

Employee Benefit Trends: Solving HR Problems

A holistic view of employee
well-being in the midst of
COVID-19 and beyond

04/16/2020



Agenda

- ▶ A Holistic Approach
- ▶ Benefit Diversity
- ▶ Financial Wellness
- ▶ Mental Health
- ▶ Benefit Strategy

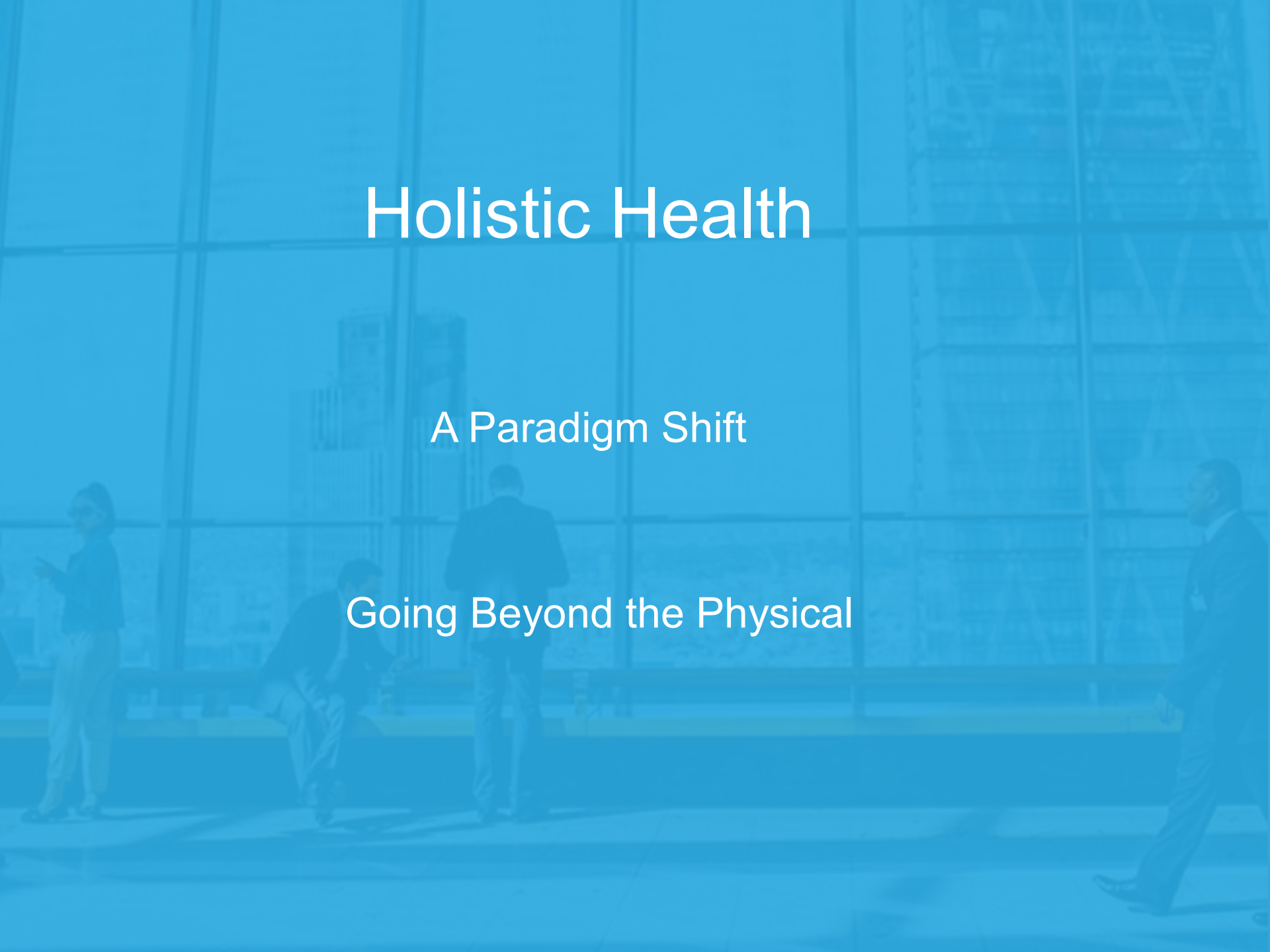
Human Resources Challenges

- ▶ Recruitment
- ▶ Retention
- ▶ Retirement
- ▶ Productivity
- ▶ Presenteeism

Holistic Health

A Paradigm Shift

Going Beyond the Physical





Benefit Diversity

Diverse & Multigenerational Workforce

For the first time in history, there are five generations in the workplace

Generation Z	Millennials	Generation X	Baby Boomers
5%	35%	33%	25%

Note: Traditionalists make up 2%



"Labor force composition by Generation" Pew Research Center

Generation Z



- Born after 1996
- IMs, texts, social media
- First employee benefit offering
- Student loan debt
- Less robust medical plan
- 401K not a priority
- Life & Disability may not appeal
- Fitness
- Communication via technology
- Career development
- Freedom of choice¹

Millennials



- Born 1981-1996
- IMs, texts and email.
- Largest workforce
- Student loans
- Financial wellness & literacy programs
- PTO¹
- Telemedicine
- Pet insurance²
- Health and well-being support
- Training and development
- Comprehensive family benefits

