



BrightPlan®

The High Cost of Low Engagement:

Keeping Employees Happy and Healthy in the Post-Covid Era



2021

WELLNESS
BAROMETER
SURVEY



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00 Executive Summary

The Covid-19 pandemic brought unprecedented challenges for professionals at every level of their organization. An exploration of HR and business leaders, as well as the employees they serve, revealed a complex portrait of business adaptation during the pandemic, uncovering impressive pivots and improvements worthy of celebration as well as more work to be done. We surveyed 1,500 U.S.-based knowledge workers (both HR and non-HR) at organizations with 1,000+ employees to learn their opinions on how their company handled the pandemic and what they expect moving forward.

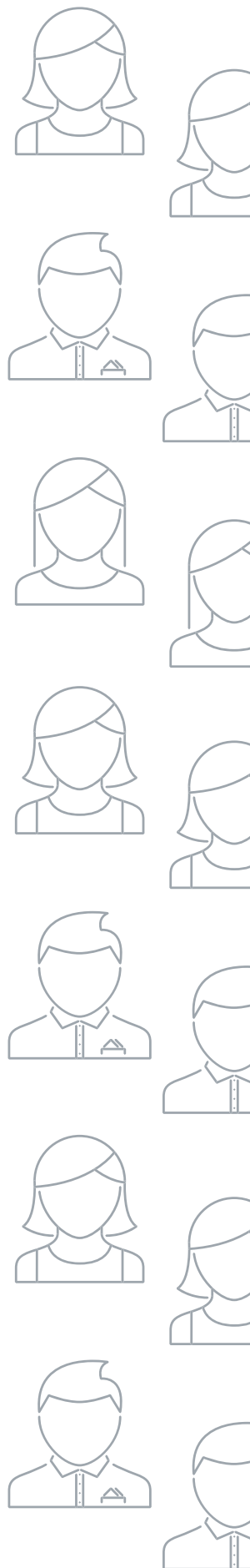
HR was a surprise pandemic success story

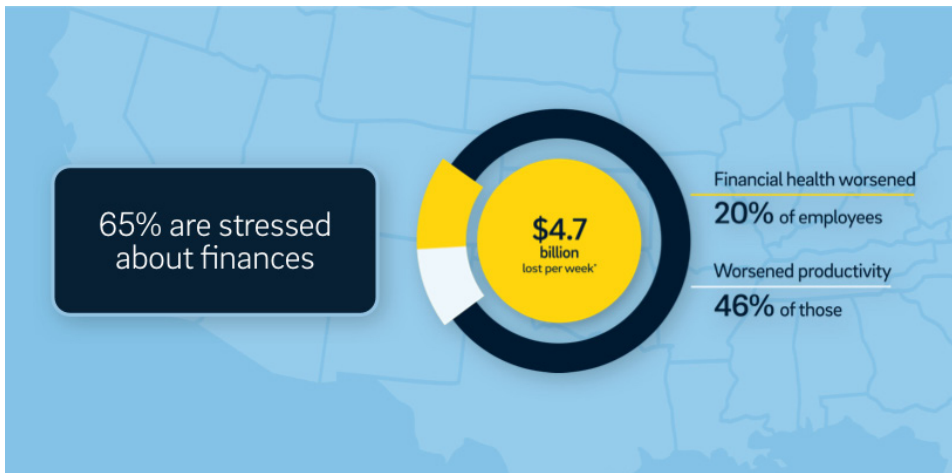
Despite the initial upheaval, American employees were impressed by how quickly HR adapted to meet changing employee needs. An overwhelming **91% say their company handled pandemic-related issues well**. This is a particularly impressive accomplishment in an era when many institutions, from governments to health organizations, came under fire for their pandemic response.

It wasn't all positive, however, as major divides remain between associate-level employees and c-suite executives. When asked their opinion on how their company pivoted its benefits, just 21% of associates said that their overall benefits had improved, less than one-third the rate of c-suite executives (65%).

