

Business Group on Health

Driving Change Together

Developed in partnership with



12th Annual EMPLOYER-SPONSORED HEALTH & WELL-BEING SURVEY

A New Era of Employee Well-being



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EMPLOYER-SPONSORED
HEALTH & WELL-BEING SURVEY

A New Era of Employee Well-being

Executive Summary

The findings of the 12th Annual Business Group on Health / Fidelity Investments Employer-Sponsored Health and Well-being Survey can help employers understand how well-being offerings have changed – and what's on the horizon for 2022 and beyond.

The responses to the following eight frequently asked questions are based on the approaches of 166 large employers:

- 1 Are employers offering well-being programs primarily as a way to reduce costs?
- 2 How are employers approaching equity, diversity and inclusion within their well-being programs?
- 3 What is the status of incentives – are employers still using them to influence employee behavior?
- 4 Where are employers looking to add programs to address mental health and emotional well-being? Were there any programs specifically addressing challenges felt during the pandemic?
- 5 Which areas of financial wellness will see the most growth?
- 6 What impact did COVID-19 have on employer well-being initiatives?
- 7 What does global well-being look like for large employers?
- 8 What does the future hold for employer well-being?

1

Which dimensions of well-being are included in large employers' benefit offerings?

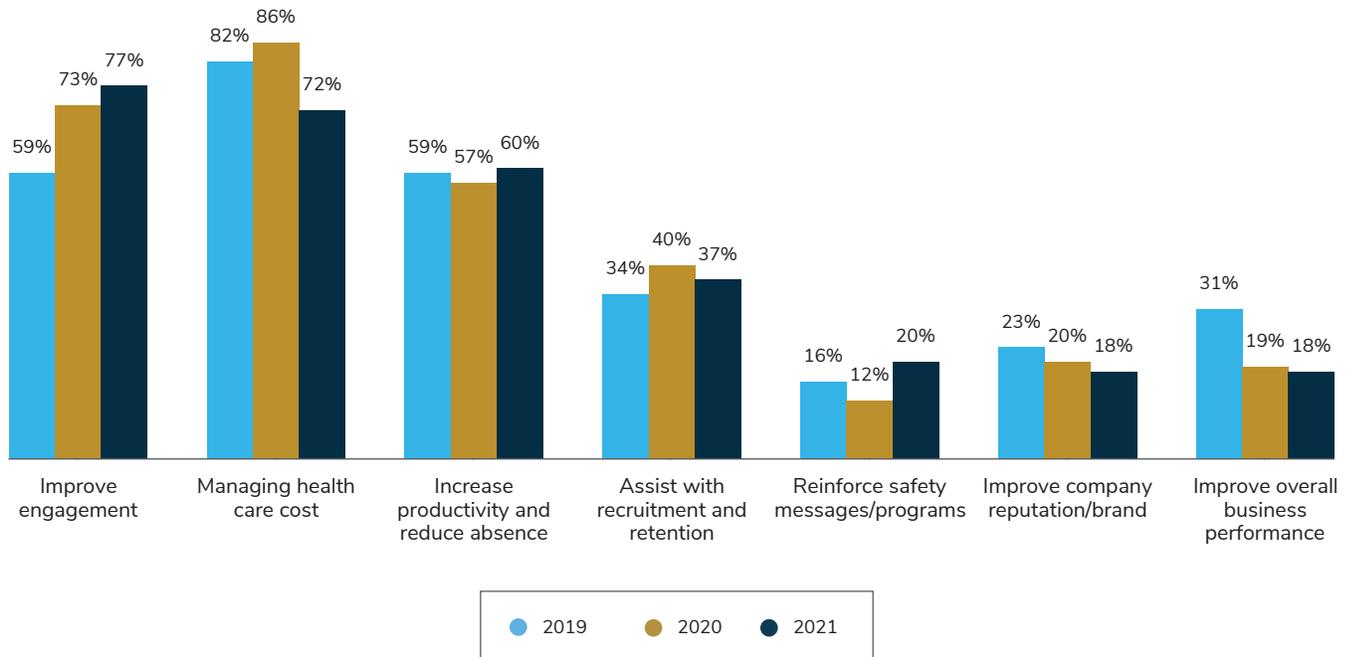
Over the past few years of this survey, there has been a slow shift in priorities and goals for employer well-being programs. In 2021, 90% of employers credit well-being strategy as playing a role in overall business strategy – with 28% saying well-being takes a fundamental place in strategy (Figure 1). These numbers have steadily increased year-over-year as employers further recognize the impact of employee well-being on their business objectives.

