



Financial Wellness

Taking the Pulse of Your Financial Wellness Program



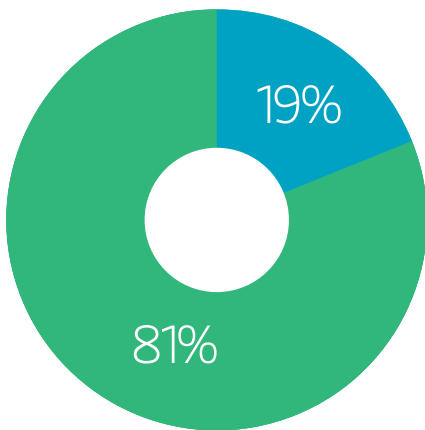
This recent study, conducted by Morgan Stanley and the National Association of Stock Plan Professionals (NASPP), measures five vital signs that are critical for the development, implementation and measurement of a cohesive offering that drives desired outcomes.

Financial wellness—workplace solutions that support the overall financial well-being of a company's workforce—is a popular benefit companies offer to help employees reduce financial stress. These programs are broadly defined and cover a wide range of services—from retirement savings plans and online education to resource libraries and one-on-one advice from a seasoned financial advisor.

Today, more than eight in ten public companies offer some type of financial wellness program (81%) for their employees, and half of those that are not currently offering a program are either considering one or in the early stages of implementation. As these programs mature, measuring their success is becoming more and more important as is the need to effectively promote them. What's more, financial wellness programs must expand beyond retirement saving ideas to tackle a broader set of financial questions, with an emphasis on stock and equity plan education.

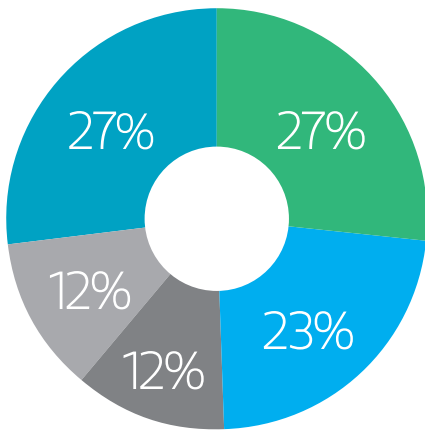
These are among the key findings of a survey conducted by Morgan Stanley and the NASPP in June 2020. The results reinforce a commitment from employers to reduce employee stress, a key contributor to reduced worker productivity, increased absenteeism and healthcare claims, and higher turnover, according to a 2017 study by the Financial Health Network. The results also underscore a valuable lesson: Having a variety of tools and benefits is not enough; a true financial wellness program is one that brings all of the benefits together through financial planning and coaching, a structured communication and engagement strategy, and an effective way to measure results.

These findings reveal five central themes that are highlighted in this report. They provide important insights for company decision-makers on how to enhance existing programs so they not only remain viable and visible, but also achieve their intended goals for the organization and its valuable workforce.



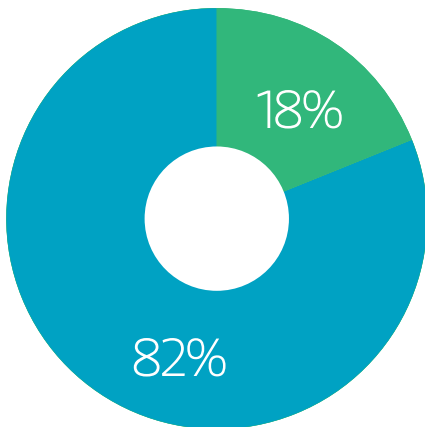
Company Currently Offers Financial Wellness Benefits (n=142)

Yes	81%
No	19%



Company Currently Not Offering Financial Wellness Benefits (n=26)

Currently considering or in the process of implementation	27%
Considering but not yet made a decision	23%
Considered and decided against it	12%
Never considered	12%
Not sure	27%