1.AARP

2.American Pet Products Association

Generation X

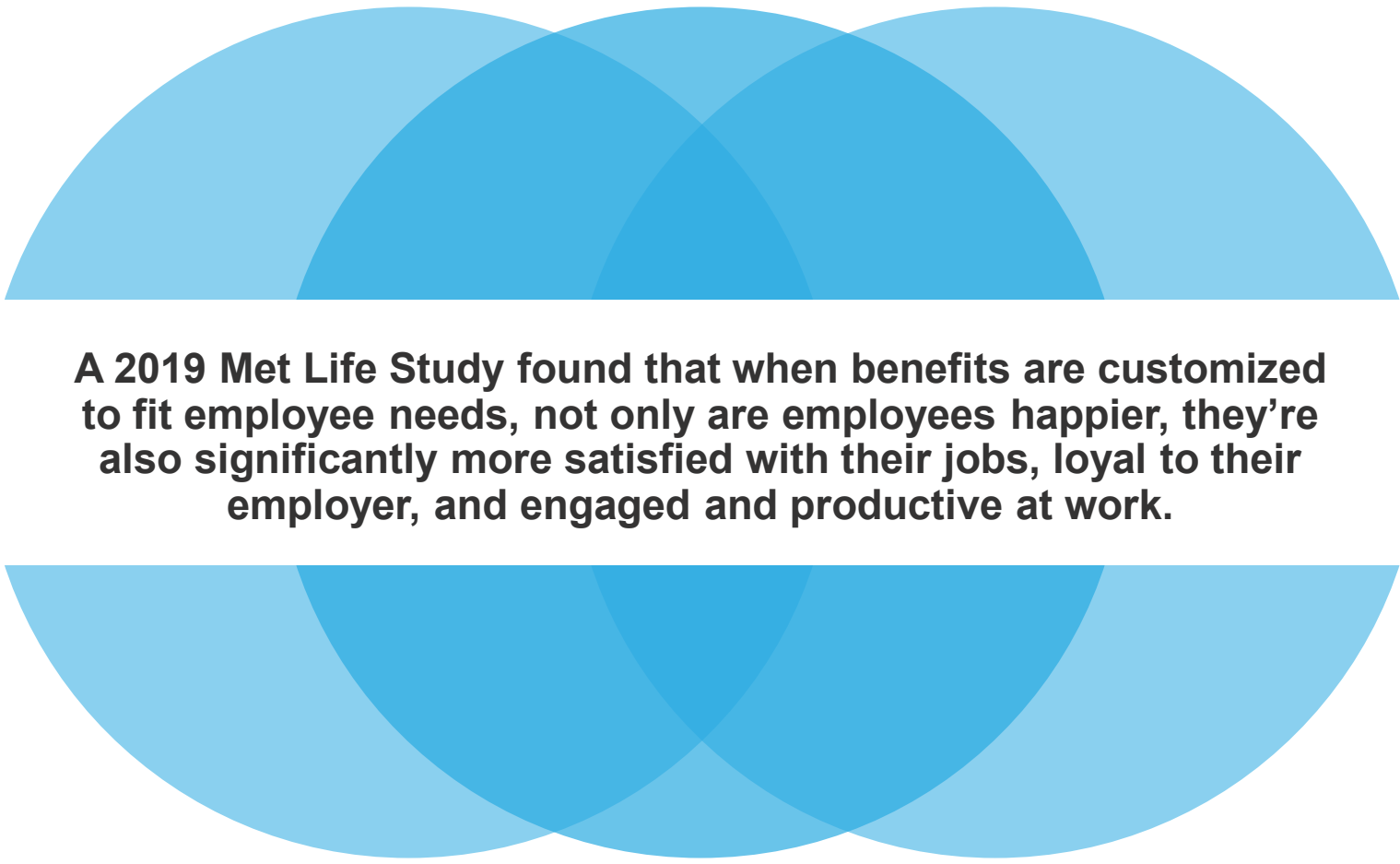


- Born 1965-1980
- Phone calls and face to face
- Traditional benefits
- Flexible schedule
- Saving for college
- Income protection
- Life Insurance
- Supplemental benefits
- 401K
- Tax advantaged benefits