Additionally, the motivation behind why employers offer well-being programs has changed. Historically, employers' end goal had been cutting costs from health care dollars; however, more employers now say that improving employee engagement is the primary driving force behind well-being programs (Figure 2). Also of note, more employers connect well-being to safety messages and programs than in years' past – likely due to COVID-19's impact on the worksite.

Figure 1: Role of Employee Well-being in Overall Business Strategy, 2020-2021



Figure 2: Top Objectives for Well-being Programs, 2019-2021



2 How are employers approaching equity, diversity and inclusion within their well-being programs?

In 2021, 8 in 10 employers say that equity, diversity and inclusion (EDI) has influenced their well-being strategy. Digging deeper into practices adopted by employers to promote EDI, about half are auditing the benefits and well-being initiatives to assess inclusivity—a foundational first step to uncover any gaps in well-being program design—followed closely by actively creating initiatives specifically designed to support traditionally marginalized populations (Figure 3).

Recognizing that gaining input from key constituents is not only helpful but vital to a company's EDI efforts, 81% of employers invite internal EDI leaders to share their thoughts on well-being initiatives. Also, 78% seek input directly from their employee base through surveys, employee resource groups (ERGs) and/or focus groups (Figure 4).

Figure 3: Practices to Promote Equity, Diversity and Inclusion, 2021



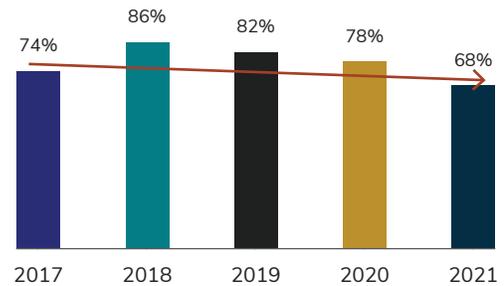
Figure 4: EDI Influencers Providing Input to Employer Well-being Initiatives, 2021



3 What is the status of incentives – are employers still using them to influence employee behavior?

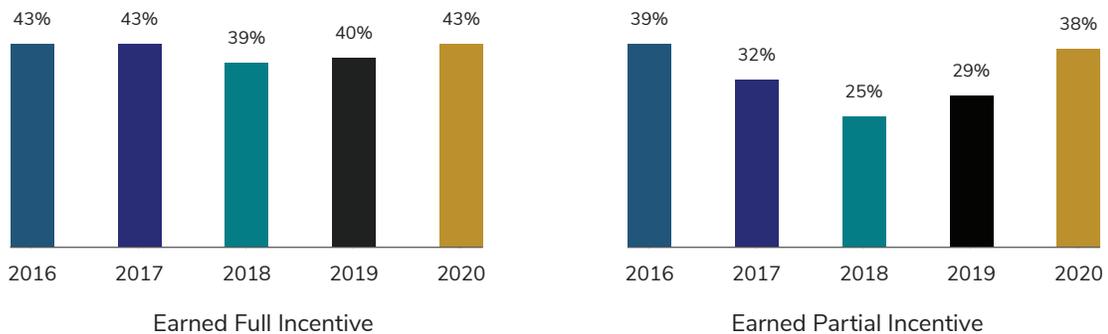
The short answer is yes – employers are still leveraging financial and non-financial incentives to encourage employee engagement and behavior change. However, fewer employers are doing so, as evidenced by a steady 4-year decline in the percent of employers offering incentives. Sixty-eight percent of employers will provide well-being financial incentives to employees in 2021 (Figure 5). The median amount awarded to employees remains unchanged at \$600 per employee.

Figure 5: Employers Use of Financial Incentives/Disincentives for Well-being Programs, 2017-2021



Some interesting trends within employers' incentive approaches have emerged. First, more employees are taking advantage of incentives. This upward swing in a previously declining trend is likely due to the acuity that employees paid to their finances in 2020, a trend validated by consumer data.¹ On average, 81% of employees earned incentives last year, up from 69% in 2019 (Figure 6).

