



Benefits Briefing VOLUME 31

Perspectives on Experiences with Chambers of Commerce
and Retirement Benefits, from a Survey of Employers & Brokers
(Q4, 2017)

National Employee Benefits Advisory Forum (NEBAF)

Background & Methodology

The National Employee Benefits Advisory Forum (NEBAF) conducted an online information exchange in late October and early November 2017 to understand its members' interest and experience regarding important employee benefits and some new approaches to the kinds of choices employers and employees may have in the near future.

The information in this report is based on an online survey taken by nearly 600 group employee benefits specialists (303 brokers and 278 employers).

This summary includes perspectives from brokers and employers regarding:

- Local Chambers of Commerce, and
- Retirement Benefits

Executive Summary

This Briefing presents findings from both brokers and employers with regard to their experiences with their local Chambers of Commerce.

- About half of both brokers and employers indicate that they are not familiar with the services and offerings of their local Chamber of Commerce. Smaller employers and brokers who primarily serve small employers tend to be more familiar with the services and offerings of their local Chambers, as compared to others.
- Among those who are familiar with their local Chamber of Commerce, roughly half report being satisfied with their services and offerings.
- More brokers report being a member of their local Chamber at the current time than do employers.
- When we asked both groups about awareness of specific Chamber of Commerce offerings, brokers and employers indicate awareness of similar offerings. Both groups are most commonly aware that local Chambers offer networking events. In general, participants tend not to be aware that local Chambers offer insurance benefits.
- We asked employers only about their use of local Chamber of Commerce offerings in the past three years; networking events is the most commonly used offering. Nearly three in ten have not used any Chamber of Commerce offerings in the past three years.
- Employers find the following offerings to be most helpful (among those who have used offerings): start-up support, business development assistance and resources, and discounted pricing for select vendors.
- Discounted pricing for select vendors is the offering that employers are most interested in, followed by health insurance offerings.

This report also contains views and opinions of both groups in the area of retirement benefits.

- When retirement benefits "come up" with clients, about half of the time, the client has brought it up.
- Roughly two-fifths of brokers refer clients to another advisor at their firm when retirement benefits come up. Less commonly, brokers refer clients to outside resources and/or do research themselves.
- More than two-thirds of brokers say they work with Fiduciary Advisors specifically for defined contribution retirements. About half of those say the Advisor is someone who works at their firm.



Executive Summary (cont.)

- Not surprisingly, nearly all employers currently offer defined contribution retirement benefits, such as a 401(k) plan, to employees.
- Employee need/request is the most important reason that employers decided to offer or not offer defined contribution retirement benefits. Cost/affordability was the second most important factor.
- Employers report that they consulted with an average of two types of partners when their company first added retirement plans to their benefits program. More employers consulted with a retirement advisor than any other advisor type.
- Online access for employees is the most common service provided by retirement plan providers, according to employers who currently offer defined contribution retirement benefits. This is followed by reporting and administrative support.

Talking About: Reasons for Satisfaction with Chambers of Commerce Offerings

As mentioned, most of both brokers and employers who are familiar with their local Chamber of Commerce's services and offerings say they are at least somewhat satisfied with the services and offerings.

We asked both brokers and employers about their reasons for satisfaction and this is what they shared:

Brokers:

"Chamber of Commerce hosts fun events and offers services to the community that are of value and substance."

"They are very proactive in the community with supporting new business."

"Our Chamber has really increased their offerings in recent years in terms of a variety of good networking opportunities, professional development workshops and opportunities to give back."

"Active Chamber with many events. Good website and email communications."

Employers:

"I have attended several informative trainings and especially enjoy the "Eggs and Issues". The topics are relevant and presented at a time when I can attend."

"Wide variety of events, information that's available, service to the community is outstanding, and a great resource!"

"My local Chamber has a very active network and encourages local employers to connect and support each others businesses."

"They provide Leadership training, legislative forums and breakfast briefings that are informative but also we are able to network."

Experiences with Chambers of Commerce

We asked both brokers and employers about their experiences with their local Chambers of Commerce.

Overall Familiarity with Chamber of Commerce Offerings

We asked participants how familiar they are with their local Chamber of Commerce's services and offerings.

Both brokers and employers report low familiarity with their local Chamber of Commerce's services and offerings. About half of both groups say they are not familiar with such services and offerings.

Smaller employers (those with less than 100 employees) and brokers who primarily serve small employers are more likely to be familiar with the services and offerings of their local Chambers.

Overall Satisfaction with Chamber of Commerce Offerings

We then asked brokers and employers who are at least somewhat familiar with the services and offerings of their local Chamber of Commerce how satisfied they are with the local Chamber's services and offerings.

