

Special Webcast

# Attracting Talent for the Great Rehiring: Do Your Financial Benefits Measure Up?

April 14, 2022

THE CONFERENCE BOARD



## Morgan Stanley AT WORK



# Our agenda for today

- Introduction
- Current State of Workplace Financial Benefits
- Retirement Needs of a Multi-Generational Workforce
- What Now For Employers?
- Q&A



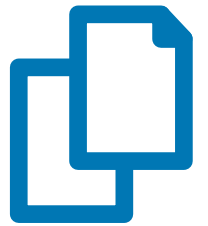
# Earn Credits



**HRCI, SHRM, CPE (NASBA)** Click the link in the **CEU Request Widget** to sign up for credit

- ✓ Stay online for the entire webcast
- ✓ Click 'ok' for 3 popups that occur during the program
- ✓ Credit available for participation in live webcast only

SIGN UP FOR  
AVAILABLE CEU  
CREDITS

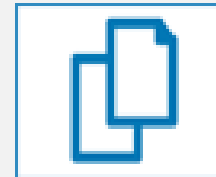


# Making the most of the webcast

Ask Questions  
(via the Q&A box )



Download  
Resources



# Today's Speakers



**Anthony DeTurris**

Executive Director,  
Business Development and  
Field Engagement, Corporate &  
Institutional Solutions  
*Morgan Stanley at Work*



**Tom Conlon**

Executive Director,  
Head of Retirement Sales  
*Morgan Stanley at Work*



**Barbara J. Lombardo, PhD  
(Moderator)**

Distinguished Principal Research Fellow and  
Program Director  
*The Conference Board*



Anthony J. DeTurris, *Executive Director, Morgan Stanley at Work*

# State of the Workplace

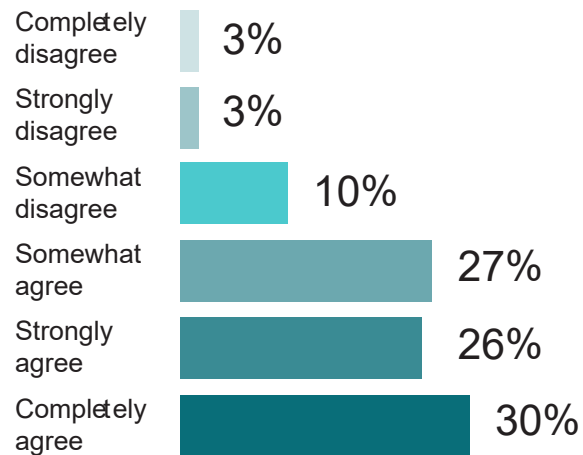
## Financial Benefits Study

# Employees want help to manage financial challenges, but HR Executives say their companies have fallen short

HR Executives agree that employers should be **more** involved in navigating their employees' personal financial troubles. However, for many, the availability of such personalized resources simply isn't there.

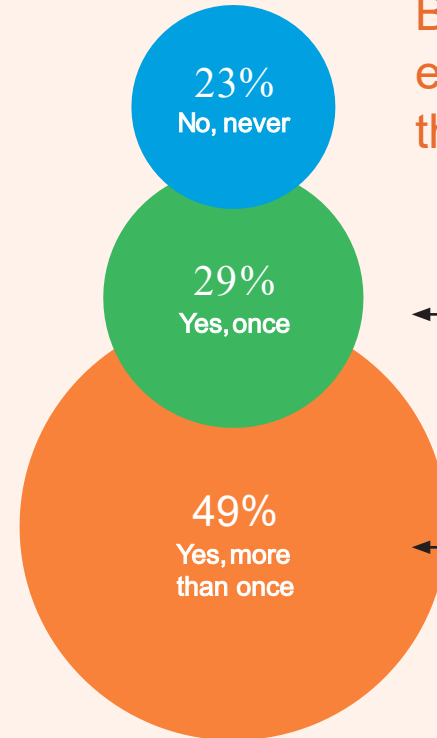
## EmployeeView

Employers should be more involved helping with specific employee financial troubles N=1,000



## HR ExecutivesView

But nearly 4 in 5 of HR Executives say employees have requested support that the company does not offer N=600



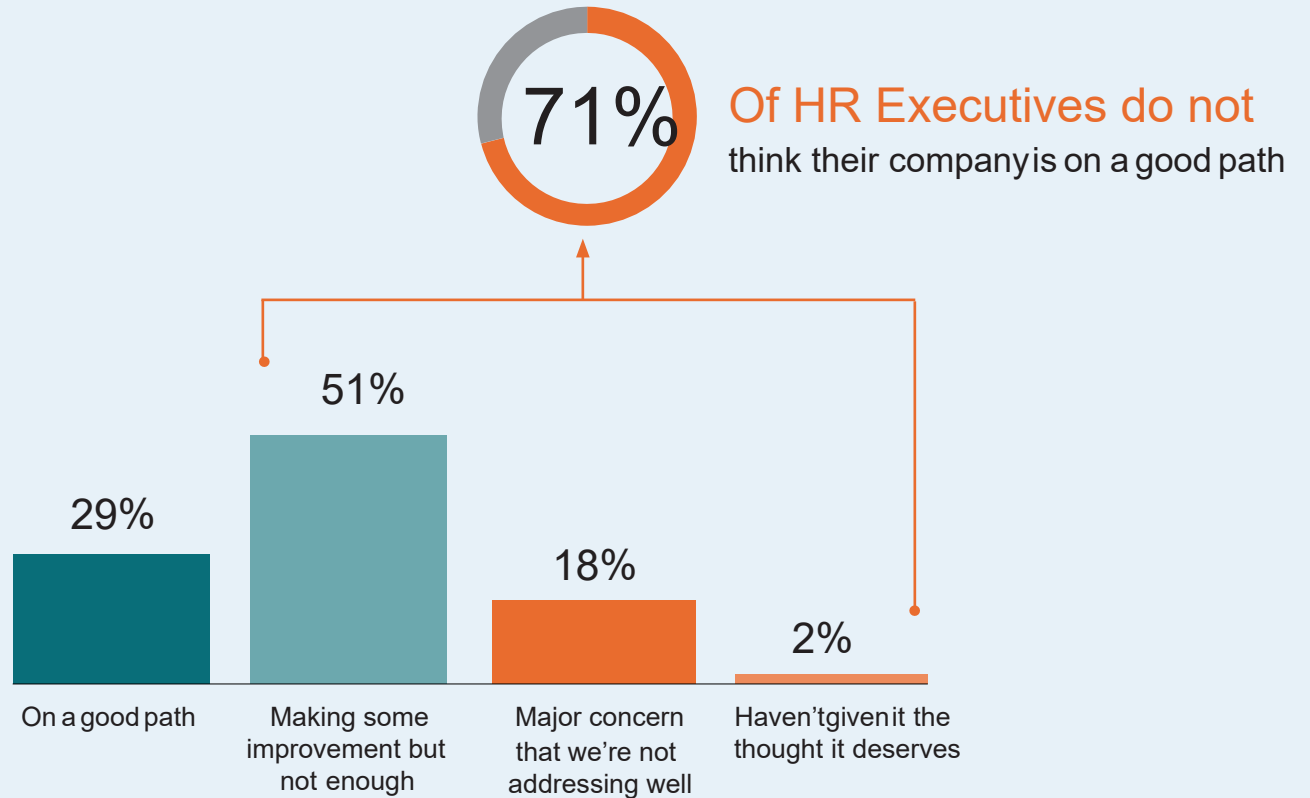
**78%** HR Executives say employees have requested support that would fall under financial benefits that their company does not offer