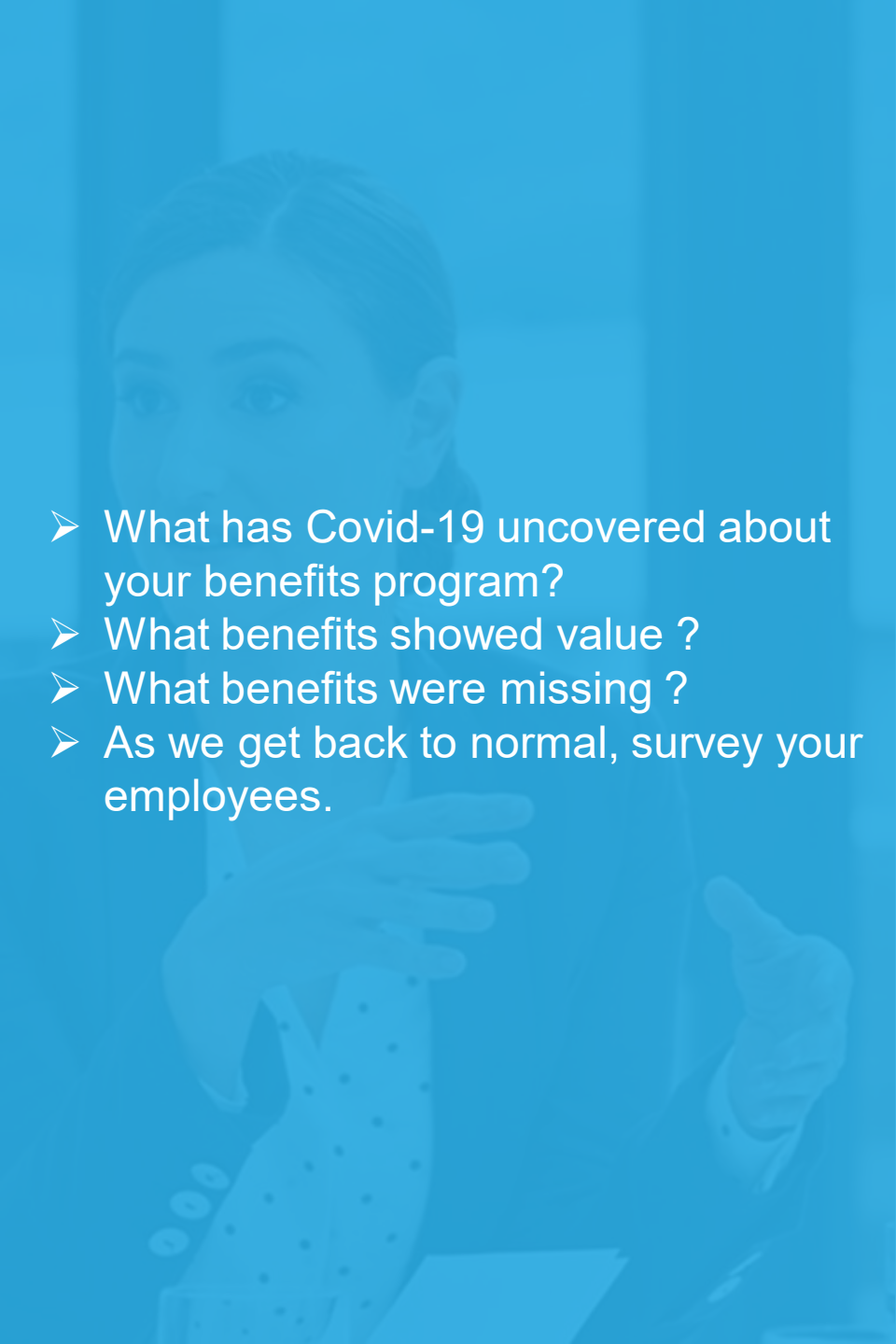
Baby Boomers



- Born 1946-1964
- Phone, Face to Face, Paper
- Traditional benefits
- Low cost shares
- Retirement
- Income protection
- Whole Life Insurance
- Supplemental benefits



A 2019 Met Life Study found that when benefits are customized to fit employee needs, not only are employees happier, they're also significantly more satisfied with their jobs, loyal to their employer, and engaged and productive at work.

- 
- A woman with dark hair, wearing a dark blazer and a patterned blouse, is seated at a table. She is gesturing with her hands as if in a meeting or presentation. The background is a blurred office setting. The entire image is overlaid with a semi-transparent blue filter.
- What has Covid-19 uncovered about your benefits program?
 - What benefits showed value ?
 - What benefits were missing ?
 - As we get back to normal, survey your employees.

Benefit Diversity in the midst of Covid-19

COVID-19 Impact by Generation

