

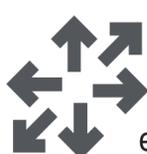
# Insights on mid-sized business operations and employee benefits

The COVID-19 outbreak has required businesses of all sizes to respond rapidly to changing market conditions and safety requirements that put their businesses continuity at risk. Mid-sized companies have been forced to make difficult decisions about their workforce and benefits to sustain operations during these difficult and unprecedented times. How have they adapted to these new demands? To find out, we commissioned a survey of companies with 100 to 1,000 employees about their experiences and outlook on business operations and employee benefits. When the survey was conducted, over two million Americans were infected with COVID-19, 21 million were collecting unemployment benefits, and coronavirus cases were surging in 31 states.

During the onset of the outbreak, many mid-sized businesses were challenged with keeping their businesses running

52%

operated at reduced capacity



70%

experienced impacted supply chains



84%

furloughed or laid-off employees



88% lost revenue and incurred unplanned pandemic expenses, but won't target employee benefits to recoup losses. Instead, they plan to

Cut costs – 21.5%

Increase prices – 21.5%

Request price concessions from vendors – 16.5%

Just 1% may tap into benefits



Over 1 in 3 are optimistic about a return to pre-pandemic operations by the end of 2020, but 66.5 percent think new health safety protocols, remote work arrangements—or both—are here to stay.



## Retirement plan contributions

88 percent of the companies surveyed have a retirement plan and 83 percent will continue to offer an employer contribution. 39.2 percent maintained contributions with 43.8 percent reporting reduced the benefit.



## Looking out for workers with paid sick leave programs

Paid sick leave protects not only the health and safety of employees and customers—it's also essential to business continuity because it encourages sick workers to stay home.

88% offer paid leave

55% plan to enhance their policy

12% don't offer, but 42% plan to by the end of 2020

## Most are protecting basic benefits, including retirement plans

Compensation is more likely to be reduced than benefits programs over the next 6 months..

29.5% will reduce compensation

28% say benefits decisions are on hold

17.5% will cut benefits like paid time off (45.7%) or company healthcare contributions (42.9%)

12% will increase benefits in lieu of pay increases

If the current economic conditions persist, mid-sized employers plan to further cut costs (44%) and raise prices (24%) before resorting to laying off workers (16%). Almost none anticipate filing for bankruptcy.



## Committed to Financial Wellness

With Americans facing unprecedented economic uncertainty and financial challenges, financial wellness programs are more important than ever for preparing them by providing information and strategies they can use to make better financial decisions.

3 in 4 mid-sized companies offer financial wellness programs however, 86% believe it's under-utilized, mainly due to lack of employee awareness.

The survey data suggests mid-sized business owners remain committed to helping workers build financial security. Those with a financial advisor think their focus should be on improving:



25.3% participant savings rates



21.3% plan health



16.7% investment platform performance and fees

## Staying focused on running your business is your priority.

Now more than ever, workplace benefits are even more critical to protecting workers from new threats to their health and financial security. Let ADP help you remove the obstacles that can prevent you and your employees from doing your best work. So everyone can achieve what they're working for. For more information, contact: