

February 2020



MassMutual Financial Wellness Trend Study

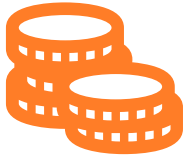
Background & Methodology

- This report presents the results of an online survey conducted by Greenwald & Associates on behalf of MassMutual. The purpose of this study was to collect compelling data points for MassMutual to demonstrate thought leadership in the financial wellness arena, to better understand the appeal of financial wellness and barriers to implementing from the plan sponsor perspective, as well as to get a picture of what plan sponsors are offering for financial wellness programs in the market today.
- This survey represents the second phase of a two-phase study, the first of which was a series of one-on-one interviews with plan sponsors and plan advisors.
- Information for this study was gathered through an approximately 15-minute online survey with a total of 863 plan sponsors with retirement plan assets between \$1 million and \$75 million. All participants must have some decision-making responsibility for either their retirement plan or financial wellness program to participate.
- Respondents for the survey were recruited through OpinionRoute's online panel of B2B respondents. Online interviewing took place from August 21, 2019 through September 3, 2019.
- **Please note:** graphs may not add to 100% due to rounding and/or missing categories. All statistical testing was done at 95% and 99% significance levels. In a similar sized random sample, the maximum margin of sampling error for the total surveyed is 3.3% at the 95% confidence level.

The data represented was gathered by Greenwald & Associates and does not represent the opinion of MassMutual.

Key Findings: Need for Financial Wellness Programs

Plan Sponsors see a large need for financial wellness for their employees and think it's important for employers to offer that support.

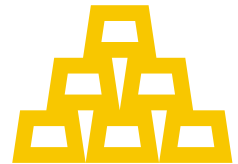


- **Nearly nine in ten plan sponsors believe it is important for employers to offer financial wellness programs to their employees.**
 - As employer size and retirement plan assets grow, so does perceived importance of financial wellness programs.
 - The vast majority – nine in ten - of plan sponsors agree that companies who offer financial wellness programs really care about their employees, and large majorities also agree that these companies are on the cutting edge of benefits offerings and that these programs are a great way to support employees at minimal cost to employers.

Key Findings: Components of Financial Wellness

Plan sponsors view financial wellness programs as being inclusive of topics outside of retirement planning, whether that be a full comprehensive view of employee finances, or insurance and educational components.

- **When defining financial wellness, plan sponsors most often report that it is more comprehensive than the simple availability of retirement savings vehicles and insurance benefits – a finding repeated from phase one interviews.**
 - Plan sponsors most often identify financial wellness programs as being a comprehensive program to address an employee's full financial picture. Beyond that, they select some combination of retirement, insurance, and education or retirement and one-on-one counseling.
 - Most commonly, plan sponsors report financial wellness programs include retirement savings vehicles, online tools for planning (either for retirement only, or full financial planning) and insurance. Student loan assistance is the least offered, and least likely to be viewed as being a part of this type of program.



Key Findings: Current Financial Wellness Programs

Six in ten plan sponsors are currently offering or implementing financial wellness programs at their companies. Another one in three are planning to implement or are interested in these programs.

- **Among those who have implemented a program, results have been positive in most cases, with eight in ten saying they have been successful. They are evaluating success most often by utilizing employee feedback and usage and participation.**
 - The most successful programs have been retirement savings plans – by far. These are distantly followed by insurance benefits. Least successful are online planning tools.
 - Most have not experienced challenges with their programs, and those that have are mainly seeing low participation or costs above what was anticipated.
- **When asked why they offer these financial wellness programs to employees, plan sponsors are most likely to say they help employees address issues they are facing, for employee engagement and morale, because it feels good that their employees get the support, and for attracting and retraining employees.**
 - Those that do not offer or plan to offer these programs are not doing so because they do not know enough about them, or due to cost.



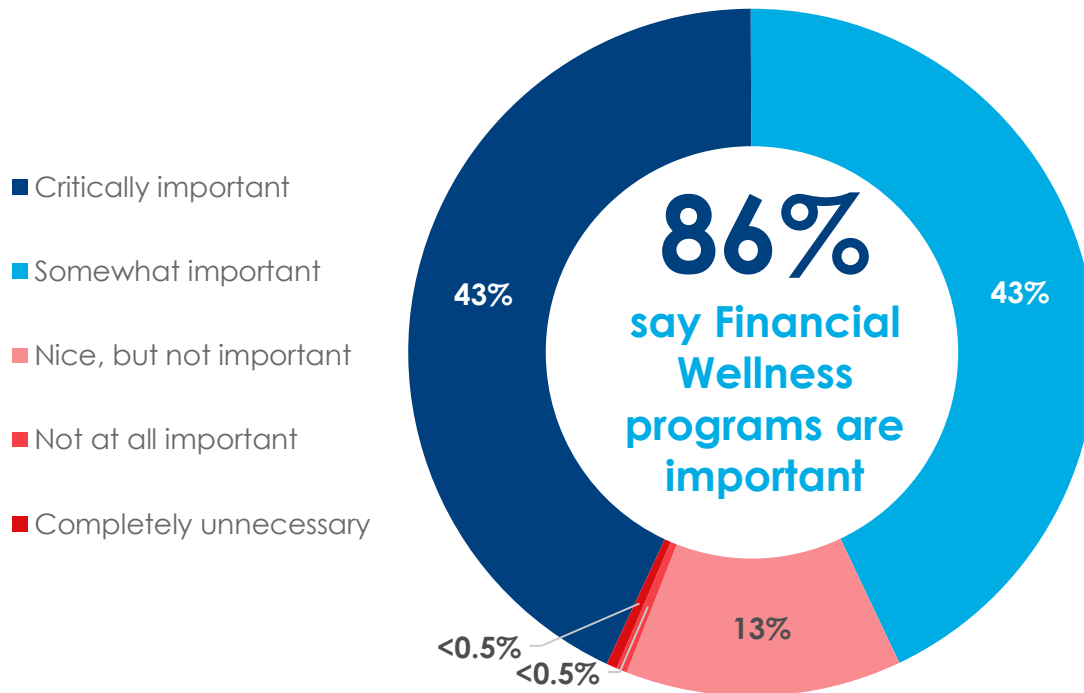


Perception of Financial Wellness Programs

The majority of plan sponsors surveyed say financial wellness programs are important

As employer size and retirement plan assets grow, so does the perceived importance of these programs.