All Employees Have Access to Financial Wellness Benefits (Among Those Offering Financial Wellness Benefits, n=112)

Yes	82%
No	18%

Source: <https://s3.amazonaws.com/cfsi-innovation-files/wp-content/uploads/2017/05/26183930/2017-Employee-FinHealth.pdf>

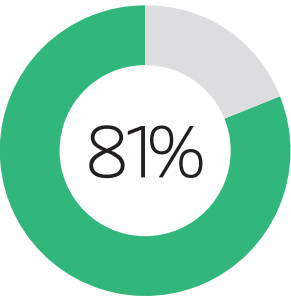
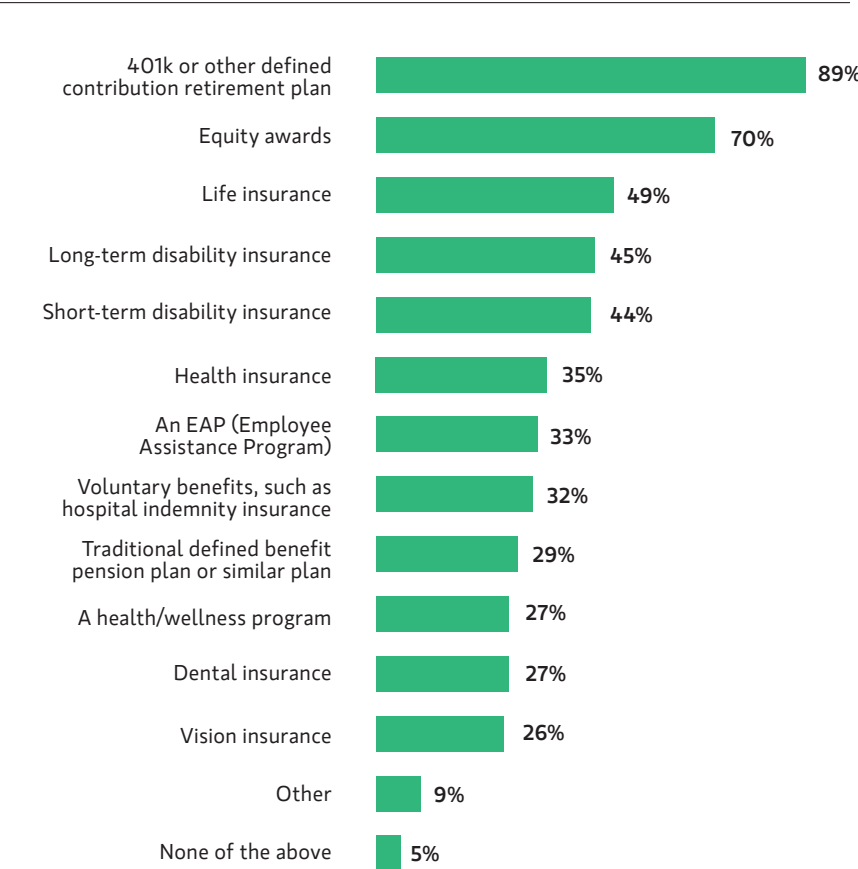
Five Key Insights for Building a Stronger Financial Wellness Offering

1. Financial wellness is here and growing.

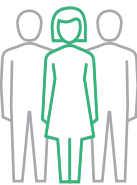
Interest in financial wellness continues to rise, with 81% of all employers surveyed currently offering some components of a financial wellness program. Benefits can vary, with most programs including a 401k plan or other defined contribution retirement plan (89%), equity awards (70%), life insurance (49%), long-term disability (45%) and short-term disability (44%) as key elements of their program. Only about one in three consider health insurance as part of their financial wellness program (35%).



Benefits Considered as Part of Current Financial Wellness Program (n=102)



of all employers surveyed currently offering some components of a financial wellness program.