## Many HR Executives say their company offers financial wellness benefits; Digging deeper, there is room for improvement

The majority (71%) of HR executives **do not** think they're on a good path, and 51% say that despite improvements, current company financial benefits are not competitive.

### Current strength of company financial benefit package offered to employees

(Among those whose company provides a benefits package to employees N=577)





# Employees and employers agree on the need to prioritize a review of their financial benefits in 2022

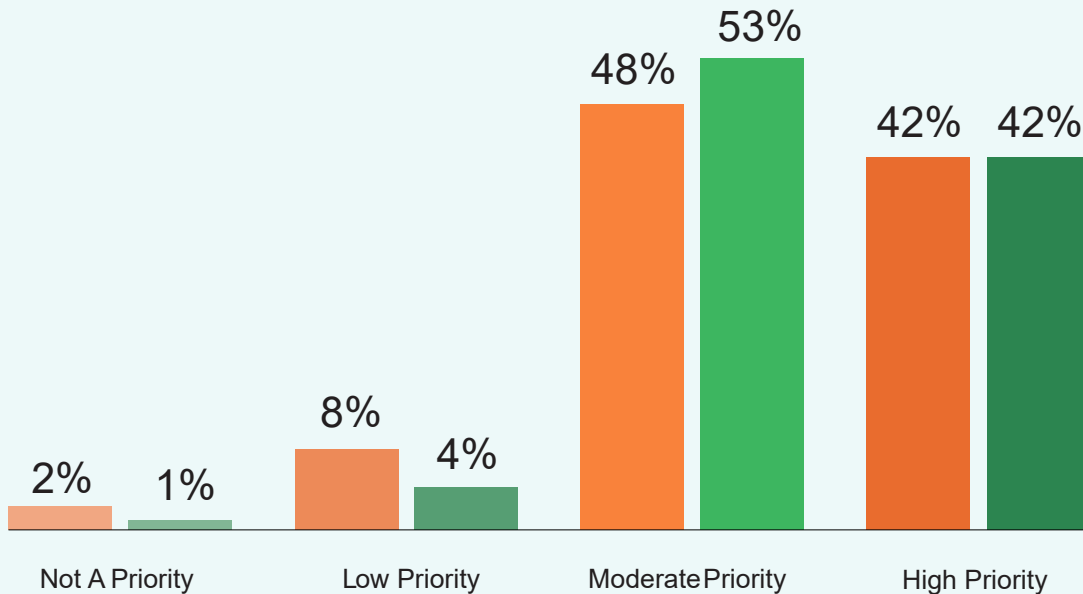
How much of a priority should it be for your company to review its financial benefits in 2022?

## Employee View:

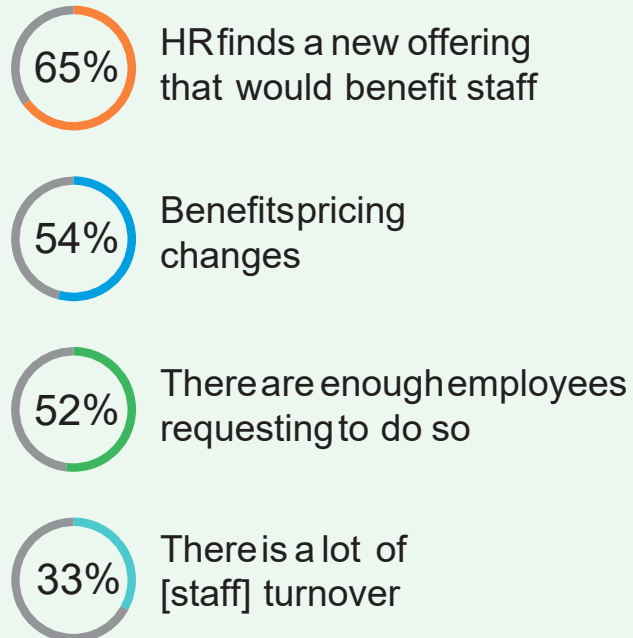
(Among employees whose company provides a benefits package N=773)

## HR Executives View:

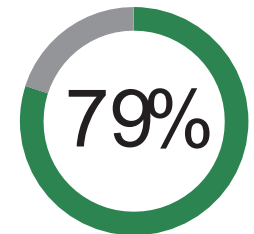
(Among HR executives whose company provides a benefits package N=577)



## HR Executives say companies update employee benefits when...



HR Executives see financial benefits as a difference-maker when it comes to employee retention.



