

# EMPLOYER-BASED FINANCIAL WELLNESS PROGRAMS IN WISCONSIN: SURVEY FINDINGS

*Governor's Council on Financial Literacy and Capability, November 2022*

## Introduction

### *Survey Background*

In late 2021 into early 2022, the Wisconsin Department of Financial Institutions (DFI) surveyed Wisconsin employers on behalf of the Adult Health and Workplace Financial Literacy Committee of the Governor's Council on Financial Literacy and Capability. The purpose of the survey was to learn more about employer-provided financial wellness programs in the State. The Committee, chaired by Jeff Grothman, partnered with DFI and the Center for Financial Security (CFS) to develop and administer an online survey via Qualtrics. The 2021-2022 survey was based on an earlier survey launched in 2012 by the Workplace Financial Literacy Committee. The survey was updated to reflect current events and technology. The survey was emailed to public and private firms on a mailing list developed by DFI and the Governor's Council on Financial Literacy and Capability.

The survey contained 16 questions about employers' behavior and opinions related to financial wellness programs for their employees, as well as the impact of the COVID-19 pandemic on their financial wellness programs. A full list of the survey questions can be found at the end of this brief (Appendix A). The survey used skip logic, so employers who do not offer financial wellness programs automatically skipped certain questions. Respondents were also able to voluntarily skip questions. After cleaning the data, there were 278 usable responses. Note that the number of respondents (n) will vary for certain questions due to the skip logic and employers choosing to skip certain questions.

### *Overview of Respondents*

As compared with the 2012 survey, the 2022 survey included more options for the respondents' industry. There were a wide variety of industries represented, with at least one person responding for each industry type provided on the survey. We note that initially, 15% of respondents replied "Other," but after reviewing their typed-in responses, we created two new categories of "Non-Profit" and "Staffing" and sorted many of the "Other" responses into the preexisting categories. For example, respondents who wrote "Government" were recategorized into Public Administration. After recategorizing respondents, only 1% were "Other."

Table 1 shows the distribution of industries by the percentage of survey respondents. Over one quarter (27%) worked in manufacturing, with Educational Services (15%), Public Administration (13%), and Finance and Insurance (11%) being highly represented as well. Fewer, but still a notable number of respondents, replied that they work in Health Care and Social Assistance (6%), Professional Scientific, and Technical Services (5%), Non-Profits (4%), and Retail Trade (4%). Table 1 also provides the proportion of that industry that provides financial education; however, many industries had very few responses, so we should be cautious in drawing conclusions about particular industries with small sample sizes.

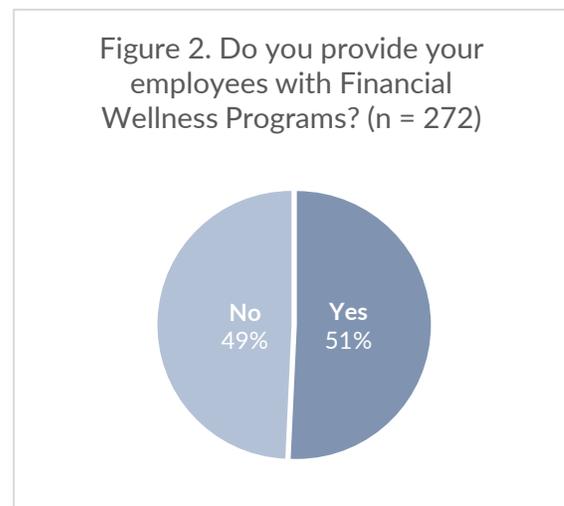
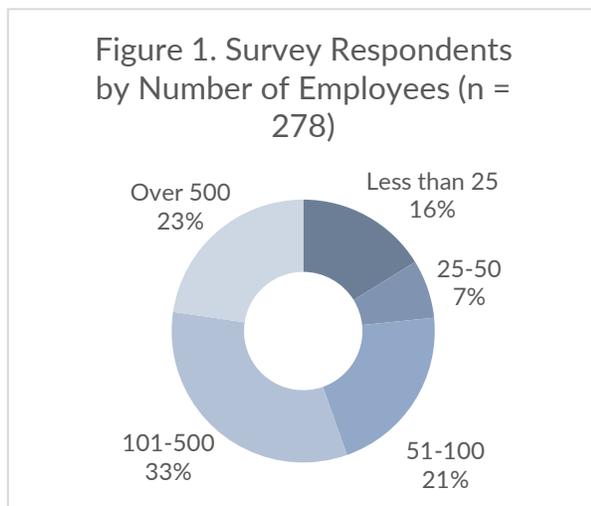


