



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



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).

37%

OF EMPLOYERS

that offer or would consider legal services and identity theft protection cite improvement of employees' financial well-being as the primary reason to include them.

77%

OF EMPLOYERS

believe that accessing affordable legal services is an increasingly demanding issue that will improve their employees' financial well-being.

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 well-being.

Product offerings employees would like to see

51% Employers should offer an identity protection benefit

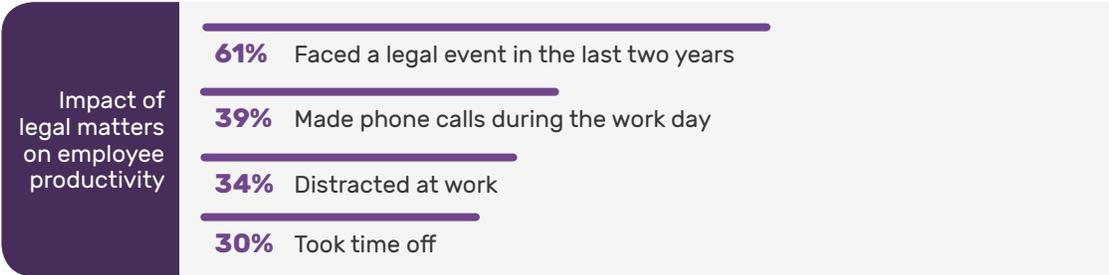
49% Employers should offer a legal services benefit



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

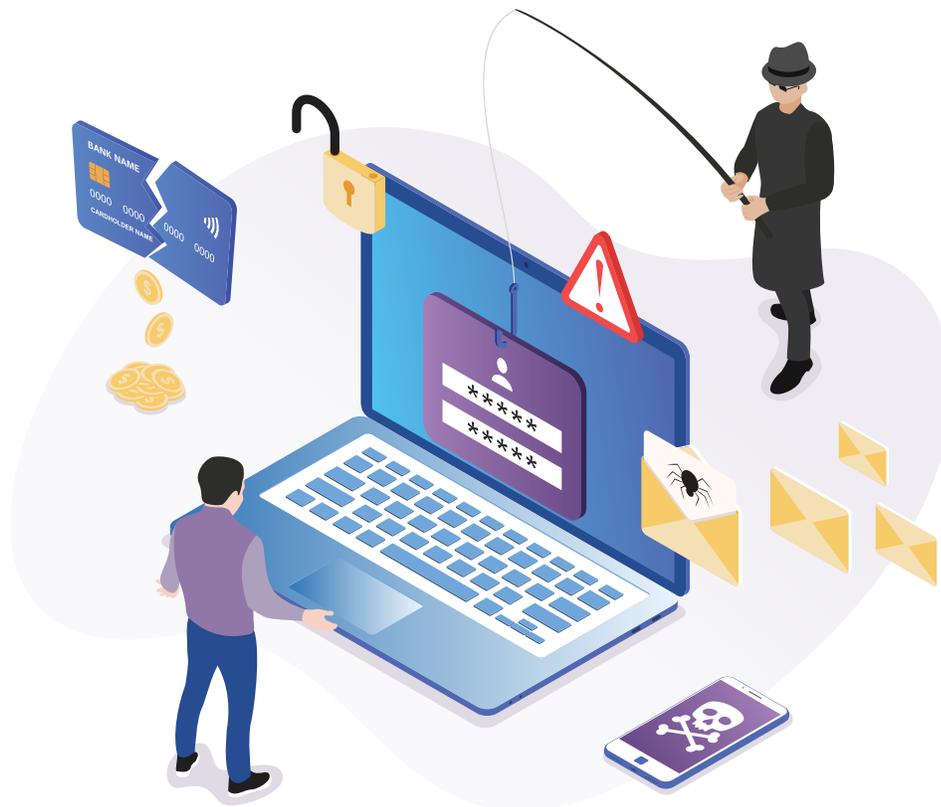
feel that owning an identity theft product would provide peace of mind knowing their identity is protected.

Impact of identity theft /data breach on employee productivity

- 59%** Distracted at work
- 47%** Made phone calls during the work day
- 44%** Took time off of work
- 35%** Concerned about identity theft occurring with greater frequency

Agreement with identity theft and legal plan features

- 61%** These benefits plans increase my financial well-being
- 51%** My employer should offer identity theft protection in our benefit package
- 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 legalshield.com/FinancialWellness 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.