Financial stress costs employers nearly \$5B per week

Employers in the U.S. lose an estimated **\$4.7 billion per week*** (about **\$244B annually**) due to worsening employee financial health, leading to lower productivity and engagement. American workers with worsened financial health reported lower productivity (46%) and lower engagement (44%).





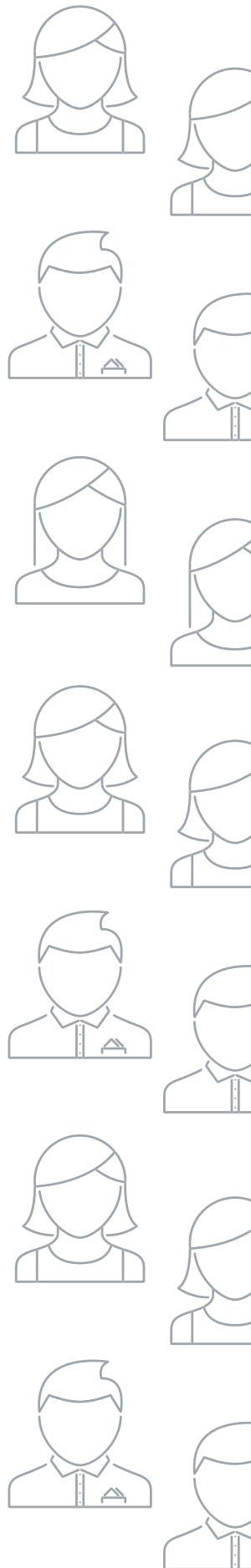
Employees did take steps during the pandemic to reduce their financial stress: Fifty-six percent contributed more to retirement savings and 64% feel comfortable enough with their finances to plan a post-pandemic splurge. However, despite the boost in savings, **the state of Americans' financial literacy is in bad shape** — only 20% of those surveyed could answer three out of four basic finance questions correctly. Of note, women scored higher than men and people of color scored higher than white respondents.

The benefits bar keeps rising

HR is not getting complacent about meeting the needs of their employees and seeks ongoing improvement. **Ninety-four percent of HR leaders think employers need to make major benefits changes** to keep employees satisfied, productive and engaged post-pandemic. And employees agree — only 5% of associate-level employees “completely agree” their benefits improved overall during the pandemic.

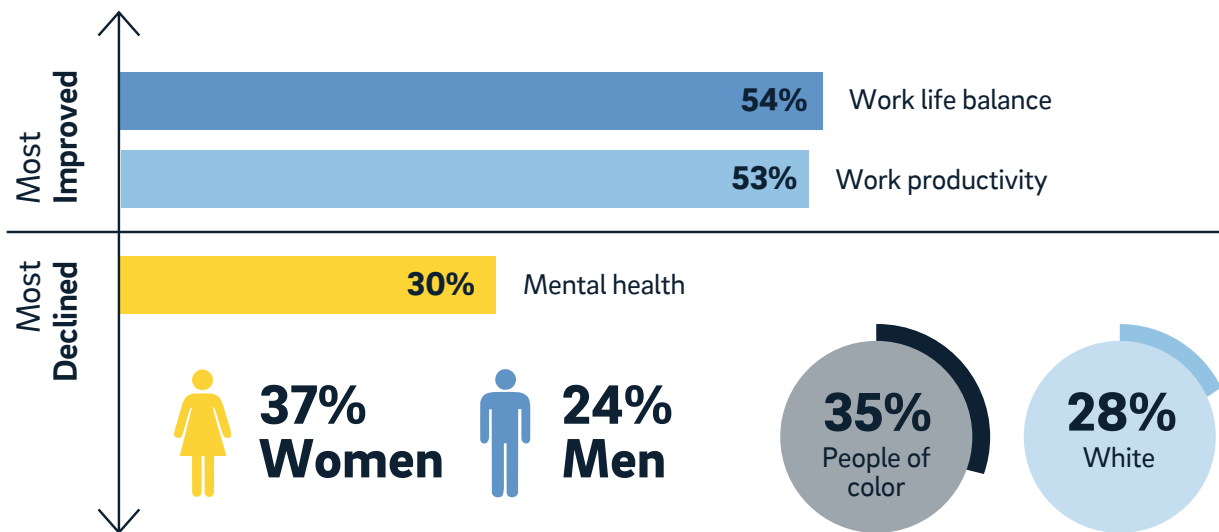
A balancing act for organizations

Employers are always faced with the difficult task of serving the needs of stakeholders while keeping employees happy. This balancing act was accentuated during Covid and the survey results showed that employees have a complex view of their employer. The vast majority **(86%) of respondents agreed their company cares about the safety and well-being of employees**, yet 68% state their organization puts profits over employee well-being.



