

# UBS Workplace Voice

Employee attitudes and behaviors  
Presented by UBS Workplace Wealth Solutions  
Issue 1

## A benefit whose time has come

Employees increasingly value **financial wellness programs** and the companies offering them



Already viewed as increasingly important prior to COVID-19, financial wellness programs have moved into the spotlight. What may have been seen as a “nice-to-have” auxiliary benefit is now becoming a critical component of what companies provide their employees. The findings from our latest survey of more than 1,200 US employees across asset levels, industries and service providers show what a dramatic difference financial wellness programs make for employees and employers alike.

Even setting aside the pandemic, employees need to be more financially adept and independent than ever before. Pension plans have given way to 401(k)s, even as longevity forces employees to fund longer retirements than in years past. At the same time, rising college costs require parents to save sooner, and graduates to contend with higher student loans to pay off.

Against this backdrop, employees are looking to their employers for help. Seven in 10 believe their employer has an obligation to help them achieve financial wellness. Among employees who are aware of their company's financial wellness program, two in three participate—and 83% of them rate the program as “extremely” or “very effective.” Among those who don't, nearly half are highly interested, indicating even higher participation rates can be achieved.

### **More confident, likely to pursue healthy financial habits—and remain loyal**

Notably, employees who participate in financial wellness programs feel positive about their money and make demonstrably better financial decisions. Most are confident in achieving their goals, including a comfortable retirement. And when compared to non-participating employees, financial wellness participants are more likely to save regularly, stick to a budget, pay off credit cards, maximize 401(k) contributions and invest in IRAs.

Financial wellness programs also benefit the companies who provide them, in the form of more productive and loyal employees. Nine in 10 participants view their company favorably, compared to only 6 in 10 non-participants. Participants are also much more likely to feel motivated to go beyond everyday work responsibilities and to stay with their company for the next five years.

### **An answer to increased stress from COVID-19**

The COVID-19 pandemic has further highlighted the benefits of financial wellness programs. With employees feeling stressed mentally and financially, those who participate in financial wellness programs feel more supported by their company, and more confident that their finances are well-positioned. When we emerge from the crisis, the companies that have shown their commitment to their employees' well-being—mental, physical and financial—will stand to reap the benefits.

## **About the survey**

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UBS Workplace Voice is an industry-wide online survey of employee benefit participants. It is designed to generate insights employers can use to help participants maximize the value they receive from their company benefits such as equity awards, financial wellness and retirement. The responses represent a cross section of companies, industries and service providers.

For this edition of UBS Workplace Voice, we surveyed 1,209 employees across various industries, ages and asset levels from April 27 to May 1, 2020; 320 of the employees currently participate in a financial wellness program offered by their employer.

# Financial wellness participants feel more confident in their financial future

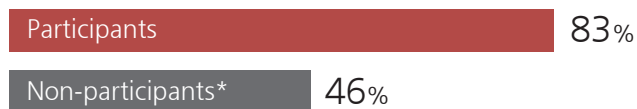
Employees who participate in their company's financial wellness program feel dramatically better about their overall financial well-being and much more optimistic about their financial future. Eight in 10 participants report their relationship with money as being "excellent" or "very good," dramatically surpassing employees who don't take part in a financial wellness program. More than half feel confident they will achieve their financial objectives for the future, twice as high as non-participants (36%).

More specifically, there is greater confidence in retiring well among participants. Financial wellness participants are twice as likely to feel they will be able to retire when and how they would like. Nearly 9 in 10 participants feel they have a clear idea of how much they need to save in order to retire comfortably, compared to only 6 in 10 among other employees.

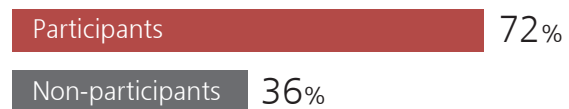
## Participants feel much better about their finances overall ...

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"My overall **financial wellness** is excellent or very good."



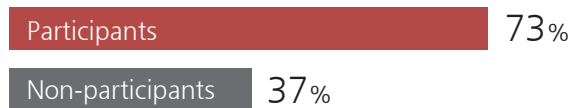
"I feel highly confident about achieving my **financial goals**."



## ... and about their retirement

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"I feel confident about **retiring** when and how I like."



"I have a clear idea of **how much I need** to retire comfortably."