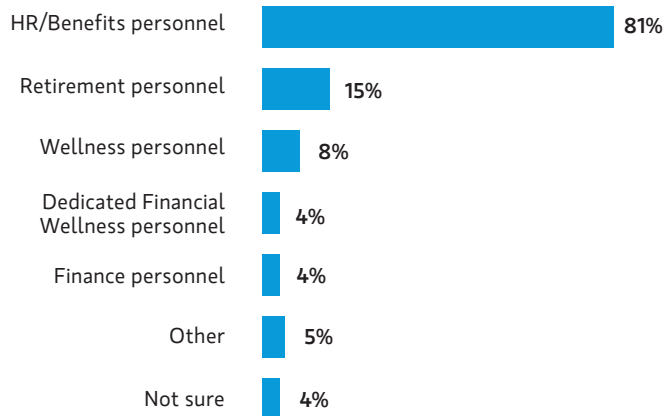
1 in 3

consider health insurance as part of their financial wellness program (35%).

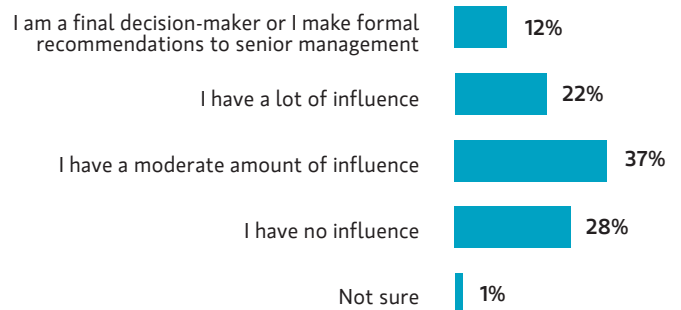
Day-to-day responsibility for and oversight of a company's financial wellness programs are overwhelmingly handled by HR or benefits personnel (81%), followed distantly by retirement personnel (15%) or wellness personnel (8%).

Surprisingly, while 70% of survey respondents consider their equity awards program to be a financial wellness benefit, only about a third of stock plan administrators say they have much influence on the program or are final decision-makers when it comes to financial wellness benefits.

Internal Responsibility for Financial Wellness Program (n=113)



Role in Decision-Making for Financial Wellness Benefits (n=114)



2. Equity award education and planning are critical components of financial wellness.

When it comes to providing financial wellness education, saving for retirement is the most common topic offered. However, six in ten provide equity education as part of their financial wellness benefits.

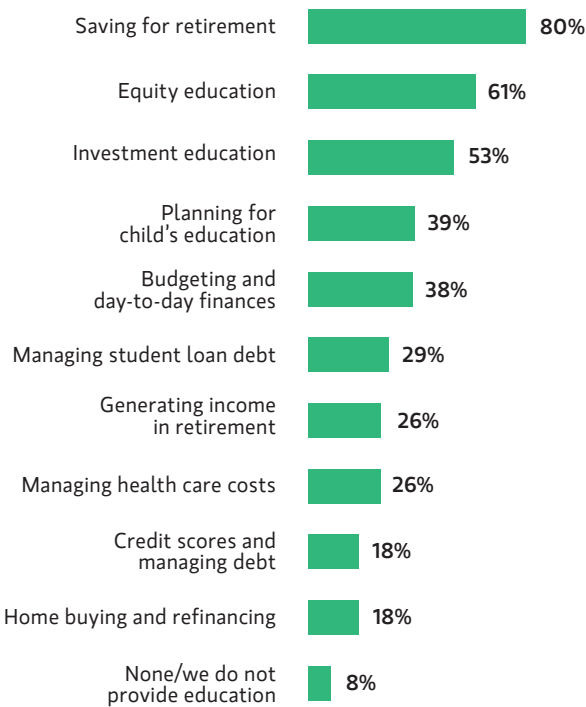


Saving for retirement
is the most common topic offered.



6 in 10
provide equity education as part of their financial wellness benefits.

