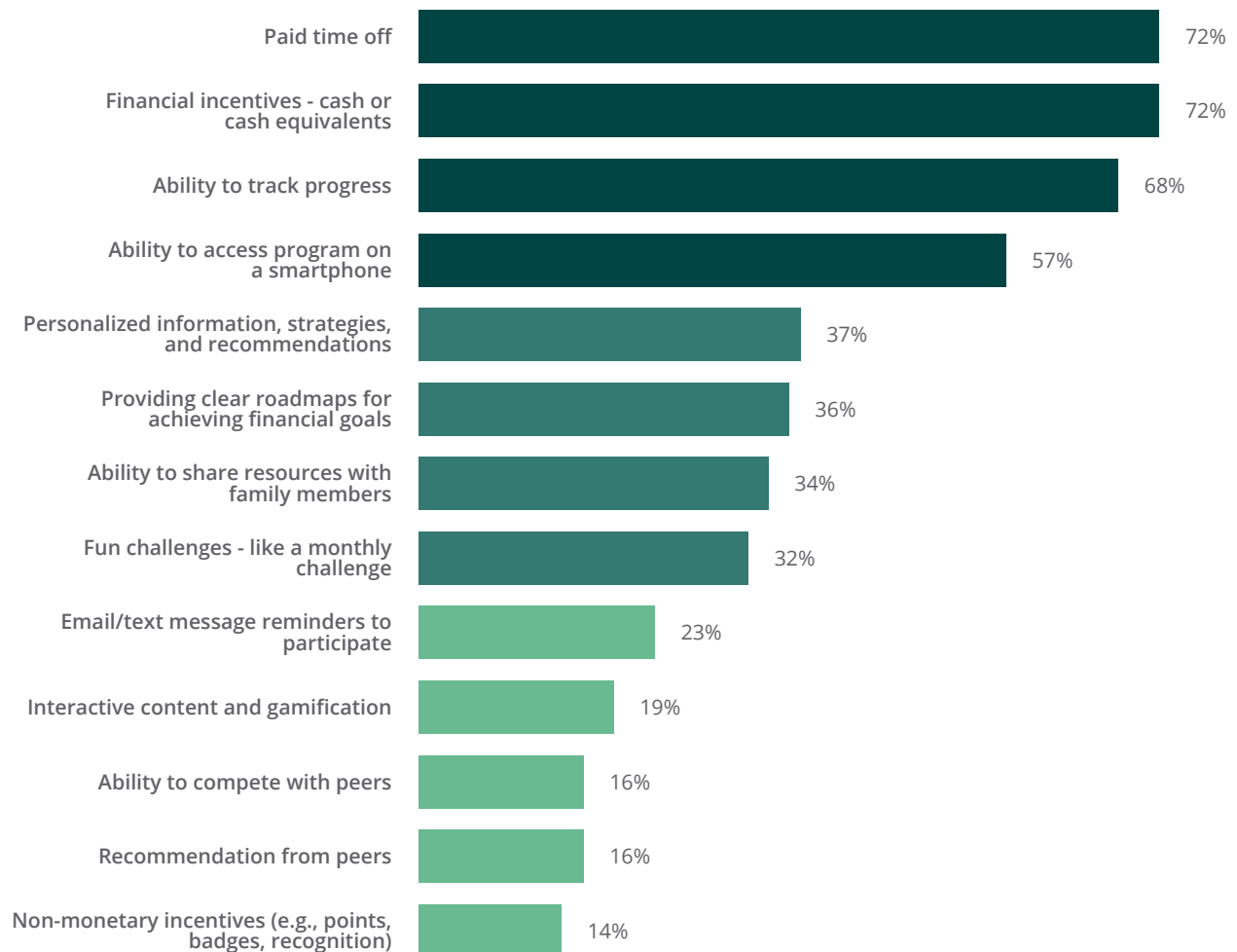
Respondents were asked to choose their top three formats through which to receive financial wellness content and communications. Employees' favorites were emails (76%), mobile apps (66%), and text messages (36%).



