Reimagining a U.S. Benefits System That Supports All Workers: Five Key Takeaways from Public and Private Benefit Leaders

The Benefits21 2022 Leadership Forum Rapporteur's Report

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ABOUT THE ASPEN INSTITUTE FINANCIAL SECURITY PROGRAM

The Aspen Institute Financial Security Program's (FSP) mission is to illuminate and solve the most critical financial challenges facing American households and to make financial security for all a top national priority. We aim for nothing less than a more inclusive economy with reduced wealth inequality and shared prosperity. We believe that transformational change requires innovation, trust, leadership, and entrepreneurial thinking. FSP galvanizes a diverse set of leaders across the public, private, and nonprofit sectors to solve the most critical financial challenges. We do this through deep, deliberate private and public dialogues and by elevating evidence-based research and solutions that will strengthen the financial health and security of financially vulnerable Americans. To learn more, visit AspenFSP.org, join our mailing list at http://bit.ly/fspnewsletter, and follow @AspenFSP on Twitter.

ABOUT BENEFITS21

Benefits21 at the Aspen Institute Financial Security Program works toward a future in which all workers across the US have access to–and make use of–equitable benefits. Benefits21 produces tools and insights, convenes cross-sector leaders, and spurs market and policy innovation to close benefit gaps today and modernize public- and private-sector benefits to ensure the financial security of all workers.

ABOUT THE BENEFITS21 LEADERSHIP FORUM

Held in April of 2022, the Benefits21 Leadership Forum is an invitation-only convening uniquely bringing together experts in both public and private benefits to explore how to ensure benefits equitably and effectively support the financial security needs of all workers. Centered on the needs of workers, the Forum convenes corporate leaders, policymakers, worker advocates, entrepreneurs, and researchers under Chatham House Rule to accelerate convergence on solutions for closing gaps in public and private benefits access, usage, and outcomes today — and imagining and inventing the benefits solutions workers will need tomorrow.

Executive Summary

In April 2022, the Aspen Institute Financial Security Program (Aspen FSP) convened its inaugural Benefits21 Leadership Forum (Forum) as part of Benefits21, Aspen FSP's multi-year, multi-stakeholder initiative to integrate and modernize the nation's public and private benefits systems. Taking place two years into the COVID-19 pandemic, we convened in Baltimore 55 experts in public and private benefits, including corporate leaders, policymakers, worker advocates, entrepreneurs, and researchers, to brainstorm solutions for closing gaps in access and usage that exist in both public and private benefits systems. The goals were to identify areas of agreement across stakeholders and imagine and invent the benefits solutions that workers need today, and in the future, to promote household financial security.

We asked participants to dream big. And they did, with some imagining the end of means-tested public benefits and others arguing for portability. Though their dreams may have varied, participants universally agreed on the need to improve access to, and the value of, both public and private benefits. Where there was much less agreement was on the question of how best to do that. Despite these differences, by the end of the Forum, participants broadly united around five key takeaways:

1. There should be a universally-available bundle of core benefits to promote household financial security, which should include benefits that stabilize, supplement and protect income, reduce the cost of essential goods and services, and build financial resilience and wealth.
2. Technology is an important tool for modernizing and integrating benefits systems, but it's not a panacea. We must also address structural barriers that limit access and weaken the potential of benefits to promote household financial security.
3. We need to change the narrative around benefits and "deservingness." By doing so, we can destigmatize benefits and help the general public understand that benefits are not only critical to a healthy nation, but also that all people rely on and need some form of benefits to lead a financially secure life.
4. Government and employer roles and responsibilities must be responsive and shared in order to create a more integrated, inclusive, and holistic benefits system that effectively meets people's needs, both presently and in the future.
5. We need to measure and understand benefits performance based on financial security outcomes for households. By doing so, we can gain insights into how well our benefits systems are working and where there are opportunities to improve upon them. Additionally, we can ensure benefits are achieving the desired outcome of increased household financial security.