- Generation Z – Reevaluate college
- Millennials – Gravitate towards stability
- Generation X – Reevaluate the end career
- Baby Boomers – Will leap towards technology

Financial Wellness





▶ 69% of workers are stressed about their finances, with 72% admitting to worrying about their personal finances at work, and one in three doing so more than once a week. ¹

▶ Less than half of employees are confident they'll be able to retire on time, and nearly two-thirds say their retirement plans and Social Security won't be sufficient to support them in retirement. ²

47% of Americans say they spent every dollar they earned, or more, over the last 12 months. ³

1. John Hancock

2. Pricewaterhousecoopers (Pwc)

3. Center for Financial Service Innovation

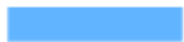
WASHINGTON SAVINGS²

33%



Percentage of people that have more than \$1K saved

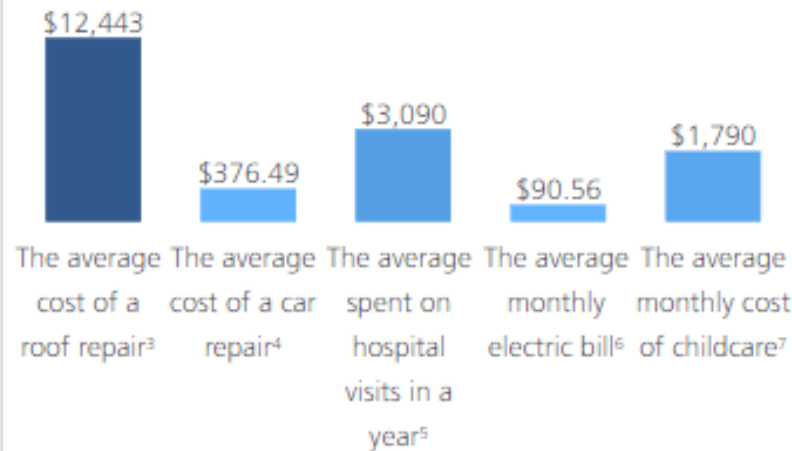
67%



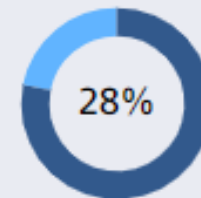
Percentage of people that have less than \$1K saved