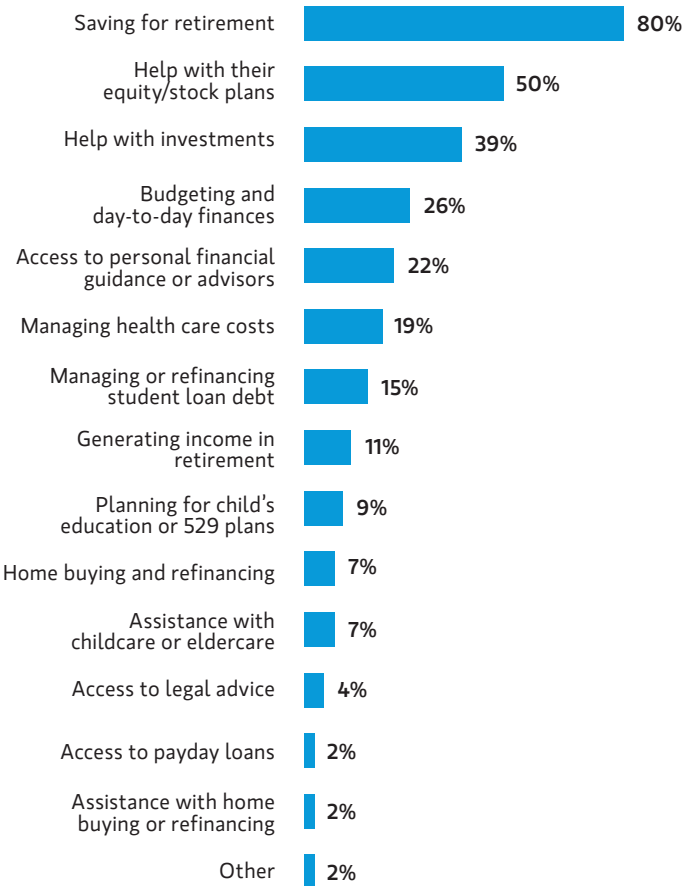
Education Offered on Financial Wellness Topics (n=89)



This supports employees' need for guidance about their stock plans, with half of employers saying their workers need help understanding their equity program.

Topics or Services Employees Inquire About Most Often (n=54)

Note: Percentages exclude "don't know" responses



3. Financial wellness needs to include more than just retirement.

Research would suggest that financial wellness programs are largely centered around retirement benefits and education (for example, 85% offer retirement savings tools and calculators), but financial wellness is also intended to help employees with their short-term goals and financial struggles.



Financial Wellness Program Offerings (n=98)



Interestingly, more advanced programs are offering such assistance as credit counseling or debt consolidation programs (29%), student loan refinancing (18%), and 529 plan assistance (18%). Only 8% currently offer access to an emergency savings vehicle.

29%

credit counseling or debt consolidation programs

18%

student loan refinancing

18%

529 plan assistance

8%

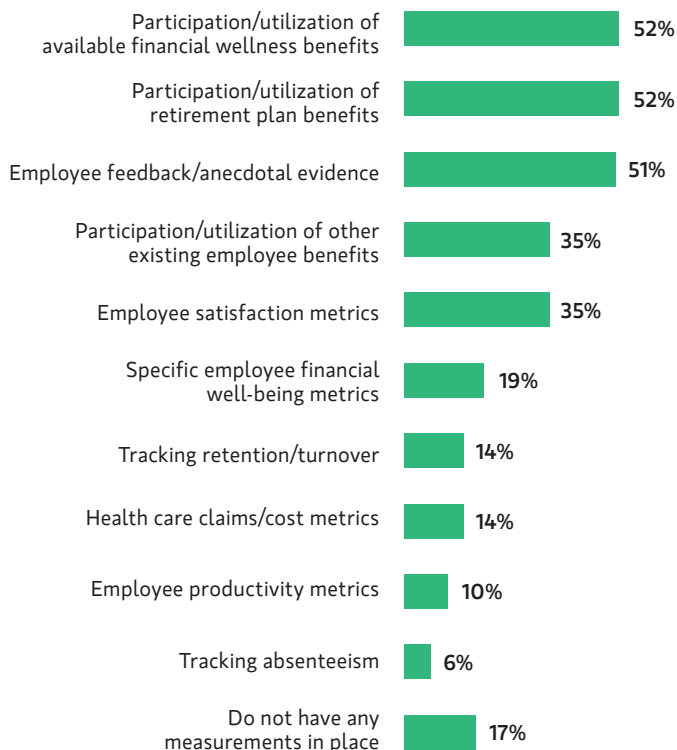
currently offer access to an emergency savings vehicle.

