

***Benefits Impact: Delivering Dynamic Benefits for a Loyal Workforce***  
*Insights from MetLife's 13<sup>th</sup> Annual U.S. Employee Benefit Trends Study*

**One-Hour Intermediate Continuing Education Program**

**Study Material Publication:** *MetLife's 13<sup>th</sup> Annual U.S. Employee Benefit Trends Study*

**FIRST 5 MINUTES OF THE COURSE**

**EDUCATIONAL PURPOSE STATEMENT**

This continuing education course has been developed around research into the attitudes and behaviors of employers, employees, and brokers as it pertains to workplace benefits. Now into its 13<sup>th</sup> consecutive year, the Study combines over a decade's worth of longitudinal data with new questions specific to the employee benefits industry's evolving landscape.

Over the past several years, employees have taken on more responsibility for their benefits as employers adjust their strategies to rising costs, the implications of an uncertain economy, and the institution of Health Care Reform. Despite these challenges, employers have no plans to scale back on their employee benefit offerings. In fact, with retention as their top objective, more companies are looking for ways to strike a balance between cost control and building a robust benefits offering that will entice and retain top talent.

The research found that there are three distinct, tangible drivers of benefit success, which are foundational to the Study's story:

- The right benefit mix can drive loyalty and satisfaction
- More choice within a broader range of benefits help employees of all ages make their appropriate benefit selections
- Enrollment education is an indispensable way to create benefit selection confidence, and an optimal understanding of all available benefit choices.

This course is designed to present you with information and recommendations that lead to actionable ideas. The analysis presented should spark conversation between employers, intermediaries and benefits providers. Hopefully, these conversations will give rise to creative strategies for optimizing the benefits solutions, ultimately enabling companies to drive loyalty and satisfaction.

**NEXT 15 MINUTES OF THE COURSE**

**I. Benefits Impact – Getting to Greater Loyalty & Satisfaction**

Benefits have long been a means by which employers have demonstrated their commitment to their employees. Now, employees are taking on more of the cost burden for these benefits as employers grapple with the long-term implications of health care reform, economic downturn and recovery, and other shifts in budgetary priorities. With employees now owning more of the cost, they expect more choice. Robust benefit offerings made up of standard medical/prescription as well as voluntary benefits such as life, disability, legal, and property & casualty, employees can have more choice – leading to greater satisfaction.

- I-A.** Retention is top-of-mind for employers, a critical shift from cost-control, which had topped employers' benefit priorities in previous years. [slide 2]
- I-B.** The workforce has become much more diverse, with three unique generations now working side-by-side. This is important for employers to realize as they assess their retention strategies and build out their benefits offerings. [slide 3]

- I-C.** The Study has found that there are three tangible drivers of benefits success: more robust benefits drive loyalty & satisfaction, more choice, and comprehensive education. [slide 4]
- I-D.** Since 2012, the percentage of employees who say that they would recommend their organization as a great place to work has increased almost twenty percent. [slide 5]
- I-E.** When you factor employee benefits into the workplace appreciation equation, you can see a correlation between benefit satisfaction and job satisfaction. [slide 6]
- I-F.** The number of benefits may play a role in worker appreciation as well. At companies where no benefits are offered, we see that 46% of employees would recommend their organization as a great place to work. That percentage jumps 20%, up to 66%, at companies where 11 or more benefits are offered. [slide 7]
- I-G.** As workers navigate the challenges of maintaining a healthy work-life balance and alleviating financial pressures, employer empathy can go a long way in achieving employee loyalty. [slide 8]