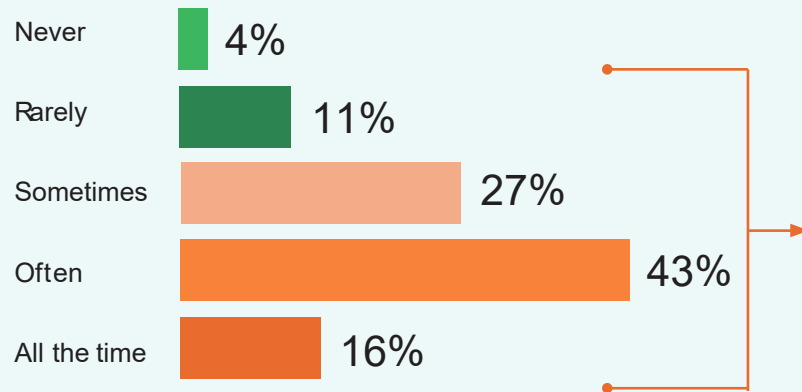
Nearly 4 in 5 HR executives (79%) say employees will leave for another job if their company does not offer financial benefits.

# HR Executives have taken notice of employee financial hardship

Over half (59%) say employees **regularly** \* mentioned experiences where they were facing financial issues.

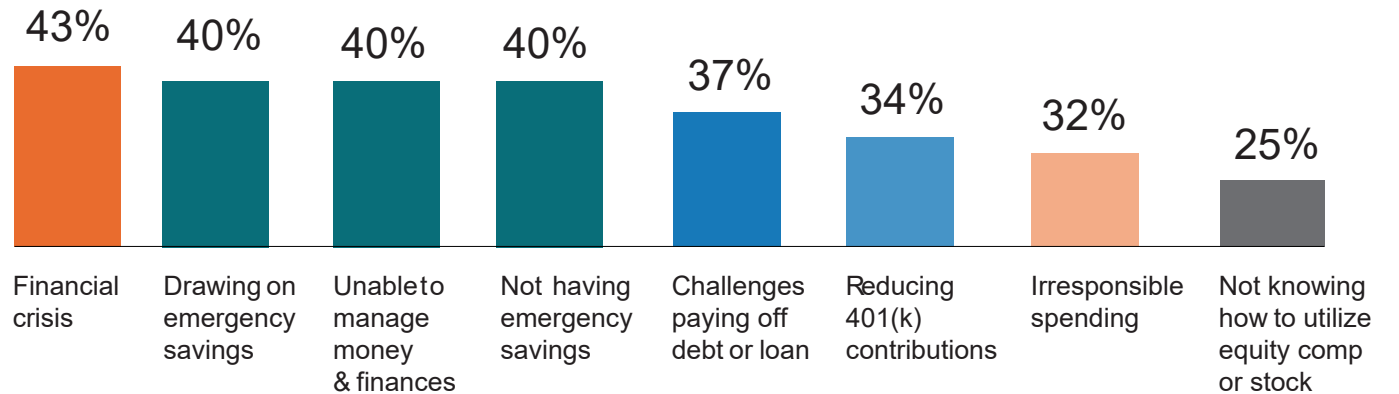
## How often employees bring up financial hardships

N=600



## Financial issues experienced over the past year

(Asked among those who have heard employees bring up financial hardships or challenges  
N=579)



\* Regularly means all the time or often.

## Contributions across savings accounts are down

59% U.S. employees have needed to reduce contributions to savings or debt or loan payments due to the economic impacts of COVID19.

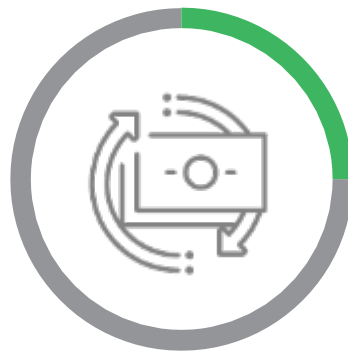
U.S. employees reduced contributions to the following accounts due to COVID19 N=1,000



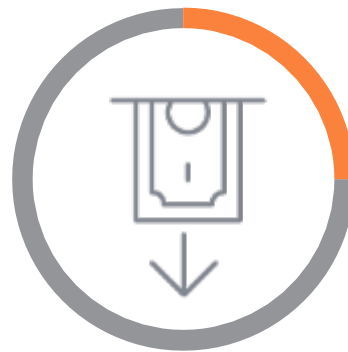
29% 401k



28% Long-term savings



25% Emergency and short-term savings



25% Paying off debts and loans



19% Health savings accounts



29% Contributing to a college savings fund

# Employees and HR Executives alike see the impact of personal financial stress on work productivity and performance

COVID-19 has blurred personal and professional boundaries, which may account for greater visibility of specific financial hardships. COVID-19 has also had an enormous reach in negatively affecting employee economic situations, leading HR executives to call for benefits that help employees better manage financial stress.



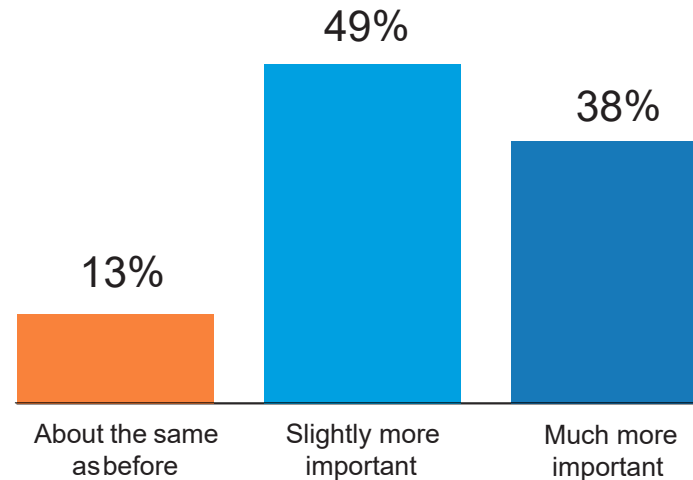
**64%** of U.S. Employees  
report financial stress is negatively affecting their work and personal life



**82%** of HR Executives  
are worried that employees' financial issues outside of the office affects their productivity

## HRExecutivesView

Importance of offering benefits to better manage stress now vs. pre-COVID-19 N=600

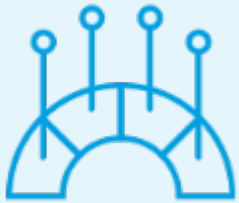


**87%** of HR Execs  
say benefits to help Employees financial stress are more important today compared to before COVID-19