Importance of Financial Wellness Programs



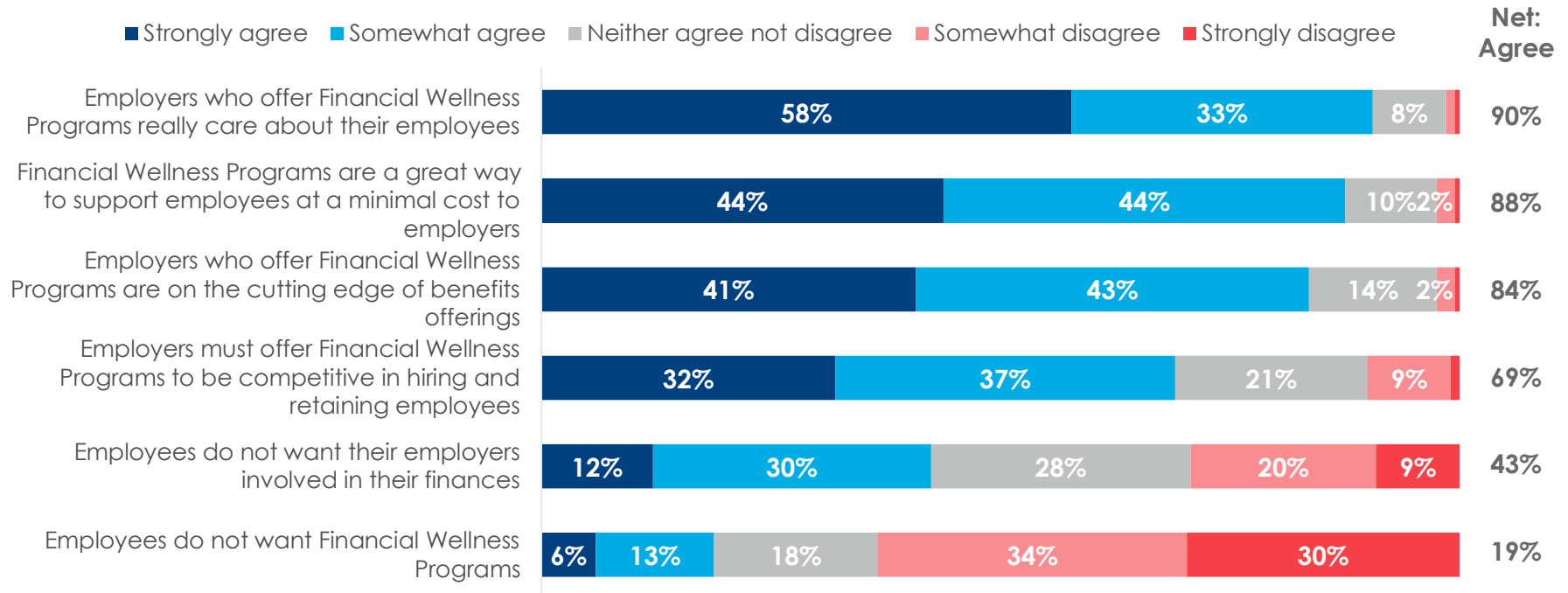
	% Important
Number of Employees	
<25 (n=63) (A)	72%
25-99 (n=126) (B)	86 ^A
100-999 (n=418) (C)	88 ^A
1,000+ (n=256) (D)	94 ^{ABC}
Plan Assets	
\$1-<\$5MM (n=250) (E)	85%
\$5-<\$15MM (n=212) (F)	87
\$15-<\$25MM (n=178) (G)	93 ^{EF}
\$25-\$75MM (n=223) (H)	94 ^{EF}

How important is it for employers to offer Financial Wellness Programs to employees? Total (n=863)
 ABCD EFGH indicates result is significantly higher than the group specified at the 95% level of confidence.

There is a high level of agreement that employers who offer financial wellness programs really care about their employees

Most also agree these programs are a great way to support employees at a minimal cost and that those who offer them are on the cutting edge. Plan sponsors are most likely to disagree with the statement that employees do not want financial wellness programs.

Statements about Financial Wellness

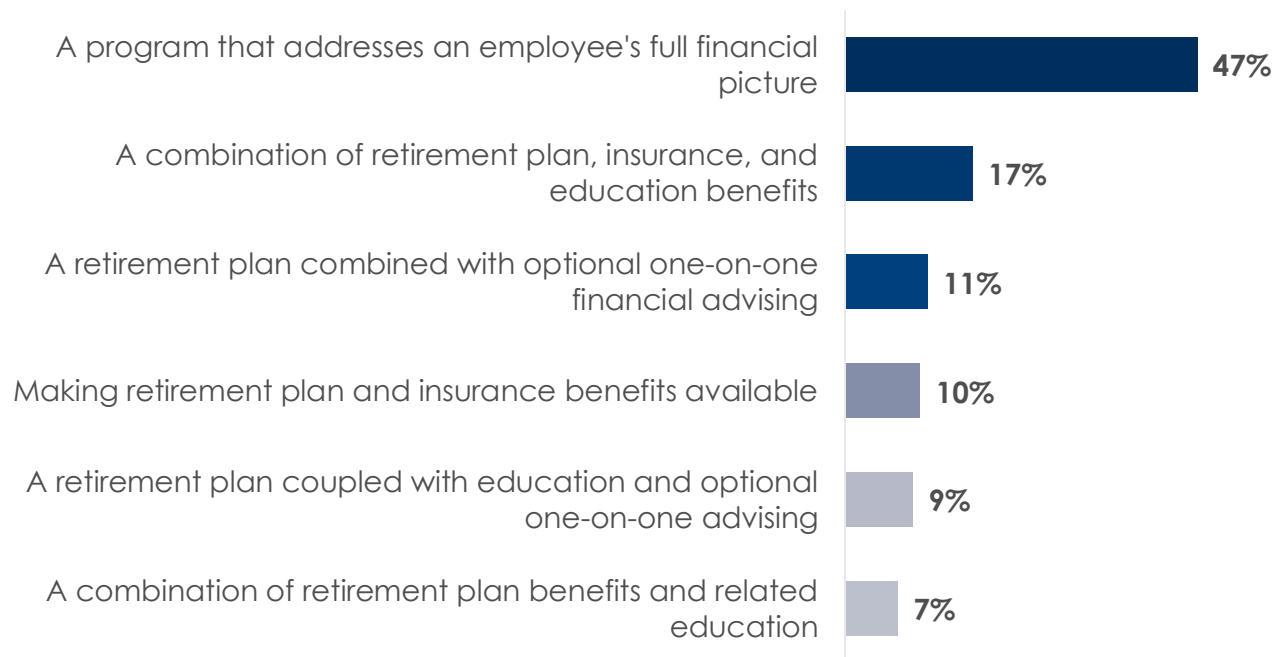


Please indicate your level of agreement with each of the following statements. Total (n=863)

A majority of plan sponsors view financial wellness programs as being more than just offering retirement plans and benefits

Nearly half think these programs should be addressing an employee's full financial situation, and others define these programs as including educational or advising components.