Obviously, modernizing our benefits systems is a tremendous undertaking, one that requires engagement and activation from a large and diverse set of stakeholders. At Aspen FSP, we see the Benefits21 Leadership Forum–and the larger Benefits21 initiative–as a valuable tool for catalyzing those conversations and developing strategies. We hope you will join us.

WHAT'S IN THIS REPORT

Introduction

In early April of this year, the Aspen Institute Financial Security Program (Aspen FSP) convened its inaugural Benefits21 Leadership Forum (Forum) as part of Benefits21, Aspen FSP's multi-year, multi-stakeholder initiative to integrate and modernize the nation's public and private benefits systems. Over the course of two days, Forum attendees participated in a series of discussions on how to strengthen both public and employer-provided benefits as critical contributors to household financial security.

From the outset, we knew our approach was unusual. Not only were we bringing together people from public and private benefits programs to talk about something other than Human Resources, but we were also asking them to dream big, to share their vision for how to close gaps in accessing and using benefits, and enhance the value of benefits, to inclusively and equitably support the financial security needs of all households. We went even farther by suggesting a paradigm shift, asking participants to step outside of our current model in which public and employer-provided programs function as independent systems and instead think holistically about them as two components of a single, unified benefits system.

> **"I never thought of it this way, of putting public and private benefits in the same conversation," said one participant. "I hope we continue with this framing because when we put it all on the table like this, we get to the question of what matters and who is the whole person? It's an important conversation to force, as much as it is challenging."**

We couldn't agree more. Making the leap to thinking about public and employer-provided benefits as pieces of a single system is difficult. But it's also valuable. Households do not segregate benefits by administrator. Rather, people rely on a patchwork of benefits–some public, others private–to collectively support them and their household's financial needs.

By adopting a similar outlook, we can simplify our conversations around how to improve our benefits systems. Most likely, there are strategies for addressing weaknesses that are applicable across both the private and public systems. Considering them as two pieces of the same system enables us to have more productive conversations and identify better solutions to closing existing gaps. Additionally, by focusing less on who is administering and delivering the benefits and more on how benefits function in people's lives, we can move towards a system centered on household financial security, one that better responds to people's needs and produces better financial outcomes.

Which is something we need to do because our benefits systems are not meeting the needs of households now and are not prepared for the future. The COVID-19 pandemic made that depressingly clear when millions of workers who suddenly and unexpectedly found themselves out of work couldn't get Unemployment Insurance, when low-wage, frontline workers had to choose between a paycheck and their physical health because they didn't have paid leave. These gaps in protection against disruptive financial shocks fuel income and wealth disparities. They threaten household financial well-being and the health of the macroeconomy. These gaps leave people with no good choices, and they are only growing as the nature of work is transitioning away from full-time to part-time, contract or gig work that comes with significantly fewer, if any, workplace benefits. As one participant declared, "We can't just digitize our current benefits systems and say they're ready for the future. Unemployment insurance, for example, is just not designed for our current or future work reality."

While many of the problems with our benefits systems are obvious, the solutions are frequently trickier and more nuanced, as we saw again and again throughout the Forum. Frequently, a majority of participants–from varying backgrounds and experiences–would agree on a concept, such as the need to leverage technology and shared data to streamline the eligibility and enrollment processes of various benefits programs. But they disagreed on the details. For example, some felt automatic enrollment into Medicaid would be an obvious tool to shrink the gap in access to healthcare. Others argued auto-enrollment came with too many risks, including the risk of automatically enrolling an individual who does not actually qualify for the benefit. Such a mistake would not only be an inappropriate use of taxpayer dollars but would also potentially worsen the individual's financial situation if that person is required to pay back the value of the Medicaid services.

