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**McCourt School** *of Public Policy*

**CENTER FOR  
RETIREMENT  
INITIATIVES**

**Webinar | September 28, 2021**

**Examining the Key Trends Shaping the Future of DC Plans:  
What Do Participants Want and  
How Are Plan Sponsors and Providers Responding?**

## Our Panel:

- **Kathleen Kelly**, Founder and Managing Partner, Compass Financial Partners, A Marsh & McLennan Agency LLC Company
- **Michael Kreps**, Partner, Groom Law Group
- **Matt Soifer**, Managing Director, Retirement, BlackRock
- **Tina Wilson**, Senior Vice President and Chief Product Officer, Empower Retirement

## Moderator:

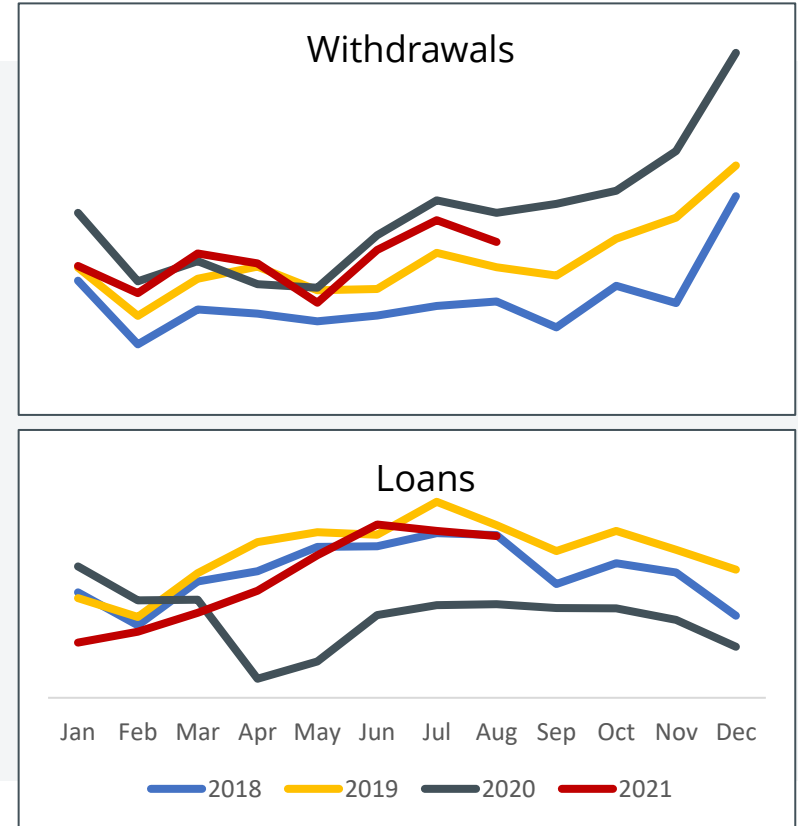
- **Angela M. Antonelli**, Research Professor and Executive Director, Georgetown Center for Retirement Initiatives

# Tina Wilson

Senior Vice President and Chief Product Officer  
Empower Retirement

# Post pandemic activity

- Overall withdrawal volumes are below 2020. Loan volume has increased but remains below 2018 and 2019 levels.
- Only **4.4%** of eligible participants took a CARES Act withdrawal.
- **39%** of participants who took a CARES Act withdrawal, had requested a loan in the past.
- In 2021, we have started to see CARES Act recipients taking loans.



Empower Book of Business reporting, as of August 2021.

# People need help ...



... staying on top of it all.

**80%** of people want help managing competing financial priorities.<sup>1</sup>

**53.5%** of workers said they would be more productive at work if their finances were in better shape.<sup>2</sup>

**47%** of millennials and Gen Zers feel like their employers can do more to support them.<sup>3</sup>

**43%** higher retirement plan deferrals when workers are fully engaged in financial wellness programs.<sup>4</sup>

1. EBRI Retirement Confidence Survey, April 2020.

2. National Financial Educators Council, September 2020.

3. PWC 2020 Annual Employee Financial Wellness Survey; respondents include Gen Zers and millennials.

4. Financial Finesse, Financial Wellness Year in Review, May 2020.

# and so do employers

In 2020, 62% of employers feel extreme responsibility for their employees' financial wellness, up from 13% in 2013.