Financial Wellness Program Description

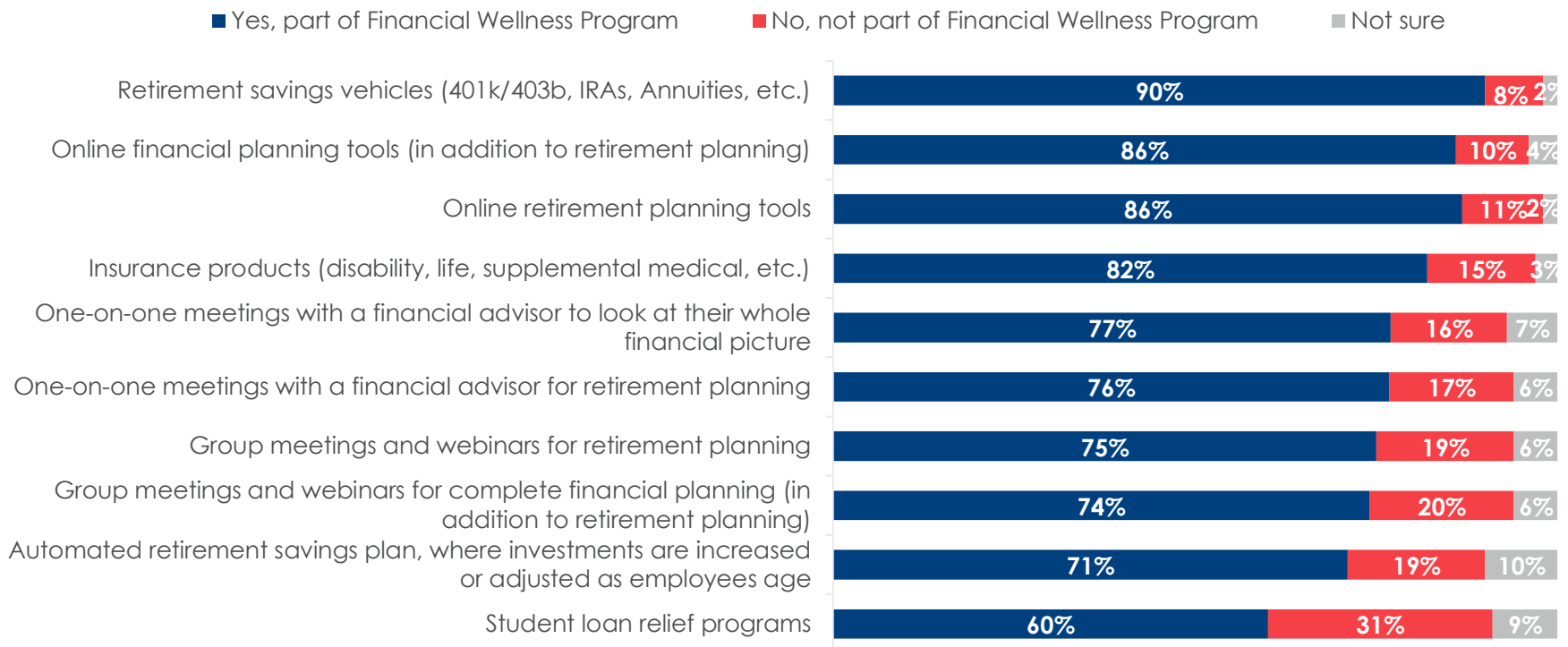


Which of the following best describes a Financial Wellness Program that would be offered to employees at work? Total (n=863)

Retirement savings vehicles are a critical part of financial wellness programs, along with online tools for planning

Student loan relief programs are least likely to be viewed as being a part of a Financial Wellness Program offered to employees at work.

Financial Wellness Program Offerings

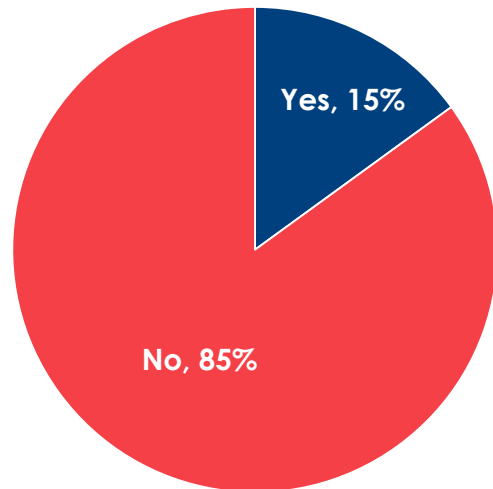


Which of the following do you think should be part of a Financial Wellness Program offered to employees at work? Total (n=863)

Among those who said there are additional component(s) which should be included, retirement and debt programs were most frequently mentioned

Most of the responses point to a need for a comprehensive program that offers assistance to employees outside of the traditional workplace offerings.

Other Components that Should be Included in Financial Wellness Programs?



Financial Wellness Offerings Mentioned*

11%	Retirement/401k match/auto-enroll
10%	Credit/debt counseling/help
9%	Focus on medical costs
8%	Help for childcare/elder care
7%	Benefits/Insurance
7%	Training and education
6%	Real estate
4%	Suited to employee demands/personalized
4%	Estate planning
4%	Budget planning
3%	Savings
3%	Extra pay/increase
3%	Mental health support
3%	Investments
2%	Whole family support
2%	Identity theft
1%	Planning/Advising
1%	Loan forgiveness/loans
<0.5%	Education planning
22%	Other

Are there any other components you think should be included in a Financial Wellness Program offered to employees at work? Total (n=863)
Please describe the other components or topics that should be included in a Financial Wellness Program. If say there are missing financial wellness components (n=133)

*Nothing, Not sure, and Refused responses not included.

Plan sponsors have different levels of consideration for cost, investment, and workload based on their asset level

The smallest asset group is less focused on investing heavily in the most valued benefits, while the \$5MM-<\$15MM group is more focused on cost than others.

% First or Second Consideration	Net: Consideration TOTAL (n=863)	\$1MM to <\$5MM (n=250) (A)	\$5MM to <\$15MM (n=212) (B)	\$15MM to <\$25MM (n=178) (C)	\$25MM to <\$75MM (n=223) (D)
The cost of the benefit	38%	38%	44% ^C	33%	35%
Investing as much as possible in the most critical/valued benefits	17%	15	23 ^A	25 ^A	22 ^A
The amount of work to administer the benefit	8%	8	7	13 ^B	8

And those who have already taken steps to put a Financial Wellness Program in place are more focused on making investments in benefits they see as being critical, compared to those who are interested in offering or planning to offer wellness programs.

% First or Second Consideration	Net: Consideration TOTAL (n=863)	Currently offers or is implementing Financial Wellness Program (n=611) (A)	Planning to offer or interested in offering (n=217) (B)
Investing as much as possible in the most critical/valued benefits	17%	21% ^B	11%

When you are making decisions about benefits or programs to offer to employees, what is your most important consideration? What is your second most important consideration? Total (n=863)

ABCD indicates result is significantly higher than the group specified at the 95% level of confidence.

Six in ten plan sponsors either offer or are currently implementing financial wellness programs, with another one-third planning or expressing interest in offering

Very few plan sponsors show no interest in offering these programs.

As plan assets increase, so too does prevalence of offering financial wellness initiatives.