Underlying many of these debates was the fundamental question of choice architecture. That is, the tension that exists between the desire to design a benefits system that works well for the largest number of people, and one that allows for maximum customizability. While an integrated system of benefits that allows for more seamless and fluid access to and transition from multiple benefits could help address this tension, this notion of universal versus individually customizable was hotly contested throughout the event, without resolution. Which is okay, because the goal of the convening was not to fix our benefits systems in 48 hours. Rather, we hosted the convening in order to get in the same room people who don't necessarily know each other but should, to help attendees to see that they have more in common than they may think, to identify what is working well and thus should be scaled, where there are opportunities for improvement, and what those improvements could look like.

Unsurprisingly, participants had different opinions on different pieces of the benefits conversation. Nevertheless, they also found a great deal to agree on, more or less. Broadly speaking, there was relatively widespread agreement on five takeaways:

1. **There should be a universally-available bundle of core financial security benefits.**
2. **Technology can help. But it's not a panacea,**
3. **We need to change the narrative around benefits and "deservingness."**
4. **Government and employer roles and responsibilities must be responsive and shared.**
5. **We need to measure and understand benefits performance based on financial security outcomes for households.**

We explore these takeaways in more detail in this report. As you read them, we hope you will consider engaging in this conversation. While conversation alone will not produce solutions, we at Aspen FSP consider the convening, this summary, and the work that will grow out of it the starting point of an exciting and overdue push to integrate and modernize the nation's public and private benefits systems in ways that support household financial stability–and ultimately promote wealth creation.

Creating an Inclusive, Modernized U.S. Benefits System: Five Takeaways

Takeaway #1: There Should Be a Universally-Available Bundle of Core Financial Security Benefits.

If there was one thing that every Forum participant agreed with, it is the idea that most people in the United States want the same thing: to be able to respond to the unplanned and unavoidable curve balls of everyday life–illness, injury, and unemployment, among others–without risking their paycheck. People want to be autonomous human beings able to live a full life, rich with meaningful relationships and interests, commitments and priorities beyond work, to be able to take their child to the doctor when the school unexpectedly calls to say the child is running a fever, to spend time away from the office when the hospice worker says it is the time to say goodbye, to know that some income will still come in despite the unexpected downsizing at work.

Participants also agreed that there is some "bundle" of core benefits that can go a long way towards establishing that foundational autonomy and dignity, and that that bundle of core benefits should be universally available. Where there was less agreement was on the question of which benefits should be part of that bundle.

To help facilitate the conversation, participants were provided a draft copy of the Aspen Institute Financial Security Program's 2022 Benefits Scorecard, a first-of-its-kind framework for assessing the performance of twenty-two of today's more prevalent benefits, including the most prominent safety net and social insurance programs and the most well-known and common workplace benefits.

Generally speaking, participants agreed that households need benefits that stabilize and supplement income, protect income, reduce the cost of essential needs, and build financial resilience and wealth. However, they didn't necessarily agree on which benefits qualify as part of the core bundle.

Stabilize and supplement income. Unsurprisingly, participants felt strongly that the core bundle must include benefits that help to stabilize and supplement income, such as paid sick leave, both because sufficient and stable income is a prerequisite of household financial security and helps position households to have autonomy and make choices.

As one participant said, "If we are talking about what people need to get by, it's just money. There's no silver bullet to it. People need flexible money and they need to be trusted that they will be able to spend it as they see fit."

Protect income. Benefits that protect income are also critical to ensuring continuity and stability of income. They help to protect a household against unexpected events or large income shocks that can be financially destabilizing. Here, too, participants voiced paid leave for workers as part of the core bundle. Other benefits that participants identified as critical to the core bundle included Unemployment Insurance and Social Security.

Reduce the cost of essential needs.

"While cash is important, it's not enough," asserted a participant. "We also need to think about the role of non-cash transfers. I don't think that any of us think that everybody should be able to afford whatever their cash can cover, so we need to also be thinking about childcare, healthcare, and non-cash transfers that lift the burdens off of households living in this society. Lower-wage work is a world where there are no stable jobs, and our policies haven't acknowledged that. We need policies built for uncertainty and rapid change."