AVERAGE COSTS IN

WASHINGTON



PACIFIC REGION⁸



Percentage of people that would need to borrow money to cover a \$500 emergency

Culture of Financial Wellness



Guidance



Education



Resources

Resources and Solutions

Financial Resources

- ▶ Financial counseling
- ▶ Debt Management plan and credit service
- ▶ Credit repair service
- ▶ Tax preparation and tax preparation assistance programs

Financial Tools

- ▶ Credit check tools (Credit Karma)
- ▶ Cash flow management tools (Even, Double Net Pay, Wage Goal)
- ▶ Financial Tech Tools (FlexWage, ActiveHours, Even)

Financial Education

- ▶ Traditional Classroom-style financial literacy and empowerment programs
- ▶ Financial literacy webinars
- ▶ Digital self-serve and e-learning platforms

Financial Wellness Resources COVID-19

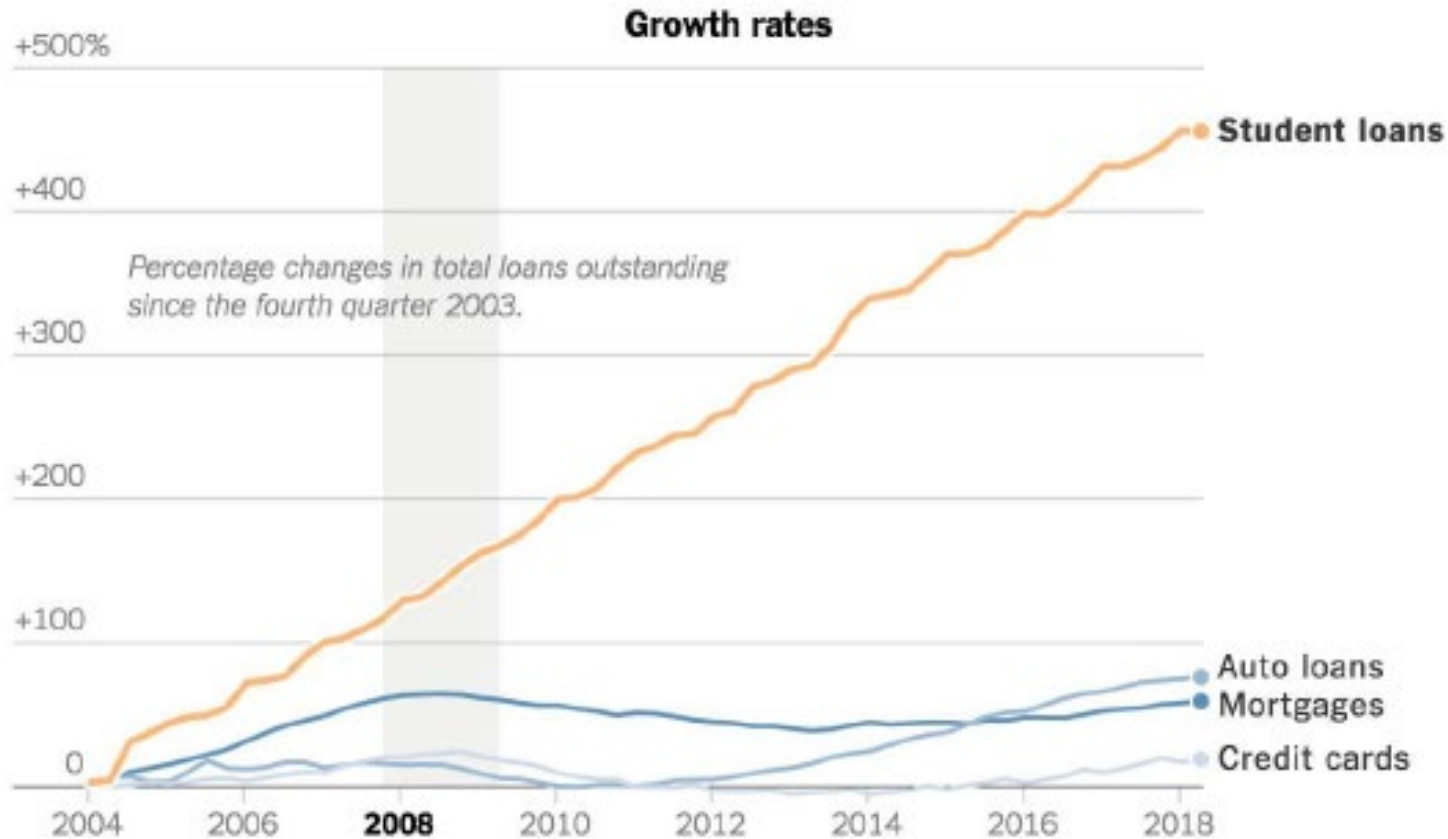
- ▶ Learnlux
- ▶ FinFit
- ▶ Smartpath
- ▶ Enrich
- ▶ Edukate