4. Company decision makers need better ways to measure the success of their financial wellness programs.

In today's business world, for programs to continue to receive ongoing support, goals must be developed and progress must be measured and tracked. When it comes to measuring the success of current financial wellness programs, half of the survey responders look to the utilization of the available services or rely on employee feedback to help determine the success of the program. A holistic financial wellness solution should include data on all benefit participation, analysis of turnover rates and employee satisfaction, and well-being metrics. Roughly half have these metrics now.



Measuring Success of Financial Wellness Program (n=69)



Potential Improvements or Missing Components of Current Program (n=78)



To further support the need for better measurement, half of all survey responders identified tracking success as their top opportunity to improve the effectiveness of their program. Other opportunities include creating a cohesive financial wellness strategy and developing more targeted and tailored communication to encourage participation.



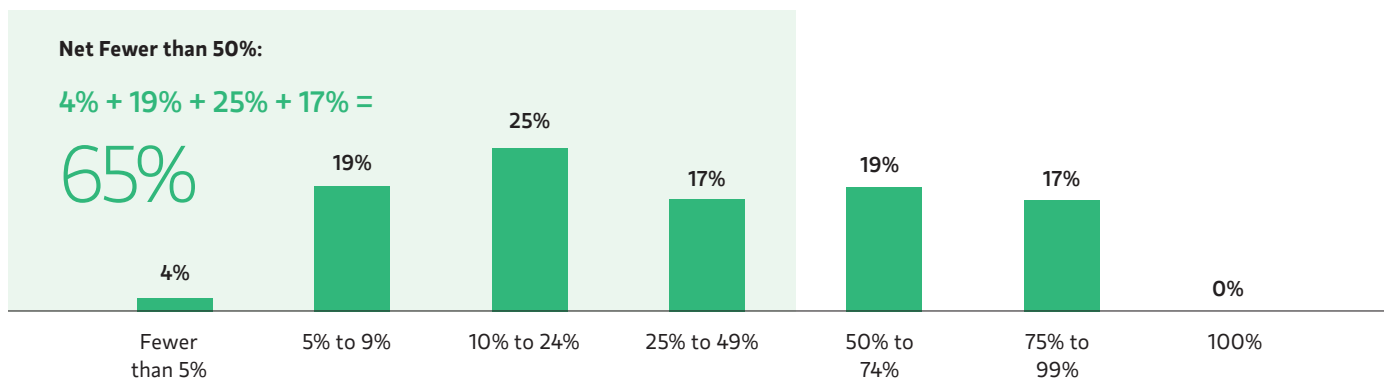
5. Ongoing communication will enhance participation and overall results.

Despite the interest in financial wellness programs, 65% of responders said that fewer than half of eligible employees are currently participating in their financial wellness benefits.