#### **NEXT 15 MINUTES OF THE COURSE**

- II. Money Matters: How Offering More Choice Doesn't Have to Break the Bank**  
Employers must strike a delicate balance between retention objectives and budgetary restrictions. And understanding the impact benefits have on loyalty and satisfaction, employers are not likely to stop offering health insurance to employees in foreseeable future. Two out of three employers say they are strongly committed to offering health insurance to employees for the foreseeable future. So how do employees offer more without negatively impacting their bottom line?
- II-A.** More employers are offering voluntary benefits, and are also exploring cost-effective solutions for health care coverage in the form of exchanges. Over 40% of employers say that they somewhat or strongly agree that health insurance exchanges offer new low cost-saving options. [slide 9]
- II-B.** Many companies, namely larger businesses, said that health insurance exchanges offer lower cost options for employees compared to what they current provide. [slide 10]
- II-C.** In response to Health Care Reform, in 2013, more employers considered consumer-driven health plans and defined contribution health plans as likely cost-reducing solutions. Moving into 2014, there were fewer employers adopting these solutions, likely due to the influx of employers implementing them the year prior. [slide 11]
- II-D.** Employees continue to look to their employers for guidance in navigating the impacts of health care reform [slide 12]
- II-E.** At companies where employees are offered less than five benefits, the percentage of employees who said they do not intend to stay with their employer outweighed those who do intend to stay. But, at companies where 11-15 benefits are offered, the proportions reverse. [slide 13]

- II-F.** Almost half of employees said that because of the benefits they receive at work, they worry less about unexpected health and financial issues. This is the highest rate in the past five years of the study. [slide 14]
- II-G.** When employees worry less about unexpected health and financial issues because of the benefits they receive, their overall satisfaction is impacted. [slide 15]
- II-H.** The nature of financial worry among employees is complex. With three generations working today, financial concerns run across an entire spectrum of age-related circumstances. [slide 16]
- II-I.** Older Boomers feel the most control. They don't live paycheck-to-paycheck and they have a three-month salary cushion. Gen Y expressed the opposite. [slide 17]

### **NEXT 5 MINUTES OF THE COURSE**

#### **III. Education as an Asset**

Informed employees tend to make wiser benefit selections and can become more empowered in their journey toward financial security. Employers can help by offering the educational support and assistance that is geared to the diverse needs of their workforce.

- III-A.** Employees ranked one-on-one in-person meetings, group in-person meetings, and benefits handbook as the top three resources they perceive as effective. [slide 18]
- III-B.** Employers should also consider generation-specific preferences when creating a more customized enrollment program in order to cater to each group in the optimal way. [slide 19]
- III-C.** Through predictive analysis, the Study identified two main drivers of employee confidence in benefits selection: easy-to-understand benefits information and Benefits communications that help the employee understand how much they would pay for specific services. [slide 20]
- III-D.** As employers and employees recognize the value of stronger financial education, more companies are committing to the implementation of financial education programs in the workplace. [slide 21]

### **NEXT 10 MINUTES OF THE COURSE**

#### **IV. Broker Insights**

In addition to surveying employers and employees, the Study also surveys brokers across various market segments and specialties. This survey takes a gauge on their attitudes of the industry (past, present, and future).

- IV-A.** In 2014, brokers and consultants can be characterized as feeling optimistic – the same as in 2013. [slide 22]
- IV-B.** Brokers are optimistic about the growth potential of the industry and their firm. [slide 23]
- IV-C.** As brokers' and consultants' optimism continues to stay steady, their concerns tend to shift. The "rising cost of benefits" was the number one concern across all brokers and consultants. [slide 24]

- IV-D.** Brokers are well-aligned to employee preferences in some areas, and are missing the mark in others. [slide 25]
- IV-E.** Enrollment firms have come a long way in terms of employer and broker perception and comfort level. [slide 26]
- IV-F.** Brokers generally agree that working with an enrollment firm leads to higher enrollment, increased employee understanding, increased employee confidence, reduction in administrative activity, and increased employee satisfaction. [slide 27]

#### **FINAL 10 MINUTES OF THE COURSE**

- V-A.** Recap of Benefits Impact insights, focused on offering a customizable mix of multiple benefits, delivering comprehensive education to employees, and adding empathy and understanding to employee wellness situations. [slide 28]

Tools you can use:

- BenefitTrends.MetLife.com site, which contains the following reports:
  - Benefits Impact (reviewed in today's course)
  - A Global Perspective (global insights from nine international markets)
  - Enrollment Enhanced (how enrollment planning can boost participation)
  - Voluntary Value Formula (helps to pinpoint the right mix of voluntary benefits for a multigenerational workplace)
- MetLife.com's Insights & Tools page for Brokers & Consultants. Which contains:
  - Employee Benefit Trends Study reports
  - Whitepapers on:
    - Legal Services
    - Accident and Critical Illness
    - Dental
    - Life Insurance
    - Health & Wellness

Discussion and Questions