\*Non-participants are employees who either work in companies that do not offer financial wellness programs, or elect not to participate in a financial wellness program offered by their company

# Participants say they are more knowledgeable about money

Those engaging in a workplace financial wellness program rate their knowledge of money as high. Eight in 10 consider themselves extremely or very knowledgeable regarding their finances—twice as high as non-participants. Additionally, when asked about their knowledge of specific financial topics such as retirement

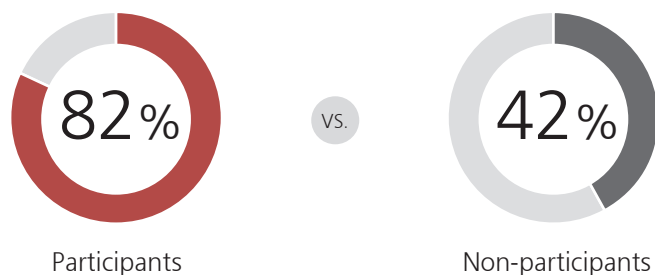
planning and investing in markets, participants report higher levels of knowledge across all topic areas.

Participants also view debt differently, seeing it as a means to create wealth. Specifically, three-quarters perceive debt as a strategic tool to help build wealth over time.

## Participants say they know more about their finances ...

### Overall finances

"I am **extremely or very knowledgeable** about my finances."

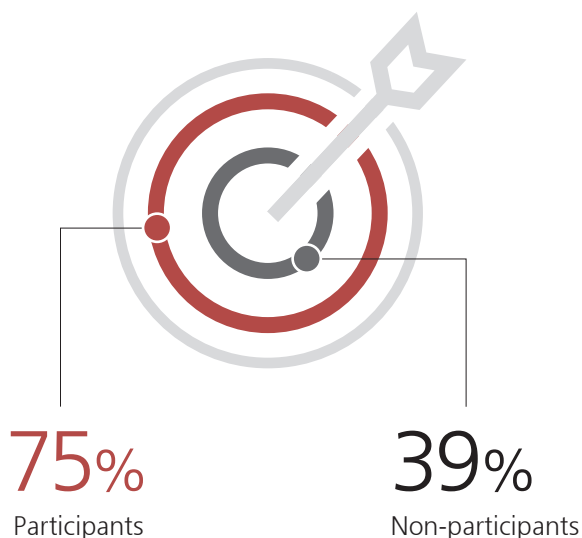


By financial topic	Participants	Non-participants
Healthcare coverage and planning	77%	38%
Tax planning	76%	27%
Retirement planning	73%	36%
Investing in the markets	72%	30%
Insurance planning	71%	29%
Education funding	71%	26%

## ... and view debt as a strategic tool to build wealth

### Debt

"I see debt as a means to **creating wealth** over time."