The top three mediums are either mobile-friendly or mobile-first, which aligns with the content consumption trend across all industries. Despite 25% of respondents in a [2016 Customer Satisfaction Research Study by MarketingSherpa](#) stating that the main reason they unsubscribe

from emails was that they got too many in general, email use is still on the rise. By 2021, the number of emails sent per day is expected to reach **319.6 billion**. Additionally, more than **50% of Americans** check their personal emails 10+ time per day, and a whopping **99% of consumers** with email check at least once a day. It is no wonder that email is the preferred way to receive financial wellness information.

Motivators To Use Financial Wellness Programs



Respondents were given the opportunity to pick five motivators that would encourage them to use a financial wellness program provided by their employer. The top five include:

- Paid time off (PTO) (72%)
- Financial incentives (72%)
- Ability to track progress (68%)
- Ability to access on smartphone (57%)
- Personalized information (37%)

The results show that financial wellness tends to be a personal endeavor. Personalized information, strategies, and recommendations as well as the ability to track individual progress are popular among employees, but social motivators, such as the ability to compete with and receive recommendations from peers, are not. Additionally, mobile accessibility is once again highlighted as an important aspect of any financial wellness offerings.

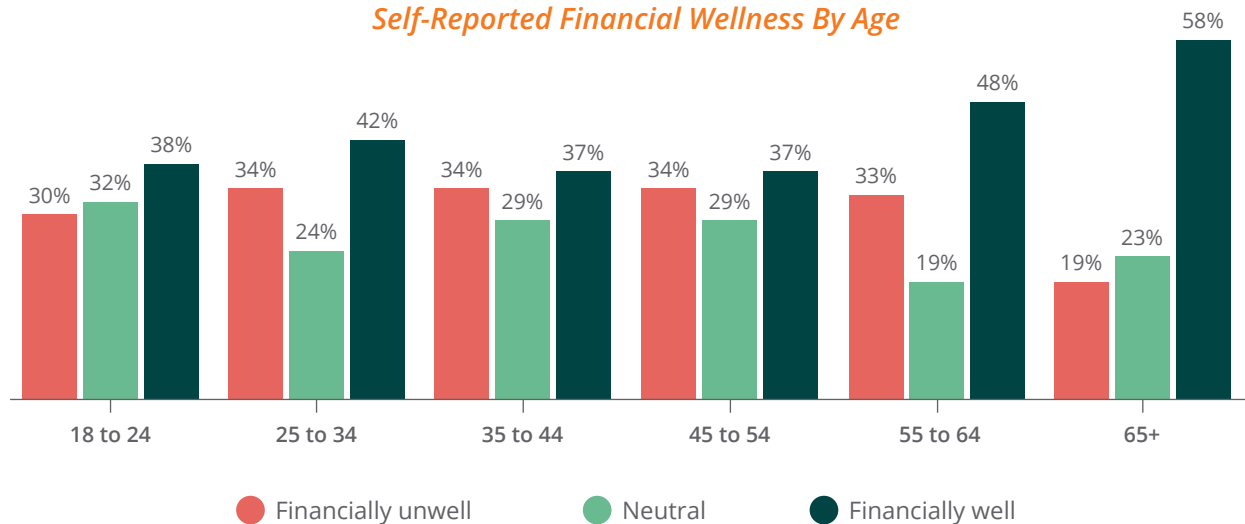
SURVEY RESULTS: FINANCIAL WELLNESS

Financial Wellness By Age

As expected, the 65+ age group has the least financially unwell and most financially well respondents. When grouped together, 58% of respondents in this group reported to be financially well or at least somewhat financially well. Similarly, just 19% of respondents in this group were financially unwell or somewhat financially unwell. All other age groups have slightly over 30% reported to be in the financially unwell categories.

What is significant to note, however, is that in the 55 to 64 year-old group, one-third of respondents considered themselves financially unwell. Unfortunately, this is an age when it is often too late to substantially change retirement timelines, so extreme measures must be taken. Such statistics could be an eye-opener for younger groups that it is crucial to get on the right track much earlier in life.