01 Inside Covid Changes

Overall, employees' opinions are mixed on how the pandemic has transformed various aspects of their lives. The most positive feelings are around work/life balance (54% say it's improved) and work productivity (53% say it's improved). On the flip side, the area where most employees have seen a decline due to the pandemic is mental health – 30% say their mental health is worse.



HR is the surprise success story

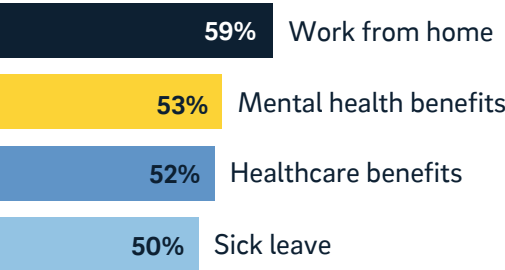
HR professionals have had an especially challenging year and employees recognize it: 71% agree HR's job has been harder during Covid. Even so, a whopping **91% say their company and HR handled pandemic-related issues well** - positively impacting the bottom-line for organizations.

HR also shone in the togetherness category: overall, **60% say the pandemic brought employees across the company closer together**. A dissection of that figure reveals a different story for various roles within an organization: Just 38% of associate-level employees agree that the pandemic brought them closer together. That number jumps to 58% for managers and nearly doubles to 74% for c-suite members.

Booming benefits

A majority of employees **(84%) say their company pivoted its benefits offering well** during the pandemic.

The most improved benefits included:



However, like many other benefits, ratings vary depending on an employee’s level in their organization. When it comes to working-from-home allowances, for example, only 32% of associate-level employees said their company pivoted well - half the rate of managers (62%), and even more disparate when compared to directors (66%) and c-suite execs (73%).

Driving DE&I

Amid the pandemic, diversity, equity and inclusion (DE&I) conversations swept over organizations, adding complex and contentious issues for HR to manage. By and large, companies did a standout job navigating the nuances. The vast majority of employees **(87%) think their company handled DE&I issues well**. However, for people of color and women, they reported their company handling DE&I issues poorly more often than other groups.



The shock of the pandemic triggered 81% of employees to reassess their financial situation and many took action to improve it.



02 Reassessing Personal Finances

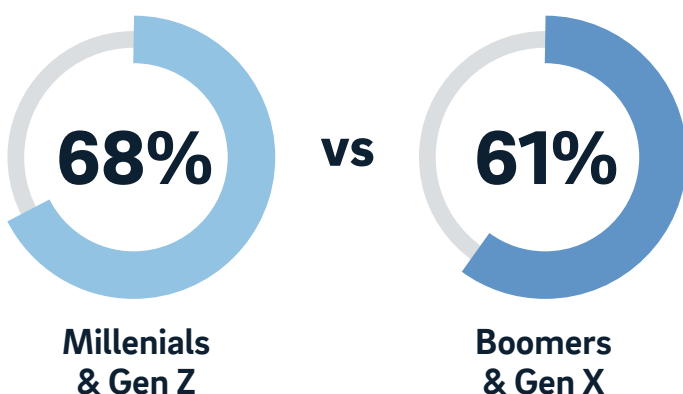
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Soaring pandemic stress