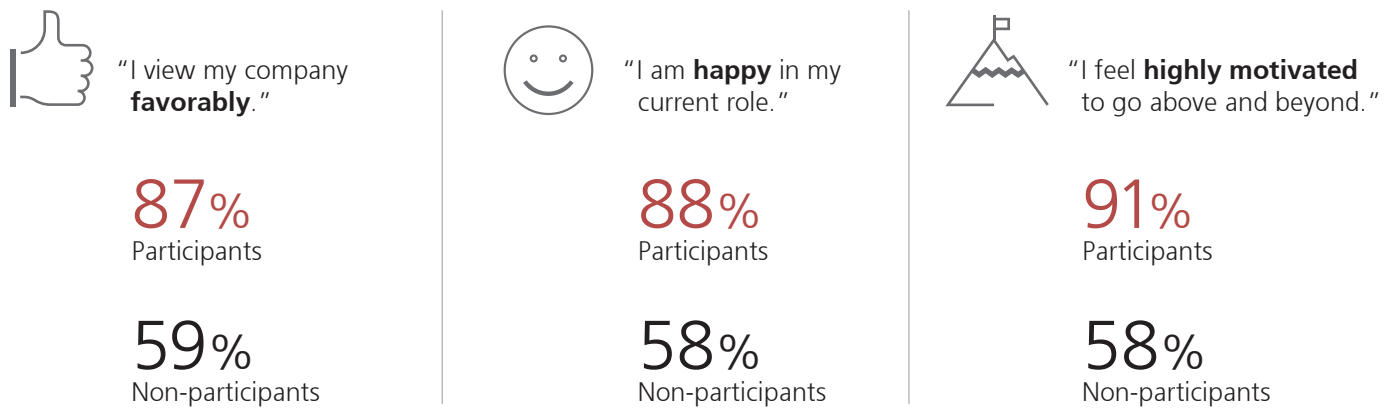


# Financial wellness programs foster company loyalty

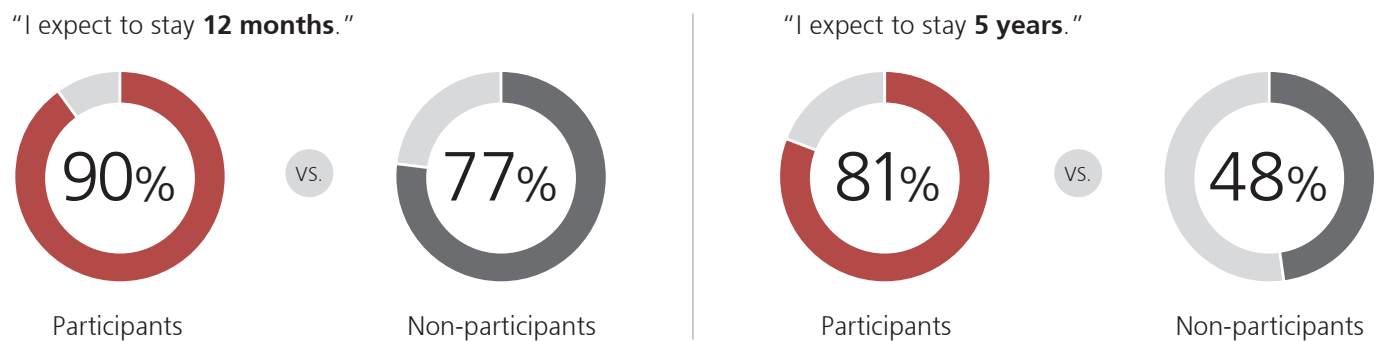
Employees increasingly expect their company to provide benefits beyond a paycheck, healthcare coverage and retirement plans. In fact, 7 in 10 employees agree that the companies they work for have a responsibility to help them achieve financial wellness.

Additionally, these programs generate higher employee satisfaction, motivation and loyalty. For example, 9 in 10 employees who participate in a financial wellness program view their company favorably, compared to 6 in 10 non-participants. Participants are also much more likely to plan to remain at the company in both the near- and long-term.

## Participants feel better about their company ...



## ... and are more likely to stay there



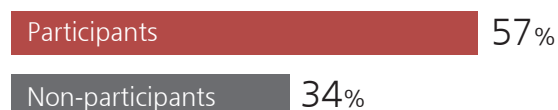
# Wellness programs support better financial decisions—and habits

Participants in a financial wellness program take more proactive steps to ensure their long-term and short-term financial security, including taking advantage of other employer-provided benefits. In line with their higher knowledge about retirement planning, 6 in 10 currently contribute the maximum amount allowed in their 401(k)/403(b) plan each month. Another 7 in 10 contribute to an Individual Retirement Account (IRA) outside of their 401(k)/403(b) plan, twice as many compared to non-participants.

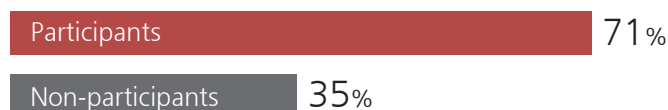
When it comes to everyday financial matters such as monthly savings, expenses and credit cards, participants also show better financial decision-making. Nine in 10 indicate that they “pay themselves” by saving money every month. Over half say they maintain a detailed list of all monthly expenses that they track regularly. Paying off their credit cards is also a priority for participants. In fact, 5 in 10 fully pay off their credit card each month, compared to 1 in 10 employees not participating in a financial wellness program.

## Participants take proactive steps to ensure long-term financial security ...

**Contribute the maximum** to their 401(k)/403(b) each month



**Have an IRA** in addition to their 401(k)/403(b) plan



## ... and make good decisions regarding day-to-day finances



“I **pay myself** by saving every month.”

**87%**  
Participants

**69%**  
Non-participants



“I regularly **track my monthly expenses.**”

**53%**  
Participants

**36%**  
Non-participants



“I always **pay my credit card bill** in full each month.”

**48%**  
Participants

**13%**  
Non-participants

# Though effective, financial wellness programs have room for improvement

While financial wellness programs clearly offer a lot of value for participants, there is still room to do better. While most programs offer a variety of tools and resources, demand exceeds supply. For most features, 7 in 10 participants say they would be highly valuable, while only 5 in 10 say their company's plan offers each feature—creating a wide gap.