Figure 6: Percentage of Employers Earning Full and Partial Incentive Amounts, 2016-2020



Another notable trend in incentives is the gradual movement to reward engagement for not only physical health programs, but mental and financial well-being as well. Last year, only 15% of well-being incentives were dedicated to mental health and financial well-being activities; in 2021, this number rose to 21%. This datapoint may continue to grow as employers offer more programs addressing other dimensions of well-being, including financial, social and emotional health.

1. Alight Solutions and Business Group on Health. 2021 Employee Wellbeing Mindset Survey. Available at: <https://www.businessgrouphealth.org/resources/2021-employee-wellbeing-mindset-study>. Accessed May 17, 2021.

4

Where are employers looking to add programs to address mental health and emotional well-being? Were there any programs specifically addressing challenges felt during the pandemic?

2020 was a landmark year for mental health, with many employees feeling the pressures resulting from the COVID-19 pandemic. Employers reacted by expanding their offerings to address even more emotional health challenges. With this observed growth, will employers continue to increase offerings?

The areas of mental health/emotional well-being expected to grow the most are 1) mental health champions/allies (up 33 percentage points from 2021 to 2022), 2) happiness programs (up 27 percentage points), followed by 3) digital CBT (cognitive behavioral therapy) (36% in 2021 compared to 60% in 2022) (Figures 7 and 8). The commonality between these growing programs is their relative novelty compared to other emotional well-being programs that have been available longer, such as employee assistance programs (EAPs).

Figure 7: Employer Programs to Support Employees Mental Health and Emotional Well-being

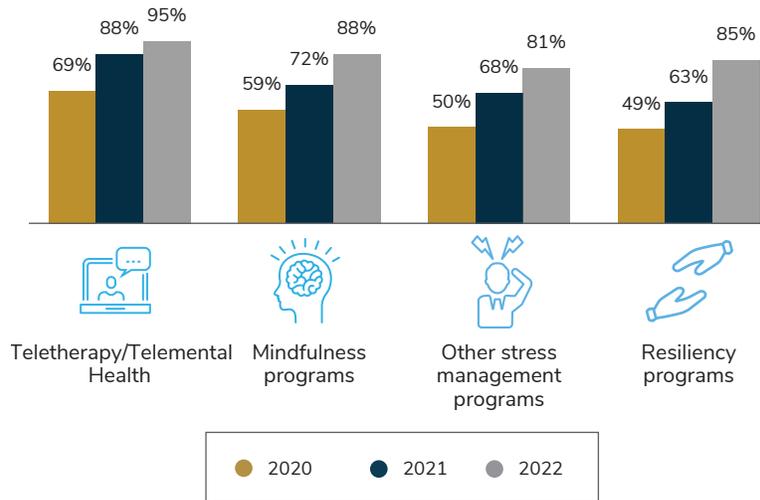
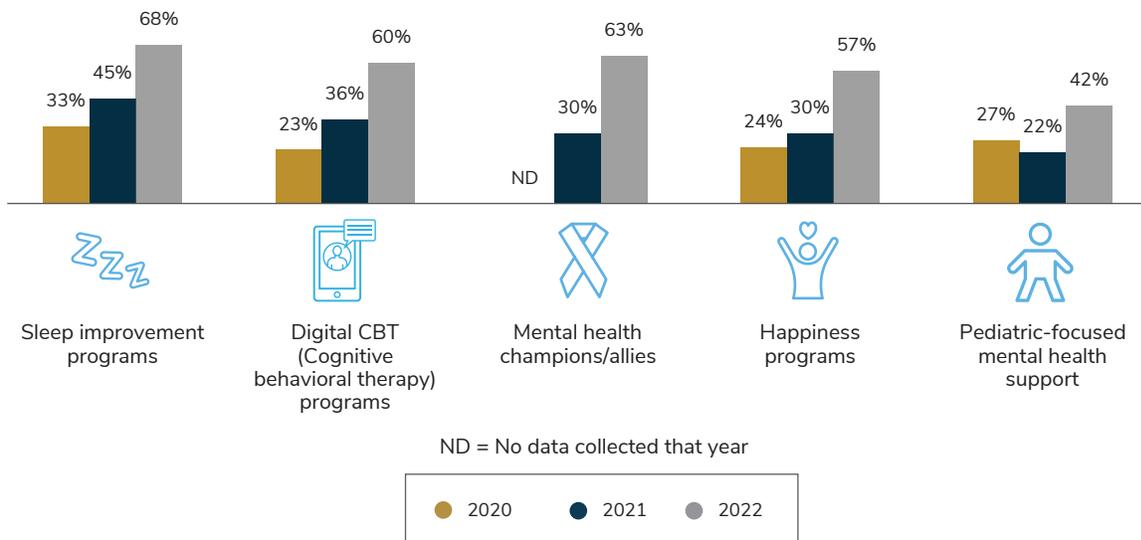


