Through the years, MetLife’s annual *U.S. Employee Benefit Trends Study* has explored employee mindsets and motivators to help employers better define and prioritize their benefits strategies to drive greater value for their workforce. Our 18th annual study offers a unique perspective captured by two distinct waves of research, the first conducted during the second half of 2019 before the COVID-19 pandemic emerged and the second fielded in early April 2020.

The work-life blend, which was already a challenge for employees and employers, is being further transformed by the pandemic and its cascading economic implications. The research provides timely insights into the employee mindset and shows how employer support can make all the difference in these uncertain times.
Today’s work-life reality

Before the pandemic, four in ten employees said they were struggling with the demands that come with today’s more flexible, “always-on” work-life world. They looked to their employers to provide programs, policies, and experiences to help them succeed both in and outside of the workplace.

Six in ten employers reported they were also struggling to keep up with the blended work-life world, as they sought to balance business objectives with employee productivity and satisfaction goals. Now, in the midst of the pandemic, work and life are becoming even more blended, adding new complexities and priorities to an already challenging situation.

More than ever, employers play a vital role in their employees’ overall well-being. When employers provide the programs and support employees seek, employees report feeling more valued, engaged, and productive, which in turn, has a positive impact on business results.

Embracing a holistic well-being model

Traditionally, employer support for employee well-being has focused primarily on supporting physical health via medical insurance benefits, and financial health through retirement benefits. Broadening the approach to reflect the four interconnected dimensions of holistic well-being can have a meaningful impact, especially as employers and employees navigate the COVID-19 crisis.

Improving holistic well-being by just one point on a seven-point scale would translate to an increase of:

- 12% in engagement
- 9% in productivity
- 10% in loyalty

80% of employees believe employers have a responsibility for their health and well-being

▲ Up 7% compared to pre-pandemic

66% of employees feel valued and appreciated by their employers during the early stages of the COVID-19 pandemic

▲ Up 10% pre-pandemic

A closer look at each of the components of holistic well-being:

- **Mental health**
  Condition of psychological and emotional well-being

- **Financial health**
  State of personal and family financial security

- **Social health**
  Ability to form satisfying interpersonal relationships with others

- **Physical health**
  Level of illness, injury and general lifestyle
However, prior to the pandemic, only 39 percent of employees considered themselves healthy in each of the four elements — physical, mental, financial, and social. In addition, employers overestimated their employees’ well-being, 54 percent of employers say their employees are holistically well.

The widest perception gap between employers and employees was related to financial wellness, with 71 percent of employers believing their employees to be in good financial health. In comparison, only 57 percent of employees agreed, suggesting employers may be underestimating the financial support employees need.

### Financial health gap: -14%

- Employees who say they’re healthy: 57%
- Employers who say their employees are healthy: 71%

### Top reasons employees don’t rate their financial health highly:

- Everyday cost of living (groceries, utilities, etc.): 41%
- Stock market declines due to COVID-19: 34%
- Having debt and getting into debt (e.g., credit card, mortgage, etc.): 32%
- New threats to my job security or income due to COVID-19: 30%
- Lack of emergency fund: 28%

Now, with the COVID-19-related disruptions to financial security, the level of concern has increased. Two in three employees are feeling more stressed than before the pandemic, with 73 percent citing a financial-related driver of their stress. As a result, employees say personal financial concerns are their number one stressor.

73% of employees cite a financial reason for their increased stress, including:

- stock market volatility
- threats to long-term savings
- threats to income

In addition, there’s a strong relationship between poor financial health and poor physical, mental, and social health. The four in ten employees who don’t consider themselves financially healthy also rate their mental, social, and physical health significantly lower than the average.
Retirement’s role in financial health

Retirement planning plays a central part in overall financial well-being. With many employees significantly behind (or not yet started) in their savings and many already planning to work into their retirement due to financial necessity, the economic implications and market volatility caused by COVID-19 are likely to increase the pressures. Immediate financial needs can stall an employee’s ability to save or force them to take an early loan or withdrawal to address unplanned expenses or medical bills. Poor financial health is also linked to other behaviors.

### Employees are significantly more likely to have poor financial health if they:

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<tr>
<th><strong>Don’t have a defined contribution plan (such as a 401(k), 403(b) or 457 plan)</strong></th>
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<tbody>
<tr>
<td>Employees who do have one</td>
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<table>
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<th><strong>Are significantly behind, or haven’t started retirement savings</strong></th>
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<tr>
<td>Employees who are on track, or have already reached retirement savings goals</td>
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<tr>
<th><strong>Plan to have their retirement savings last under five years</strong></th>
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<tr>
<td>Employees who plan to have their retirement savings last 21 years, or more</td>
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<tr>
<th><strong>Expect to work in retirement because of financial necessity</strong></th>
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<tr>
<td>Employees who are doing so to stay socially engaged</td>
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</table>

**Don’t have, or don’t know if they have, a defined contribution plan** (such as a 401(k), 403(b) or 457 plan) with an option that allows them to convert their money at retirement into guaranteed income

<table>
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<tr>
<th><strong>Employees who do have one</strong></th>
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<td>26%</td>
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**Employees who do have one**

**Employees who are on track, or have already reached retirement savings goals**

**Employees who plan to have their retirement savings last 21 years, or more**

**Employees who are doing so to stay socially engaged**
As employers explore ways to enhance their programs to meet diverse employee needs and address evolving needs related to the pandemic, employees are expressing interest in emerging benefits to help fill wellness gaps and reduce work-life stress.

Financial wellness programs can play a heightened role in the wake of the crisis. Financial tools and retirement guidance can mitigate financial stress by connecting employees to advisors or other resources to help them manage day-to-day expenses or stay the course on their retirement plans.

Another emerging benefit garnering interest is phased retirement. Seventy-nine percent of employees, across all generations, are interested in a phased retirement program¹, which enables employees to work part-time while beginning to take advantage of retirement benefits. These types of programs provide employees with greater flexibility, as well as the opportunity to stay active and engaged with their work communities.

Employees say having access to emerging benefits would:

- Reduce their stress: 61%
- Improve their financial wellness: 53%
- Make them more loyal to their employer: 52%
- Make them more interested in working for a company: 49%
- Help them be more successful in both work and life: 49%

Nearly 8 in 10 employees are interested in a phased retirement program

Only 1 in 10 employers currently offer phased retirement

At this point, few employers are offering this type of benefit. According to MetLife’s Evolving Retirement Model Study, only 10 percent of companies offer a phased retirement option.¹ For the companies that do, the main reason is to retain talent — and institutional knowledge — that might otherwise retire.
Conclusion

The COVID-19 pandemic will continue to create fundamental shifts in both work and life in the months ahead. With increased financial uncertainty driven by a volatile global economy and increased unemployment, employers have an opportunity to help employees feel more financially secure. By embracing a model of holistic well-being, including a focus on supporting employee short- and long-term financial health, employers can proactively and positively shape the “new normal.”

Visit metlife.com/ebts2020 to discover more findings from this year’s study. Contact your MetLife representative to explore solutions to address evolving challenges.


Unless noted otherwise, all findings are from the 18th annual MetLife U.S. Employee Benefit Trends Study research (Wave 1: Pre-pandemic and Wave 2: Start of the COVID-19 pandemic), 2020.