Offering Financial Wellness Programs



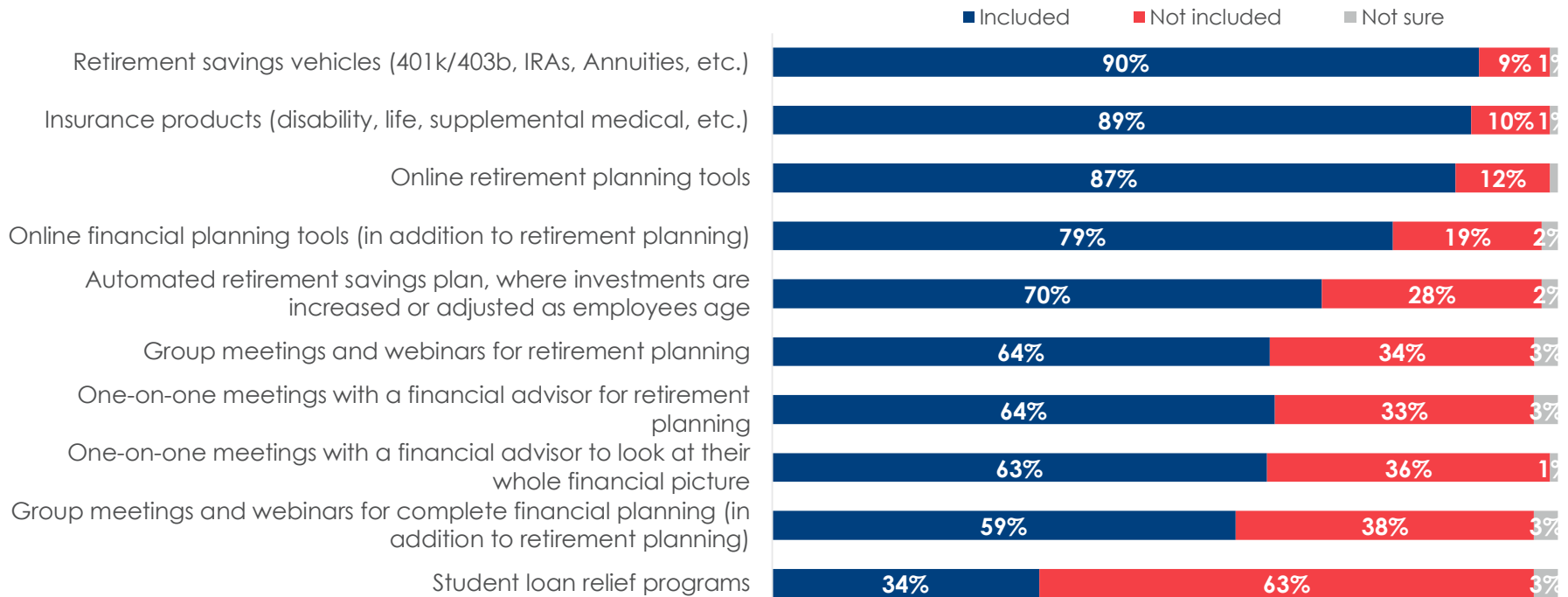
Which of the statements below best describes your company's current approach in offering financial wellness initiatives to employees? Total (n=863)
 ABCD indicates result is significantly higher than the group specified at the 95% level of confidence.

Retirement savings, insurance, and online retirement planning tools are the top offered components in financial wellness programs

Plan sponsors report offering an average of 7 of these components in their program, with no variation by subgroup.

Student loan relief programs are the least likely to be included of all listed components, though companies who report the majority of their employees are millennials are more likely to offer this, with 40% offering.

Financial Wellness Program Offerings
(Among those who offer a financial wellness program)



Which of the following are included in the Financial Wellness Program offered to your company's employees? If offers financial wellness program (n=454)

The majority of those who offer financial wellness programs report they are successful, primarily measuring employee feedback and participation

Companies with between \$15MM and <\$25MM in plan assets (89%) and \$25 to <\$75MM (86%) are more likely than \$1MM to <\$5MM (74%) to say their programs have been successful.

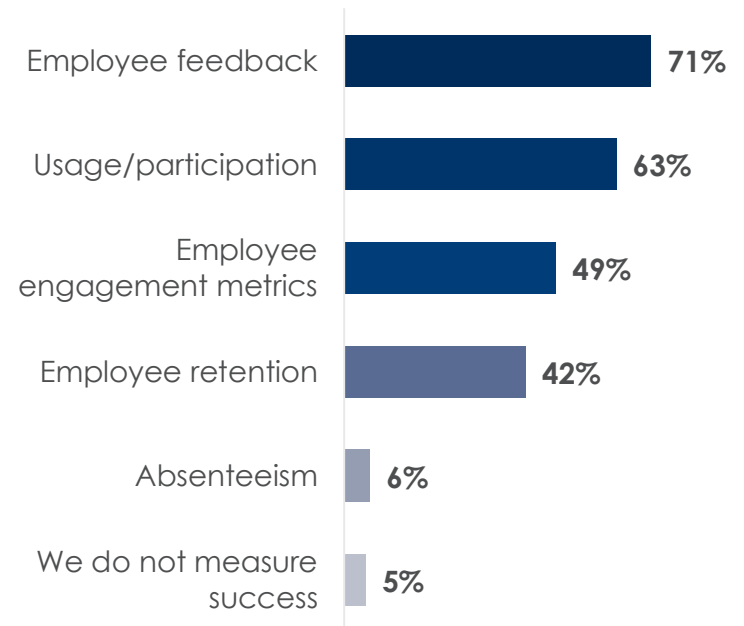
Success of Financial Wellness Program

(Among those who offer a financial wellness program)



Methods for Measuring Success

(Among those who offer a financial wellness program)



How successful has your company's Financial Wellness Program been? If offers financial wellness program (n=454)