Figure 1 displays the breakdown of respondents' company size. Nearly one quarter of respondents (23%) employ over 500 people, and another third (33%) employ between 101-500. 21% employ 51-100 people. About one quarter of respondents work for small companies, with 7% at between 25-50 employees and 16% with less than 25 employees. This provided a fairly even mix of large, medium, and small firms.

Respondents were asked how COVID-19 impacted the number of employees. Most (54%) indicated there was no real change, while about a third (31%) said there were more employees as compared to January 2020. 15% said that there were fewer employees. Based on this, it seems COVID-19 did not make a lasting negative impact on the majority of firms.

Table 1: Respondents by Industry (n = 278)

Industry	% of Survey Respondents	% that Offer Financial Education to Employees
Manufacturing	27%	59%
Educational Services	15%	57%
Public Administration	13%	53%
Finance and Insurance	11%	58%
Health Care and Social Assistance	6%	22%
Professional, Scientific, and Technical Services	5%	46%
Non-Profit	4%	33%
Retail Trade	4%	30%
Construction	3%	57%
Transportation and Warehousing	3%	43%
Information	2%	17%
Wholesale Trade	1%	25%
Arts, Entertainment, and Recreation	1%	25%
Accommodation and Food Services	1%	33%
Real Estate and Rental and Leasing	1%	67%
Other (please specify)	1%	33%
Staffing	1%	0%
Agriculture, Forestry, Fishing, and Hunting	1%	50%
Utilities	<1%	100%



## Financial Wellness Program Provision

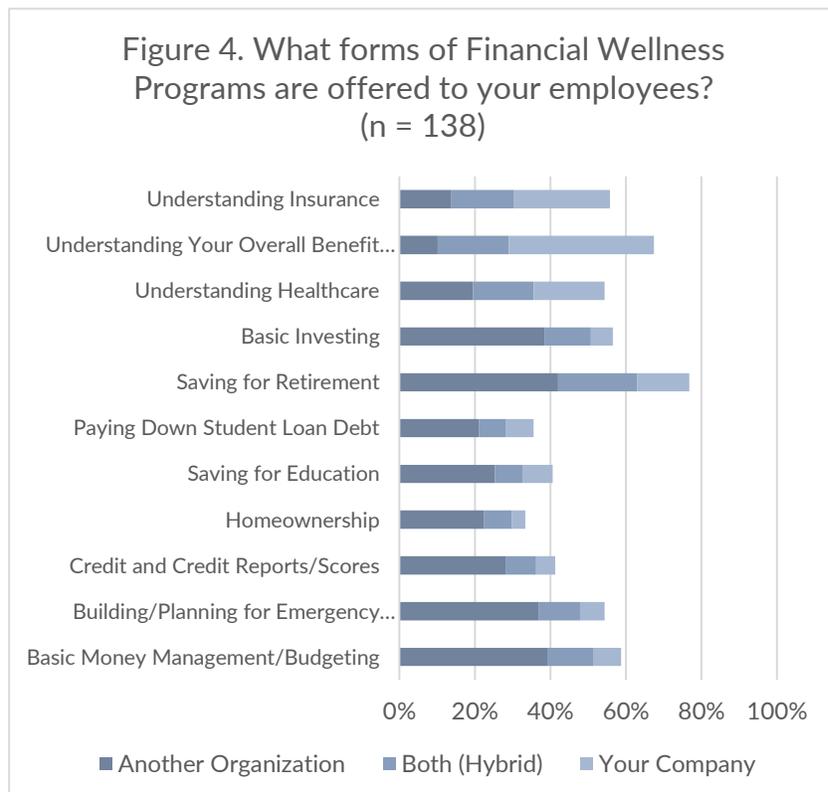
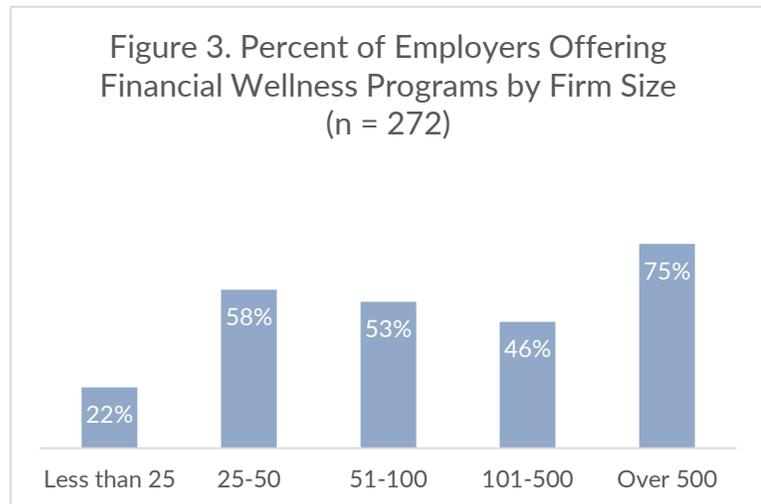
About half of respondents provide some sort of financial wellness programs (51%), while the other half does not (49%). Interestingly, this is actually notably fewer than in 2012, when 59% said they offered financial education to its employees.

