

Your employees stepped up this year — how will you step up for them?

By Krystal Barker Buissereth | 12-07-2020 | Employee Benefits News



Through early Zoom calls and online learning, essential work and necessary activism, illness and financial loss, everyday people have shown resilience and strength in 2020. When you need to put food on the table, there is no other choice. But such determination must eventually be met with support to remain sustainable.

If you play a role in protecting outcomes for your business and its people, you've read the think pieces about the unprecedented nature of this year and how businesses have had to rethink their human capital strategy. As this year draws to a close, we are able to not only reflect on what's changed through observation and experience, but also to quantify it through data.

Morgan Stanley worked with the Financial Health Network to survey HR executives and corporate decision-makers about their world in 2020. Despite the obstacles, businesses are stepping up to assist their employees with their financial health challenges. Here's what we learned:

Awareness and action

Few have been immune to the effects of 2020. Even the staff you've been fortunate to retain may have faced financial hardship due to reduced hours or disappearing bonuses, an out-of-work spouse or partner, increased medical expenses, or loved ones in need.

A majority (86%) of employers say they are not only aware of their employees' financial challenges, but also that they plan to maintain or even increase their investment in financial health benefits as a result of COVID-19 (85%). When you're attuned to these challenges, you can start to build a lineup that addresses employees' specific, immediate needs.

While popular benefits like retirement plans and insurance remain top-of-mind, employers also are planning to add more contemporary offerings, such as individual financial coaching, childcare and eldercare assistance, digital financial education and debt-related support. By getting to the heart of employees' short-term financial concerns, these benefits can help to mitigate their stress now and may even put them on a path to better utilize programs like the company 401(k) plan or employee stock purchase plan later on.

Measurement and ROI

Though employers know in the abstract that their workers are facing financial difficulty, they are relying on incomplete metrics that may obscure the details. An uptick in 401(k) hardship withdrawals or pay advance requests is telling, but telling only of a need for cash.

So how do you overcome a knowledge gap? Employee focus groups or surveys may help you understand whether targeted benefits — like dependent care accounts or emergency savings accounts, funded through payroll deductions — could ultimately be more impactful. And if you have a formal financial wellness program, its provider may be able to furnish you with analytics about your employees' levels of financial well-being, specific stressors and desire for tailored help.

Again, we recognize that businesses have faced their own challenges — and even in flush years, the bottom line is always a consideration. But among the decision-makers we spoke to, 60% say employee demand is a top factor when making investment decisions about financial health benefits, even more than budgetary concerns (49%). And doing the right thing, just because it's the right thing, is always good for business.

Buy-in and the road ahead

The decision to invest in employees' financial well-being speaks to a company's broader philosophy and culture. A sizable majority of decision-makers (82%) say they have incorporated financial health into their human resources department's strategic plans. What this signals to me is that this is now a matter of C-suite level attention — and that's a good thing.

When your people show up, remotely or in-person, they do so with the weight of their personal and financial struggles on their shoulders. The companies that weather this storm will do so by mark of

their employees' hard work and because they had those employees' backs. Your potential for financial success is bound up with theirs, and they're counting on you for help. According to an Employee Benefit Research Institute study, nearly two-thirds (63%) of workers agree their employer has a *responsibility* to make sure its employees are healthy and financially secure.

Employers all over the country are heralding the call with new and enhanced benefits. Will you join them?