

Insights on small and mid-size employer business operations and employee benefits



What do business owners want from Financial Advisors relative to benefit plan support in this challenging business environment? Will virtual practices necessitated by the pandemic continue, or will old business practices snap back? To better understand the mindset and outlook about benefits sales and service, we checked in with employers in the small (under 100 employees) and mid-sized (100 to 1,000 employees) space. At the time of the survey, over 2 million Americans were infected with COVID-19, 21 million were collecting unemployment benefits, and coronavirus cases were surging in 31 states.

Most businesses offer retirement plans and work with a Financial Advisor or Registered Investment Advisor

The majority of businesses surveyed offer retirement benefits and work with an advisor (Financial Advisor or Registered Investment Advisor). 80 percent or better are satisfied with the relationship.

Small Business
67.3% have a retirement plan
71.3% work with an advisor

Mid-sized Business
88% have a retirement plan
85% work with an advisor



Small businesses prefer in-person for employee benefit purchases

Despite pandemic-related concerns, 61.4 percent of small businesses prefer in-person meetings with an advisor when engaged in the employee benefit purchase process—particularly those in the Midwest and South.

Most are not ready to meet in-person

When will business owners schedule onsite, in-person meetings with an advisor about their benefits?



However, 20 to 25 percent of those delaying face-to-face meetings say they would meet now with their trusted advisor or consultant from a long-standing relationship.

Mid-sized businesses prefer onsite due diligence plan reviews

Of the mid-sized employers planning due diligence reviews, 70 percent prefer—and will wait for—an in-person meeting.

- 46.6%** Within the next 6 to 12 months
- 22.7%** Not conducting a review, satisfied with current provider
- 22.7%** Not conducting a review, recently changed providers



It's virtual for vendors

The switch to virtual meetings with vendors necessitated by COVID-19 are likely to remain even after health concerns subside.

- VIRTUAL**
 - 53%** of small employers
 - 70%** of mid-sized employers
- IN-PERSON**
 - 30%** of small employers
 - 19%** of mid-sized employers



Financial wellness priorities

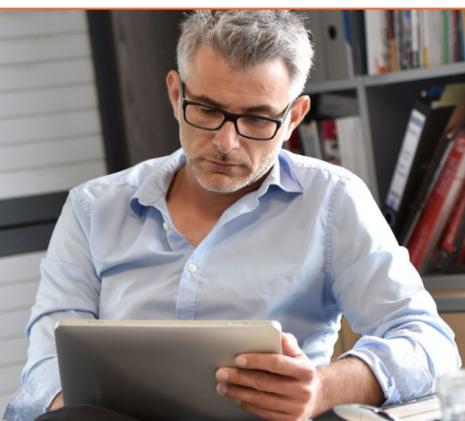
The survey data suggests business owners remain committed to helping workers build financial security and want their financial advisor to prioritize improving participant savings rates (25%), plan health (17% small, 21% mid), investment platform performance and fees (17%), and participation (10%).

Preferences are evenly split for driving employee engagement

- 33.3%** Virtual group meetings
- 32.1%** In-person meetings with health safety precautions
- 18.6%** Virtual one-on-one meetings by request for an additional fee

Helping your clients succeed

Face-to-face or remote, you can gain closer ties to customers by helping them overcome their business and benefits challenges during this uncertain time. For now, employers' top priority is keeping their businesses running. But they remain committed to helping employees build financial security by preserving employee benefits, like retirement plans. Here, advisors can add value with solutions that can simplify retirement plan administration and make it easy for participants to build financial security. A focus on improvements to plan health and employee financial wellness can have big impact.



Let's talk

For more information about ADP retirement plans and how we make them easier to manage, please contact

Sources:
 COVID-19 and Small Businesses Survey. ADP, Inc. and Retirement Insights LLC, June 2020. METHODOLOGY: ADP Retirement Services commissioned Retirement Insights, LLC to conduct an online survey of 200 C-Suite executives of firms with 1 to 100 employees across U.S. regions and industry verticals who are responsible for business operation and employee benefit decisions for their firms. The survey was conducted from June 18 - 23, 2020.
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