As in the 2012 survey, we found that the provision of financial wellness programs varied greatly by the size of the firm. As shown in Figure 3, large firms with over 500 employees provided employees with financial wellness programs at very high rates (75%), while for medium-sized firms (25-50, 50-100, and 100-500), rates hovered around 50%. Rates were very small for firms with less than 25 employees, only about 22%.

Those that do provide it answered additional questions about the frequency, conditions, topics, and methods. Of those that provide financial wellness programs, about one third (34%) provide them annually, with another 24% providing them twice a year, and 21% providing them every 1-3 months. Just 16% reported providing them monthly, and only 5% provide them every two weeks.

The majority (67%) provide these programs on paid time, but most (70%) do not offer any incentives to employees for participating.

Employers also provide programs that address a variety of topics, but certain topics are more common than others (Figure 4). Saving for retirement is the most common, with nearly 80% offering that information. Many also provide programs that address understanding employee benefit packages, basic money management/budgeting, basic investing, understanding insurance, and understanding healthcare. Fewer firms provide programs related to homeownership, paying down student debt, saving for education, or credit/credit reports/scores. In addition to these options, a few firms mentioned other services they provide, such as



access to a free financial planner, general debt reduction, and identity theft.

It is possible that certain topics are provided at lower rates because they are not seen as relevant to the employer; retirement, benefits, healthcare, and insurance all tend to be provided by employers, so they may feel a vested interest in ensuring their employers understand. In contrast, firms may see things like homeownership and student loan debt as outside the scope of their responsibility. That said, we note that although these topics are less popular, they do appear to be growing in popularity. In the 2012 survey, only 15% of employers provided information about homeownership, whereas in the most recent survey, over 30% did.

Respondents were also able to indicate whether the topic information is provided by the organization itself, an outside organization, or a hybrid of both. The breakdown depends on the topic area, with some topics (e.g., understanding benefits) being predominately provided by the organization itself, whereas others (e.g., homeownership) are largely provided by an outside organization.

Additionally, firms provide financial wellness programs through a variety of formats, including:

