





2019 Workplace Study

Research conducted by Echo Research on behalf of LegalShield

Workplace Demand for Legal and Identity Theft Protection Plans Continues to Grow



A COMBINATION OF DEMOGRAPHIC CHANGE AND SOCIAL UPHEAVAL continue to drive a seismic shift across the employee benefits landscape. Generous health insurance coverage and retirement savings plans, long-time pillars of protection, are no longer adequate in the face of several disturbing trends. Among them: the rate of inflation continuing to outpace earnings and rising out-of-pocket medical costs which can trigger personal bankruptcy. Additionally, the cost of higher education and housing have soared to new heights—conventional wisdom advises that retirement is unattainable without at least a \$1 million cushion.¹

Many working Americans want to learn more about managing their personal finances as a hedge against these societal challenges. They also want to protect their identity and personally identifiable information against intensifying cyber warfare, as well as manage their privacy.

It's not surprising that research suggests growing interest in financial wellness to win the talent war, and our latest findings in conjunction with Echo Research are no exception.

Two major findings:

- 1. Employers are committed to improving the financial wellness of their workforce.
- 2. Employees have a significant interest in financial benefits, legal services and identity protection plans.

Several external factors illustrate just why legal and identity theft protection plans are piquing the interest of so many employees as a desired workplace benefit and employers as a recruitment and retention tool. An estimated more than 40 million lawsuits are filed in the U.S. every year with frivolous filings blamed for excessive tort costs that approach \$589 billion.²

In addition, the **U.S. government has processed 1.4 million fraud reports involving imposter scams, debt collection and identity theft totaling \$1.48 billion in losses.**³ Of the identity theft cases reported, credit card fraud was most prevalent.⁴

¹ O'Hara, Carolyn. How Much Money Do I Need to Retire? AARP The Magazine, https://www.aarp.org/work/retirement-planning/info-2015/nest-egg-retirement-amount.html ² U.S. Financial Education Foundation ³ Federal Trade Commission 2018 Consumer Sentinel Network Data Book ⁴ Ibid.

Employers' Quest to Improve Financial Wellness with Legal Plans and Identity Theft Protection Plans



37%
OF EMPLOYERS
that offer or
would consider
legal services
and identity theft
protection cite
improvement of
employees' financial wellbeing as the
primary reason to

include them.

OF EMPLOYERS
believe that
accessing affordable legal services
is an increasingly
demanding issue
that will improve
their employees'
financial wellbeing.

Employers realize that improving the financial wellness of their employees, their most valuable asset, isn't only the right thing to do, but also makes good business sense, and they're open to making those changes. Although only 23% of employers offer legal services, according to our survey, as many as 74% would consider offering such a plan. A similar story is unfolding with identity theft protection, which 26% of employers offer but 70% would consider adding. More than 60% of respondents said they would consider offering both benefits. In pursuing these two areas of interest, interestingly enough, this strategic objective becomes more important as it trickles down market with more small (42%) and midsize (40%) companies having made that connection than large employers (29%). Most companies similarly view legal services as a key differentiator regardless of company size (78% overall).

Product features employers wish to see in a legal protection plan:

Employers realize a need to embrace benefits that cast a wider net of financial protection and offer employees peace of mind in today's challenging world.

Factors that
employers
consider
to be most
important
in a legal
protection
plan:

86%	Reputable customer service
85%	Direct access to a qualified law firm
84%	Affordable family rate
77%	Comprehensive mobile app

Similar features were deemed important in an identity protection plan 84% Affordable family rate

84% Easy process to restore one's identity

83% Insurance to cover expenses related to identity theft

78% Dark web monitoring alerts

75% Comprehensive mobile app

Employees' Desire for Financial Service Benefits

Employers can expect greater demand for more meaningful benefits that address employees' evolving concerns. 66% of employees feel the quality of an organization's benefits package makes a big difference in their choice of employer, and they consider the cost or value of their benefits as part of their compensation.

66% of employers said they were approached by their employees for financial and/or legal advice correlating the need for financial benefits. Legal services and identity theft protection are two such offerings that clearly fit changing employee priorities.

61%
of EMPLOYEES
feel that identity
theft protection
and legal services
benefits increase
financial wellbeing.

Product offerings employees would like to see

51% Employers should offer an identity protection benefit

49% Employers should offer a legal services benefit

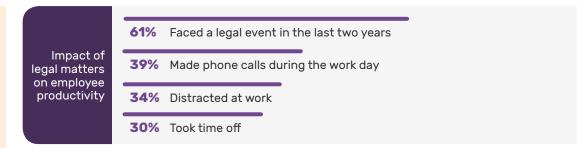


Workplace Impact of Legal Matters

Drilling deeper into the details reveals more insight into why these benefits are top of mind. Most employee respondents (61%) have faced a legal event. And many reported that it impacted their productivity at work.

MORE THAN

50%
OF EMPLOYEES
have not yet
finalized their Will.



Also, more than half of employees haven't finalized their Will, while only 11% have it prepared and notarized; 43% have it prepared but not notarized.



Workplace Impact of Identity Theft

A similar narrative has taken shape with regard to identity theft protection. The primary reason employees enrolled in these plans was concern about identity theft occurring with greater frequency (35%), followed closely by a recent data breach (32%). The fallout from these criminal acts has manifested itself in several ways.

89%
OF EMPLOYEES
feel that owning
an identity theft
product would
provide peace
of mind knowing
their identity is

protected.

59% Distracted at work Impact of identity theft **47%** Made phone calls during the work day /data breach on employee 44% Took time off of work productivity 35% Concerned about identity theft occuring with greater frequency Agreement These benefits plans increase my financial well-being with identity theft and **51%** My employer should offer identity theft protection in our benefit package legal plan features 49% My employer should offer a legal services plan in our benefit package



Employees Clearly See the Value in Legal Services and Identity Theft Protection Plans

Employee respondents see value in legal services and identity protection plans. Nearly half would like legal services offered as a benefit and 40% believe it would have a key impact on their overall job satisfaction. More than two-thirds believe identity theft protection increases their financial well-being and more than half would like to see it added to their benefit package.

For more information about offering legal and identity theft protection plans to your employees visit <u>legalshield.com/FinancialWellness</u> or contact your LegalShield representative.



About the Study

The LegalShield® Workplace Study was conducted by Echo Research LLC, an independent communication, brand, and reputation research company, among a random sample of 750 U.S. employees and 300 U.S employers at companies with at least 100 employees between June 24 and 28, 2019. Employees work full-time, 40+ hours, and are offered voluntary financial benefits at their workplace. Employers are c-Level, EVP/SVP/VP, director, manager, or other decision-makers of their company's workplace benefit offerings. The overall margin of error is +/- 3.6% (Employees) and +/- 5.7% (Employers) at the 95 percent confidence level.