This was a widespread sentiment, with participants agreeing that whether through an employer-sponsored plan, or Medicaid or Medicare, health insurance is imperative to household financial well-being and should absolutely be part of a bundle of core benefits.

Build financial resilience and wealth.

Many participants felt that a core bundle must also include benefits that help to build financial resilience and wealth. However, they didn't agree on which benefits to prioritize. "If we are talking about a truly core bundle, we aren't talking about what people need to thrive but rather, just to survive. That has to include emergency savings," said one participant. "Lots of employers focus on retirement and neglect the common knowledge that many people can't survive an emergency."

Benefits cliffs. Participants found it impossible to talk about the crucial role benefits play in stabilizing households without also discussing the aggravating fact that public benefits can undermine each other, as well as people's ability to increase their labor income. This is particularly true for those benefits that are means-tested and serve households most in need of support. This undermining most frequently takes the form of "benefits cliffs and plateaus," defined by the Federal Reserve Bank of Atlanta as a "significant barrier [that] occurs when career advancement puts a family above the income eligibility threshold for public assistance programs. Due to the loss of these programs, career advancement opportunities can result in the family being financially worse off (a benefits cliff) or no better off (a benefits plateau) than before the wage increase."[1]

The general consensus among participants was that benefits cliffs shouldn't exist, that they are a destabilizing design of these systems that prevent households from making decisions that are in their best financial interest. However, unless or until they are solved, households need to understand how to navigate benefits cliffs. As one participant said, "People are afraid of what they will lose if they take that raise or those extra hours. They are making decisions out of fear of hitting these cliffs. If there was more transparency, and if the government advised that someone is about to hit a cliff, people could make informed decisions. Benefits cliffs calculators should already be available at every government agency that is distributing benefits. It's really just about trying to demystify a math problem."

Takeaway #2: Technology Can Help. But It's Not a Panacea.

Technology was a frequent subject of discussion at the Forum. Many participants expressed frustration that the power of technology is not being fully brought to bear on our nation's benefits systems, resulting in missed opportunities to streamline application processes, reduce administrative burdens, improve customer service, and drive better benefit engagement,usage, and financial outcomes for households.

As one participant said, "People with money can go to their bank's website and likely be pitched all sorts of products and services to help us build wealth. Our bank has our data and has figured out how we could literally apply for a million-dollar mortgage right then with little friction. In comparison, someone who needs $100 in SNAP benefits to not be hungry will have to take infinitely longer to apply."

Data sharing. Many participants advocated for the sharing of an applicant's data across public benefits programs in order to allow individuals to apply for multiple benefits simultaneously, as long as it could be done securely. Streamlining the application process in this way would not only ease the administrative burden placed on overworked program staff. It would also simplify the application process for the individual, in turn reducing some of the stigma that is associated with public benefits, a stigma that is proven to discourage people from applying.[2] "In all the years I've worked in communities and in government, I have never understood why WIC and SNAP can't share their data because they're often the same households," sighed one participant. "Instead, we end up making people jump through so many different hoops to qualify for food. It doesn't seem humanitarian."

While data sharing may seem like a slam-dunk, it is easier said than done. A consumer's decision to share their personal data requires the consumer to trust the recipient of that data. Given the nation's long and well-documented history of discrimination against women, people of color, and people with low-incomes, applicants may be distrustful of the government and thus reluctant to grant carte blanche permission to share their personal information. As one participant explained, "If we are talking about populations of low- and moderate-income people, and people who have been excluded, we have to think about the broader political economy around data and the surveillance state and over-policing. We can do all sorts of wonderful things with people's data to make it easier for them to buy food and get healthcare, but people also fear this data could be used to take away their kids."