Financial Provisions in CARES

- ▶ Coronavirus Aid, Relief and Economic Security Act
- ▶ Cash Payments and Unemployment
- ▶ Retirement Account Changes
- ▶ Mortgages

<https://home.treasury.gov/policy-issues/cares>

Student Loan Crisis



Source: Federal Reserve

Employees: Life Delayed

70%

of graduates entering the workforce with student debt

22 years

average time to pay off student loans

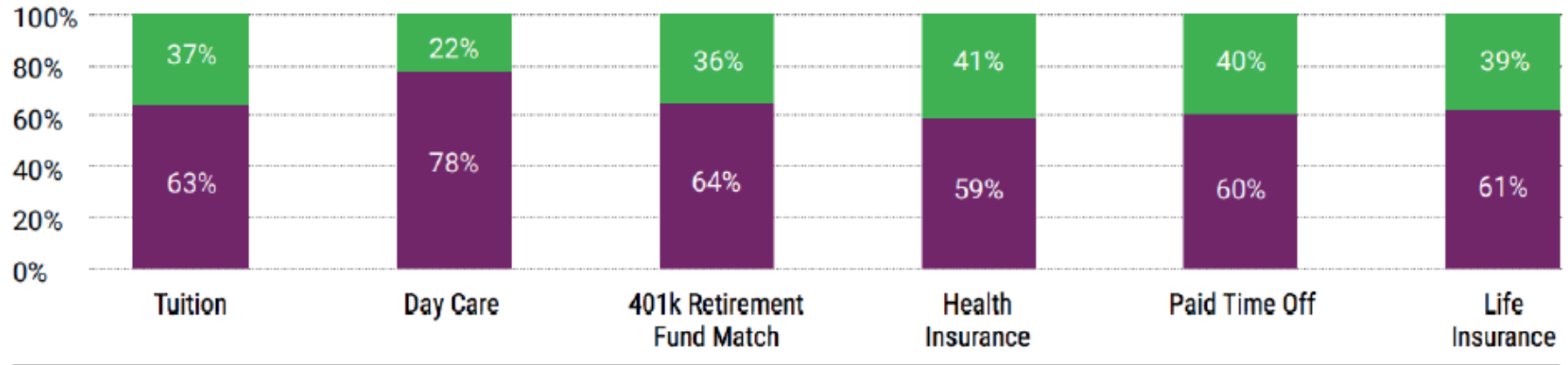
2x higher

preference for student loan repayment over 401(k) match and health insurance

<https://www.goodlyapp.com/>

Student Loan Vs Other Benefits

How much of your benefit compensation money would you allocate for student loan debt repayment versus an alternative benefit?



"Young adult job seekers (18-35) were asked to make a choice between paying down their student loan debt versus providing an equal amount of money towards another benefit. **In all cases respondents chose more money going towards student loan debt repayment** (Figure 3)."

<http://finlit360.wpengine.com/#1541090792200-0e37c046-2932>

Student Loan Benefits

Employee Choice

Employees decide between retirement, student loan repayment, or both.