Self-Reported Financial Wellness By Age

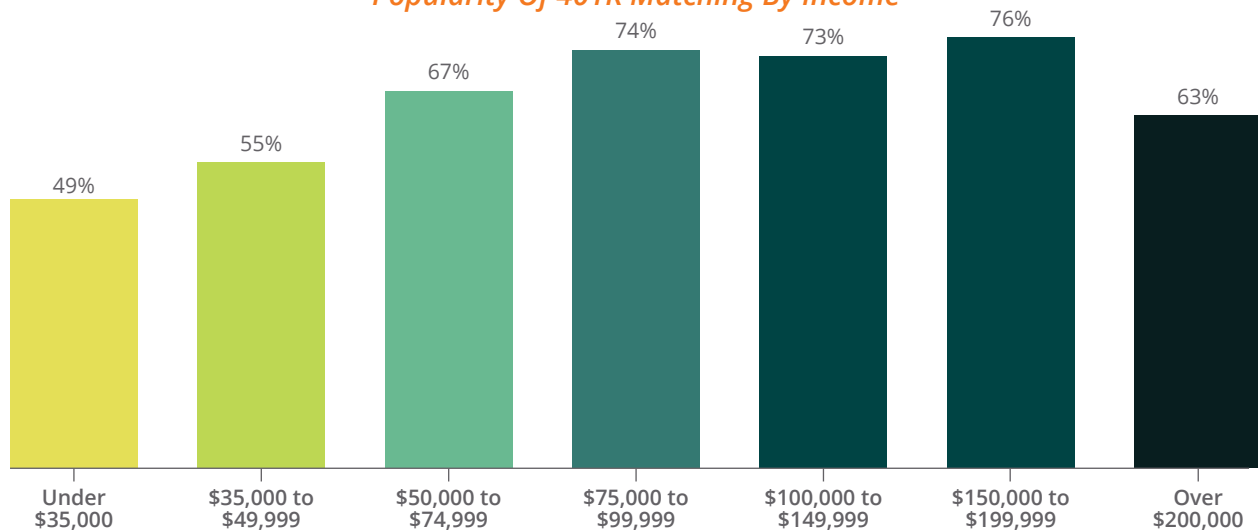


SURVEY RESULTS: POPULAR OFFERINGS

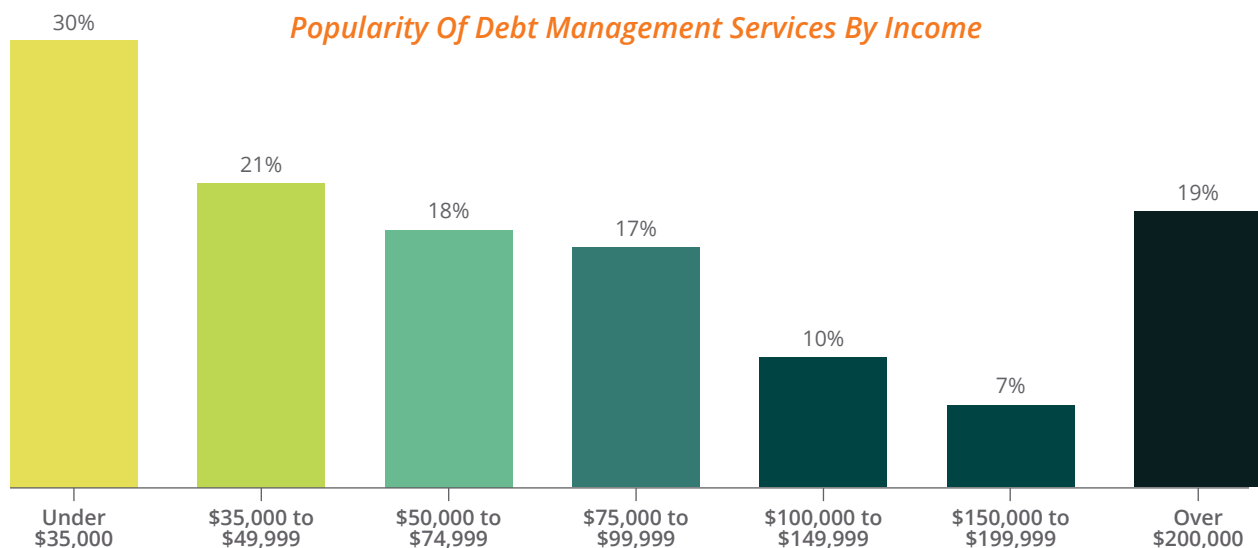
Popular Offerings By Income

Interest in 401K matching generally increases as income increases. The popularity of the 401K match is lower among those making less than \$50,000 compared to higher-income groups. This is likely due to the fact that as income increases, so does disposable income, which leads to more saving habits, such as 401K contributions. On the flip side, those making less than \$35,000 are more interested in debt management services compared to higher-income groups.

Popularity Of 401K Matching By Income