**62%**

**13%**

5. 2020 Bank of America Workplace Benefit Report



BUILDING A PARTNERSHIP

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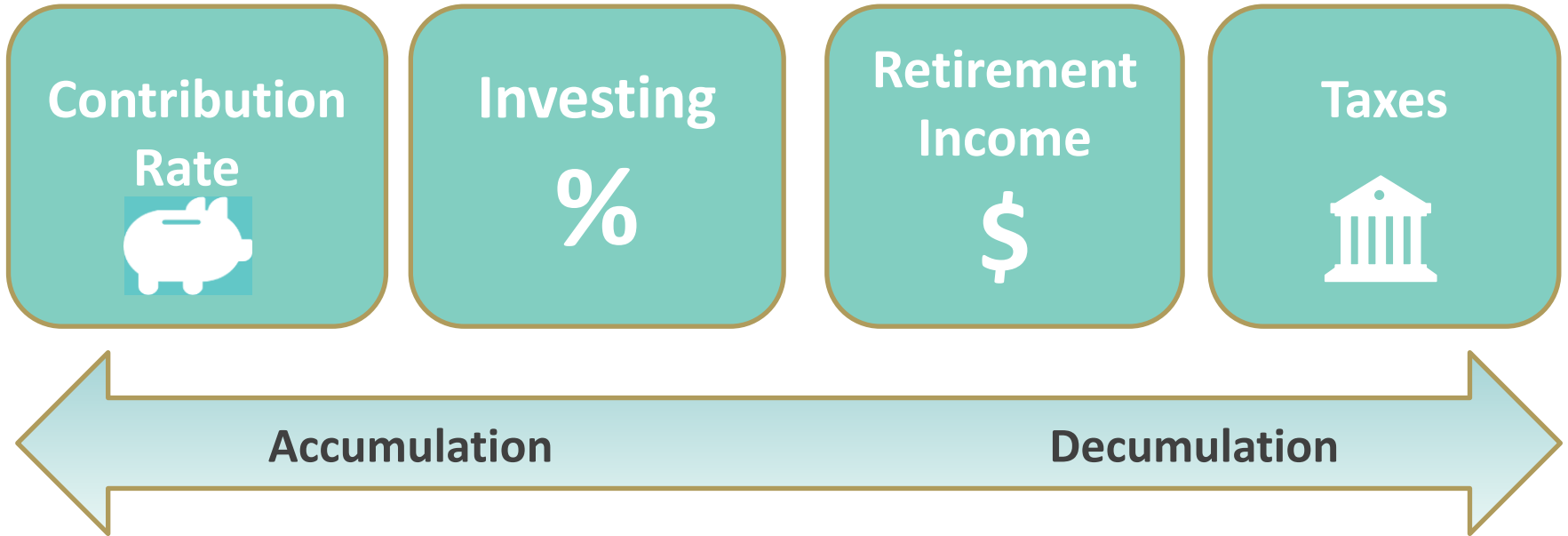
# Kathleen Kelly