Most of those who are familiar with their local Chamber of Commerce's services and offerings are at least somewhat satisfied with the services and offerings; more than half of brokers and employers indicate they are at least somewhat satisfied.

See left sidebar for participants talking about reasons for their satisfaction.

Membership in Chamber of Commerce

Then we asked brokers and employers who are at least somewhat familiar with the services and offerings of their local Chamber of Commerce whether they are currently a member of their local Chamber of Commerce.

About half of brokers and about two-fifths of employers say they are currently members of their local Chamber of Commerce.

Interestingly, we don't find any differences in membership by size of company or size of clients.

Among both brokers and employers who are currently not members of their local Chamber of Commerce, about a third say they have been members in the past.

Did You Know? Chambers of Commerce and Insurance Offerings

We asked *brokers only* whether they currently do or have ever worked with their local Chamber of Commerce to provide **insurance services** to members.

About two in five report that they currently do or have provided these services. Among those who have, participants most commonly do/have provided medical insurance, followed by dental and life/disability/other ancillary insurance coverages.

Membership in Chamber of Commerce (cont.)

Local Chambers of Commerce are an untapped resource for many. Both groups may want to consider possible business needs and/or gaps that these organizations could help address.

Awareness of Specific Chamber of Commerce Offerings

Both employers and brokers were asked which of a list of offerings does their local Chamber offer.

See results in chart below. For the most part, brokers and employers **answer similarly, indicating similar awareness of offerings of Chambers of Commerce.**

The majority of participants are aware that their local Chamber offers networking events. About three in five say that start-up services are offered by their local Chamber. Roughly half say that their local Chamber offers discounted pricing for select vendors, lobbying, and/or business development assistance.

When it comes to insurance offerings, brokers are slightly more likely than employers to say their local Chamber offers health insurance benefits and other insurance benefits. Yet, neither group are particularly aware that health and other insurance is available through Chambers of Commerce.

See more details on brokers and insurance services in the left-hand sidebar.

Awareness of Offerings of local Chambers of Commerce

Offering	Brokers	Employers
Networking events	86%	87%
Start-up support, such as ribbon-cuttings and ceremonies	65%	57%
Discounted pricing for select vendors	52%	41%
Lobbying	50%	47%
Business development assistance and resources, such as recruiting, training, legal, or financing	47%	52%
Digital or online marketing assistance	37%	30%
Insurance benefits other than medical, such dental or life	33%	15%
Health insurance benefits	26%	16%
Certificates of origin	9%	7%
Don't know	6%	7%

Use of Specific Chamber of Commerce Offerings

We asked *employers* who are at least somewhat familiar with the services and offerings of their local Chambers of Commerce, which services and offerings (from a list provided) have they used from their local Chamber of Commerce.

See results in chart below. **Nearly one in three employers who are familiar with their local Chamber of Commerce say they have not used any** of their offerings/services in the past three years.

Among those who have used their offerings/services in the past three years, **the most common is networking events**. Employers report much lower utilization of other offerings/services, despite moderate awareness of these offerings/services.

Chambers of Commerce serve any size organization, but they are often associated with smaller employers. It might be expected that smaller employers take advantage of Chamber offerings more commonly than larger organizations because they lack the bandwidth for these services in-house. Yet, we don't find any differences in utilization of offerings/services by employer size.

Offerings of local Chambers of Commerce – Employers only

Offering	Aware that local Chamber offers	Has used in past three years
Networking events	87%	60%
Start-up support, such as ribbon-cuttings and ceremonies	57%	15%
Discounted pricing for select vendors	41%	12%
Lobbying	47%	10%
Business development assistance and resources, such as recruiting, training, legal, or financing	52%	22%
Digital or online marketing assistance	30%	7%
Insurance benefits other than medical, such dental or life	15%	1%
Health insurance benefits	16%	3%
Certificates of origin	7%	0%
None of these	6%	28%

Helpfulness of Specific Chamber of Commerce Offerings

Then we asked *employers* who have used at least one offering from their local Chamber of Commerce in the past three years, how helpful the offerings they've used are.

As noted above, the number of employers who have used offerings in the past three years is low, and that should be taken into account when reading about helpfulness.

The following offerings were rated most helpful (among those using them):

- Start-up support, such as ribbon-cuttings and ceremonies
- Business development assistance and resources, such as recruiting, training, legal, or financing
- Discounted pricing for select vendors

If considering utilizing Chambers of Commerce, employers may want to start by trying one of the above offerings.

Interest in Chamber of Commerce Offerings

We then provided *employers* with a list of offerings that they weren't aware that their local Chamber of Commerce offered and we asked them how interested they would be in those offerings.