Popularity Of Debt Management Services By Income



Popular Offerings By Age

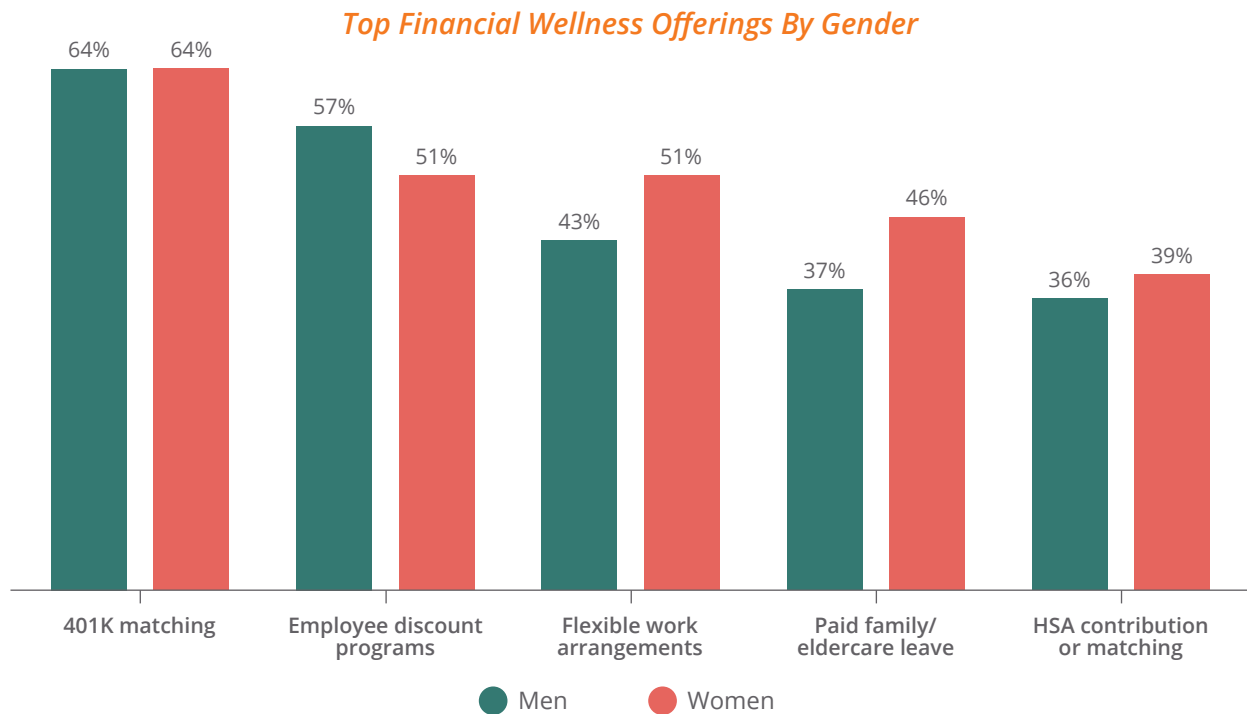
While 401K matching is generally the most popular offering, it is much more popular among participants who are over 65 (81%) than among those between 18 and 24 (39%). Of course, the latter group could realize a huge benefit from contributing to a 401K at an early age, but they do not appear to have much interest. This is likely due to more pressing matters such as student loan debt, as the popularity of tuition reimbursement and student loan help shows. Employers have the challenge of helping their younger employees see the benefits of a retirement plan while still helping them with current needs.