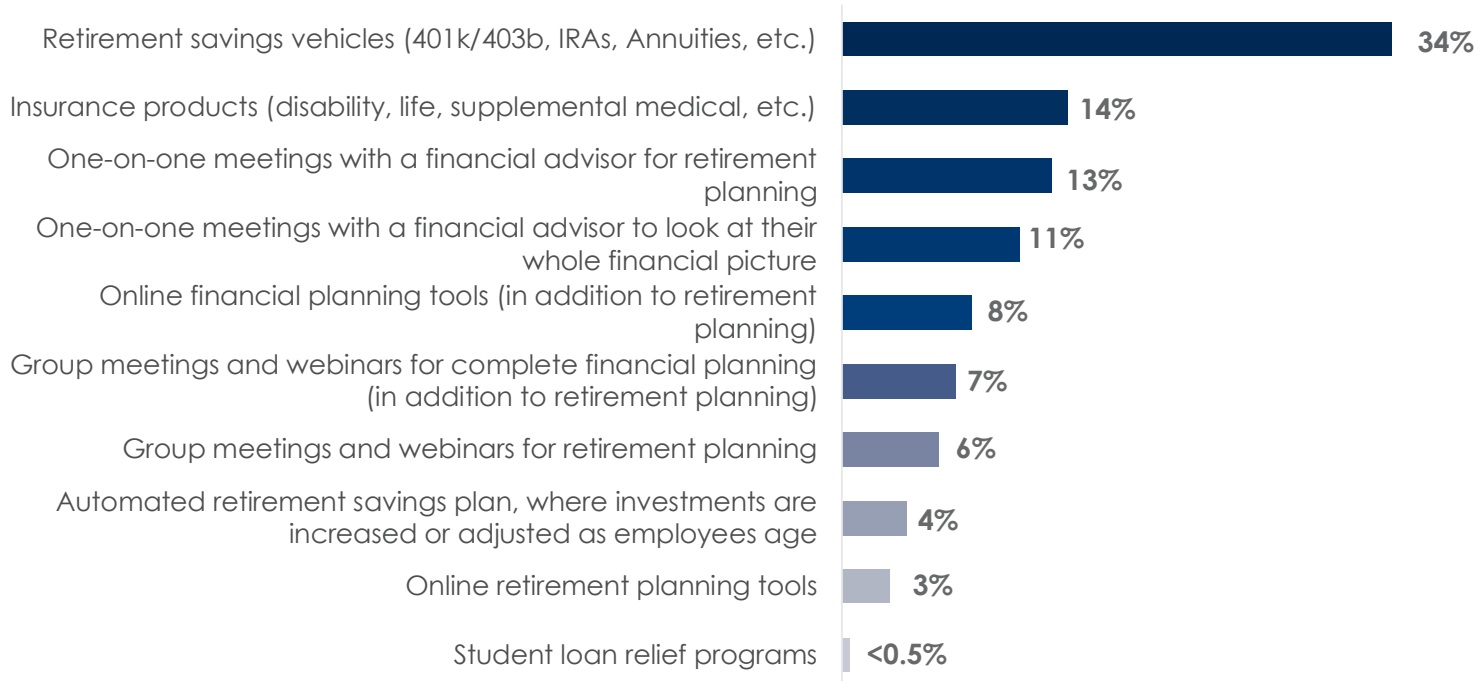
How do you measure the success of your companies Financial Wellness Program? If offers financial wellness program (n=454)

Retirement savings vehicles are the most successful component of financial wellness programs by far

Results are similar across all plan asset categories and other subgroups.

Most Successful Financial Wellness Program Offerings

(Among those who offer a financial wellness program)

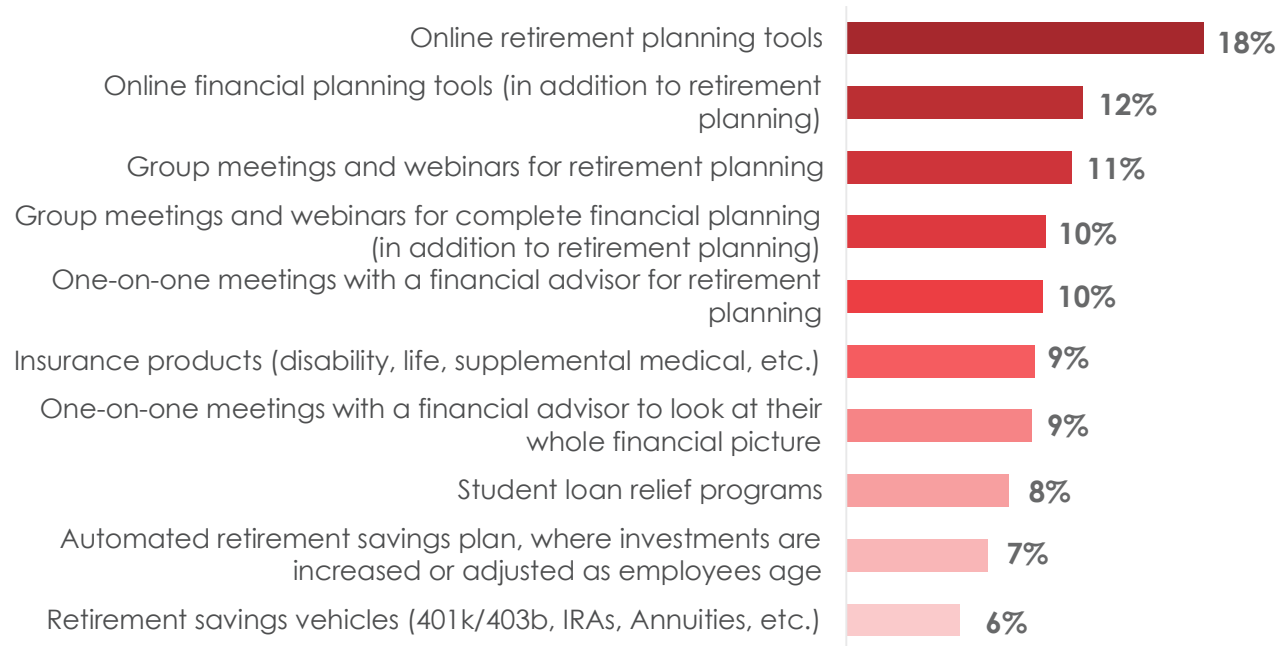


Of the programs included in your company's Financial Wellness Program, which has been the most successful? If offers financial wellness program (n=453)

Online tools are the least successful financial wellness program components, followed by group meetings and webinars

Results are similar across all plan asset categories and subgroups

Least Successful Financial Wellness Program Offerings (Among those who offer a financial wellness program)

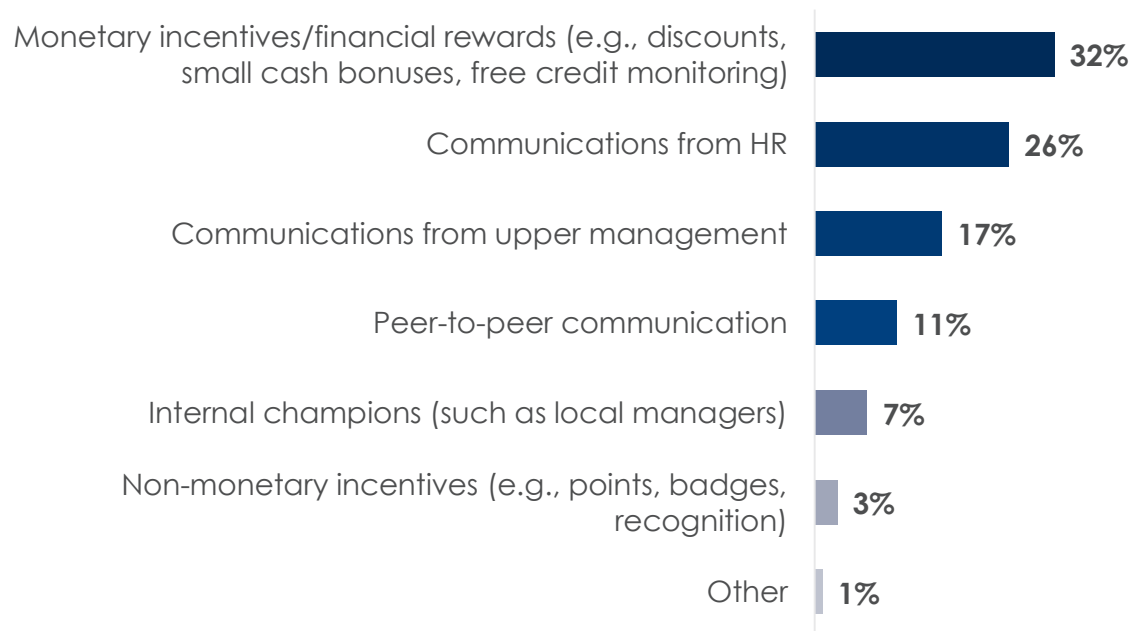


Of the programs included in your company's Financial Wellness Program, which has been the least successful? If offers financial wellness program (n=453)