Founder and Managing Partner

Compass Financial Partners

A Marsh and McLennan Agency LLC Company

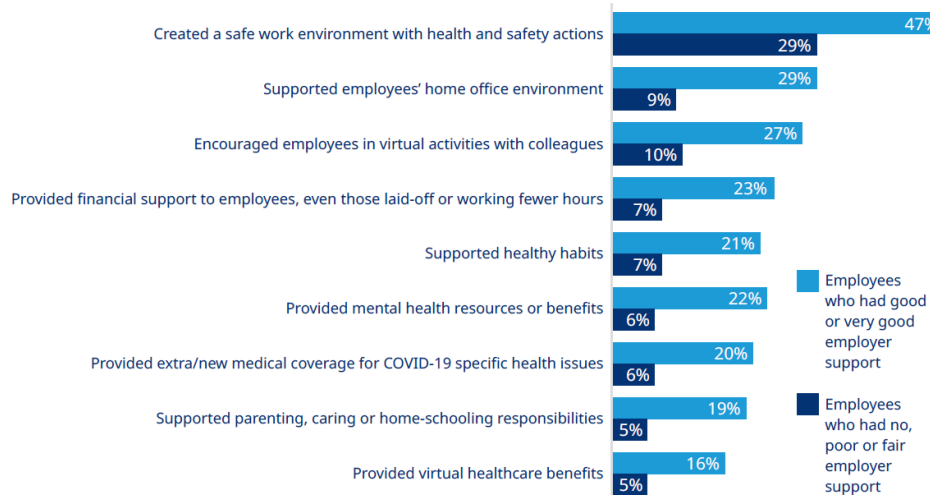
# Participants Want Help





# Support Moments That Matter

**How did employers support employees during the pandemic?** Mercer Marsh Benefits recently released *Health on Demand* survey states that almost half (47%) of those employees who felt most supported said they benefited from the creation of a **safe work environment**. Meeting such a basic need was critically important for creating a culture of health and caring for employees.



The following slide illustrates two examples of engagement since the COVID pandemic began, reflecting the importance of helping to build participant confidence in times of uncertainty. In both instances, we leveraged a fund and fee change event to promote engagement. In addition to talking about the enhancements that were coming to each plan, given the backdrop of uncertainty due to the pandemic, it was essential that we also promoted what was not changing about the plan – especially features like a generous company match – and thus using the changes to pivot to **reinforcing the stability and commitment of each company to their employees.**

# Client Engagement Trends

## High Tech Manufacturing Company 7,000+ Active Employees/\$940,000,000

- Robust Communication Strategy
- 22 Virtual Group Education Sessions
- 851 Total Attendees
- 272 1:1 Consultations
- Email and Print Promotion
- Leveraged Technology Across Channels
- 90% Completion Rate on Retirement Income Calculator
- 32% Increase to the Financial Wellness Portal

## Contract Research Company (CRO) 5,400+ Active Employees/\$565,000,000

- 4 Zoom Webinars
- 1,209 Attendees
- 350 On-Demand Attendees
- 30% Engagement Rate
- Email Promotion
- 186 Post-Education Survey Responses
- Survey Responses Inform Future Strategy
- 110% Increase in Financial Wellness Checkups

### Communication Opportunities to Maximize Participant Engagement

- Leverage the event to broaden messages and create additional impact
- Reaffirm what is not changing– i.e., the company match is the same
- Promote retirement benefits and reinforce resources available
- Combine overall wellness messages with financial wellness resources
- Cross-promote other benefits like HSAs, emergency fund, or student loan resources
- Address other plan initiatives like beneficiary designations, email collection, and cyber-security/multi-factor authentication

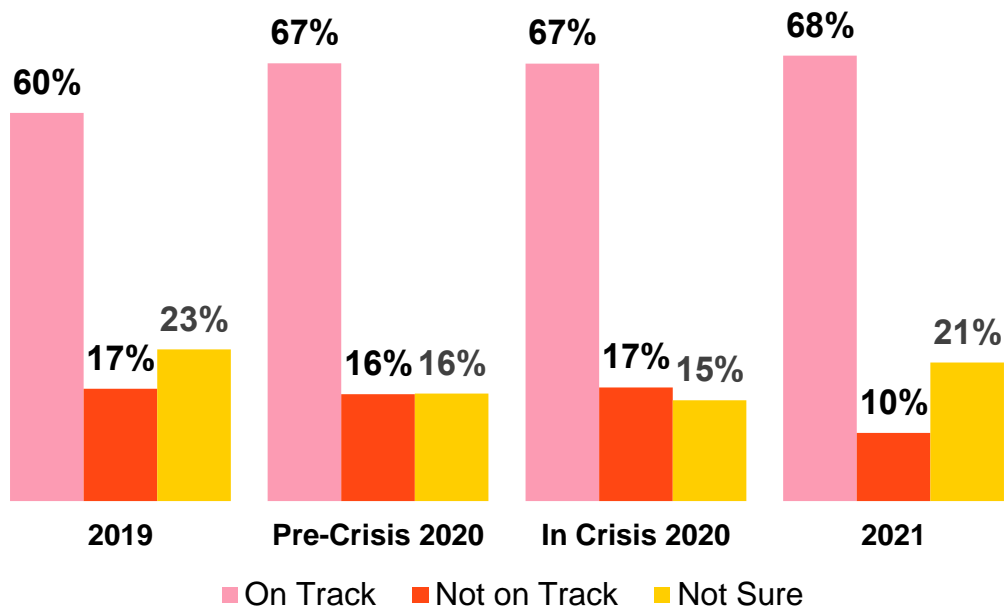
# Matt Soifer

Managing Director, Retirement  
BlackRock

# On track despite tumultuous year

While a majority of participants indicate they are on track and that COVID-19 hasn't affected their preparedness, those not on track felt the impact.