Figure 8: Employer Programs to Support Employees Mental Health and Emotional Well-being



5 Which areas of financial wellness will see the most growth?

One of the interesting observations from this year's well-being survey was the phenomenon of certain financial wellness programs "settling in" to being universally adopted among large employers (at least, by 2022), as well as a rising group of other programs gaining traction among large employer benefits. Most employers are offering financial management tools, financial seminars and resources to support key financial decisions, along with one-on-one financial coaching (Figure 9). The newer programs that will experience the most growth are focused on student loans. By 2022, it's expected that 68% of large employers will offer student loan counseling and 55% will actually help repay student loans. Lastly, while not a large number of employers are focused on efforts to support lower-income employees (e.g., targeted program to raise credit scores/provide low-cost loans in addition to the ability to access pre-payday funds), the number of such programs is expected to rise as more employers identify ways to create more equitable benefits for employees along the entire pay continuum.

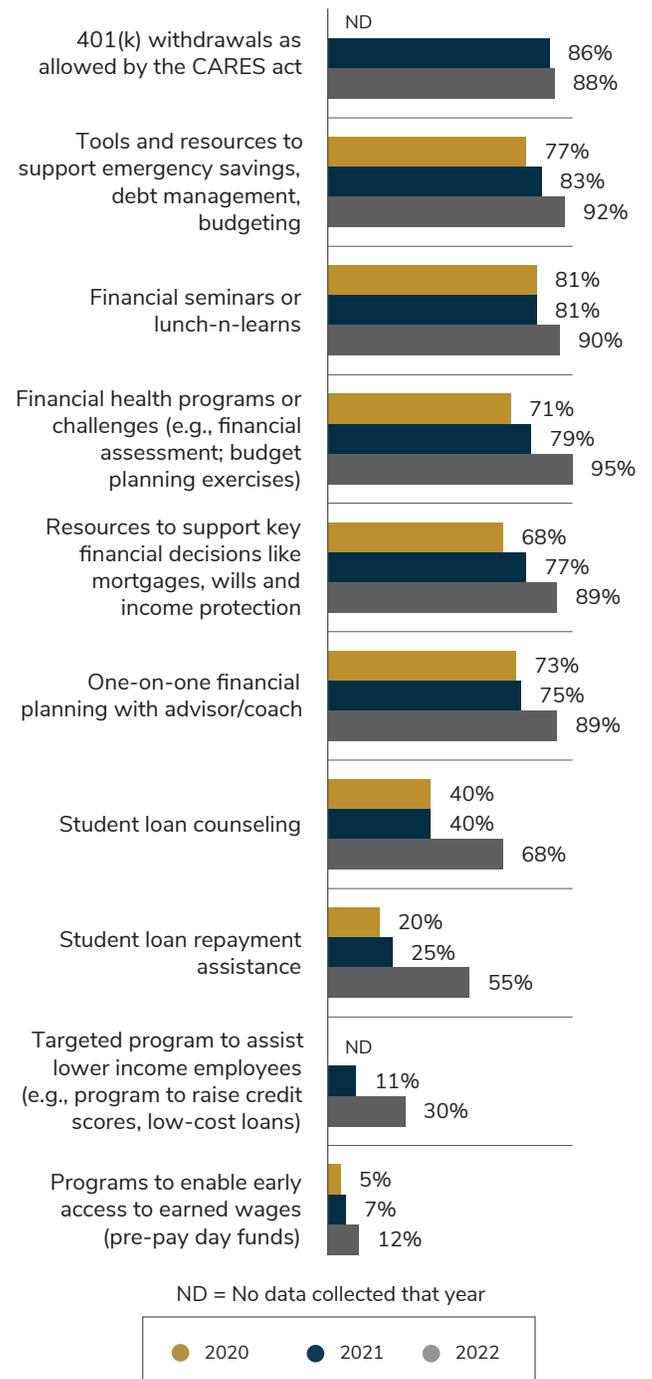
By 2022:

68% of large employers will offer **student loan counseling**

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Figure 9: Employer Programs to Support Employees' Financial Wellness, 2020-2022



6 What impact did COVID-19 have on employer well-being initiatives? Do on-site offerings still have a place in employers' well-being strategy?

