

Volume 2 | April 2020

Leading through uncertain times

Addressing customer needs during the
COVID-19 pandemic



As the nation continues to manage through uncertain times, people are concerned about their health and finances

Concerns over financial situation and job stability¹

36% very/extremely concerned about their **finances**

22% report that they or someone in their household has been **furloughed or laid off** from a job

Overall concerns about health in the midst of the COVID-19 pandemic¹

30% very/extremely concerned about their **health**

15% report that they or someone they know has been **diagnosed with COVID-19**

Those experiencing a job loss or a COVID-19 diagnosis are **1.5x more likely** to be very/extremely concerned about finances and/or health¹



Age and experience influence reactions to the crisis:

Millennials and Gen X are **more concerned** about their finances and health during the crisis than Boomers¹

Most retirees are holding steady, though **1 in 3** report feeling more stressed about maintaining their nest egg through retirement²

Sources:

¹Fidelity Investments 2020 Health and Financial Preparation During Crisis online survey, conducted by Ipsos, April 2020.

²Fidelity Investments Market Uncertainty Study, April 2020.

Plan sponsors are concerned about the well-being of their employees and are engaging with a variety of resources to help

We continue to hear that our plan sponsor clients are focused on¹:

- Monitoring participant behavioral trends
- Establishing operational readiness for CARES Act provisions
- Participant communications on plan specific withdrawal, loan and deferment options
- Implementing digital solutions such as e-certify and virtual notarization
- Helping furloughed and laid-off employees

Top three employer concerns²

- Overall well-being of employees
- Employee financial wellness
- Market volatility

Fidelity has developed resources to address needs:

“Leading Your Workforce Through Uncertain Times” Webinar series²

15 webinars in March and April on top-of-mind topics:

- Operational Considerations/Recent Trends
- Health Care and the CARES Act
- Managing Long-Term Incentives and Global Employee Wellness
- Market Insights

Over **7k**
attendees

Over **80%** of
registrants
attended

93%
satisfaction
rate

COVID 19 Plan Sponsor Hub³

- **37%** increase in visits to the hub since March (28k visits)
- **67k** page views, an **85% increase** since March

Top article downloads³

- COVID-19 hardship withdrawals and the impact to your participants
- CARES Act and how Fidelity will administer distributions
- Coronavirus Aid, Relief, and Economic Security Act (“CARES”)

Sources:

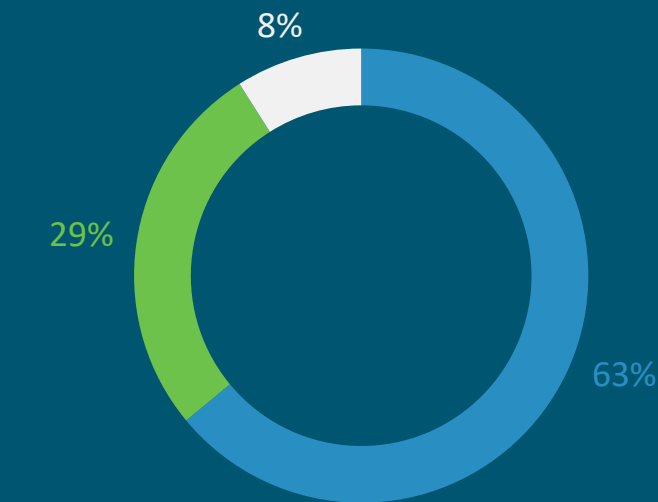
¹ Based on a compilation of plan sponsor and internal questions received during April 2020.

² Based on attendees and polling questions during weekly plan sponsor webinars, March-April 2020.

³ Based on analysis of Plan Sponsor Webstation (PSW) channel activity during April 2020.

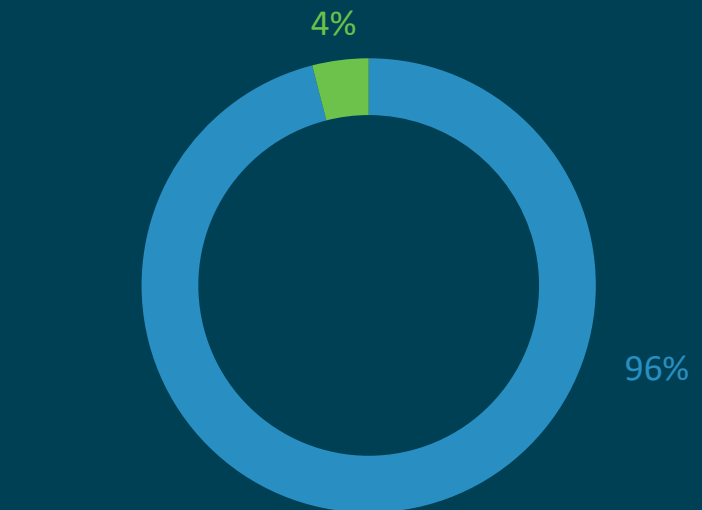
Plan sponsors are focused on plan design and the implementation of new provisions related to the CARES Act

Most plan sponsors are still not considering a reduction or suspension of their company match¹



- Maintaining current match program
- Considering a match suspension/reduction
- Have already suspended/reduced match

The majority of plan sponsors across all markets have adopted the CARES Act distribution provisions²



- Adopted CARES Act distributions for at least one plan
- Opted out of CARES Act distributions

For plan sponsors who have opted out, reasons include:

- Do not want to encourage withdrawals of retirement assets
- Distribution option may not be seen as necessary if employees are still being paid

Sources:

¹Based on data from 914 attendees of Fidelity's plan sponsor webinar, April 16, 2020.