## The result: increased responsibility for employers to help staff maximize the financial benefits offered to them



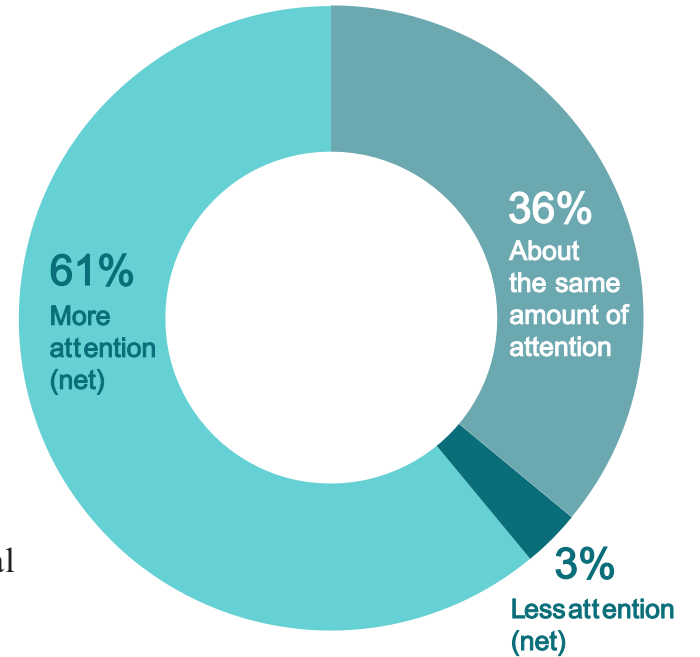
**87%** of U.S. Employees  
say their companies must help them understand how to maximize their employer-provided financial benefits



**93%** of HR Executives  
agree their company must do a better job helping employees maximize the financial benefits offered to them

### Attention paid by employees to review financial benefits (Among those whose company provides a benefits package N=773)

**84%** of HR Executives  
say their employees give more attention to reviewing their financial benefits now vs. a year ago

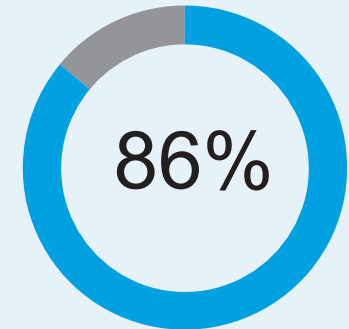
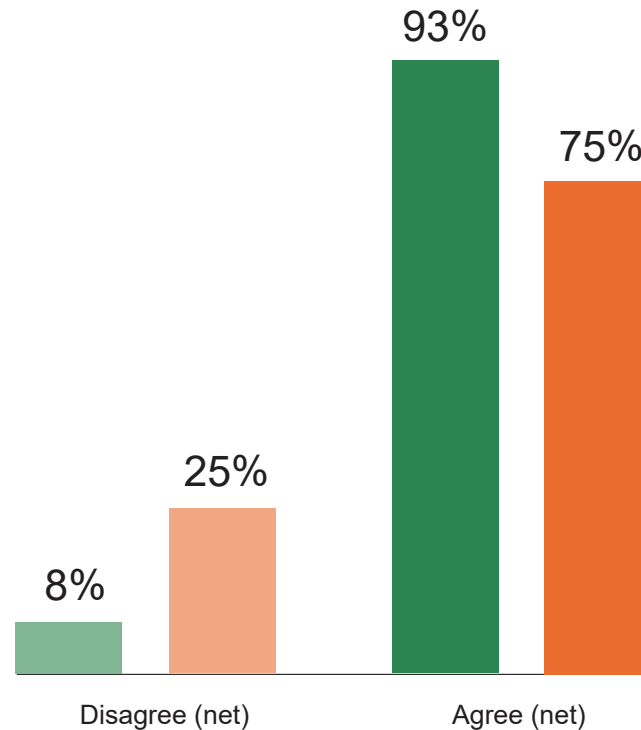


## Equity compensation: a great motivator for employees

Employees and HR Executives largely agree that equity compensation goes a long way to motivate and keep employees engaged in their roles. It goes a long way at keeping them at their companies too, as most employees say they would stay if there was greater emphasis on such benefits.

HR Executive View: a benefit plan with equity compensation is the most effective way to motivate employees  
N=600

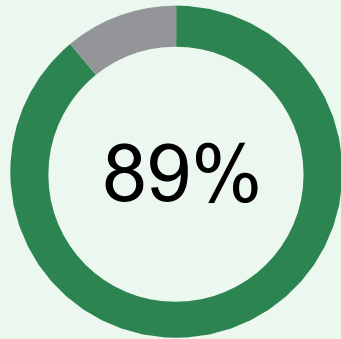
Employee View: equity compensation is the most effective way to keep employees motivated  
N=1,000



Of employees would be more invested in staying at their present company if they placed a greater emphasis on equity compensation

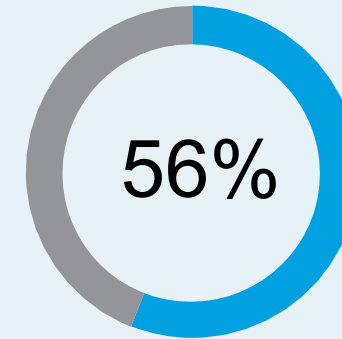
## Equity compensation correlates with the perception of best-in-class benefits.

Employers believe that equity compensation is a driving factor for “best in class” benefits.



Nearly nine in ten (89%)  
HR Executives at companies that  
offer equity compensation strongly  
or completely agree their company  
provides “best in class” benefits

vs.