Employers have adapted their well-being programs in a variety of ways, likely influenced by the program's ability to pivot to an online platform and whether employees are actively reporting to a worksite. Based on the survey findings, the most common change was to transition to a virtual offering – for example, personal training sessions conducted over Zoom or in-office counseling moving to teletherapy (Figure 10). Interestingly, 46% of employers did have some programs continue at the worksite; the same number also pushed pause on some programs, waiting for the pandemic to subside before resuming on-site programming.

Once the pandemic does come to an end, many well-being programs are expected to resume (Figure 11). Consistent with years past, ergonomic support, on-site gyms and nutrition labeling/promotions are top ways to impact employee well-being behaviors right at the workplace. While most efforts are on par with 2020 trends, it's important to note that some initiatives may take through 2022 to fully rebound.



Figure 10: Changes to On-site Initiatives Due to the Pandemic, 2021

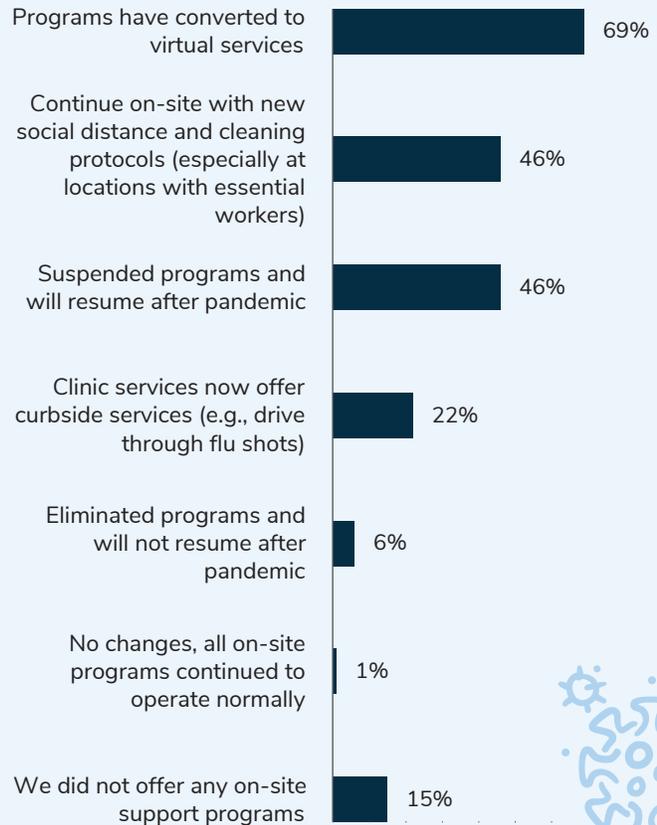
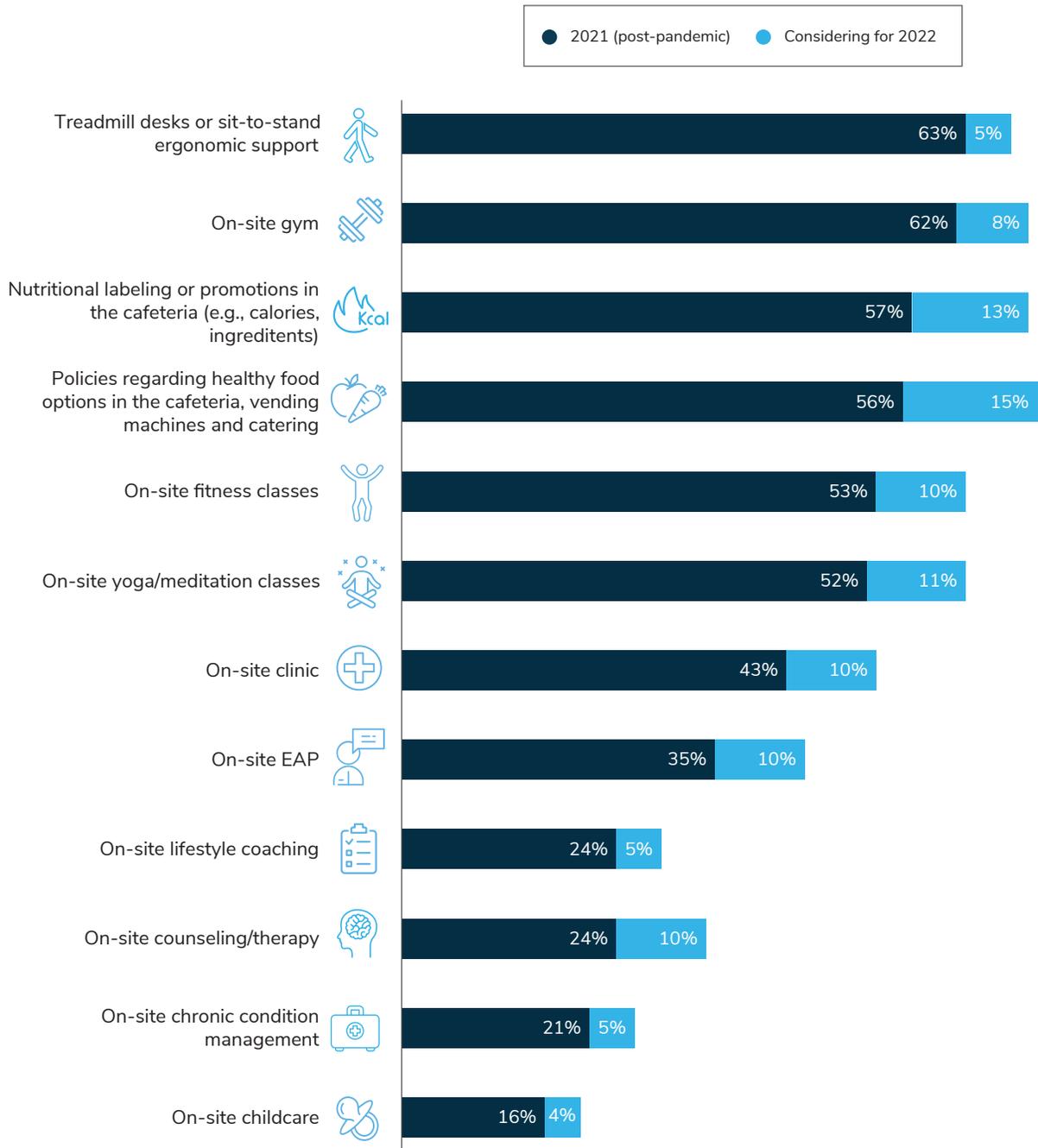


