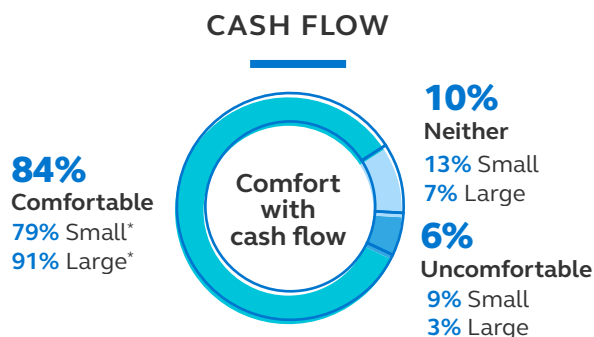


## TREND 1

### Underlying optimism and cash flow are steady.



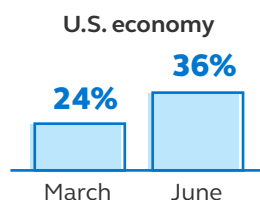
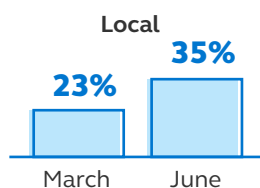
#### CONFIDENT OUTLOOK

“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

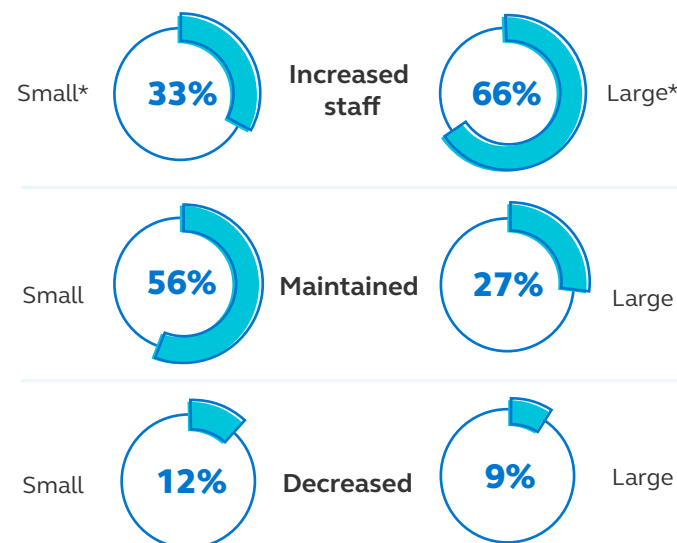
More small businesses say that both their local economy and the U.S. economy are growing.



## TREND 2

### More businesses are hiring.

#### STAFFING TRENDS

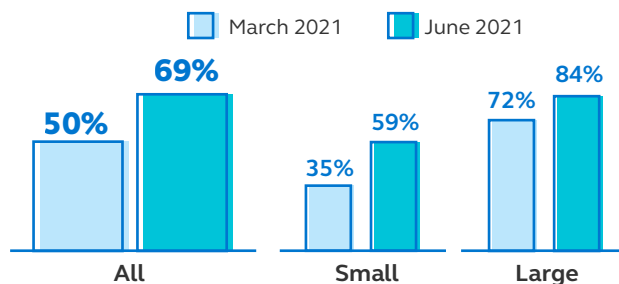


#### Top reasons employees are choosing to leave their jobs:

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

#### 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.



#### FULLY OPERATIONAL

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



### 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



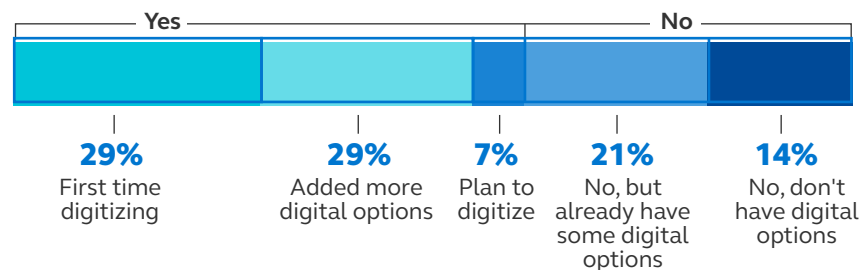
**38%**  
Mental health/  
well-being services

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.



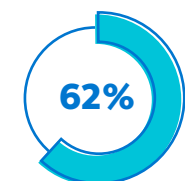
**Data security/cybersecurity** is the fastest-rising concern among businesses in this wave.



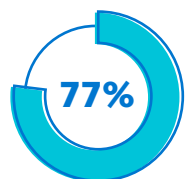
## TREND 4

# Financial wellness programs are popular ...

### BUSINESSES SEE THE VALUE



currently offer financial wellness benefits or programs.



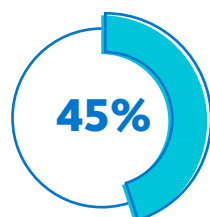
agree financial wellness programs help employees prepare for retirement.



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

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

### TOP FINANCIAL WELLNESS OFFERING



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

\*Out of 25 financial wellness options presented



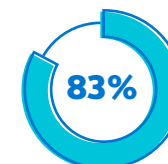
Financial wellness is the ability to have a healthy financial life—access to education, tools, and resources that help support financial security."

**Kara Hoogensen**  
senior vice president of specialty benefits at Principal

## TREND 5

# ... and so are retirement plans.

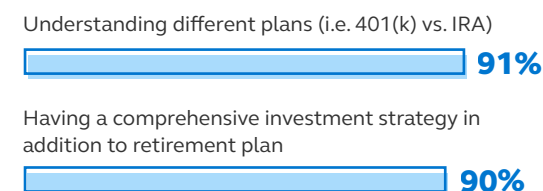
### ATTRACT AND RETAIN



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:



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.