Employers report being most interested in the following (among those not aware these were offerings):

- Discounted pricing for select vendors
- Health insurance benefits
- Business development assistance and resources, such as recruiting, training, legal, or financing

Notably, two of the offerings that employers are most interested in are also the top answers on the most helpful offerings. Health insurance (not on the most helpful list) emerges as a common offering of interest.

Retirement Benefits

We asked both brokers and employers various questions about their experiences and views regarding retirement benefits.

Brokers' Experience with Defined Contribution Plans

We asked *brokers* about their experiences with clients and their defined contribution retirement benefit programs, such as 401(k) or 403(b) plans.

More than half of brokers say that retirement benefits come up because their clients ask about them.

What is a Fiduciary?

According to Wikipedia, "a **fiduciary** is a person who holds a legal or ethical relationship of trust with one or more other parties (person or group of persons). Typically, a fiduciary prudently takes care of money or other assets for another person."

Talking About: Reasons for Working with a Fiduciary Advisory

We asked *brokers* about their reasons for working with a Fiduciary Advisor.

Here's what they told us:

"Additional support, to verify that everything is correct legally, to be sure we are current on laws and updates."

"Because I am not licensed or experienced in working with these products."

"Because our office specializes in benefits we have partner firms that do nothing but 401k."

"I am not knowledgeable enough about retirement plans and I do not want the liability of selling one."

"More experienced and have most up to date information on laws and compliance issues."

Brokers' Experience with Defined Contribution Plans (cont.)

About two in five brokers say that when retirement benefits come up, they refer clients to another advisor at their firm.

About a fifth say they refer clients to an outside expert, while another fifth report that they research potential providers and vendors for their clients.

About 10% of brokers say they have not really discussed retirement benefits with their clients.

Brokers & Fiduciary Advisors

Then we asked *brokers* whether they work with Fiduciary Advisors specifically for defined contribution retirement benefits (this could be an internal or external partner that specializes in retirement benefits and provides consultation as needed).

What is a Fiduciary? See left side bar for a definition.

More than two in three brokers indicate that they work with Fiduciary Advisors specifically for defined contribution retirements. See left sidebar for reasons why brokers work with Fiduciary Advisors.

About half of those who work with a Fiduciary Advisor say the Advisor is someone who works at their firm.

We learn that many brokers can and do find a resource internally at their own firm that they turn to for help with retirement benefits.

Employers & Retirement Benefits

We asked *employers* whether they currently offer defined contribution retirement benefits such as a 401(k) plan to employees.

More than nine in ten employers indicate that they do currently offer defined contribution retirement benefits such as a 401(k) plan to employees.

This is most likely not surprising, given the trend in retirement benefits in recent years away from employer-paid plans such as pension and defined benefit plans, and toward defined contribution plans.

Reasons for Offering/Not Offering Retirement Benefits

We asked *employers* to rank items in terms of their importance in their decision to offer or not offer defined contribution retirement benefits.

Employers ranked items in the following order of importance:

1. Employee need/requests
2. Cost /afforability
3. Tax reasons
4. Administrative ease/burden

Snapshot: Webinars & Conferences

We asked both brokers and employers how often they attend webinars or conferences about employee benefits in a given year.

Brokers are more likely than employers to attend webinars or conferences more frequently in a given year. About two in five brokers say they typically attend 4+ webinars/conferences in a year, compared to about 15% of employers.

Where employers may not have the bandwidth or opportunity to attend employee benefits webinars/conferences, brokers can play an important role in relaying up-to-date trend, industry and product information.

Partners Involved in Decision to Offer Retirement Benefits

We asked *employers* who currently offer defined contribution retirement benefits to employees with which individuals or partners they consulted when their company first added the retirement plans to their benefits program.

Half report that they consulted with a Retirement Advisor, while about one in three say they consulted with a Benefits broker. Roughly one in four consulted with one or more of the following: Accountant, Attorney, and/or fellow benefits professionals or decision-makers.

One in five indicate they don't know or don't recall.

Employers tell us that they consulted with an average of two types of partners when they first decided to add retirement plans to their benefits program.

Services Available Through Retirement Benefits Provider

We also asked *employers* who currently offer defined contribution retirement benefits to employees which services (among a list of seven) does their retirement plan provider offer.

The majority of employers report that the following are available through their retirement plan provider:

- Online access for employees
- Reporting
- Administrative Support
- Expertise, guidance or consultation

These services are all critical in helping employers be more efficient in their benefits offerings - particularly online access for employees. Allowing employees to be more hands-on and self-service saves employers time and effort and eases the administrative burden associated with such benefits.



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