Another obstacle to data sharing, at least with regards to public benefits, centers on the question of consumer privacy. In the United States, we tend to keep consumer data siloed. While such an approach protects consumers' privacy, it also constrains progress. Participants believed that there is likely a balance wherein privacy is maintained while data can also be shared, and that such a position begins by recognizing that consumers own their own data and thus deserve the right to seamlessly share it as they choose, which is currently not an option in the public benefits system.

Automation. In the retirement savings sector, when automatic enrollment became a standard feature of 401(k) plans in the US, participation nearly doubled, with 93% of new hires contributing compared with 47% under voluntary enrollment, according to Vanguard.[3] Participants discussed whether automation could support more benefits programs, with mixed responses. While participants appreciated the power of automation to promote savings and reduce barriers to take-up, they also expressed concerns that it does not account for the reality of people's financial lives and the fact that different people need different financial products at different stages of life. Some participants felt that instead of automation, more focus should be placed on clearly communicating an individual's options to allow them to make the decision they deem most appropriate for them. On the public benefits side, reservations were more centered on the costly risks of mistakes. In the event that a benefits user was erroneously auto-enrolled in a benefit for which they were not eligible, the user might be required to repay the funds, which could be financially catastrophic for someone living in poverty. Additionally, erroneously enrolling someone in a public benefit would result in a cost to taxpayers.

Nevertheless, some participants supported automation.

As one explained, "The more acute problem is the ability to withstand an emergency. I think we would be in a lot better shape if we did auto-enrollment into an emergency savings plan. It's obviously low-hanging fruit, so why not go for that? It's difficult because it requires employers to get to know their workforce, but it is absolutely necessary."

Those in support stressed that automation needs to be available for a wider range of benefits, and that guardrails similar to those currently used by the retirement savings sector must be established, including clear regulatory guidance on what auto-enrollment can and should look like, maximums on automatic escalations, and straightforward, consumer-facing materials about opting out of the program. They also stressed that automation in and of itself is not enough, and that it would work best in the context of a more integrated, responsive benefits system.

Technology is not a panacea. The most technologically-advanced, efficient benefits systems cannot compensate for the fact that many Americans simply do not have routinely positive cash flow. To increase household financial security for the millions of Americans living in poverty, we must ensure that wages cover essential costs of living and establish a more inclusive system of benefits that supplements and stabilizes income and helps to protect households against economic shocks.

"The income that people of color bring in is a lot lower than that of white people, and it impacts [their] ability to save. [People of color carry more consumer debt], sometimes the interest rate is higher on debt, [they] have more student loans. It's not enough to modify behavior through automation. We need to look more at income."

Takeaway #3: We Need to Change the Narrative Around Benefits.

The need for narrative change was a constant subject of discussion at the Forum. Again and again, participants expressed frustration with what they see as a general lack of understanding of and appreciation for the critical role benefits play in promoting household financial well-being. They were also frustrated with what they consider a rampant bias against recipients of public benefits generally and means-tested benefits more specifically. Conversations about the need for narrative change generally centered on four themes–helping people to understand that benefits are important for everyone, dismantling prejudice against recipients of means-tested benefits, partnering with the private sector to improve the image and critical role of public benefits, and garnering political will to operationalize a new narrative around means-tested benefits. As one participant said, "The question of narrative is often overlooked and actually it is these narratives that are preventing so much of our work from advancing."

Understanding that benefits are critical for everyone's financial security. Participants generally agreed that narrative change needs to start with the basics of helping the general public to understand that benefits are important–for everyone. "We need to think of benefits as part of someone's budget," explained one participant.

Another said, "Part of the narrative shift is recognizing the fact that even before the pandemic, the majority of Americans experienced forms of financial shock that mean they deserved and should have access to supports that work for them." Helping the general public to recognize the role of various benefits in their own financial lives can help both to destigmatize benefits and increase awareness of their critical role.