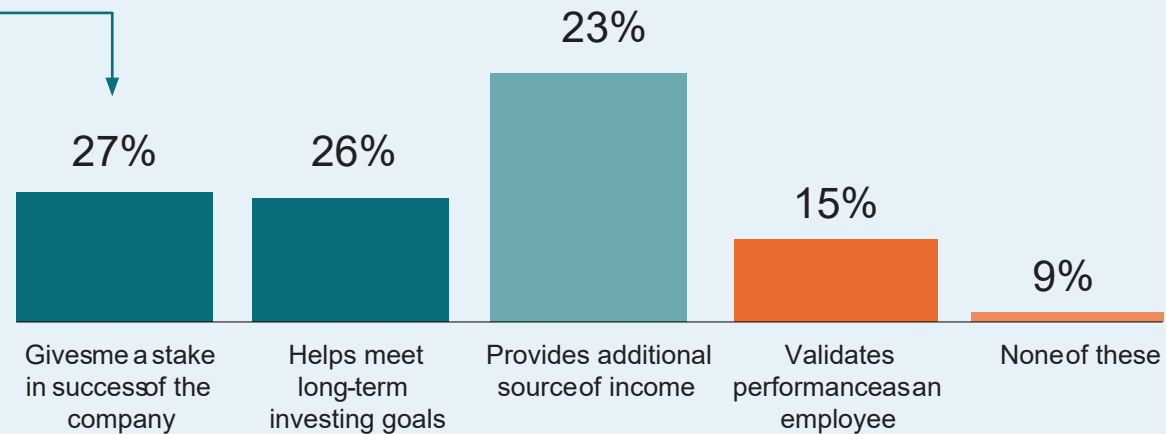
Only 56% HR Executives at  
companies that do not offer equity

# Many reasons were cited why equity compensation is a desired benefit

## EmployeeView Biggest benefit to equity compensation

N=1,000

Men more likely than women to say equity gives them a stake in the company's success (31% vs. 23%)



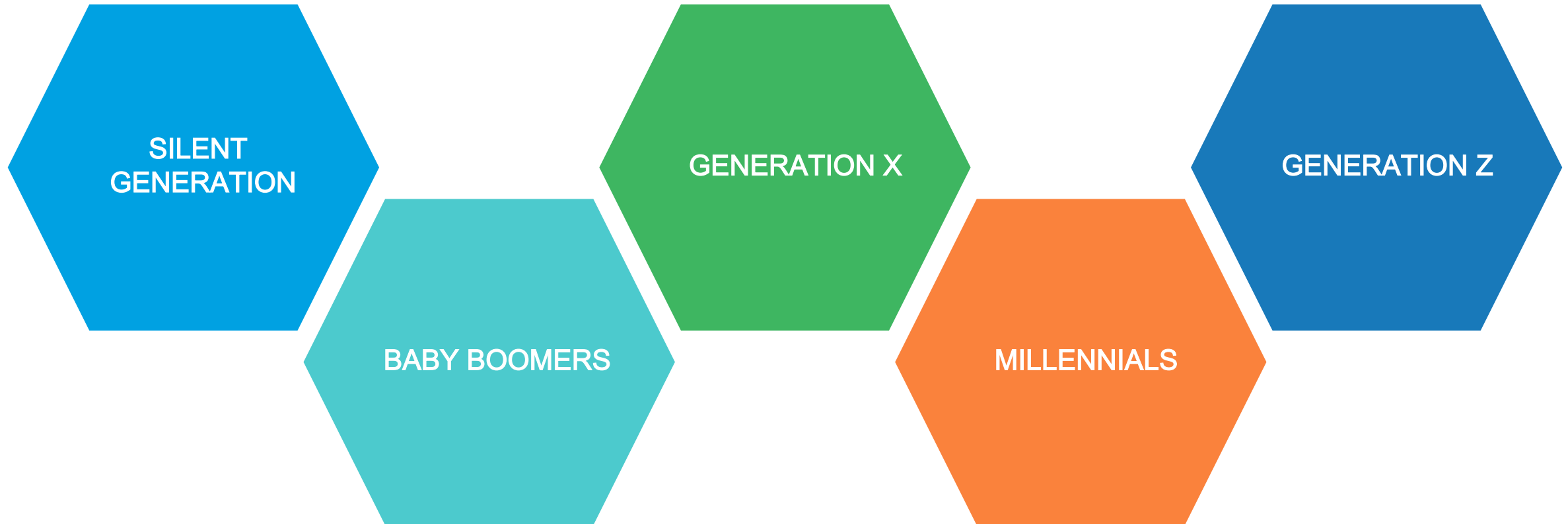




Tom Conlon, *Executive Director, Morgan Stanley at Work*

Addressing Retirement For Your Multi  
Generational Workforce

For the first time in history, the workforce consists of **five generations of workers**



## Poll Question 1

What generations make up your workforce? (Check all that apply):

- Silent Generation
- Baby Boomer
- Generation X
- Millennials
- Generation Z

## Poll Question 1

What generations make up your workforce? (Check all that apply):

- Silent Generation
- Baby Boomer
- Generation X
- Millennials
- Generation Z

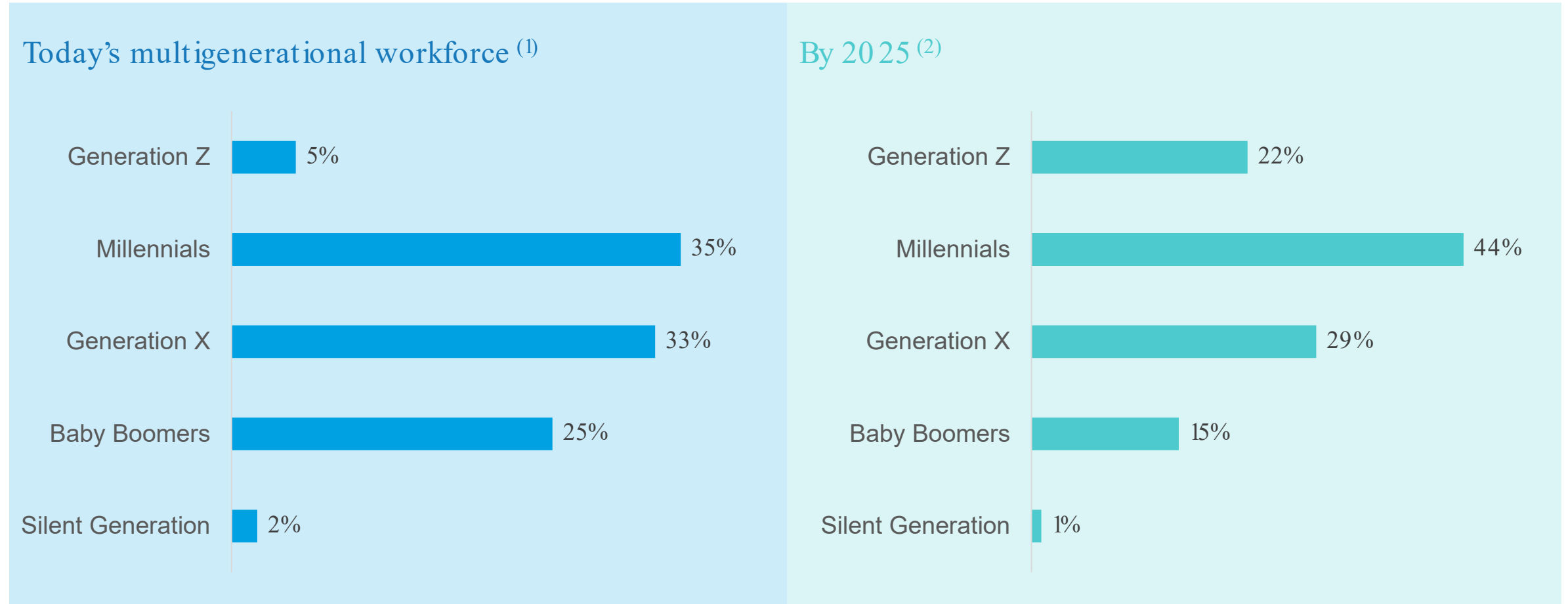
For the first time in history, the workforce consists of **five generations of workers**

