



# STUDIES REVEAL EMPLOYEES' FINANCIAL MINDSET DURING PANDEMIC

Understandably, in 2020, most of us were stressed over health and finances. Because of ongoing pandemic worries, last year, most prioritized health (57%) over financial stability (23%), according to an annual Allianz Life study.

## Americans Surveyed Focus on 2021 Financial Resolutions

However, as 2021 kicks off, more Americans are willing to make a financial resolution. In a Fidelity Investments 2021 Financial Resolutions Study that measured how Americans are feeling about their finances going into this new year, 65% were considering a financial resolution primarily to gain more peace of mind.

### The Top 3 Financial Resolutions Among Those Considering One:

**SAVE MORE MONEY 44%**

**PAY DOWN DEBT 43%**

**SPEND LESS MONEY 30%**

In addition, one-in-six list **“recover from financial losses due to the COVID-19 pandemic”** among their top financial resolutions.

In addition to peace of mind and living debt-free, when asked what motivates them to make resolutions, those surveyed also said eliminating financial worry due to unforeseen expenses (44%) and getting control of daily expenses (44%).

## 2020 Coronavirus-Related Plan Loans Were Minimal

With the financial stress triggered by the pandemic, you might have expected that a high percentage of employees would take withdrawals from their 401(k)

or 403(b) plans as a result of CARES Act legislation, but Vanguard, Fidelity and T. Rowe Price found that not to be the case.

The CARES Act passed in March 2020 allowed for \$100,000 of coronavirus-related distributions from eligible retirement plans and allowed plan sponsors the leeway to give employees an additional year to repay their loans.

Vanguard reviewed data collected through November 2020 and found that, out of its more than five million participants, just 5.3% took a CARES Act withdrawal, with the median loan amount being \$12,800. That means about 95% of plan participants made no withdrawals. Fidelity's results were only slightly higher—5.7% of plan participants requested a withdrawal of on average \$9,600. And T. Rowe Price saw 7.5% of participants take a withdrawal in that same time period. In most instances, loan amounts were well below the \$100,000 maximum, indicating that the majority of participants seemed to only take out what they needed.

## Emergency Savings Minimize Need for Plan Loans

These positive statistics were different than what some industry experts had anticipated. However, another report by a defined contribution industry association found that those with an emergency savings account were half as likely to access retirement funds. A professional from that association said she believed that, in the future, more employers will offer emergency savings options.

## Financial Planning Goals for Employees

All of these studies underline the importance of employees sticking to a financial plan for short- and long-term savings. Despite a difficult 2020, it's important for employees to make a 2021 plan to conserve spending, save when possible via automatic enrollment in their employer's retirement plan and build an emergency fund. Because without a plan, worrying about finances can ultimately have an impact on health and threaten long-term financial security. And, worrying about finances can also reduce productivity at work.

## How Employers Can Help

Employers can ask their retirement plan consultants to provide educational tools that stress the importance of financial well-being and retirement readiness. In addition, they can encourage employees to set aside savings for emergencies. According to the Fidelity Resolutions study, after concern about the pandemic's impact on the economy, the next big concern of those surveyed (35%) was facing unexpected expenses in 2021.

Many employers also offer employee assistance programs (EAP) to give employees some free counseling to talk through all of the issues that stressed them in 2020 to see how they can keep a positive mindset for 2021. Health and wealth don't have to be mutually exclusive. With the right educational tools and strategies, employees can make a plan for a more secure future.

## How Our Retirement Team Can Help

At Mariner Wealth Advisors, our Retirement Plan Solutions team is here to help employers as they work with their employees on how to plan for greater long-term financial security. We also recommend that plan sponsors work with their recordkeepers for access to tools like webinars and other online resources to help employees with financial well-being, and our team is also available as a retirement resource.

### Sources

[Annual Allianz Life Study Press Release](#)

["Despite Challenging Year, CRDs and Plan Leakage Were Sparse."](#) PlanSponsor.com.

[Fidelity Investments® 2021 Financial Resolutions Study](#)

This article is limited to the dissemination of general information pertaining to Mariner Wealth Advisors' investment advisory services and general economic market conditions. The views expressed are for commentary purposes only and do not take into account any individual personal, financial, or tax considerations. As such, the information contained herein is not intended to be personal legal, investment or tax advice or a solicitation to buy or sell any security or engage in a particular investment strategy. Nothing herein should be relied upon as such, and there is no guarantee that any claims made will come to pass. Any opinions and forecasts contained herein are based on information and sources of information deemed to be reliable, but Mariner Wealth Advisors does not warrant the accuracy of the information that this opinion and forecast is based upon. You should note that the materials are provided "as is" without any express or implied warranties. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Past performance does not guarantee future results. Consult your financial professional before making any investment decision.

Mariner Wealth Advisors ("MWA"), is an SEC registered investment adviser with its principal place of business in the State of Kansas. Registration of an investment adviser does not imply a certain level of skill or training. MWA is in compliance with the current notice filing requirements imposed upon registered investment advisers by those states in which MWA maintains clients. MWA may only transact business in those states in which it is notice filed or qualifies for an exemption or exclusion from notice filing requirements. Any subsequent, direct communication by MWA with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For additional information about MWA, including fees and services, please contact MWA or refer to the Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). Please read the disclosure statement carefully before you invest or send money. Securities Offered through MSEC, LLC, Member FINRA & SIPC, 5700 W. 112th Suite 500, Overland Park, KS 66211.