Figure 11: Employers' Plans for On-site Support Initiatives Post-Pandemic



7 What does global well-being look like for large employers?

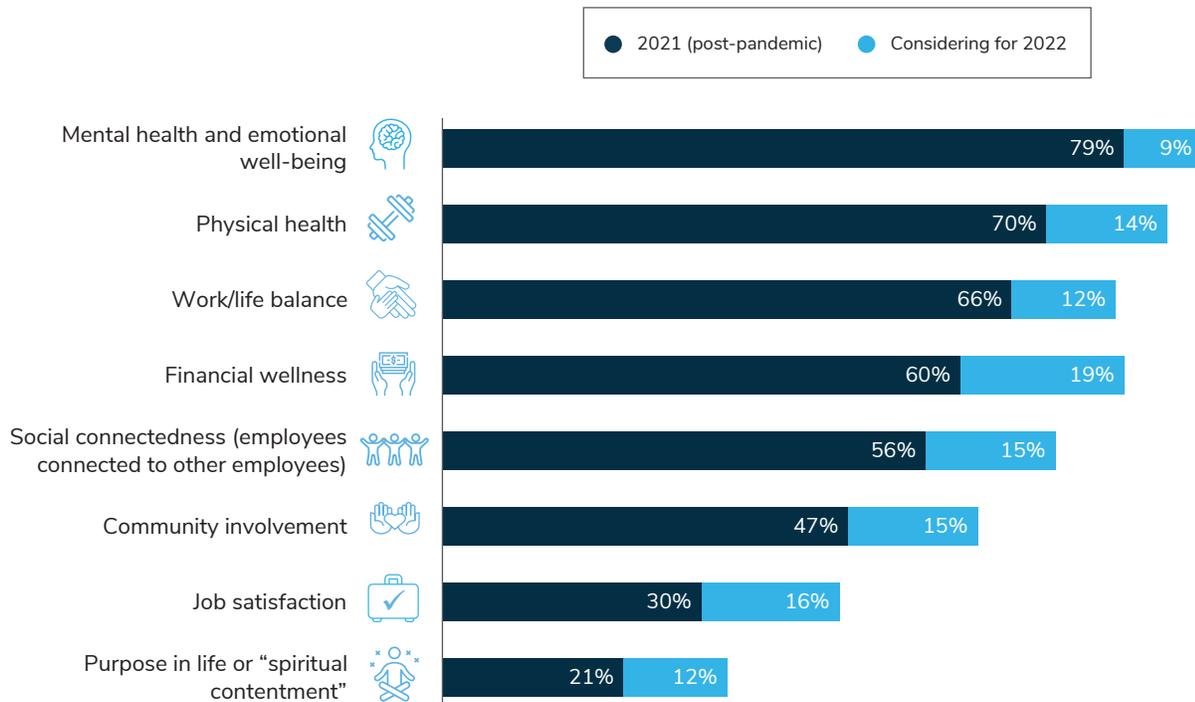
Despite the pressures placed on employers from the pandemic, global efforts show positive progress in 2021. Fewer global employers have no well-being strategy at all, and an increasing number of companies are working to create the same well-being offerings for employees, regardless of work location (Figure 12).

Arguably the most fascinating finding among global employers: Mental health and emotional well-being is the leading way global employers are addressing employee well-being, more so than physical health, which is historically the most common type of program (Figure 13). This finding further accentuates the international trend of emotional health playing a critical role in an employee's state of well-being.