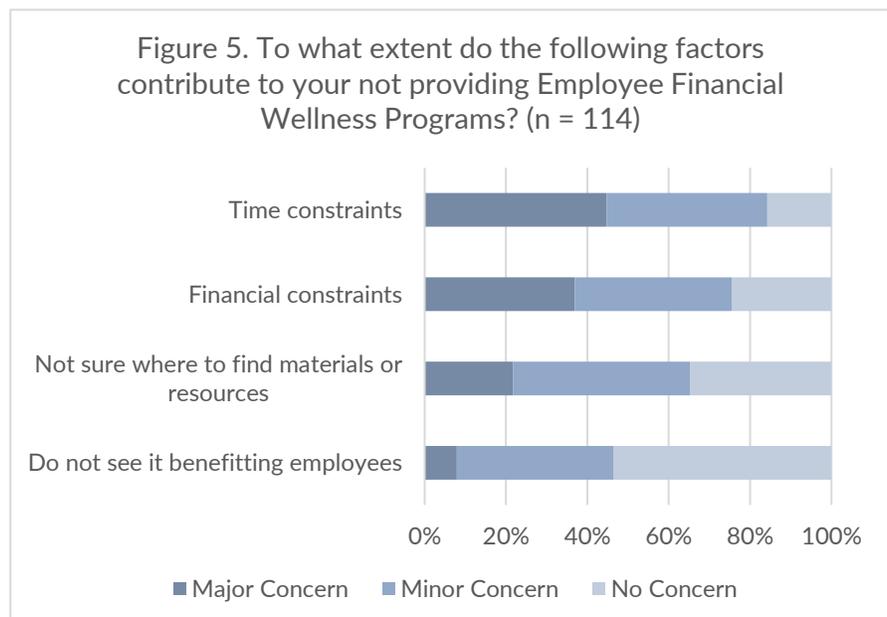
- Online platform/modules (80 out of 138)
- Pamphlets, posters, and educational materials/handouts (79 out of 138)
- Videos, podcasts, webinars, or other recordings (63 out of 138)
- Internal seminars/speakers (62 out of 138)
- External seminars/speakers (53 out of 138)

Firms seem to gravitate towards more standardized, pre-written formats like modules and educational materials rather than having live speakers.

## Constraints and Interest in Providing Financial Wellness Programs

Firms that did not provide financial education were asked about constraints which prevent them from offering financial wellness programs. Figure 5. shows the results. The biggest concerns were time and financial constraints. Over half reported being unsure of where to find materials and resources. Less than half marked not seeing it benefitting employees as a major or minor concern. This suggests that many firms would provide financial wellness programs if they had greater resources. Interestingly, this finding is in direct contrast with the 2011 survey, when the most common reason cited was that they did not see it as a benefit to employees.

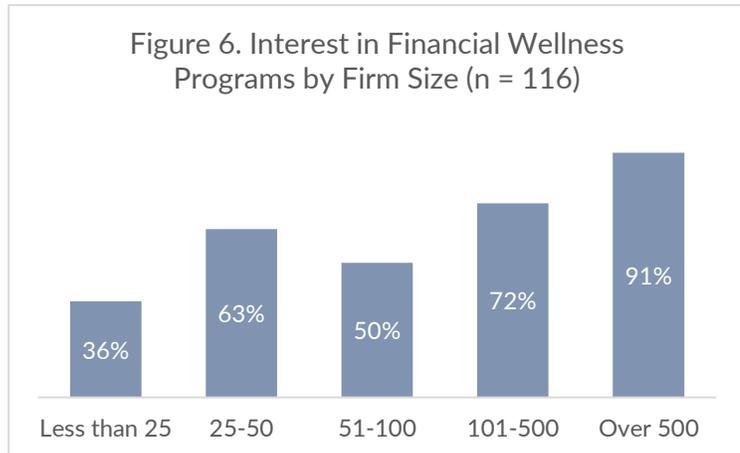
Firms also had the opportunity to add their own reasons. One respondent indicated they were not familiar with the concept, and another said that they feel the current services are sufficient. Two responded that that they were uncertain whether their employees would be interested. Another two said that they had too few employees (i.e., one to two people) and it would not make sense to provide it. Similarly, limited staff resources were cited by one person. Finally, one person indicated that decisions about these types of programs are made at a higher





level in the company, and it is not up to them.

Earlier, we noted that provision of financial education varies by firm size; however, we also must note that firm size seems to affect firms' interest in providing it (Figure 6). When firms who do not currently provide financial wellness programs were asked to indicate their interest in providing it, over 91% of large firms said that they were versus only 36% of small firms. Interest in providing financial wellness programs appears to increase with firm size. This suggests that when targeting firms to increase their rates of providing financial wellness programs, mid-sized firms represent the highest opportunity areas, as they have moderate rates of provision and relatively high interest (<50%). It may be necessary to work with smaller firms to understand why their interest in financial wellness programs is so low.



Furthermore, certain industries are more interested in providing financial wellness programs to their employees than others. We analyzed the top ten most common industries and their interest in providing financial wellness programs, if they do not currently. Manufacturing, Educational Services, Public Administration, and Finance and Insurance all had high interest in offering it, as did Health Care and Social Assistance and Non-Profits. Other industries, like Retail Trade and Transportation and Warehousing, had low interest. We particularly note that the Health Care and Social Assistance and Non-Profit spheres may be high-opportunity industries, as they currently have lower rates of offering financial wellness programs (22% and 33%, respectively) but high interest.