Employer- Assisted Repayment

Employers offer direct contributions or matching programs

Employer- Assisted Savings

Employers contribute to 529 college savings programs

Student Loan Refinancing

Access to student loan refinancing programs

Impact of Employer Contributions

\$100/month employer contribution will help the average employee pay off their student loans 8 years sooner and save \$20k in interest:

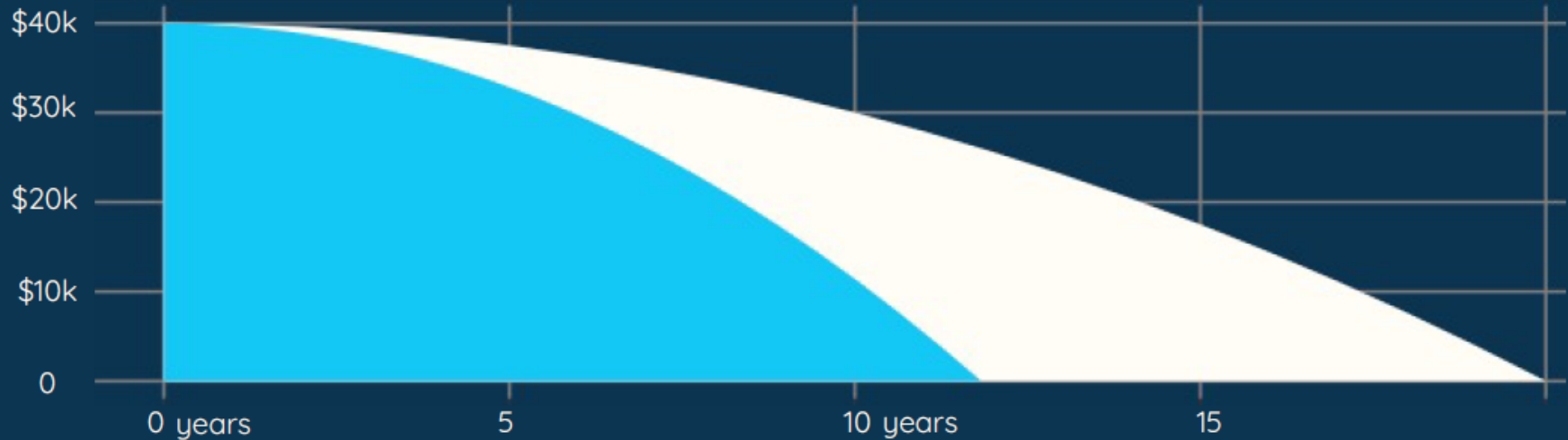
avg. time to debt-free:



with Goodly



without Goodly



Assumptions: \$40k loan balance, 6.5% interest rate, and 20 yr term

Student Loan Provisions in CARES

- ▶ Coronavirus Aid, Relief and Economic Security Act
- ▶ Section 2206 – Allows up to \$5,250 contribution towards employees' student loans Tax-Free through end of 2020.
- ▶ Section 3513 – Allows borrowers to suspend payments through 9/30

<https://home.treasury.gov/policy-issues/cares>

Financial Stress Impact to Wellness



Depression



Anxiety



Migraines



Digestive Issues



High Blood Pressure and Heart attacks



Disrupted Sleep



Mental Health



▶ An estimated 26% of Americans ages 18 and older – about 1 in 4 adults- suffers from a diagnosable mental disorder in a given year.¹

50% of all Americans diagnosed with a mental illness or disorder at some point in their lifetime. Mental illnesses, such as depression, are the third most common cause of hospitalization in the United States for those aged 18-44 years old.²

▶ Untreated mental illness decreases adult lifespans in the U.S.; people living with mental illness die [an average of 25 years earlier](#), in large part due to chronic medical conditions caused by mental illness.³

1 John Hopkins

2 Centers for Disease Control and Prevention

3 National Alliance on Mental Illness

The RIPPLE EFFECT of Mental Illness

Having a mental illness can make it challenging to live everyday life and maintain recovery. Let's look at some of the ways mental illness can impact lives — and how the impact can ripple out.