Figure 12: Employers with a Global Well-being Program, 2020-2021



Figure 13: Dimensions of Global Well-being Programs, 2021

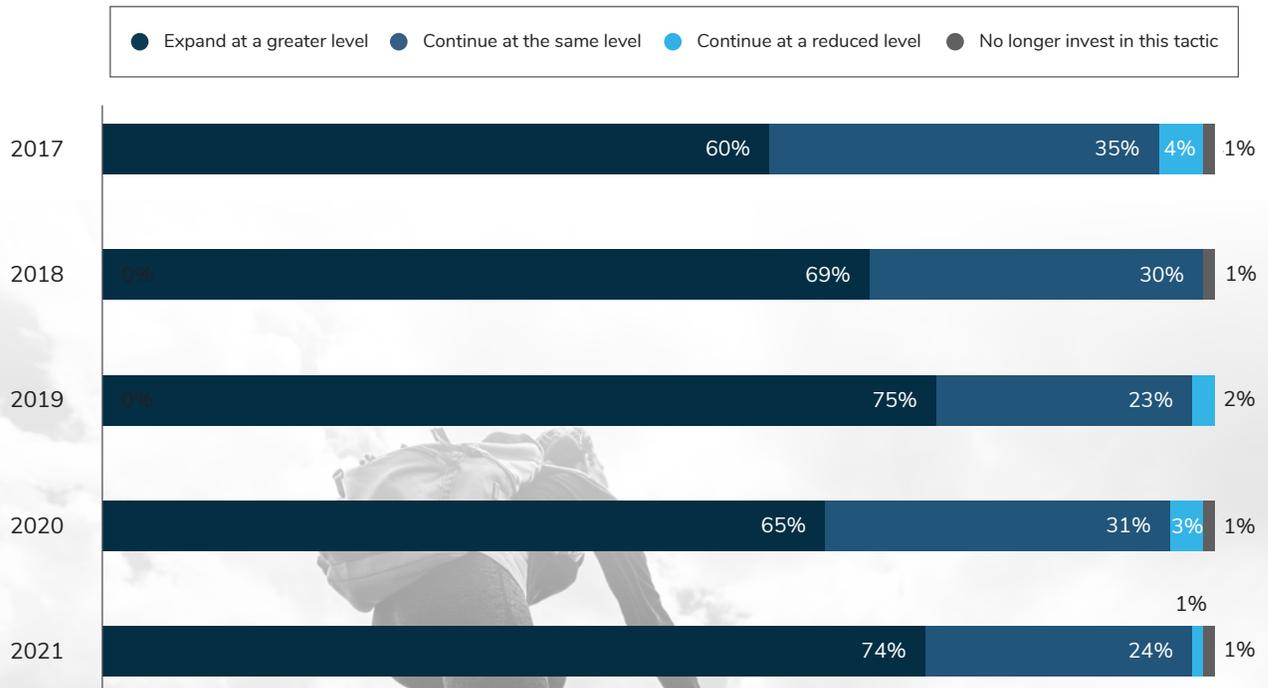


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What does the future hold for employer well-being?

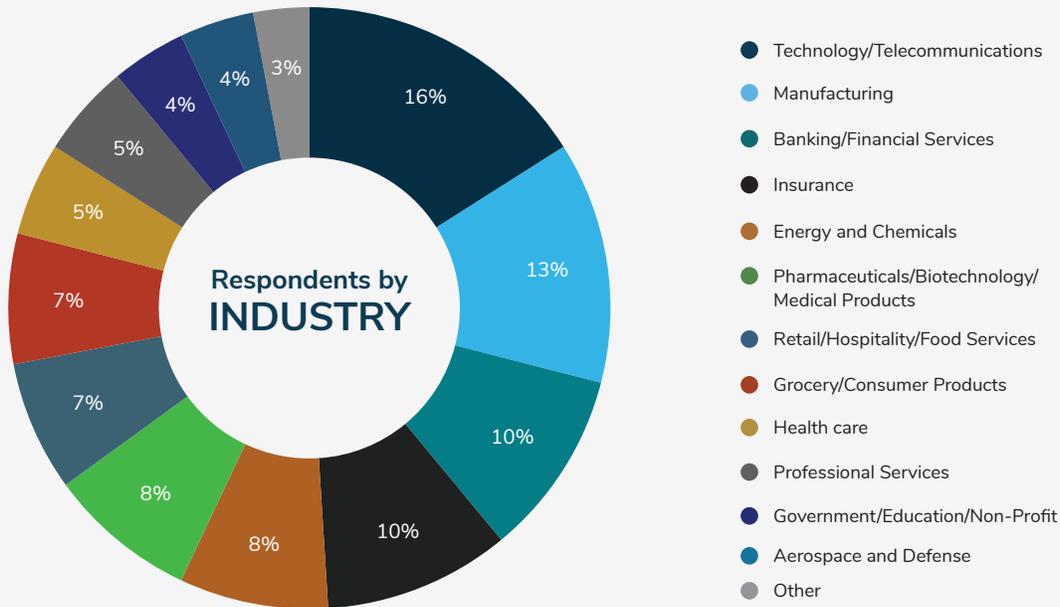
Not surprisingly, employers are not backing down on well-being efforts. About three-fourths of employers will expand their offerings in the next 3 to 5 years – a more positive movement compared to last year, where more were looking to just sustain efforts (Figure 14). A combination of driving forces—the growing well-being provider market, the impact these programs have beyond cost savings and the pull created by the COVID-19 pandemic—are likely driving this trend. The future is looking bright for employer well-being initiatives, which will no doubt continue to have a measurable impact on the health of employees and their families for years to come.

Figure 14: Employers' Future Well-being Strategy, 2017-2021

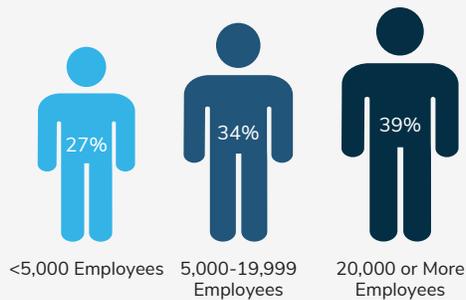


Methodology and Respondent Profile

An online survey of Business Group on Health member companies and Fidelity Investment clients, fielded in January 2021, can be found at <https://www.businessgrouphealth.org/resources/2021-Employer-Sponsored-Health-and-Well-being-Survey>. Responses were collected from 166 employers of different sizes and representing a variety of industries:



Respondents by EMPLOYER SIZE



Respondents by GEOGRAPHIC PRESENCE