Monetary incentives and rewards are the preferred way to encourage employee participation

Companies with plan assets in the \$25MM-<\$75MM range are more likely than other groups to use internal champions to push engagement (13%), while those in the smallest asset group (\$1MM-<\$5MM) are more likely than others to use communications from upper management (19%).

Methods to Encourage Use of Financial Wellness Program



How do you or might you encourage employees to use your company's financial wellness initiatives [if you were to offer them]? Please select your primary approach. Total (n=863)

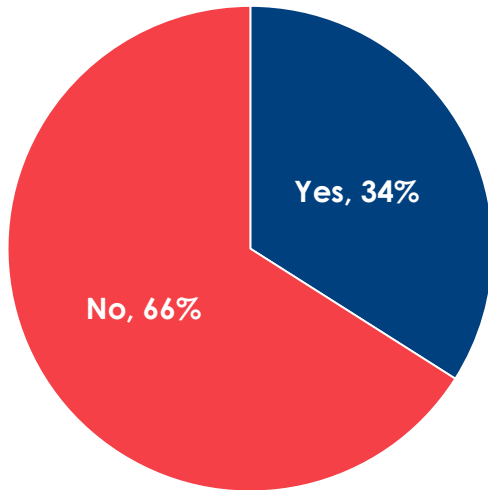
*Not sure responses not included.

One-third of companies offering financial wellness programs have experienced challenges, most often low participation or higher costs than anticipated

Two-thirds of those in the \$5MM-<\$15MM plan asset group report their program has been more costly than expected, higher than other groups.

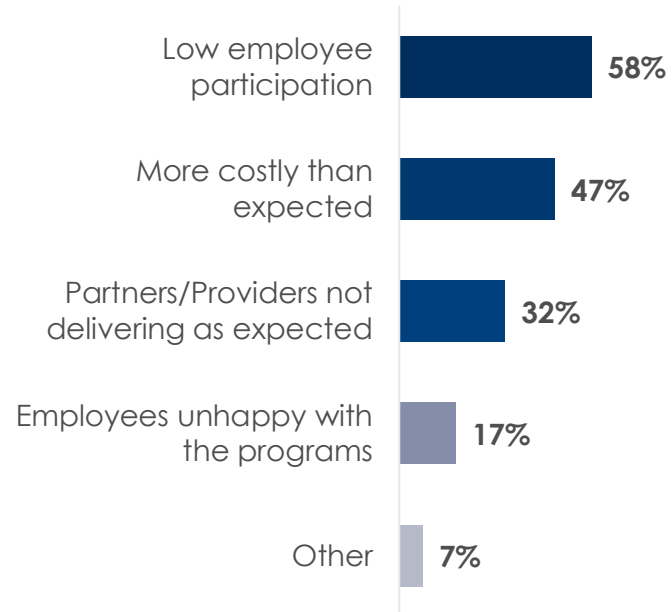
Experienced Challenges with Financial Wellness Program

(Among those who offer a financial wellness program)



Types of Challenges Experienced

(Among those who experienced challenges with their Financial Wellness Program)



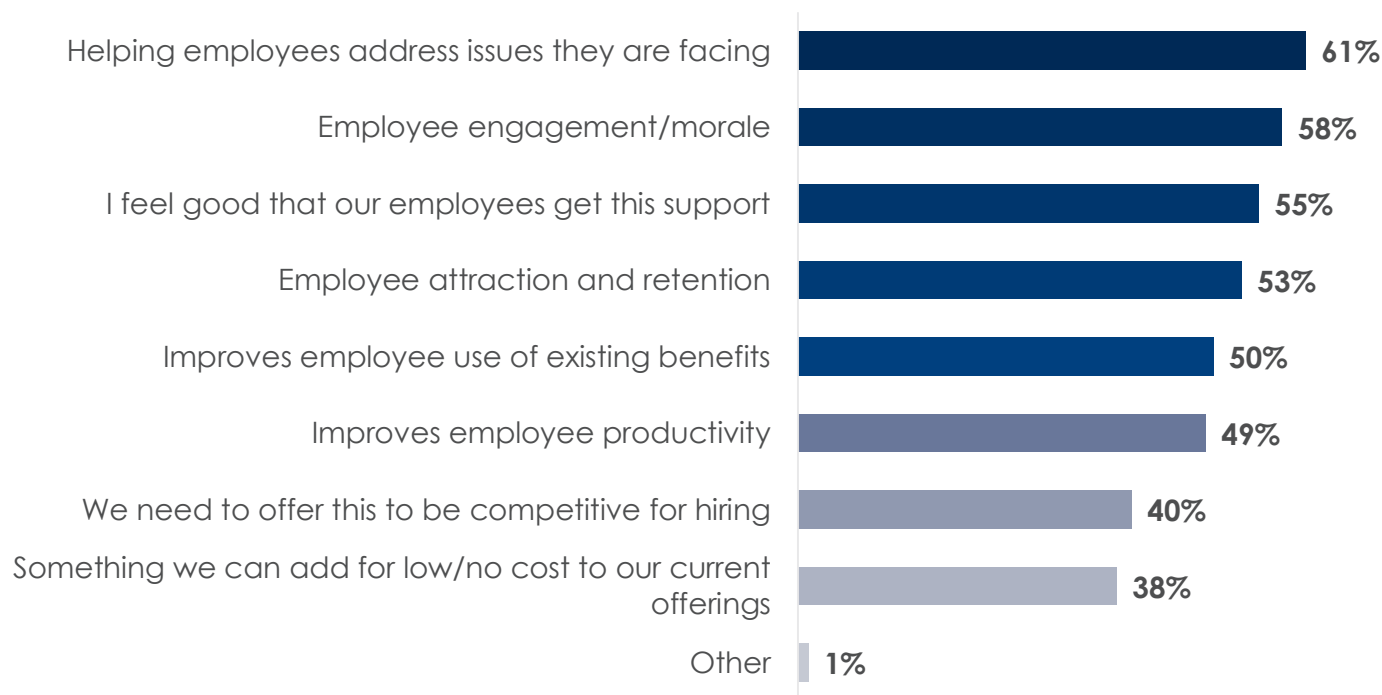
Have you experienced challenges with your company's Financial Wellness Program? If offers financial wellness program (n=454)
What types of challenges have you experienced with your program? Select all that apply. If experienced challenges and offers financial wellness program (n=148)

Companies most often offer these programs because they help their employees, raise employee morale, and make them feel good about giving employees support

There are no differences in results for asset class.