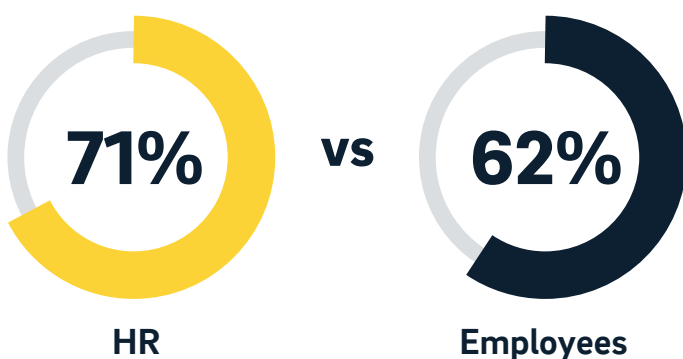


65% stressed about finances

Younger generations were more stressed about their finances than their older co-workers:



HR was more stressed about their finances:



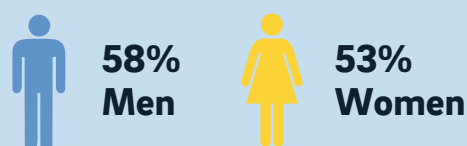
How we saved during Covid

Many of us beefed up our retirement savings during the pandemic yet many saw decreases in emergency savings.

56%

Contributed more to retirement savings

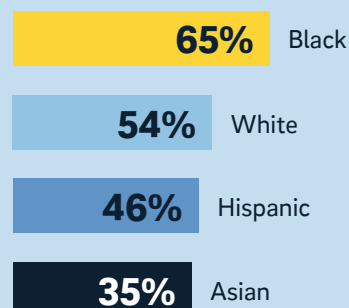
Men say they contributed more to their retirement savings during the pandemic:



53%

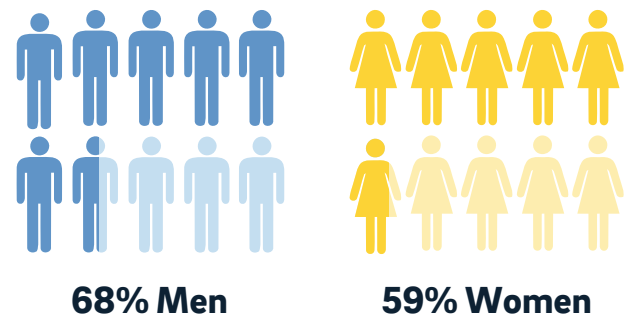
Decreased their emergency savings

Black respondents said their emergency savings decreased more during the pandemic than other groups:

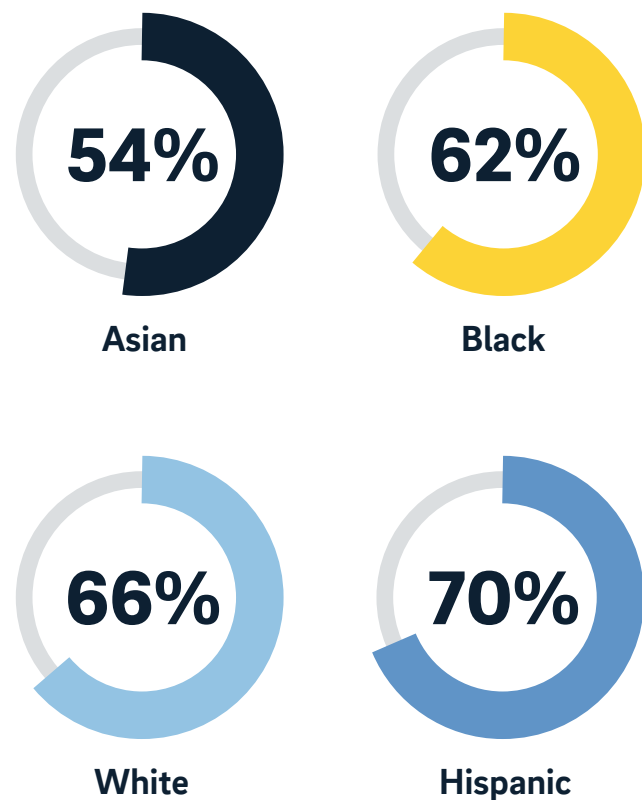


Post-pandemic spending spree

Two in three Americans **(64%) are planning a post-pandemic splurge**, though plans vary across demographics:

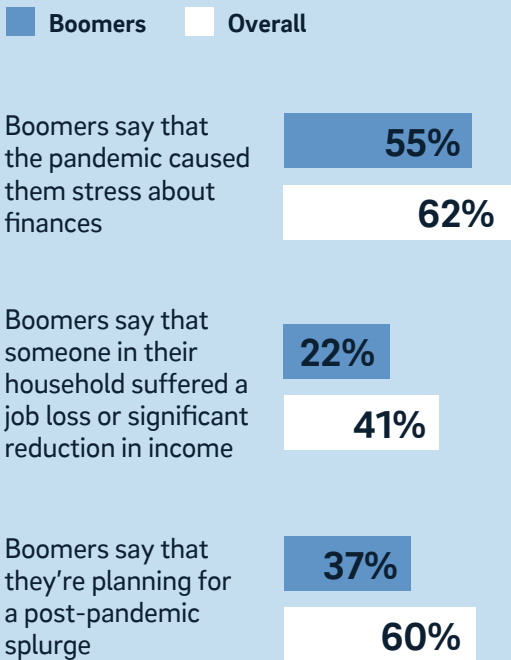


Asian respondents are less likely to plan for a large financial splurge post-pandemic, despite saying their savings decreased the least.



Boomers are OK

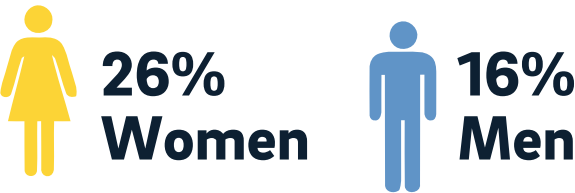
Boomers were less affected financially by the pandemic:



State of financial literacy

We asked 4 basic questions to gauge respondents' level of financial literacy. Only 20% could answer three out of four questions correctly:

20% Have basic financial literacy



The 4 basic questions:

True or False?

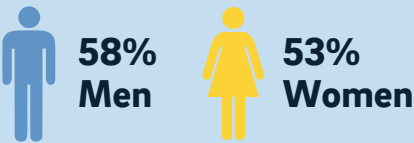
1. With a debit card, funds are taken from your account in real-time, as opposed to at a later date, like a credit card.
2. A credit card's interest rate is the price you pay for borrowing money.
3. I will not be taxed on the money I contribute to a traditional 401(k) until I withdraw the money.
4. A mortgage is an insurance product to help purchase a house.

Men's money moves

More men are planning a financial splurge post-pandemic:



Men contributed more to their retirement savings during the pandemic:



Men saw a decrease in their emergency savings during the pandemic:



03 The High Cost of Low Engagement

Finances are a major cause of stress for employees, impacting their mental and physical well-being and work performance. In fact, 86% of HR professionals agree that the financial stress of the pandemic has hurt employee engagement. Specifically, 20% of knowledge workers say their financial health has worsened during the pandemic. Of those who have worsened financial health, 44% have worsened engagement and 46% have worsened productivity.

Failing financial health is bad for business

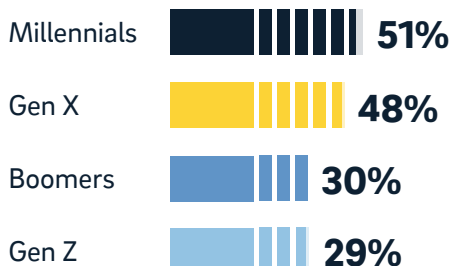
Financially stressed employees reported an average of 15.3 hours of reduced productivity each week. That means American employers lose an astounding **\$4.7 billion every week*** due to worsening employee financial health.

