TREND 1

Underlying optimism and cash flow are steady.

CASH FLOW



84%
Comfortable
79% Small*
91% Large*

10%
Neither
13% Small
7% Large

6%
Uncomfortable
9% Small
3% Large

CONFIDENT OUTLOOK

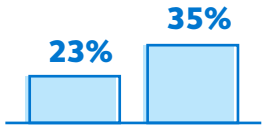
"This summer we've seen yet again how quickly the pandemic and economy can fluctuate. But our latest Principal Financial Well-Being Index℠ results show the strong fundamentals of a business sector ready to move forward when given the chance.

Amy Friedrich
president of U.S. Insurance Solutions at Principal

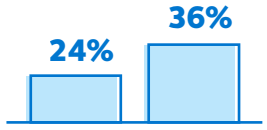
LOCAL AND U.S. ECONOMY

More small businesses say that both their local economy and the U.S. economy are growing.

Local

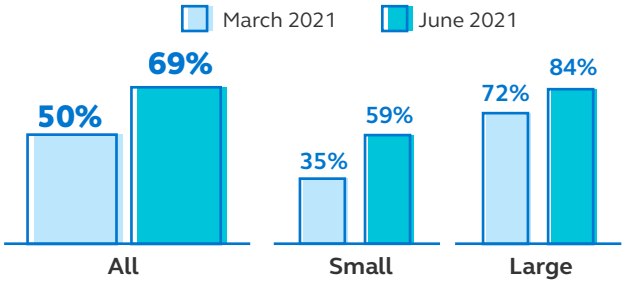


U.S. economy



FINANCIAL IMPROVEMENT

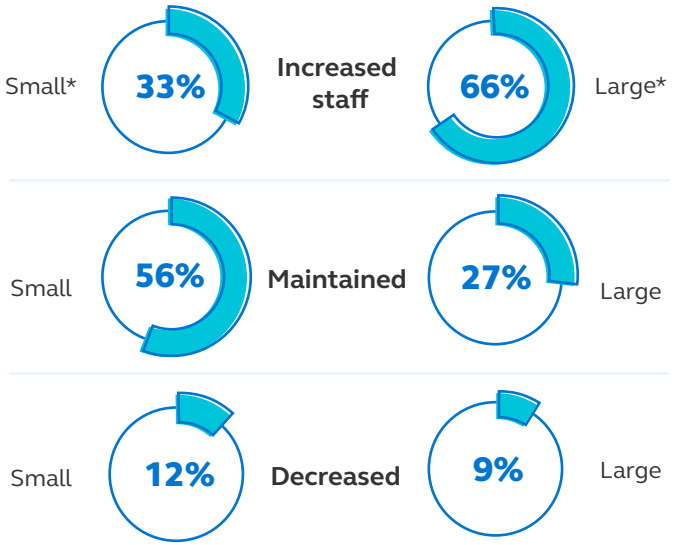
For the first time in more than a year, more than two-thirds of businesses report that their financials have improved compared to this time last year.



TREND 2

More businesses are hiring.

STAFFING TRENDS



Top reasons employees are choosing to leave their jobs:

1. Changing career path
2. Additional caregiving responsibilities
3. Retirement
4. More remote-work flexibility

FULLY OPERATIONAL

Businesses that say they're fully operational increased from March to June.



The Principal Financial Well-Being Index℠ (June 14-22, 2021) surveyed 501 business leaders of for-profit companies with 2-10,000 employees. Respondents must offer either health insurance or retirement benefits (or both).

*Small = under 500 employees; Large = 500 or more employees

1753176-082021 | EE12444-01

TREND 3

Employee benefits are on the rise—and going digital.

BROAD INCREASE IN BENEFITS

More businesses plan to increase benefits in the next 12 months.

42% Telehealth

41% Health care benefits

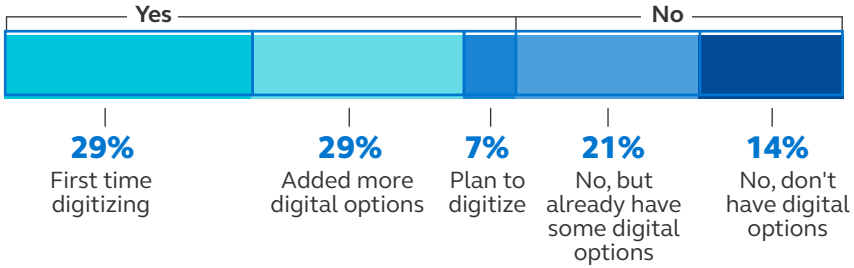
38% Mental health/ well-being services

Popular benefits employers say they'll increase in response to specific needs:

Need	Response
Employee experience	**Financial wellness programs**
Attract new employees	**Paid family or medical leave**
Retain current employees	**Health care benefits**
Ethical responsibility	**Disability insurance**
Response to COVID	**Mental health and well-being programs**
Improve employee satisfaction and well-being	**Childcare support**

DIGITAL ACCESS AND CYBERSECURITY

65% **of businesses are improving digital access to benefits for employees.**



WHY DIGITIZE?

71% think digital access helps with benefit understanding.

62% are onboarding employees online.

40% are reducing paper.

Data security/cybersecurity is the fastest-rising concern among businesses in this wave.

The Principal Financial Well-Being Index℠ (June 14-22, 2021) surveyed 501 business leaders of for-profit companies with 2-10,000 employees. Respondents must offer either health insurance or retirement benefits (or both).

*__Small__ = under 500 employees; __Large__ = 500 or more employees

1753176-082021 | EE12444-01

TREND 4

Financial wellness programs are popular …

BUSINESSES SEE THE VALUE

62% currently offer financial wellness benefits or programs.

77% agree financial wellness programs help employees prepare for retirement.

Small* 70%

Large* 87%

Most businesses (73% on average) agree that financial wellness programs help:

- Short-term financial goals
- Long-term financial goals
- Retirement preparation
- Employees better understand other benefits
- Lower costs of other benefits
- Keep workforce engaged and productive
- Decrease employee stress over debt
- Employee satisfaction
- Employee hiring and retention
- Provide support for COVID-19 impacts

TOP FINANCIAL WELLNESS OFFERING

45% of businesses see access to a financial professional as the most useful financial wellness offering for employees.*

*Out of 25 financial wellness options presented

> "Financial wellness is the ability to have a healthy financial life—access to education, tools, and resources that help support financial security."
>
> **Kara Hoogensen**
> senior vice president of specialty benefits at Principal

TREND 5

… and so are retirement plans.

ATTRACT AND RETAIN

83% of businesses see retirement plan offerings as essential to attract and retain employees.

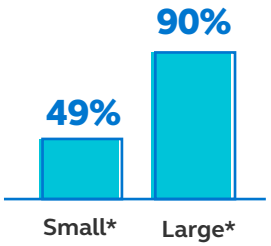
At least 3/4 of employers say their employees need some support when it comes to saving for retirement.

Employers think workers need help with:

Understanding different plans (i.e. 401(k) vs. IRA) 91%

Having a comprehensive investment strategy in addition to retirement plan 90%

Only half of small businesses are aware of proposed legislation (SECURE 2.0) that could help them provide the retirement plans they say they want.



The Principal Financial Well-Being Index℠ (June 14-22, 2021) surveyed 501 business leaders of for-profit companies with 2-10,000 employees. Respondents must offer either health insurance or retirement benefits (or both).

***Small** = under 500 employees; **Large** = 500 or more employees

1753176-082021 | EE12444-01