Dismantling prejudice against means-tested benefits. A strong theme underpinning the need for narrative change was the unnecessary judgment attached to some benefits. Specifically, participants voiced frustration with the widespread narrative that frames employer-provided benefits as a form of compensation and thus something deserved and to be proud of, and means-tested public benefits as a sign of a household's failure to work hard enough.

As one participant explained, "We have this narrative that people who need public benefits are undeserving, while on the private side, the narrative is that you've earned these benefits and you're worthy. How do we get rid of those labels? If we want the private and public benefits systems to work in tandem, we have to get rid of the idea that one is good and one is bad."

Partnering with the private sector. There was broad agreement that the private sector could play an important role both in improving the reputation of public benefits and also in increasing access to the critical supports by assisting their eligible workers to apply for various public benefits. However, the practicalities were murkier. Part of the challenge is logistical. Few employers understand their workers' financial needs well enough to meaningfully assist them to secure public benefits. As one participant explained, "Just asking a worker to check the box on a survey or form won't give you the type of answer that can provide any real insight into somebody's life and what they need. We have to start spending time talking to workers, to understand them from a different level."

An employer in multiple states, has to have a thousand iterations because there are different rules. For example, drivers earn different rates for paid time off in different counties in the state of California because the requirements vary by county. If [they] could say, 'We believe that the floor for paid time off is 'X,' then employers could complement that far more effectively and confidently know that that is the approach. That would facilitate or eliminate hurdles for larger employers because [they] could bolt onto these floors and complement them, like some kind of national safe harbor for paid time off, like ERISA for medical plans," suggested a participant.

Finally, employers interested in assisting their workers to access public benefits face reputational risk, argued one participant. "Let's say an employer was more successful than others at getting their eligible workers signed up for unemployment insurance in the event the worker separates from their employer for whatever reason. Some people would say, 'The only reason your employees need unemployment insurance is because you don't do what you're supposed to do.' If employers felt protected from the blowback from trying to help their employees to use the benefits that are in the public domain, then there would be some interest from employers."

Garnering the political will to operationalize a new narrative. According to numerous participants, part of the stigma associated with means-tested benefits stems from the program design and administration, which prioritizes prohibiting fraud over the customer experience.

"We have decided that friction is good because it keeps people from applying for benefits, either because we don't think they are the real beneficiary or because we don't believe benefits should exist so we make it harder to apply, or because we think we are preventing fraud," said one participant. "We are optimizing against waste and abuse as opposed to optimizing for delivery. Yes, there are instances where friction provides a real benefit, but that belief that friction is always good is a persistent and frequent problem."

There is a cultural component to the problem, as well, said one participant, pointing to pressure placed on program administrators to never make a mistake. "How do we flip the script," they asked, "so that those senior- and middle-managers in state and county government who worry that they will land themselves, or their elected official boss, in a hearing, don't get in trouble for letting one person in and instead get recognition [for running an effective program]?"

Many participants agreed that the solution is political will, with one saying, "The technology is the easiest bit in addressing this. It's the shared language around the goals, and the change management to get there, that's the hard part. I believe a lot of change management needs to be done for agencies to feel permission to make the changes, to feel empowered that they haven't necessarily been doing it wrong but that there is a new way to try, and that those guardrails can be put in place."

Takeaway #4: Government and Employer Roles and Responsibilities Must Be Responsive and Shared.

While it is convenient to think of employers and government as having defined roles and responsibilities contained to the benefits that they administer, the reality is that those roles and responsibilities overlap, and have shifted and will continue to shift over time. As a result, today "the amount of liability is a sliding scale with some portion of benefits covered by the individual, some portion covered by the employer and some portion covered by the government," as a participant explained. The participant went on to ask the crucial question, "How can the public and private sectors work together to parse that sliding scale with the shared goal of increasing coverage and also increasing affordability of coverage?" Participants floated a number of responses, including scaling what is already working, creating portable benefits, and better engaging worker organizations.