Creating a retirement solution that meets the needs of employees and encourages contributions isn't just a good idea; it's a **strategic business decision**

Providing retirement benefits – and the resources to promote engagement with these benefits – can drive **employee satisfaction, retention, and productivity** .



## By 2025, nearly 75% of the American workforce will be under 55 years old



<sup>1</sup> Pew Research, Millennials are Largest Generation in Workforce, 2018

<sup>2</sup> Engaging the Workforce of the Future. Randstad. p.15

## Silent Generation

Born 1925– 1945



---

Prefer phone or in -person communication

**\$12,869**

---

Average non-mortgage debt carried by this generation <sup>(1)</sup>



---

Requires flexibility for continued wellness

- Likely the last generation to rely heavily on a DB pension plan
- Generally valued long-term employment at the same company
- Tend to be overly optimistic about social security benefits and retirement savings
- Least likely to ask for help out of all the workforce generations

<sup>3</sup> Experian, State of Credit 2020 Report

## Baby Boomers

Born 1946– 1964



---

Directly impacted by 2008  
financial crisis

33%

---

Pre-retirees who plan on  
working in retirement <sup>(4)</sup>

45%

---

Have no retirement  
savings <sup>(5)</sup>

- Transitioning into or quickly approaching their retirement window
- Like Silent Gen, can sometimes overestimate social security benefits and monthly income they'll earn from retirement savings
- Due to 2008 financial crisis and COVID-19 impact, likely to face financial hardship in retirement and will likely need additional resources and education to create a clear plan for the transition

<sup>4</sup> USA Today, Money, Baby Boomers Believe They Will Have Better Retirement Than Their Parents, Kids, 2020

<sup>5</sup> Insured Retirement Institute, 2019 Report



## Generation X

Born 1965– 1980

42%

Focused on paying down debt  
vs. saving for retirement <sup>(6)</sup>

9 out of 10

Gen Xers who are not on  
track to meet their  
retirement readiness goals <sup>(7)</sup>

65%

Optimistic about retiring  
by age 65 <sup>(8)</sup>

- At peak earning years, with anywhere from 15 – 30 years until retirement
- Despite being in peak earning years, almost 70% worried the money they have saved won't be enough come retirement <sup>(9)</sup>
- “Sandwich generation” is contending with the expenses of college-aged children and aging parents

<sup>6</sup> Business Insider, Even 40-Something Americans Who Know They Should Be Saving for Retirement are Too Mired in Debt to do it

<sup>7</sup> DHJ Financial Advisors, 5 Ways Gen X Can Catch Up on Retirement Savings

<sup>8</sup> DHJ Financial Advisors, 5 Ways Gen X Can Catch Up on Retirement Savings

<sup>9</sup> Gen X Facing Stark Reality of Retirement, Plan Advisor, 2020

## Millennials

Born 1981– 1996

33%

---

Have already taken a loan or  
withdrawn money from their  
401(k) in 2020 <sup>(10)</sup>

\$23,000

---

Median retirement  
savings <sup>(11)</sup>

45%

---

Expect to retire  
before age 65 <sup>(12)</sup>

- Largest of the workplace generations
- Pressure of “getting settled” – buying a home, marriage, kids, professional development – can create conflict with retirement readiness
- 2008 recession, COVID-19, and average of \$33K<sup>(13)</sup> in student loan debt have made this group more likely to take a loan against their retirement than previous generations

<sup>10</sup> Next Advisor, Time, Millennials are Sabotaging Their Retirement, 2020

<sup>11</sup> Next Advisor, Time, Millennials are Sabotaging Their Retirement, 2020

<sup>12</sup> Better by Today, T. Rowe Price, Millennials are Determined to Retire Early, 2019

<sup>13</sup> A Look At Millennial Student Debt

## Generation Z

Born 1997 or Later

25%

---

Already carrying student loan  
debt <sup>(14)</sup>

53%

---

Prefers in -person contact  
rather than online tools <sup>(15)</sup>

35%

---

Say they plan to start saving for  
retirement in their 20s <sup>(16)</sup>

- Retirement feels far away but money management is top of mind
- 71% of Gen Z report that finances stress them out <sup>(17)</sup>
- 88% report they are actively saving on a monthly basis <sup>(18)</sup>
- Influenced by challenges of previous generations, i.e. 2008 financial crisis
- COVID-19 has pumped the brakes on big plans, especially as early entrants to the job market

<sup>14</sup> Northwestern Mutual, Planning & Progress Study 2020

<sup>15</sup> Plan Sponsor, Introducing Gen Z to Retirement, 2020

<sup>16</sup> Plan Sponsor, Introducing Gen Z to Retirement, 2020

<sup>17</sup> Plan Sponsor, Introducing Gen Z to Retirement, 2020

<sup>18</sup> Employee Retirement Preparedness: Millennials & Gen Z 2020

## Poll Question 2

Do you provide different retirement benefits for the different generations of your workforce?

- Yes
- No

## Poll Question 2

Do you provide different retirement benefits for the different generations of your workforce?