Reasons Do Offer Financial Wellness Program

(Among those who offer or plan to offer a financial wellness program)



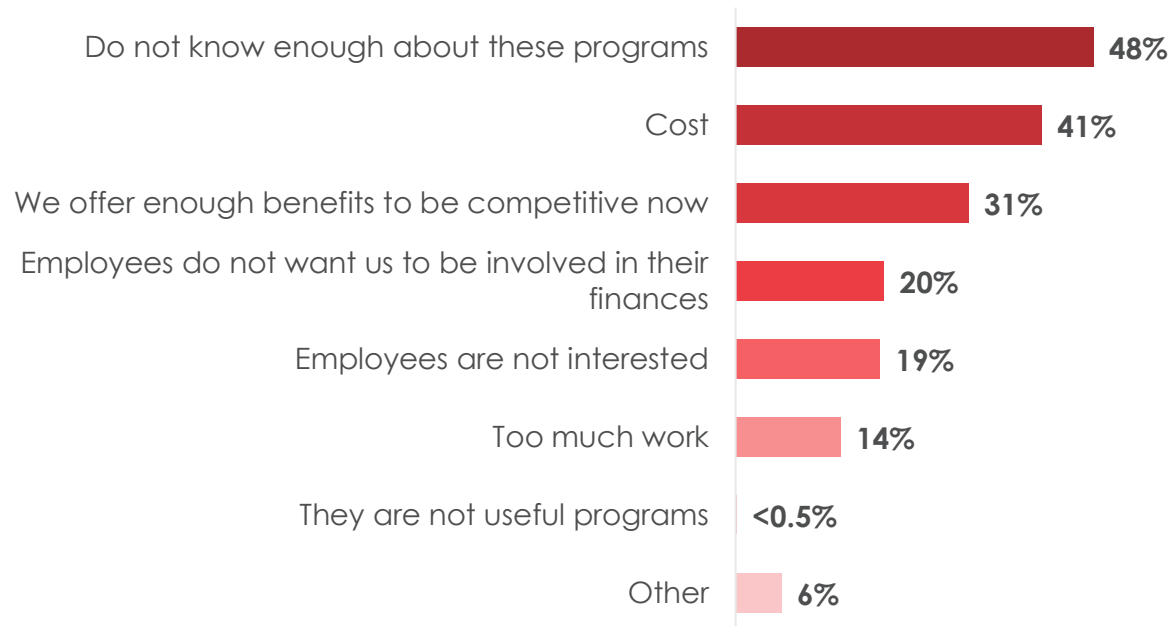
Which of the following are reasons for your company offering a Financial Wellness Program to employees? *Select all that apply.* If offer, implementing or plans to offer financial wellness program (n=739)

Among those who do not offer these programs, the top reasons are lack of knowledge about them or cost

Half of companies with assets of \$1MM-<\$5MM who do not offer programs do not do so because they do not know enough about them – the highest of all asset groups.

Reasons Do Not Offer Financial Wellness Program

(Among those who do not offer or intend to offer a financial wellness program)

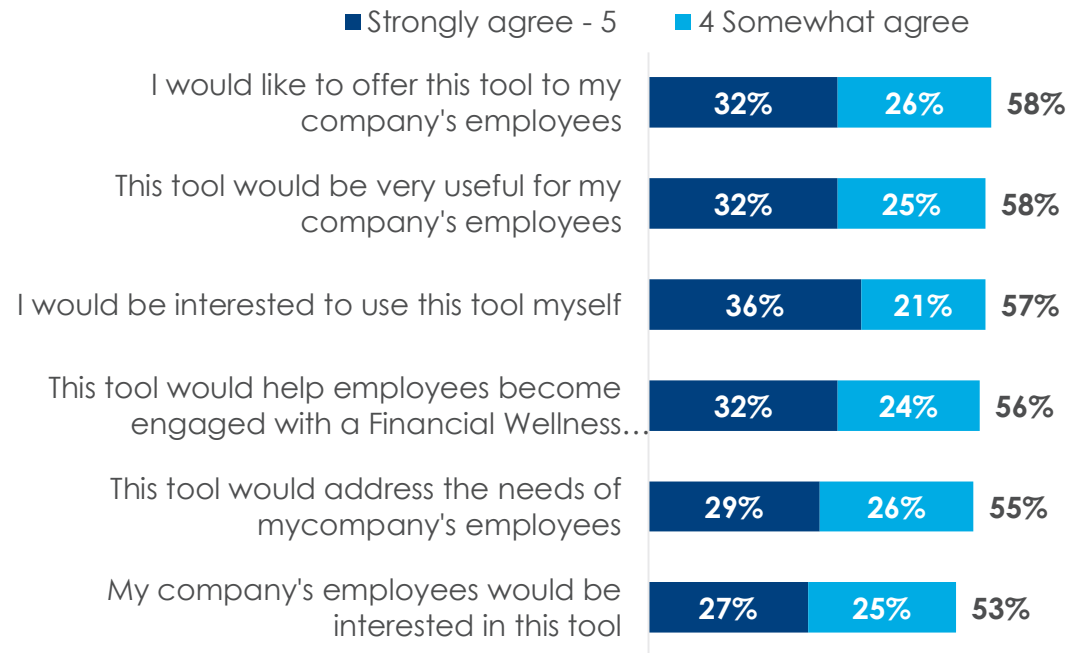


Which of the following reasons describe why your company is not planning to implement a Financial Wellness Program for employees in the immediate future? If does not offer or intend to offer financial wellness program (n=107)

Nearly six in ten plan sponsors would offer online holistic tool to their employees and believe it would be a useful tool

Agreement with Statements about MapMyFinances Description

This tool is an online planning tool for employees, who would go into it and enter information about their financial situation – including income, expenses, debt, retirement savings, and insurance. They would also input their financial goals. The tool then would take this information about individual employees, and would help them prioritize their goals, while giving them simple, concrete steps to take to get them closer to reaching those goals.