**Table 2: Respondents by Industry (n = 278, 100)**

Industry	% that offer FWP to employees	% Interested in offering, if they do not currently
Manufacturing	59%	85%
Educational Services	57%	60%
Public Administration	53%	67%
Finance and Insurance	58%	67%
Health Care and Social Assistance	22%	50%
Professional, Scientific, and Technical Services	46%	43%
Non-Profit	33%	50%
Retail Trade	30%	14%
Construction	57%	50%
Transportation and Warehousing	43%	25%

## The Impact of COVID-19

As previously discussed, for most firms (54%), COVID-19 did not have a major impact on interest on the number of employees, while 31% now have more employees and 15% now have fewer. Our survey aimed to get a better sense of COVID-19's impact on financial wellness programs as well. Of those who do provide financial wellness programs, we asked whether COVID-19 had a positive or negative effect, and we also asked whether the pandemic impacted firms' interest in providing financial wellness program.

Results of this portion of the survey were mixed. 71% of firms who provide financial wellness programs said that the impacts of COVID-19 were a mix or unsure. 20% said it had a positive effect on their programming, with only 8% saying it had a negative effect. Of all firms, the vast majority (75%) said that it had no impact on



their interest in providing financial wellness programs. Nearly all the rest (23%) said that they are more interested than before, while 2% indicated they are now less interested. Both of these questions had a large number of ambiguous responses, so we believe that a more qualitative discussion with the firms on the impact of COVID-19 may be useful.

## Implications and Areas for Opportunity

- To increase rates of financial wellness program provisions, it would be strategic to target firms by size and by industry, with medium sized firms (25-500) and industries like Healthcare and Social Assistance and Non-Profits being the highest opportunity areas.
- Small firms (<25 employees) have the lowest rates of workplace financial wellness program provision. The Committee could benefit from working with the small firms that do provide these programs to learn what options may be a good fit for other small firms and helping other small firms find solutions that match their size and resource levels.
- The biggest barrier towards offering financial wellness programs was resources (either time or financial), so the Committee could explore low-cost options that could more easily be implemented.
- Further research is needed to learn more about the effectiveness of workplace financial wellness programs. The employers who responded to this survey may have a good sense of what programs are offered at their company, but employees themselves may be unaware of the programs. Further, it is unclear which delivery methods are most effective or whether the types of information provided are most helpful to employees. It is also unclear how often these programs are utilized by employees.
- About forty respondents provided their contact information in order to learn more about workplace financial wellness programs. Follow-up should be done to ensure they receive the information they need.

## Conclusion

The survey's results included representatives from a variety of industries and had a relatively equal distribution of sizes. About half of employers provide some form of financial wellness program, which is often in the form of prepackaged materials (e.g., online platforms, pamphlets, etc.). Provision of financial wellness programs varies by the size of the firm, with larger firms having much higher rates of financial wellness programs. Interestingly, size is also associated with interest in financial wellness programs, as very small firms (less than 25) had low rates of interest. Certain industries, particularly manufacturing, finance and insurance, and educational services, had high rates of financial wellness program provision. Employers are more likely to provide programs relating to employee benefits, such as retirement and understanding benefits. They are less likely to provide programs that address more personal financial goals, like homeownership or paying down student loan debt.

For those employers that do not provide financial wellness programs, firms most commonly cite a lack of resources (either time or financial). Employers also describe the impact of COVID-19 as mixed or low-impact, but a qualitative analysis may add additional insights.