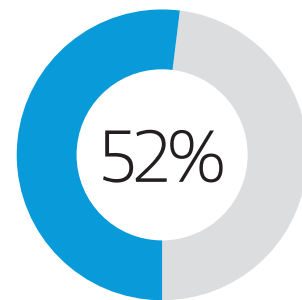
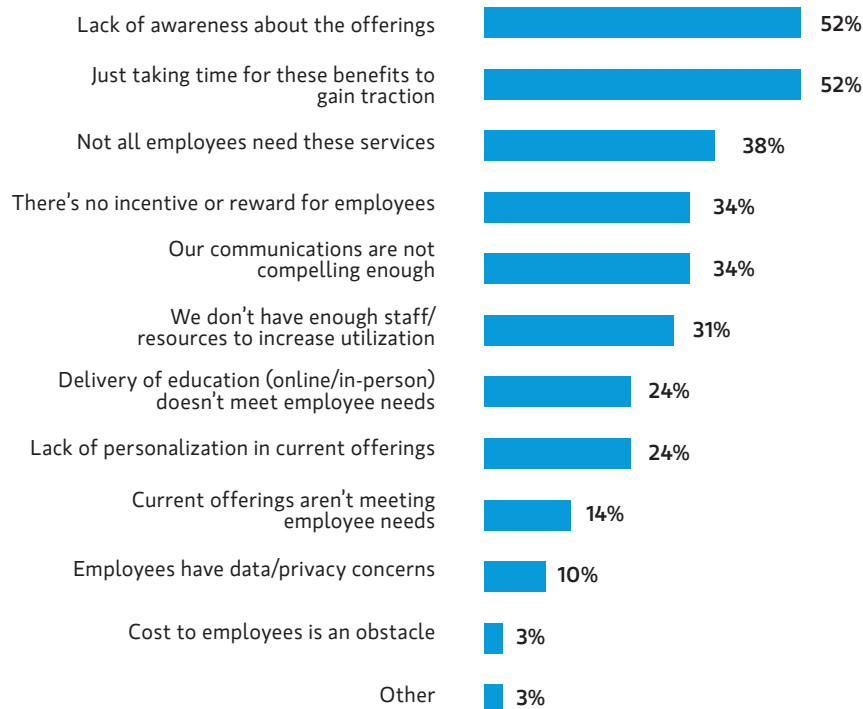


Percent of Eligible Employees Who Use Financial Wellness Benefits (n=48)

Note: Percentages exclude "don't know" responses



Reasons for Low Participation (Under 50%) (n=29)

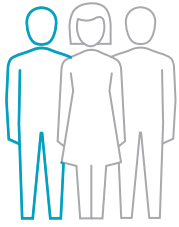


More than half (52%) believe low participation is due to lack of awareness and say benefits having been slow to gain traction.



3 in 10

admit they don't have enough staff or resources to increase utilization.

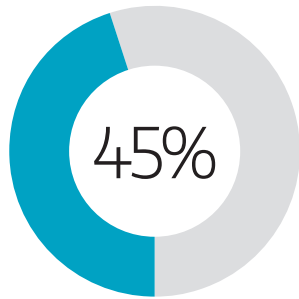


1 in 3

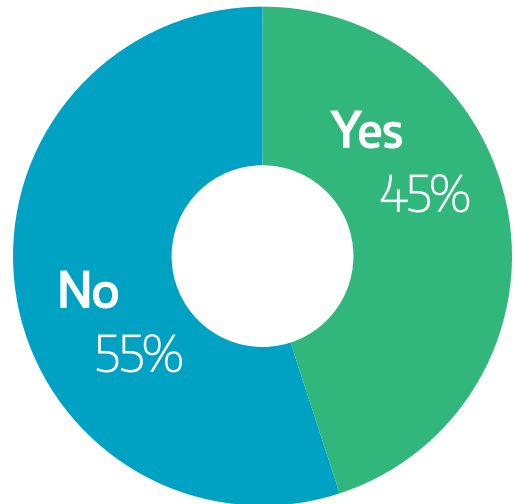
believe less than half of employees are utilizing benefits because their communications are not compelling enough (34%)

Communications Targeted Toward Specific Segments of Employee Population (n=60)

Note: Percentages exclude "don't know" responses



45% say they specifically tailor benefits communications based on specific demographics within their employee population. This suggests that more targeted communication can lead to better utilization of the wellness benefits offered.