Please rate your level of agreement with each of the following statements. Total (n=863)

The top components of financial wellness programs are not always the most successful, particularly for online tools

Financial Wellness Programs: Overview

Items in a Financial Wellness Program	Yes, Part of Fin Wellness (Total, n=863)	Yes, Included (Offer, n=454)	Most Successful (Offer, n=453)	Least Successful (Offer, n=453)
Retirement savings vehicles (401k/403b, IRAs, Annuities, etc.)	90%	90%	34%	6%
Online financial planning tools (including debt, budgeting, savings, in addition to retirement planning)	86	79	8	12
Online retirement planning tools	86	87	3	18
Insurance Products (Disability, Life, Supplemental Medical, etc.)	82	89	14	9
One-on-one meetings with a financial advisor to look at their whole financial picture	77	63	11	9
One-on-one meetings with a financial advisor for retirement planning	76	64	13	10
Group Meetings and Webinars for retirement planning	75	64	6	11
Group meetings and webinars for complete financial planning (including debt, budgeting, savings, in addition to retirement planning)	74	59	7	10
Automated retirement savings plans, where investments are increased or adjusted as employees age	71	70	4	7
Student loan relief programs	60	34	<0.5	8

Which of the following do you think should be part of a Financial Wellness Program offered to employees at work? Total (n=863)

Which of the following are included in the Financial Wellness Program offered to your company's employees? If offers financial wellness program (n=454)

Of the programs included in your company's Financial Wellness Program, which has been the most/least successful? If offers financial wellness program (n=453)

Plan sponsors in the highest asset class show the most interest in online, holistic tool, particularly compared to the smallest asset class

Statements about MapMyFinances Description	Net: Agree TOTAL (n=863)	\$1MM to <\$5MM (n=250) (A)	\$5MM to <\$15MM (n=212) (B)	\$15MM to <\$25MM (n=178) (C)	\$25MM to <\$75MM (n=223) (D)
I would like to offer this tool to my company's employees	58%	57%	61%	63%	67% ^A
This tool would be very useful for my company's employees	58	56	61	64	65
I would be interested to use this tool myself	57	56	58	62	66 ^A
This tool would help employees become engaged with a Financial Wellness Program	56	54	62	62	65 ^A
This tool would address the needs of my company's employees	55	53	57	62	67 ^{AB}
My company's employees would be interested in this tool	53	51	56	62 ^A	65 ^{AB}

Please rate your level of agreement with each of the following statements. Total (n=863)
 ABCD indicates result is significantly higher than the group specified at the 95% level of confidence.



The comprehensive nature of an online holistic tool is most appealing to Plan Sponsors, while privacy and data security are the biggest concerns

There are no differences of note in responses among various subgroups.

Appeal of online, holistic tool



Concerns about online, holistic tool

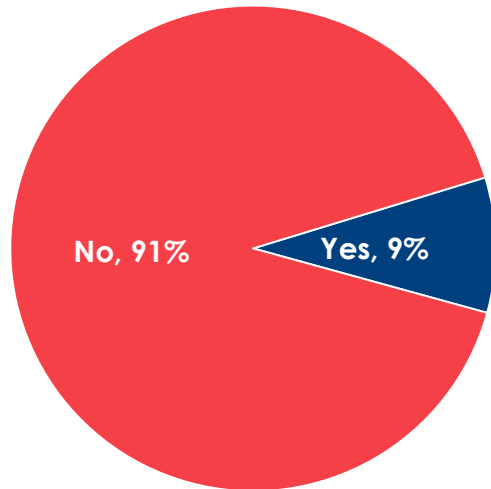


Which of the features of this online tool are appealing to you? *Select all that apply.* Total (n=863)

Which of the following concerns, if any, do you have about this type of online tool? *Select all that apply.* Total (n=863)

Most plan sponsors believe nothing is missing from holistic tool, but among the few who do, a connection to a live person is the top item

Anything Missing from holistic tool?



Missing Items from holistic tool*

(Among those who believe something is missing)

29%	Live chat/Person to talk to/Meetings
11%	Additional tools/topics
9%	Information Security
7%	Instructions/training on how to use/must be simple
4%	Automatic file feed/Integration
4%	Customization/Personalization
4%	Already exists
3%	Financial Advising/Planning
3%	Incentive/Follow up/check in to keep them engaged
1%	Loans/earnings
<0.5%	Debt Reduction
<0.5%	Technology
13%	Nothing
12%	Other

Is there anything missing from this tool, that you would like to see included? Total (n=863)

What is missing from this tool? If thinks something is missing from tool (n=82)

*Don't know and Refused responses not included.



Profile of Respondents

Profile of Respondents

	Total (n=863)
Type of Company	
A for-profit company	88%
A not-for-profit organization	12
Number of Benefits-Eligible Employees	
Less than 10 employees	3%
10 to 24 employees	11
25 to 49 employees	9
50 to 99 employees	13
100 to 149 employees	11
150 to 199 employees	8
200 to 249 employees	5
250 to 999 employees	23
1,000 to 2,499 employees	10
2,500 to 4,999 employees	4
5,000 or more employees	4
Age Bracket of Employees	
Under 40 (Millennials)	54%
40 to 54 (Gen X)	42
55+ (Baby Boomers)	5

	Total (n=863)
Benefits Offered (% Yes)	
Retirement plan	100%
Health insurance	96
Life insurance	81
Defined Benefit plan	47
Other Benefits Offered	
Dental insurance	85%
Vision insurance	81
Short-term disability insurance	60
Long-term disability insurance	58
Wellness programs	46
Accident insurance	43
An EAP (Employee Assistance Program)	38
Critical illness insurance	27
Retiree health insurance	21
Long-term care insurance	18
Cancer insurance	15

Profile of Respondents

	Total (n=863)		Total (n=863)
Retirement Plan Assets		Industry	
\$1MM to <\$5MM	75%	Professional and Business Services	19%
\$5MM to <\$15MM	11	Health Care/Social Assistance	13
\$15MM to <\$25MM	10	Construction	12
\$25MM to <\$5MM	4	Manufacturing	11
Years Retirement Plan Existed		Financial	11
1 to 4 years	28%	Information	7
5 to 9 years	37	Leisure/Hospitality	5
10 years or longer	35	Educational Services	3
Work with Plan Advisor		Trade, Transportation & Utilities	3
Yes	87%	Agriculture/Natural Resources/Mining	<0.5
No	13	Other	15
Type of Plan Advisor (if work with a plan advisor) (n=763)			
A financial advisor or planner	38%		
Benefits broker or consultant	22		
A retirement plan advisor	19		
An investment advisor or stock broker	12		
A TPA or third party administrator	9		
Some other type of financial professional	<0.5		

Profile of Respondents

	Total (n=863)
Role in Company	
Leadership: Owner, CEO, President, etc.	29%
Operations: COO, Managing Director, VP, etc.	19
Finance/Treasury: CFO, VP, Director, Manager, Specialist, etc.	10
Human Resources/Benefits: VP, Director, Manager, Specialist, etc.	42
Administrative: Office Manager, Assistant, etc.	--
Retirement Plan Decision-Maker	
You are a final decision-maker or make recommendations	62%
You have a lot of influence	35
Moderate to no influence	2
Financial Wellness Program Decision-Maker	
You are a final decision-maker or make recommendations	60%
You have a lot of influence	36
Moderate to no influence	3