Public sector roles. Participants identified numerous opportunities for state and federal governments to take on new responsibilities in order to improve benefits systems.

As one explained, "The federal government could play more of a role in innovating solutions. It could evaluate some technology solutions and share them with states and provide those states with the funding to implement those solutions. The federal government could also incentivize more of these innovations in order to create a culture where states and agencies could learn from one another and create opportunities to scale solutions."

Another said, "A powerful tool is to have a strong point of view on what good customer service looks like. The federal government has mostly taken a hands-off view of where states decide to place the bar on benefits. I believe the federal government should be more actively involved in establishing a bar."

Private sector roles. Again and again, participants pointed to existing private sector technologies that could be applied to streamline and better integrate benefits systems. One participant asked, "Could we take what the website, Glassdoor, does with data on earnings and wages, and do that with benefits to force companies to compete on benefits?" Observed another, "There are a lot of online platforms–Amazon, eBay–where the customer is shopping from tens of thousands of sellers but it doesn't feel like that to them. Are there ways to do things like that for benefits?" For other participants, the question was less of applying technology and more one of encouraging employers to meaningfully invest in employees' financial well-being.

As one participant explained, "I've been astounded by the changes in norms and expectations that occur when people feel like they can ask about financial wellness [at work]. It feels like now, the expectation from our workers is that they can take care of their financial health at work and can access these resources at work. We see that employers can do a lot to create that environment, especially if we think of financial wellness as a journey. There needs to be the flexibility for workers to enter at different stages of their life and career, and in different ways, and there are so many different levers a company can actually pull to help improve financial wellness for workers."

Portable benefits. There was widespread recognition at the Forum that the future–in which there may be more independent contractors, fewer jobs that include benefits, and more low-wage workers–requires us to reconsider the role of the employer in offering benefits. Many participants expressed interest in exploring models for pooling benefits outside of employers to allow for portability and continuity.

As one participant argued, "If there were a way to provide benefits that aren't attached to work, workers would be able to change jobs and find a job that matches their interests and skills. It would also promote competition."

Another participant suggested applying a similar model to some public benefits. "With means-tested benefits there is stigma for employers [who want to assist employees to access] them, but what if they weren't means tested and were portable?"

Engage worker organizations. Worker organizations are critical to ensuring that workers have a seat at the table during conversations about what is and isn't working with our current benefits systems.

As one participant explained, "There is a temptation to cut programs that aren't widely adopted by workers. But we don't know how to interpret the numbers of people who do or don't enroll in a benefit. Is there a marketing problem? A need? No need? If we listen to our employees, we can learn something that helps us to understand that data."

Worker organizations can also be a valuable partner in reaching individuals who are eligible for either a public or employer-provided benefit and may need assistance to successfully enroll in the program. Additionally, as one participant suggested, "Workers organizations and other trusted intermediaries could stick with a worker from job to job and could be an effective way to pool and deliver benefits."

Takeaway #5: We Need to Measure and Understand Benefit Performance Based on Financial Security Outcomes for Households.

There was a lot of talk at the Forum about the idea that what we measure is what matters. As one participant explained, "The things that we track, measure and pay for are the things that count. Everything else fades." Participants largely agreed with this idea that the design, administration and delivery of both public and employer-provided benefits would be taken more seriously, and likely drastically improved upon, if providers were required to measure and report some sort of standard metric. Participants kicked around the idea and came up with the following general suggestions for what such a metric could look like.

Focus on outcomes. Existing metrics focus on program administration, such as application processing time and total funds disbursed annually. While this data helps us to understand parts of the customer experience of accessing the benefit, they don't reveal whether and how various benefits are helping to improve household financial well-being.