Top 5 Benefits For Young Workers (18 - 24 Years Old)



Popular Offerings By Gender

Both men and women chose the same top five financial wellness offerings. However, the rankings for the items in the top five differ. Women are more likely to appreciate flexible work arrangements and paid family/eldercare leave. The difference in priorities reflects women's bigger share of the burden when it comes to caring for children and extended family.



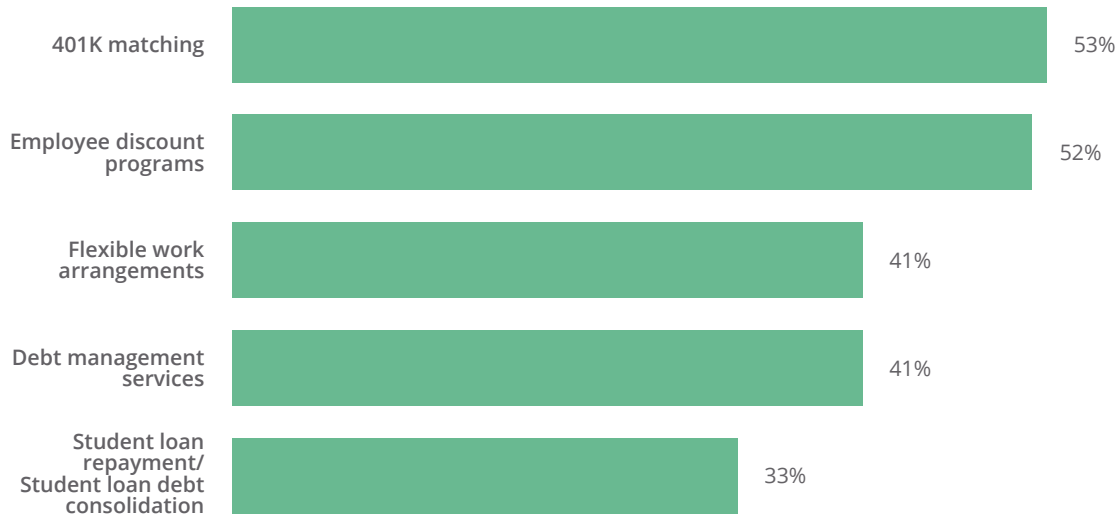
Popular Offerings By Financial Wellness

Debt management services, student loan debt consolidation, and student loan debt subsidies are the most popular financial wellness offerings among respondents who feel financially unwell/completely stressed. On the other hand, HSA contribution or matching, paid family/elder care, and credit score access and identity theft protection are more popular among financially well respondents. Finally, the financially well are more interested in 401k matching than the financially unwell (69% compared to 53%).