- Yes
- No

## How to think about **tailoring access to guidance** for each generation in the workforce



### Silent Generation

- Provide education that can be shared or extended to spouses/partners and build solvency for the entire household. Prioritize access to in-person or telephone resources.

### Baby Boomers

- Providing access to a Financial Advisor who can offer guidance and establish goals may bolster confidence and retirement readiness.

### Generation X

- Focus on a lifetime income option when providing a retirement readiness solution.

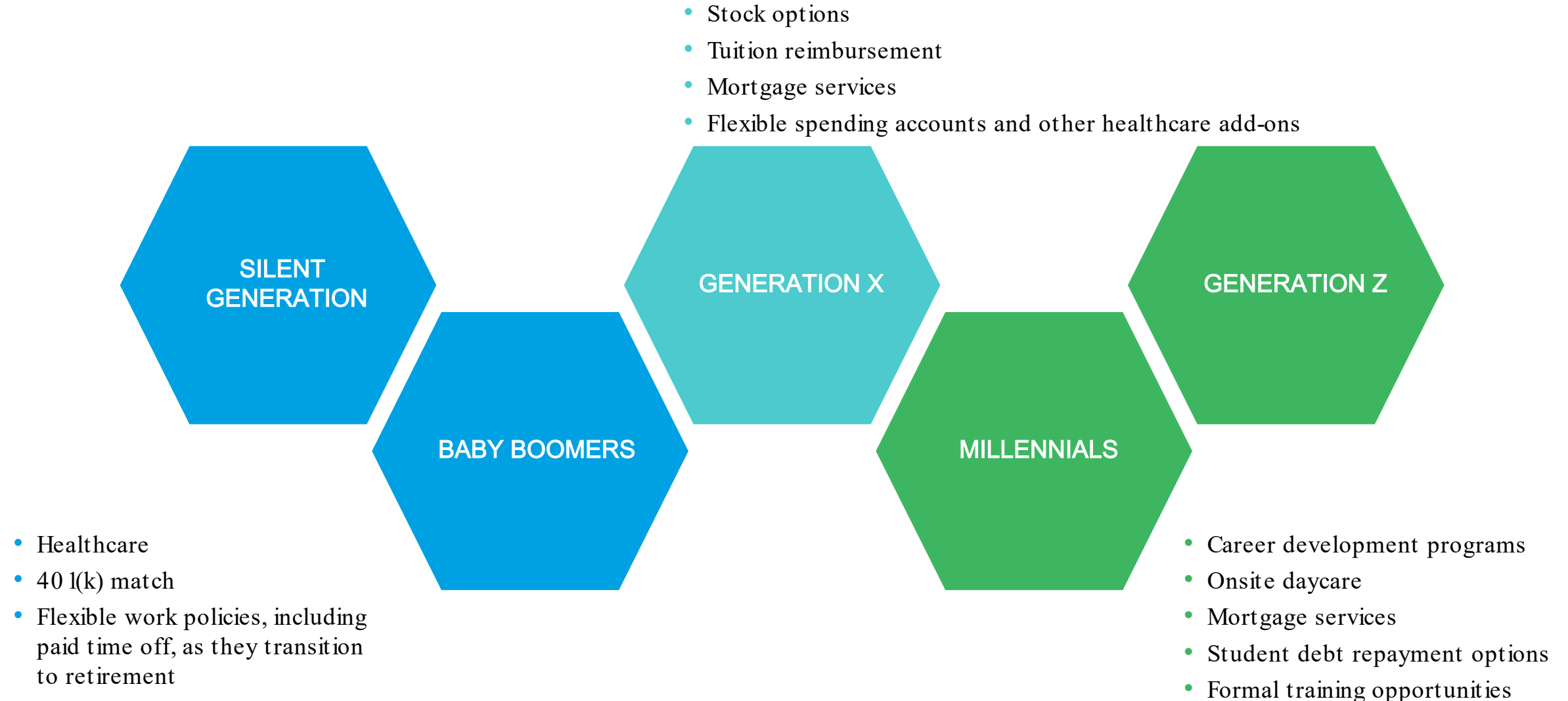
### Millennials

- Financial education around repayment plan options, loan consolidation, or student loan repayment benefits may make a substantive impact on retirement contributions.

### Generation Z

- Education and planning tools that underscore risk-adjusted returns over the long run – like target date funds – can set this generation up for success from an early age.

## Consider flexible workplace benefits that adjust to meet employees where they are today



## Poll Question 3

What benefits are your employees most interested in?

- Healthcare
- Retirement/401(k) match
- Tuition reimbursement
- Mortgage services
- Flexible spending accounts
- Career development programs



## Poll Question 3

What benefits are your employees most interested in?

- Healthcare
- Retirement/401(k) match
- Tuition reimbursement
- Mortgage services
- Flexible spending accounts
- Career development programs

# What Now For Employers?



- ✓ **Assess**– understand the financial needs of your workforce.
- ✓ **Strategize** – develop a strategy and identify goals and objectives.
- ✓ **Plan** – set a budget and decide which benefits/programs fit within the budget.
- ✓ **Personalize** – adopt a tailored approach. There is no one-size-fits-all solution.
- ✓ **Communicate** – adopt a compelling communication strategy.
- ✓ **Review** – adopt an iterative process. Continuously track and evaluate benefits/programs.

Questions?



# Morgan Stanley

## AT WORK

### About Morgan Stanley at Work

[Morgan Stanley at Work](#) offers a suite of financial solutions, which spans Equity Compensation through Shareworks and E\*TRADE Equity Edge Online, Retirement and Financial Wellness Solutions. Morgan Stanley at Work combines cutting-edge planning and risk management software, Morgan Stanley intellectual capital and financial education delivered through multiple channels to enable employees to build a holistic plan to achieve their financial goals. Employee stock plan solutions, including Equity Edge Online, are part of the Morgan Stanley at Work solutions and are offered by E\*TRADE Financial Corporate Services, Inc. Morgan Stanley at Work currently has offices in the U.S., Canada, Europe and Asia Pacific.

Wakefield Research is neither an employee of, nor affiliated with, Morgan Stanley Smith Barney LLC ("Morgan Stanley").