American workers with worsened financial health report:

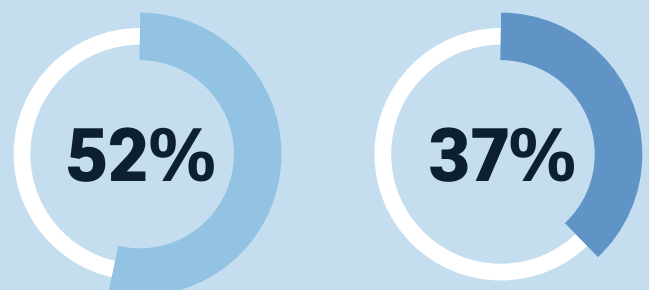


46%
Lower productivity
44%
Lower engagement

Worsened productivity due to financial stress:



Households with children are nearly 50% more likely to say their productivity has worsened due to financial stress:



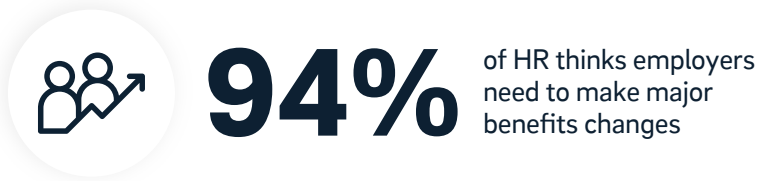
Households
with children

Households
without children

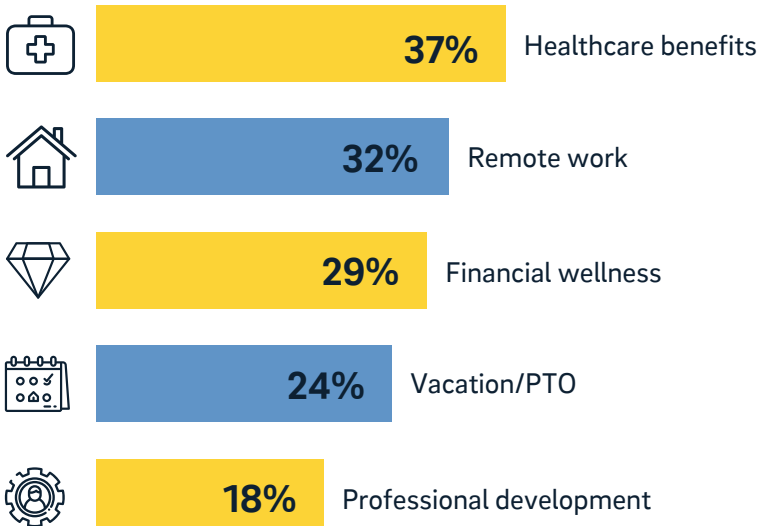


Employee engagement after Covid

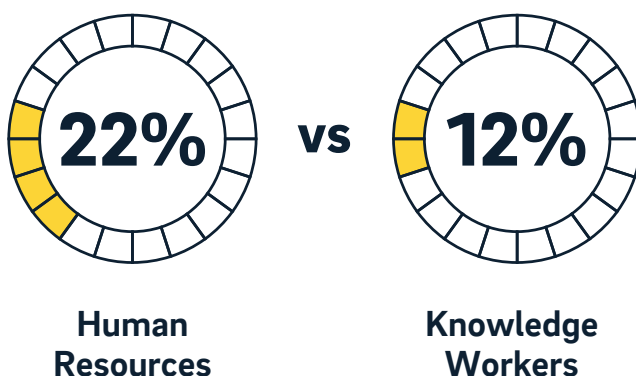
As we enter the complex phase of re-opening offices, nearly all **(94%) HR leaders think employers need to make major benefits changes** to keep employees satisfied, productive and engaged post-pandemic.



Employees put an emphasis on flexibility and financial health. Employees rank the most important benefits post-pandemic as:



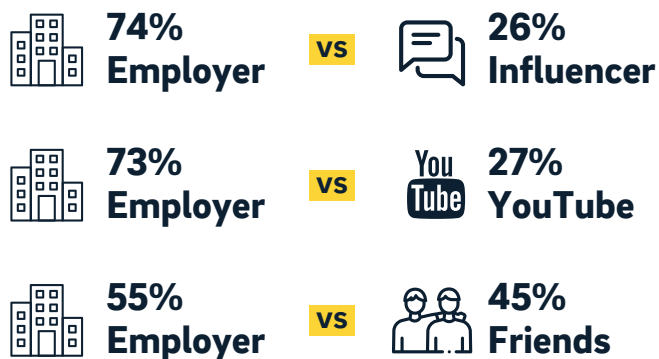
HR leaders are broadly aligned with what employees want, but there is one key disconnect – 22% of HR leaders believe mental health benefits are the most important yet only 12% of employees agree.