Top 5 Benefits For Financially Well Respondents



Top 5 Benefits For Financially Unwell Respondents

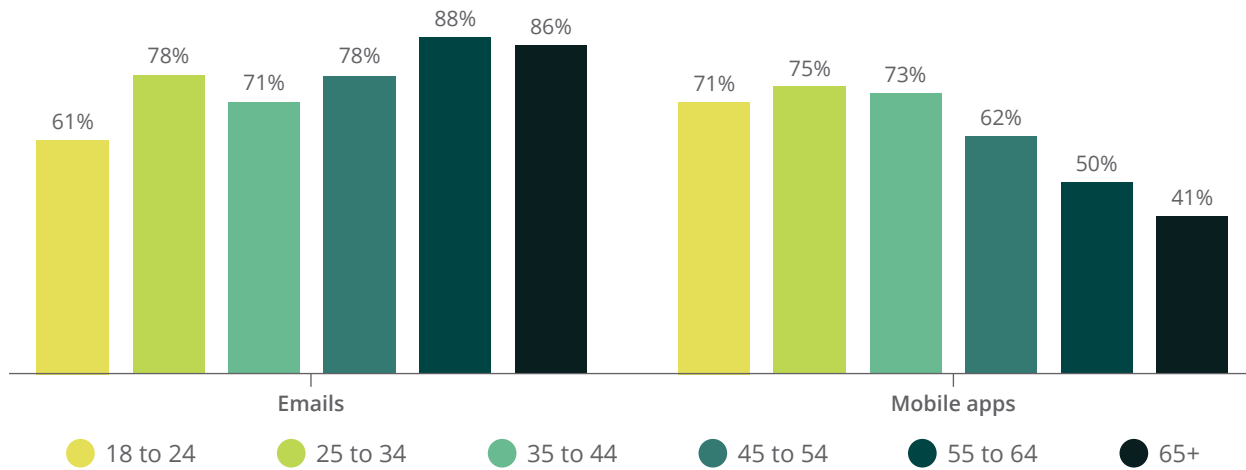


SURVEY RESULTS: MEDIUMS

Mediums By Age

The youngest age group (18 to 24) would rather have financial wellness information delivered through mobile apps (71%), with the second choice being emails (61%). After age 25, emails becomes the top choice with mobile apps dropping to second place. After age 55, mobile apps are far less important (50% for respondents 55 to 64 and 41% respondents over 65). In fact, in the 65+ group, mobile apps take third place, while in-person individual sessions take second place (45%).

Top Delivery Mediums By Age



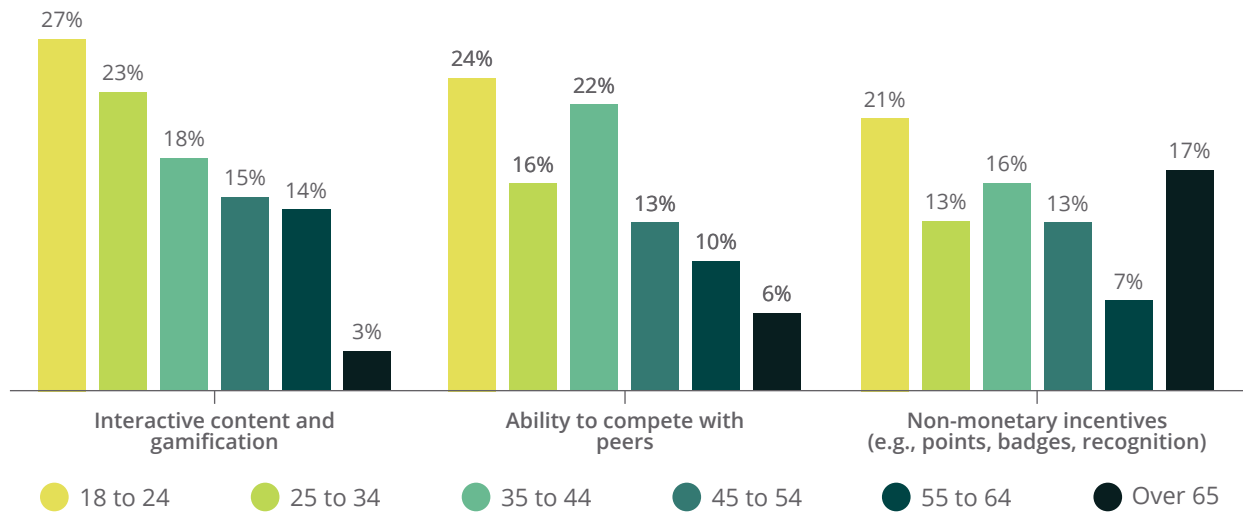
SURVEY RESULTS: MOTIVATORS

Motivators By Age

Older age groups (55 and older) are statistically less likely to find the ability to access financial wellness information on a smart phone motivating but are far more motivated by receiving personalized information than their younger counterparts. This is especially true for the 65+ group.

Gamification and the ability to compete with peers are more popular among 18 to 24 year olds.