People with serious mental illness have an increased risk for chronic disease, like diabetes or cancer

PERSON



Rates of cardiometabolic disease are twice as high in adults with serious mental illness



19% of U.S. adults with mental illness also have a substance use disorder



At least **8.4 million** Americans provide care to an adult with an emotional or mental illness

FAMILY



Caregivers spend an average of **32 hours** per week providing unpaid care



20% of people experiencing homelessness also have a serious mental illness

COMMUNITY



37% of people incarcerated in state and federal prison have a diagnosed mental condition



70% of youth in the juvenile justice system have at least one mental health condition



1 in 8 of all visits to U.S. emergency departments are related to mental and substance use disorders



WORLD



Depression is the leading cause of disability worldwide



Depression and anxiety disorders cost the global economy **\$1 trillion** each year in lost productivity

The World Health Organization estimates that for every \$1 invested into mental health treatment for common mental disorders, there is a return of \$4 in improved health and productivity.



Culture of Mental Health



Guidance



Education



Resources

Creating a Culture of Mental Health

- ▶ **Leadership**
- ▶ **Organizational/Environmental Support**
- ▶ **Communication**
- ▶ **Programs and Benefits**
- ▶ **Engagement**
- ▶ **Community Partnerships**
- ▶ **Reporting Outcomes**

Mental Health Programs & Resources

- ▶ Medical plan
- ▶ Employee Assistance Program
- ▶ Telemedicine
- ▶ Talkspace/ MyStrength – Online mobile therapy
- ▶ Calm and Headspace – Meditation and mindfulness
- ▶ Mental health education
- ▶ Stress management programs
- ▶ Onsite mindfulness classes

Work Related Risk Factors

- ▶ Intensity and duration
- ▶ Emotional demands
- ▶ Autonomy
- ▶ Social work environment
- ▶ Alignment of personal and corporate values
- ▶ Job security

Mental Health Resources COVID-19

- ▶ Class Pass
- ▶ Calm
- ▶ Headspace
- ▶ Talk space
- ▶ Intimind
- ▶ Limeade

National Alliance on Mental Illness

COVID-19 Resource and Information Guide

<https://www.nami.org/covid-19-guide>

Holistic Health

A Paradigm Shift

Going beyond the physical

Creating a culture of comprehensive well-being.

Benefit Planning & Strategy



Benefit Process & Disconnect

- ▶ Renewal
- ▶ Go out to bid
- ▶ Benefit Changes
- ▶ Open Enrollment

EFFECTS OF STRESS ON THE BODY



SKIN:

Changes in Skin Texture, Loss of Skin Tone, Loss of Moisture, Thinner & More Delicate Skin

[Learn More >](#)



IMMUNE SYSTEM:

Decreased Immunity

[Learn More >](#)



HORMONES:

Hormonal Imbalances, Increased Cortisol

[Learn More >](#)



BONES:

Decreased Calcium Absorption, Weakened Bones

[Learn More >](#)



BRAIN:

Fatigue, Reduced Concentration, Decreased Mood

[Learn More >](#)



HEART:

Increased Heart Rate, Elevated Blood Pressure

[Learn More >](#)



GUT:

Decreased Nutrient Absorption, Alterations in Gut Motility, Changes in Microbiome, Leaky Gut

[Learn More >](#)



MUSCLE:

Muscle Protein Breakdown

[Learn More >](#)

Strategy

- ▶ Evaluate
- ▶ Realign
- ▶ Rework



Addressing Cost & Keeping Value Amidst COVID-19

- ▶ Broker Services
- ▶ Eligibility Management
- ▶ Prescription Drug
- ▶ Medical Services
- ▶ Communication
- ▶ Benefit Technology Expertise



Creating Momentum Towards Holistic Health

- ▶ Evaluation
- ▶ Goal
- ▶ Strategy
- ▶ Implementation
- ▶ Data
- ▶ Improve

Opportunity for Change

- ▶ COVID-19 presents a strong need for Holistic Wellness
- ▶ Struggle with finances
- ▶ Struggle with mental health
- ▶ Great resources being shared
- ▶ There is a shift, a new normal



Thank you