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## References & Appendices

### Appendix A. List of Survey Questions

1. **What best describes the sector of your company or organization?**
  - a. Accommodation and Food Services
  - b. Agriculture, Forestry, Fishing and Hunting
  - c. Arts, Entertainment, and Recreation
  - d. Construction
  - e. Educational Services
  - f. Finance and Insurance
  - g. Health Care and Social Assistance
  - h. Information
  - i. Management of Companies and Enterprises
  - j. Manufacturing
  - k. Mining, Quarrying, and Oil and Gas Extraction
  - l. Professional, Scientific, and Technical Services
  - m. Public Administration
  - n. Real Estate and Rental and Leasing
  - o. Retail Trade
  - p. Transportation and Warehousing
  - q. Utilities
  - r. Wholesale Trade
  - s. Other (please specify)
2. **How many full-time or part-time employees worked for this organization in 2020?**
  - a. Less than 25
  - b. 26-50
  - c. 51-100
  - d. 101-500
  - e. Over 500
3. **How has your organization's number of employees changed since the COVID-19 pandemic?**
  - a. About the same number of employee
  - b. Increased number of employees
  - c. Decreased number of employees
4. **Does your company or organization offer employees access to Employee Financial Wellness Programs?**
  - a. Yes
  - b. No
5. **Does your company or organization allow employees to take part in Employee Financial Wellness Programs on paid time?**
  - a. Yes
  - b. No
6. **Does your company or organization offer workplace incentives to participate in Employee Financial Wellness Programs such as additional PTO, group/unit participation benefits, merit awards, or accomplishment certificate?**
  - a. Yes
  - b. No
7. **Please Select all of the Financial Wellness Programs offered to your employees and indicate who provides the services.**
  - a. Basic money management/ budgeting: (Your Company, Another Organization, Both/hybrid)
  - b. Building and planning for emergency savings: (Your Company, Another Organization, Both/hybrid)
  - c. Credit and credit reports/scores: (Your Company, Another Organization, Both/hybrid)
  - d. Homeownership: (Your Company, Another Organization, Both/hybrid)
  - e. Saving for education: (Your Company, Another Organization, Both/hybrid)
  - f. Paying down student loan debt: (Your Company, Another Organization, Both/hybrid)
  - g. Saving for retirement: (Your Company, Another Organization, Both/hybrid)
  - h. Basic Investing: (Your Company, Another Organization, Both/hybrid)



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- i. Understanding Healthcare: (Your Company, Another Organization, Both/hybrid)
  - j. Understanding your overall benefit package: (Your Company, Another Organization, Both/hybrid)
  - k. Understanding insurance: (Your Company, Another Organization, Both/hybrid)
  - l. Other (please specify) : (Your Company, Another Organization, Both/hybrid)
8. **Please check all formats/modes of delivery that your company or organization uses to provide Employee Financial Wellness Programs to employees:**
    - a. Pamphlets, posters, educational materials/handouts
    - b. Online platform/modules
    - c. Internal seminars/speakers
    - d. External seminars/speakers
    - e. Videos, podcasts, webinars, or other recordings
  9. **What frequency are Employee Financial Wellness Programs offered?**
    - a. Every two weeks
    - b. Once a month
    - c. Once every three months
    - d. Twice a year
    - e. Yearly
  10. **What was the overall impact of the pandemic on your company's Employee Financial Wellness Programs?**
    - a. Positive
    - b. Negative
    - c. Mix or not sure
  11. **How much interest does your organization have in implementing or expanding Employee Financial Wellness Programs?**
    - a. No Interest
    - b. Low interest
    - c. Moderate Interest
    - d. High Interest
  12. **Has COVID-19 impacted your company's interest in Employee Financial Wellness Programs?**
    - a. Yes, we are more interested after COVID-19
    - b. Yes, we are less interested after COVID-19
    - c. No impact
  13. **How much benefit do you think Employee Financial Wellness Programs would be for your organization's employee recruitment and retention efforts?**
    - a. Very much benefit
    - b. Somewhat benefit
    - c. Little benefit
    - d. No benefit
  14. **Below is a list of reasons why companies might not be willing to provide Employee Financial Wellness Programs. How much does each apply to your company or organization?**
    - a. Do not see it benefiting employees: (No Concern, Minor concern, Major Concern)
    - b. Not sure where to find materials or resources: (No Concern, Minor concern, Major Concern)
    - c. Financial constraints: (No Concern, Minor concern, Major Concern)
    - d. Time constraints: (No Concern, Minor concern, Major Concern)
    - e. Other (please specify) : (No Concern, Minor concern, Major Concern)
  15. **How interested are you learning more about Employee Financial Wellness Programs?**
    - a. Very
    - b. Somewhat
    - c. Little Interest
    - d. None
  16. **If you would like to receive additional information or resources regarding Employee Financial Wellness Programs, please enter the following:**
    - a. Name
    - b. Employer
    - c. Title/position
    - d. Email