"Providers have to look at the outcomes," said one participant. "And they have to run the data. And run it on race, too. A lot of folks in the Human Resources infrastructure don't like to talk about race and say that they don't see color. Then we have them run their data to see outcomes by race and then they can see that their Black and Brown employees take hardship withdrawals [from retirement savings] at a much higher rate. Looking at outcomes is the only way we will make real change."

Make it measurable. Any metric needs to be measurable because, as one participant explained, "People are motivated by what you can measure. There is a lot of motivational power in not wanting to be last on a list of governors or states or employers." While participants did not suggest particular metrics, they agreed that the metrics should measure outcomes at the household level in order to effectively gauge the impact of benefits on financial well-being.

Incorporate qualitative data. It's not enough to gather quantitative data. To have a more comprehensive understanding of the role of benefits in the lives of those who use them, it's important to collect qualitative information as well. "The data you collect significantly influences your understanding, so obviously you need both the quantitative and qualitative data to really tell the story," explained one participant. "The qualitative shows you, 'How do people internalize all these political factors?,' like the question of prejudice and any feelings of deservedness." According to this participant, it is in understanding those qualitative pieces that we can see the whole person and adopt a more integrated approach focused on outcomes.

Learn from what is working already. As one participant explained, a model exists for pressuring companies to report a metric that likely wouldn't exist but for social and political pressure and shareholder activism in the form of the Environmental, Social and Governance (ESG) report.

"I look at the ESG world as a good example of how this type of thinking has pressured a lot of companies to feel responsible for carbon emissions," said one participant. "Every company should have to issue a report on the financial health of their workforce in a way that is consistent and measurable."

Conclusion

At the time of publication, we are in a moment when the pandemic seems to be waning, or at least settling into the rhythm of everyday life in the United States. Businesses have reopened, people have resumed traveling, and the bulk of the emergency household supports put in place during the crisis by employers and state and federal governments have been extinguished, including paid sick leave and extended Unemployment Insurance. In the aftermath, there are a number of important takeaways for us to consider as we contemplate the future of our benefits systems:

1. **Our current benefits systems are not meeting today's needs.** As proof, we only need to examine the evidence indicating that our benefits systems were unable to adequately respond to the pandemic, leaving millions of households lacking the necessary supports to successfully manage the associated economic shocks.
2. **Where there is a will there is a way.** During the earliest stages of the pandemic both the government and numerous employers found the political will to create new and additional supports to help stabilize households, demonstrating what is necessary to more inclusively and equitably support households.
3. **Demand for benefits is only growing.** Unfortunately, many of those same supports were set up only temporarily in order to meet the moment. Yet the pandemic and subsequent economic volatility continue to impact households, and with those additional supports either expired or unavailable, more households are facing financial instability, increasing demand on our already strained benefits systems.

Based on these observations, it's clear that we need to act now to integrate and modernize our benefits systems. There is an urgency to this, not only because real people are struggling every day to make ends meet in real time, but also because the income and wealth gaps are widening, making even more pressing the need for assistance. **In that urgency is a real opportunity and a call to action–for corporate leaders, policymakers, benefit administrators and providers, and entrepreneurs–to leverage the tough lessons learned from the pandemic to create better benefits systems centered on the needs of households and able to meaningfully promote household financial wellbeing.** At Aspen FSP's Benefits21 initiative we are engaging and activating a community of leaders working to close these critical gaps and produce the tools and insights to move towards an integrated and modernized system of benefits that inclusive and equitably supports all households. We hope you will join us.

Endnotes

1 Federal Reserve Bank of Atlanta. "What are Benefit Cliffs?" https://www.atlantafed.org/economic-mobility-and-resilience/advancing-careers-for-low-income-families/what-are-benefits-cliffs.

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3 Clark, Jeffrey W., Stephen P. Utkus, and Jean A. Young. "Automatic enrollment: The power of the default." Valley Forge, PA: Vanguard (2015). https://tsretirement.com/wp-content/uploads/2019/10/Automatic-Enrollment-the-power-of-default.pdf

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