²Clients assessment for opt-in identification took into account all plans under the relationship. Clients that enabled at least one plan under that relationship for CARES Act distributions were considered a positive opt-in.

Participants are interested in learning more about how the CARES Act impacts them, and are looking for help making decisions

Top Themes in April 2020:

- Looking for information on the CARES Act provisions
- Inquiring about distribution and loan options under the CARES Act
- Asking if they can defer or suspend payments on existing loans
- Monitoring the impact of market activity on their account balance



“He literally changed my life with his amazing customer service. He has the kind of work ethic that truly can make a difference in a customer's life. He did in mine.”



“The rep was so kind and knowledgeable about my needs for a Covid-19 withdrawal. She is without a doubt a wonderful example of customer service for Fidelity Investments.”

The experiences may not be representative of the experiences of all investors and is not indicative of these investors future performance or success.

Participants are engaging to get help, and satisfaction with both phone and web channels continues to be high



15% decrease in call volumes in April over March 2020 (*volumes are flat compared to April 2019*)¹

- There was a single day increase of **18%** above average when the CARES Act distributions went live¹



62% of calls answered in under 30 seconds in April¹



Two of the highest call satisfaction days ever occurred in April³



12% increase in daily activity on our participant website²



50% increase in engagement with online learning⁴



700k+ page views on our new COVID-19 participant hub, with **51%** viewing additional resources on the site²

2X increase attendance of market volatility online learning events over other topics⁴

Participant satisfaction for Q1 2020 was *the highest ever* for a first quarter³

Sources:

¹ Fidelity Investments Call Volume Reporting, 3/31/20 – 4/17/20.

² Fidelity Investments Website Reporting, 3/31/20 – 4/17/20.

³ Fidelity Investments Phone Survey, 3/31/20 – 4/17/20.

⁴ Fidelity web learning data as of April 17, 2020.

Most participants are maintaining contribution rates, and we continue to monitor loan/withdrawal activity and trends related to CARES Act distributions

Contribution Rate Changes (year to date)¹

- **10.1%** increased contributions, versus 8.9% in 2019
- **5.7%** decreased contributions, versus 3% in 2019
- **2.5%** stopped contributing, versus 1.5% in 2019

Since April 4, 2020, there has been an **83% decrease** in the number of participants stopping or decreasing contributions when compared to late February/March 2020¹.

Loans and Withdrawals²

General Loan/Withdrawal Activity (year to date):

- **2.3%** initiated a loan, versus 2.5% in 2019
- **2.4%** took a hardship, versus 1.1% in 2019

CARES Act Distribution Activity (April 2020):

- **164,950** have taken a CARES distribution, representing 0.7% of participants
- **\$2.3B** total distributions initiated
- **\$5,500** median distribution amount
- **3,256** participants have requested the full \$100k

Sources:

Active DC/TEM participants with a positive balance as of 12/31/2018 and 12/31/2019. Excludes TEM Pooled, Non-Qualified, and FMR plans.

¹Participants decreasing deferral refers to participants that lowered their contributions, but continued to contribute to the plan. Participants that reduced their contribution to zero are excluded. Those individuals are captured in the percentage that stopped contributing.

²Loan/Withdrawal percentages represent the number of distributions issued between 1/1/2019 – 4/17/2019 and 1/1/2020 – 4/17/2020. Some transactions requested but not processed as of 4/17/2020 are excluded.

Participant exchange activity is slightly elevated, but most are staying the course

Exchange Activity (year to date)¹

7.5% had exchange activity in their plan, versus 5.5% in 2019
(including passive exchanges for those enrolled in workplace managed accounts)

4.6% made proactive exchanges in their plan

8.7% of those who made proactive exchanges moved to 0% equity

Staying the course



60% of participants are in “do it for me” investment options, such as a target date fund or managed account, and are **more likely to stay the course** during times of market volatility than those who choose their own investments.²

Sources:

¹Exchange activity between 1/1/2019 – 4/15/2019 and 1/1/2020 – 4/15/2020 for participants that maintained a positive balance for the window.

²All data represents DC/TEM participants with a positive balance excluding TEM Pooled, Non-Qualified, and FMR plans. Do it for me participants (DIFM) made less proactive exchanges than do it yourself (DIY) participants.

Fidelity's scale and breadth of capabilities allows us to respond to the COVID-19 crisis in new and different ways for our customers, associates, and our communities



Delivering unmatched quality, value, and exceptional customer experiences amid uncertainty

- We quickly **enhanced our processes** to allow clients to conduct more account transactions online.
- To continue to deliver exceptional customer service, we announced accelerated hiring plans to **add more than 2,000 new positions**.



Helping our communities

- **\$88M+** in grants recommended by donors via Fidelity Charitable's donor-advised fund program to provide relief to non-profits during COVID-19 pandemic
- **90K+** students and their families received meals from Feeding America partners supported by our Fidelity Cares program



Taking care of our associates

- Helping associates have more **time, help, and care** for themselves and loved ones through the crisis
- **8,800 free meals** provided to associates in our offices with new social distancing, cleaning and temperature screening protocols
- **127K page views** of our associate Coronavirus Resource Center, which provides associates with the latest guidance, safety protocols and work from home tips

"We recognize the extra efforts you made to activate the CARES Act withdrawal for our participants. While we are impressed with the Fidelity systems, it's the team behind [them] that creates a strong partnership."

Plan Sponsor Client

Fidelity is committed to supporting our customers during this uncertain time. Look for more updates in the weeks ahead.

For more information, please contact your Fidelity representative.



Investing involves risk, including the risk of loss.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

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