Most employees prefer guidance be delivered by a person live (either in-person or led by an online moderator), although a significant portion prefer a self-service online platform. Interestingly, format preference does not differ much across generations, although Millennials are most likely to use a financial planner or coach to validate their own ideas.

## Participants seek more features in their financial wellness programs

	Very valuable feature	Part of current program
<b>Budgeting</b> and savings tools	71%	53%
<b>Financial education</b> courses	71%	53%
<b>Retirement</b> planning tools	71%	63%
<b>Asset allocation</b> profiler	69%	41%
<b>Emergency savings</b> calculator	67%	46%
<b>Debt</b> calculator	66%	49%
<b>Credit card and loan</b> payment estimators	65%	47%
<b>College</b> planning tools	65%	48%

## Most employees want to work with a live person

### All generations prefer in-person guidance



#### In-person or an online moderator

**59%**  
Overall

60% Millennials  
60% Gen X  
57% Boomers



#### Self-service online platform

**41%**  
Overall

40% Millennials  
40% Gen X  
43% Boomers

BUT

### They use a financial planner or coach differently



#### Validate own ideas

**58%**  
Overall

68% Millennials  
55% Gen X  
44% Boomers



#### Make joint decisions

**24%**  
Overall

19% Millennials  
25% Gen X  
31% Boomers



#### Help with recommendations and decisions

**18%**  
Overall

13% Millennials  
20% Gen X  
25% Boomers



# More comprehensive programs deliver even greater employee confidence and loyalty

The number of features and tools offered in a company's financial wellness program has an impact on participants' confidence about their financial future and knowledge. The more features available in a financial wellness program, the higher the participants' confidence and knowledge. For example, 9 in 10 employees with six or more key plan features feel excellent or very good about their overall personal financial wellness, compared to 7 in 10 among participants in less comprehensive programs.

Additionally, employees with more features in their financial wellness program also show stronger favorability, satisfaction and loyalty toward their company. For example, 95% of those with six or more key features have a very favorable view of their company, compared to 75% of participants in less comprehensive programs.

The number of features and tools offered in a company's financial wellness program has an impact

## Higher confidence and knowledge

"Excellent" or "very good" overall financial wellness



Extremely or very knowledgeable about their own finances



Clear idea of how much they need to retire comfortably



■ 6 or more key features ■ Less than 6 key features

## Higher employee satisfaction and loyalty

Favorable view of their company



Satisfied with their current role



Likely to stay at their company 5 years from now



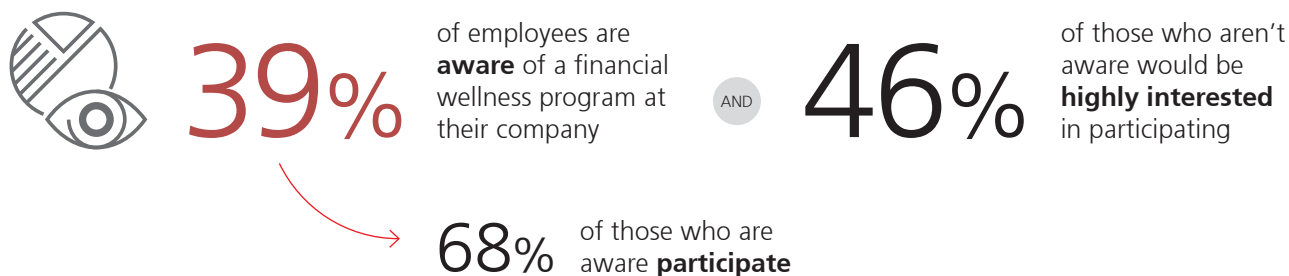
■ 6 or more key features ■ Less than 6 key features