Popularity Of Gamification By Age



APPENDIX

Survey Questions

- 1. WHAT IS YOUR AGE?**
- 2. WHAT IS YOUR GENDER?**
- 3. WHAT IS YOUR TOTAL HOUSEHOLD INCOME?**
 - a. Under \$35,000
 - b. \$35,000 to \$49,999
 - c. \$50,000 to \$99,999
 - d. \$100,000 to \$149,999
 - e. \$150,000 to \$199,999
 - f. Over \$200,000
- 4. HOW DO YOU FEEL ABOUT YOUR FINANCES?**
 - a. Financially unwell/Completely stressed
 - b. Somewhat financially unwell
 - c. Neutral
 - d. Somewhat financially well
 - e. Financially well/No stress
- 5. WHICH OF THE FOLLOWING WOULD MOTIVATE YOU TO ENGAGE WITH A FINANCIAL WELLNESS PROGRAM? (CHOOSE TOP FIVE)**
 - a. Ability to access program on a smartphone
 - b. Ability to share resources with family members
 - c. Ability to track progress
 - d. Ability to compete with peers
 - e. Fun challenges – like a monthly challenge
 - f. Financial incentives – cash or cash equivalents
 - g. Email/text message reminders to participate
 - h. Interactive content and gamification
 - i. Non-monetary incentives (e.g., points, badges, recognition)
 - j. Paid time off
 - k. Personalized information, strategies, and recommendations

- l.** Providing clear roadmaps for achieving financial goals
- m.** Recommendation from peers

6. WHICH MEDIA FORMATS DO YOU PREFER TO RECEIVE FINANCIAL WELLNESS COMMUNICATIONS AND CONTENT? (CHOOSE TOP THREE)

- a.** Emails
- b.** In-person group sessions
- c.** In-person individual sessions
- d.** Individual telephonic sessions
- e.** Mobile apps
- f.** Online group sessions
- g.** Online individual sessions
- h.** Paper-based materials or worksheets
- i.** Text messages

7. CHOOSE THE TOP FIVE FINANCIAL WELLNESS BENEFITS YOU WOULD MOST LIKELY PARTICIPATE IN, IF THEY WERE OFFERED BY YOUR EMPLOYER.

- a.** 401k matching
- b.** Automated saving services
- c.** Company-sponsored emergency funds, loans, or accrued wage advances
- d.** Consolidation/refinancing services (non-student loans)
- e.** Credit score access & identity theft protection
- f.** Debt management services (e.g., negotiated debt repayment)
- g.** Employee discount programs
- h.** Flexible work arrangements
- i.** Generalized financial literacy training (webinars/seminars/videos/articles)
- j.** Health Saving Account (HSA) contribution or matching
- k.** Online financial management tools (e.g., budgeting tools, calculators, etc.)
- l.** Paid family/eldercare leave
- m.** Personalized financial counseling/financial planning with certified coaches
- n.** Personalized financial literacy training (interactive online tools, courses/roadmaps for success)
- o.** Student loan debt consolidation/refinancing services
- p.** Student loan repayment subsidies (employer-paid)
- q.** Tuition reimbursement

ABOUT iGRAD/ENRICH

iGrad is a San Diego-based private company that offers financial wellness solutions to colleges and universities, employers, and financial institutions. Its platform for higher education, also called iGrad, has been named Education Program of the Year three times by The Institute for Financial Literacy, is a three-time winner of the Best Product Award from University Business Magazine and has won the Outstanding Consumer Information Award from the Association for Financial Counseling and Planning Education. The company's Enrich financial wellness platform, which is used by more than 300 employers and financial institutions nationwide, recently received the Pension & Investments Eddy Award. For more information about the iGrad platform, visit <http://schools.igrad.com>. For more information about the Enrich platform for employers and financial institutions, visit www.enrich.org.

ABOUT WELLABLE

Wellable operates next-generation wellness challenges and health content technology platforms and complements these solutions with on-site services, such as fitness classes, seminars, health coaching, and more. The technology's flexibility allows organizations to customize and configure a program to meet their needs and objectives while providing a rich experience for end users. Wellable works with employers and health plans of all sizes across the world, with active users in more than 23 different countries. Visit Wellable online at www.wellable.co.