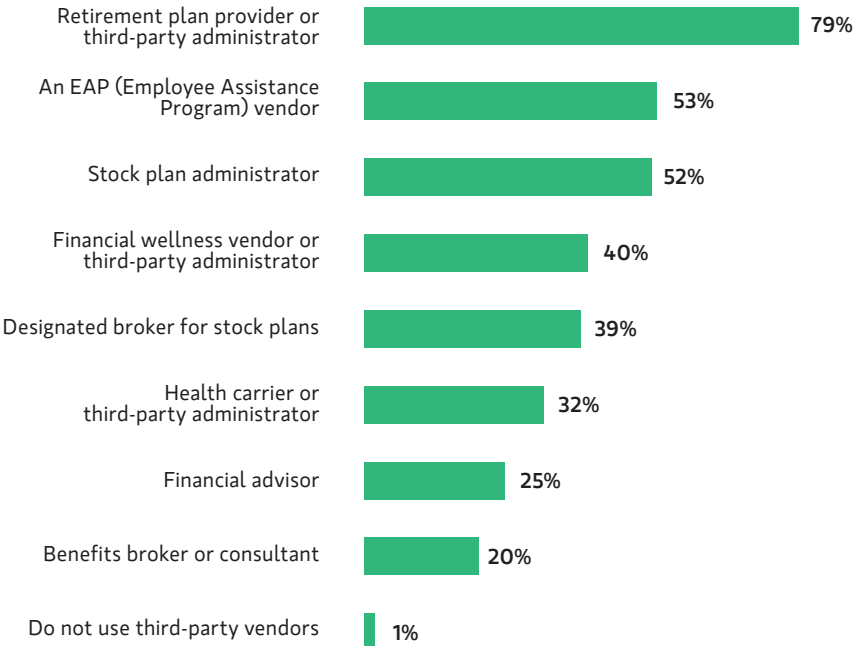


Bringing It All Together

The study confirms that financial wellness is now a critical component of a company's comprehensive employee benefits package. Company sponsors have taken measures to introduce multiple financial wellness programs and tools such as 401k, equity administration, education and training. However, offering these tools is not enough to help your employees achieve financial well-being. Employees need help navigating these financial benefits through a coordinated financial wellness strategy, a compelling engagement campaign and strong communications, and transparent metrics.

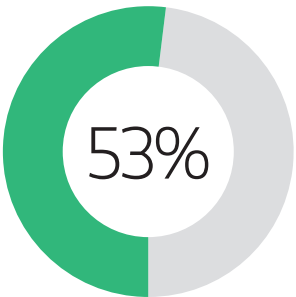
Given stretched budgets and time constraints, corporate sponsors should leverage their financial wellness vendors, particularly their holistic program managers. Given the strong adoption rates and interest levels the poll reveals, the question is no longer whether financial wellness is here to stay, but what the opportunities and challenges for further growth are. On both fronts, these findings send strong messages from employees and administrators to help guide the next iteration of wellness benefits.

Third-Party Vendors Used for
Financial Wellness Program (n=75)



8 in 10

survey participants use a retirement plan provider for their financial wellness program



with just over half using an EAP or stock plan administrator.

Methodology

This paper highlights the key results of research conducted by Morgan Stanley in partnership with the National Association of Stock Plan Professionals (NASPP). The purpose of the study was to gain a deeper understanding of financial wellness offerings at companies that offer stock compensation.

Information was gathered through online interviews fielded by NASPP. A total of 212 employers participated, of whom 114 qualified to be included in the financial wellness portion of the analysis.

In order to complete the survey, participants were required to work for a publicly traded company that offers stock compensation, have at least moderate influence on decision-making regarding the company's benefits programs and work for a company that offers financial wellness programs.

Please note that percentages in the tables and charts may not total 100 percent, due to rounding and/or missing categories.

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