# Participation in financial wellness programs is high, but differs by age and gender

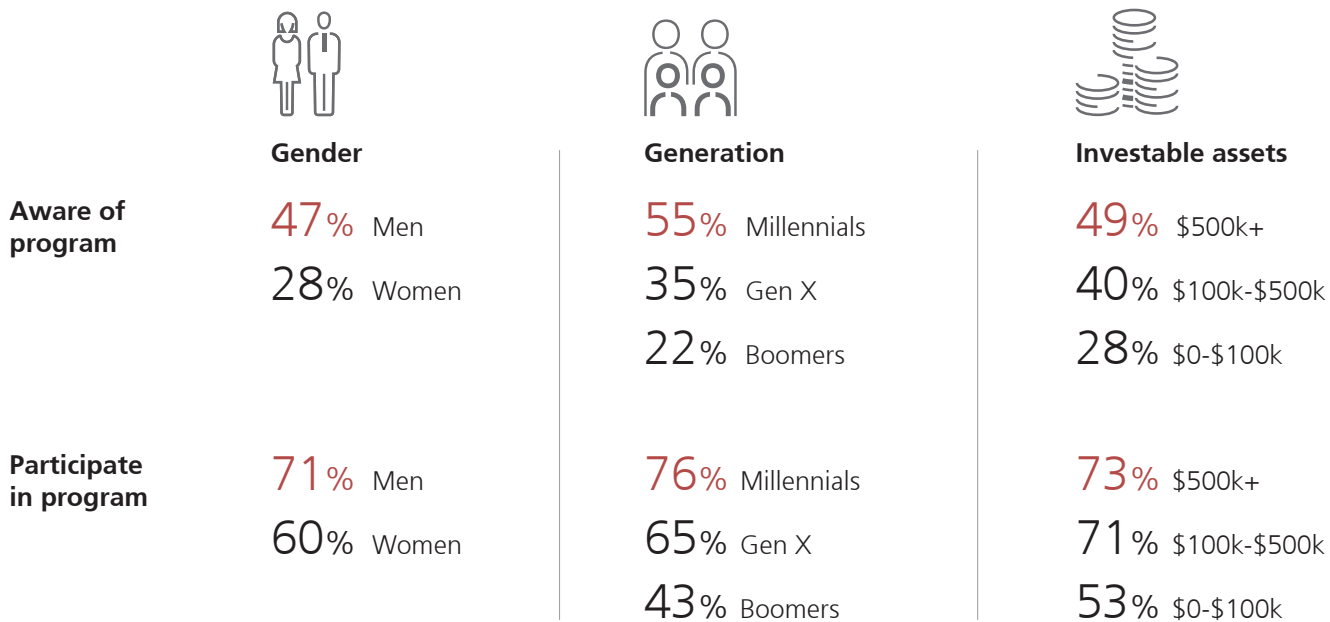
Approximately 4 in 10 employees are aware of their company offering a financial wellness program. Among this group, 2 in 3 choose to participate. Of those not participating, almost half would be highly interested in doing so.

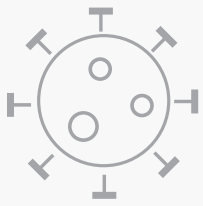
Certain demographic groups—men, younger employees and those with more assets—are more likely to be aware of their company offering a financial wellness program, and also to participate in these programs if available.

## Awareness is key to participation



## Awareness and participation higher among certain employees





## COVID-19 spotlight

# Financial wellness programs have helped employees navigate COVID-19

The COVID-19 pandemic has placed many additional burdens on employers and employees alike. Overall, employees are moderately satisfied with the support they've received from their companies regarding the virus. Perhaps not surprisingly, with most companies focused on transitioning to remote working and maintaining productivity, only 1 in 4 employees say their company provided advice on how to manage their finances during this time.

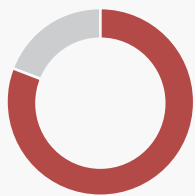
Financial wellness programs appear to have helped fill this need. Those who participate in financial wellness programs have been more satisfied with their company's support during the crisis, and feel more prepared financially to get through this uncertain time.



"I feel **highly satisfied** with my company's support during the crisis ..."



"... and I feel **more prepared** financially."



81% Participants



46% Non-participants

Participants Non-participants

"I have **enough emergency savings** to get through uncertain times."

87% 70%

"I am **confident** my finances are well-positioned to get through this uncertain time."

85% 70%

"I **feel prepared** to navigate the current volatile markets."

84% 59%

## About UBS Workplace Wealth Solutions

UBS Workplace Wealth Solutions collaborates with corporate clients to deliver customized solutions across a range of programs for the workplace, including financial wellness, retirement, equity plans and institutional consulting. We currently provide more than 10,000 employers and their 2 million employees in over 150 countries with access to financial knowledge, benefits programs that prepare them for retirement, and an integrated experience that combines the right mix of people and technology. We work side-by-side with our clients so that everyone feels rewarded at work and optimistic about realizing their long-term financial goals.

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Let's talk

We welcome your questions about how we can help you create a more rewarding workplace through UBS Financial Wellness and other solutions we offer. Please contact your UBS representative or visit us at [ubs.com/workplacesolutions](https://ubs.com/workplacesolutions)

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