% of participants who believe they are on track with their retirement savings to retire with the lifestyle they want

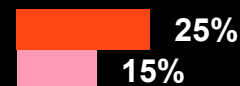


# 47%

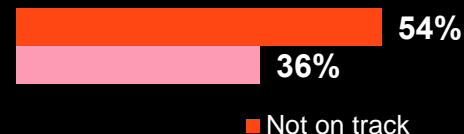
of participants say that the pandemic has had some negative effect on how on track they are with saving for retirement.

Participants who are not on track have been disproportionately affected in the short-term.

% who say that COVID-19 has had a highly negative effect



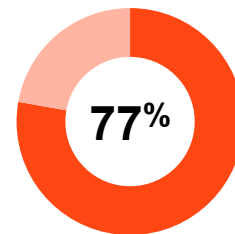
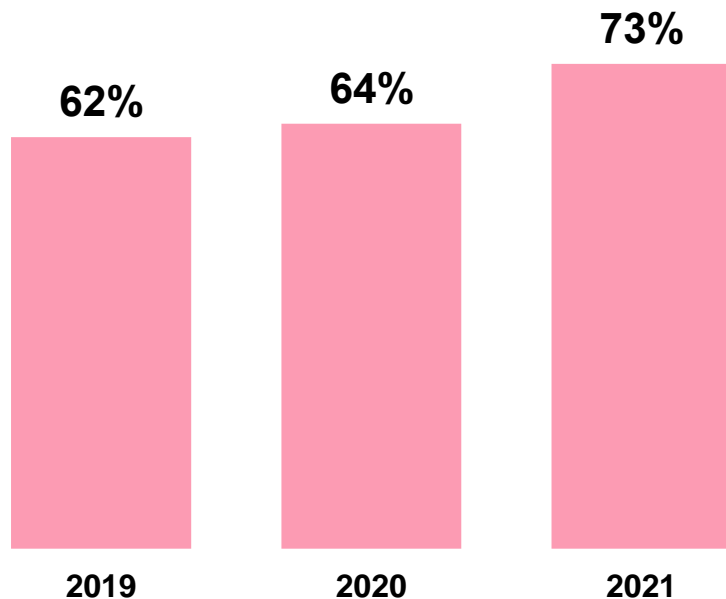
% who agree COVID-19 has set them back with saving for retirement



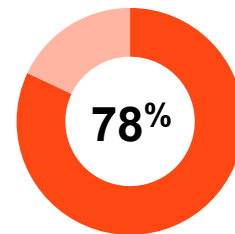
# ESG interest is on the rise

Participants' interest in ESG investing continues to grow, driven primarily by Millennials. And across generations, there is strong belief ESG focused companies will perform better.

Participants who think it is either somewhat or very important to have ESG investing options.



of participants agree that companies focused on solving environmental challenges will perform better in the future.



of participants agree that companies focused on making a positive impact on the environment and their community will perform better in the future.

## Aligned on the need for retirement income

In light of the issues and negative effects caused by COVID-19, plan sponsors and participants are driving accelerated demand for retirement income solutions.

**89%**

of **participants** are interested in owning a product designed specifically to generate income in retirement.

**96%**

of **plan sponsors** feel responsible for helping participants generate and/or manage their income in retirement..

# Important notes

The BlackRock DC Pulse Survey is a research study of 225 large defined contribution plan sponsors in addition to over 1,000 plan participants and 300 retired participants in the U.S. The survey is executed by Escalent, Inc, an independent research company. All respondents were interviewed using an online survey conducted in March 2021. The information presented is not a complete analysis of the global retirement landscape.

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**QUESTIONS?**



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