04 Work is Winning Finances

As employees begin to see light at the end of the Covid tunnel, they report high trust in their employers. So much so that over 80% of us want support and guidance from employers on our personal finances.

Employers are more trusted as a source of financial information:



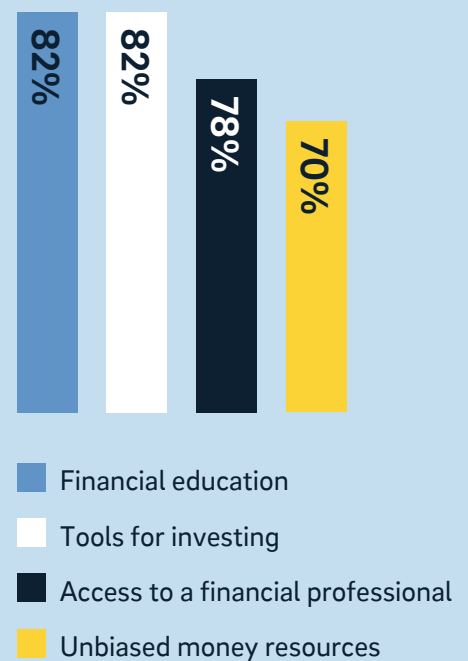
We trust work—mostly

Employers have their employees' trust, with **93% of employees reporting their trust in HR has increased or stayed the same**. 86% said their company cares about the safety and well-being of employees. However, companies aren't completely out of the woods on winning employee confidence — 68% agree their organization puts profits over employee well-being.

We want financial wellness

The vast majority of employees seek support and guidance from their employers on personal finances. That means not only for retirement and financial education, but also financial planning, investing, and day-to-day money management.

Financial resources employees want from employers:



Better benefits make an impact

Employees reported that improved benefits would motivate them in many ways, confirming findings that supporting employees can directly boost the bottom line.

More than nine in ten (93%) say access to enhanced employer-provided benefits would have a positive impact.

Impact of enhanced benefits on employees:





Conclusion.

This past year was more than just a learning experience for employees and employers alike, it was an entire realignment of personal and professional priorities. Despite such upheaval, companies and their HR teams are the heroes of the pandemic, and even with new and evolving priorities, employees have a positive outlook as they look to the future of work life in the post-Covid era.

The pandemic brought with it increased financial stress for employees but also successful benefits shifts from employers as perspectives on financial management evolved. As employers look to the future and continue to focus on hiring and retaining the best talent, these findings provide a roadmap of what employees care about and are looking for in a post-Covid world.

From healthcare and the ability to work from home, to more financial wellness benefits, it's time for companies to build on the employee trust they've gained during the pandemic and provide their people with the benefits and work environments they crave. Businesses that do so will be the true winners in the post-Covid era.



Methodology

CITE Research on behalf of BrightPlan surveyed 1,500 knowledge workers at companies with 1000+ employees in the US between April-May, 2021. This included a mix of HR leaders and employees in various industries including technology, healthcare, manufacturing and energy.



About BrightPlan

BrightPlan is a leader in Total Financial Wellness. The company is the first financial wellness solution certified for fiduciary excellence. BrightPlan provides a comprehensive personal finance solution for all employees that is real-time, personalized and integrated with employer benefits. Its unique combination of digital platform and human advisors supports employee personal financial goals at every stage of life, helping enterprises to better attract, retain and engage talent. For more, visit brightplan.com.

Disclosure:

Assumes there are 94,257,000 knowledge workers in the U.S. with an hourly wage of \$35.53. 20% of knowledge workers have worsened financial health and 46% of them have 15.3 hours of lost productivity per employee per week as a result of financial stress. Sources: Federal Reserve Economic Dataset, BrightPlan.