### About Morgan Stanley Wealth Management

Morgan Stanley Wealth Management, a global leader, provides access to a wide range of products and services to individuals, businesses and institutions, including brokerage and investment advisory services, financial and wealth planning, cash management and lending products and services, annuities and insurance, retirement and trust services.

### About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals. For more information about Morgan Stanley, please visit [www.morganstanley.com](http://www.morganstanley.com)





This report is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. This material does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it.

This report has been prepared solely for information purposes. The information herein is in-part based on, derived from, or includes information generally available to the public and has been obtained from sources believed to be reliable. Morgan Stanley Smith Barney LLC does not guarantee their accuracy or completeness.

This report includes select statements made by certain survey participants. Morgan Stanley makes no representation or warranty concerning the content of such statements and is not implying an affiliation or approval with/of any such persons or the views expressed by such persons.

This material may provide the addresses of, or contain hyperlinks for websites. Except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm has not reviewed the linked site. Equally, except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of Morgan Stanley Wealth Management) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through the material or the website of the firm shall be at your own risk and we shall have no liability arising out of, or in connection with, any such referenced website.

Morgan Stanley at Work, Shareworks by Morgan Stanley, Morgan Stanley Smith Barney LLC, and its affiliates, employees and Financial Advisors do not provide legal or tax advice. Individuals should consult with their tax/legal advisors before making any tax/legal-related investment decisions.

Stocks/equities fluctuate in value and may be worth more or less than their original cost. Past performance is no guarantee of future results.

© 2021 Morgan Stanley Smith Barney LLC. Member SIPC.  
CRC (390 5827) 1/2021

**Morgan Stanley**  
**AT WORK**

# Disclaimer

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC (“Morgan Stanley”), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not “fiduciaries” (under the Investment Advisers Act of 1940, ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as disclosed at [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol). Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

# Upcoming Webcast Programming from The Conference Board



- [Human Capital Watch™: Implications of Becoming a Skills-Driven Organization \(May 10, 2022\)](#)
- [Benefits Communication in 2022: Changing Your Strategy to Reach All Your Employees \(May 31, 2022\)](#)
- [How to Address Health Equity Gaps in Musculoskeletal Pain & Mental Health Care \(June 01, 2022\)](#)

View all our upcoming webcast programs at  
<https://www.conference-board.org/webcasts/upcoming/>

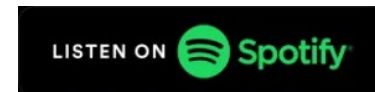


# NEW Podcast Series: CEO Perspectives - Insights for What's Ahead™



Hosted by our CEO, **Steve Odland**, this bi-monthly series features in-depth interviews with thought leaders from The Conference Board to provide business executives with data-driven insights to prepare them for what's ahead.

Available on our website at <https://www.conference-board.org/podcasts/ceo-perspectives-podcast> or on most popular podcasting platforms, including:





# Geopolitics Content Hub

**Updated daily with the latest insights for your company to navigate the Russia-Ukraine Crisis**

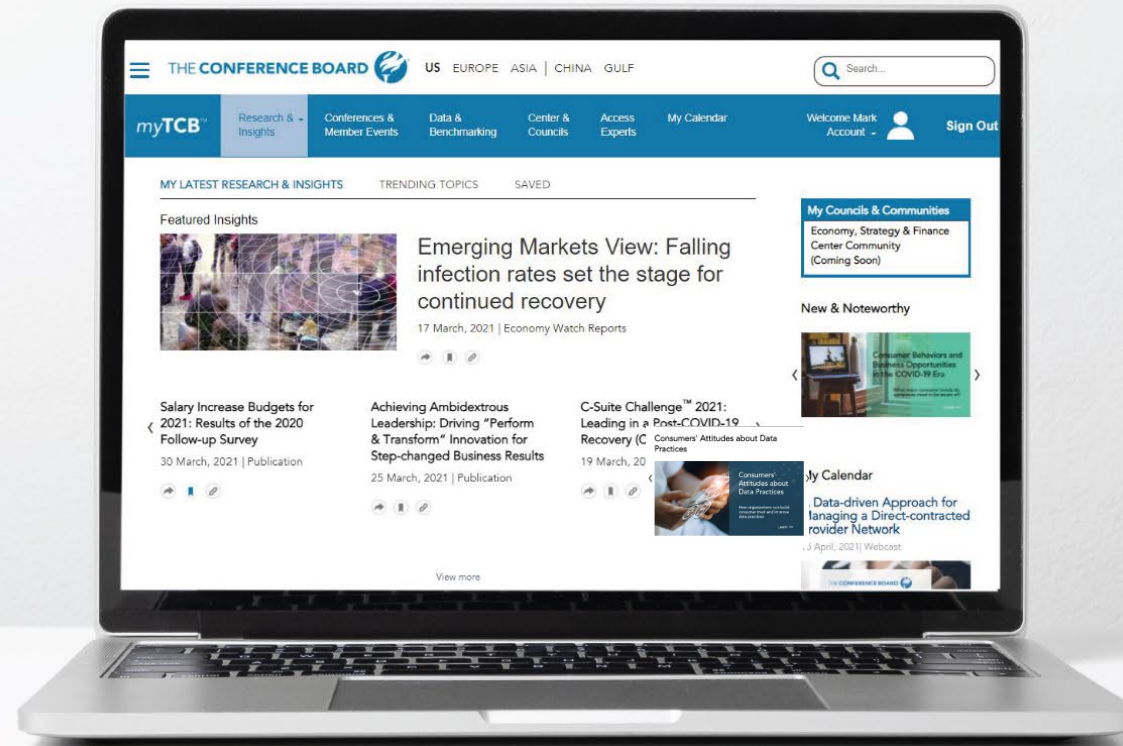
Visit <https://www.conference-board.org/topics/geopolitics>



# myTCB™

Sign in to enjoy customized, convenient access to the full range of Member benefits – the latest research, benchmarking & data tools, peer networks, and events delivering Trusted Insights for What's Ahead.

Watch this short [video](#) to get started.



# CHRO SUMMIT: THE FUTURE OF WORK

VIRTUAL EVENT  
April 20, 2022



This event is Complimentary for The Conference Board members.  
Register now at [www.conference-board.org/chrosummit](http://www.conference-board.org/chrosummit)

