



Tight labor market? Stay well-staffed by offering these hot employee benefits.

Over the next several years, the U.S. will continue to see a power shift among employers and employees.

By now it's clear that the mass retirement of baby boomer employees — and the dearth of millennials and Gen Z-ers to replace them — is causing a nationwide labor shortage that's forcing employers to work harder to recruit and retain viable employees. As of January 2019, for example, the unemployment rate was a minimal **4 percent**.

That development may seem like a burden to the employers that must undertake cultural, procedural and financial challenges to keep their younger employees on board. However, it's a boon to those enjoying the feeling of being sought-after, the higher pay grades and the greater range of benefits. In fact, one 2018 study shows **60 percent** of U.S. employees (compared to 52 percent in 2017) are willing to increase what they pay for benefits in

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exchange for having more choice, flexibility and customization when it comes to their benefit packages. The percentage rises to 64 percent for younger employees and jumps to 84 percent for young parents.

In response, many companies have completely overhauled their employee compensation programs after researching the factors most likely to keep younger employees happy and productive. And one result has been a new selection of attractive voluntary benefits that would never even have been considered in the past.

“Businesses in search of the best and brightest are facing a field of candidates that are more empowered than ever,” notes the 2018 study. “Employees are in demand, positioned to dictate the terms of employment. Employees today see work as a part of who they are and, therefore, want their work to reflect their values, interests and aspirations.”

As employers compete to offer the best employment packages that will attract the best candidates, here are some of the most popular benefits they’re offering.

Financial wellness education.

Employers have tuned into the fact that many younger employees want assistance in planning for their financial futures, and that they appreciate work-sponsored sessions that help them decipher the intricacies. In our uncertain world, it’s not surprising that one study determined **54 percent** of U.S. employees are stressed about their finances.

The 2018 study found further that financial wellness and saving for retirement are priorities for 70 percent of employees, and 38 percent believe their employers should help them solve their financial concerns. A full 87 percent of respondents say employer-sponsored insurance gives them peace of mind against unexpected circumstances, and 48 percent say having life insurance reduces more stress than having auto, dental or home insurance.

That makes sense, since well-conceived life and disability policies ensure your loved ones will be financially secure if the worst happens and you’re unable to help care for them. Both categories protect your monetary assets —

wealth you've accrued through time, strategy and hard work — from being depleted by worst-case scenarios.

And it helps explain why work-sponsored seminars, workshops and presentations in layman's terms about how everything works are often popular with employees.

"Financial wellness benefits are a great way to create a more human connection with employees and to recognize employees both personally and professionally," notes the 2018 study. "These benefits build confidence for employees, and that creates positive results both inside and outside the workplace."

Student loan repayment.

Student loans are a huge thorn in the sides of millennials and Gen-Zers, and that issue doesn't appear to be going away anytime soon. In fact, some 44 million Americans already owe a combined **\$1.5 trillion** in student loan debt. And 69 percent of college students in the class of 2018 had outstanding student loans, with an average debt per student of **\$29,800**. Their average monthly student loan payment ... \$393.

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Savvy employers are seeing the value in helping their younger employees pay back those burdens, above and beyond more traditional salary

packages, so they can focus more on their careers and save for the future. In a typical scenario, writes Andrea Januta in [Reuters](#), the employer pays a portion of the employee's monthly loan payment, reducing both interest and principal. For example, to address a loan of \$26,500, charging **4 percent** interest, an



employer payment of \$100/month could cut a 10-year loan to three years and save around \$10,000.

Right now, such benefits are relatively unusual; the Society for Human Resource Management found last year only 4 percent of employers were implementing them. However, analysts [predict the trend will grow](#) as viable employees become even harder to attract.

Personalized voluntary benefit packages.

As employers strive to control costs and employees continue to want different benefits, companies are increasingly adopting the programs and digital tools that allow their people to pick and choose which ones make the most sense for them — especially when it comes to voluntary benefits such as life and disability insurance. That provides a unique opportunity for employers to provide value in the form of related guidance.



In a [2018 study](#), 73 percent of employees agreed that having customized benefits increases their loyalty to their employers. “Employees will depend more on their employers for advice and help in understanding how to best leverage their benefits to address their specific needs,” predicts benefits manager Tim Weber on [SHRM.com](#). “Benefits offerings will become more personal, with targeted education to help employees on a need-to-know basis. Employers will use data-driven approaches to tailor their information and guidance, all wrapped in an engaging employee experience.”

Flexible schedules.

Younger employees are less willing than previous generations to put work before home and family, and as such, they’re insisting on at least some flexibility in when they get their work done. In fact, 35 percent of millennials consider flexibility more important than pay, reports a [PayScale study](#). In the same report, 84 percent of working parents said flexibility is the No. 1 most important factor they seek in a job.

Employers large and small are listening after finding the perk of a flexible schedule makes their employees more productive, less stressed and better able to balance family obligations with work obligations. That explains why [67 percent](#) of U.S. small businesses were already offering flexible work arrangements as of last year.

For some companies, such policies simply allow employees to deviate one to two hours from the standard 9-5 work schedule, for example clocking in from 7-3 or 11-7. Others are even more relaxed about when work is conducted as long as each person’s workload gets done; some companies even allow [unlimited](#) time away from their offices depending on the scope of work involved. “The reality is, working a certain number of hours per week with set time off is a thing of the past,” writes Dede Henley in [Forbes](#). “Given our access to information and new ways of working, flexibility and accountability are the way of the future.”

Remote work opportunities.

Many employers are taking the principle of flexibility a step further by allowing employees to routinely work from home, from their cars or from other locations of their choice. That offers employees a number of [advantages](#) ranging from reduced commutes to less need for childcare to freedom to travel. Employers also benefit in a number of ways; for example, their older employees can stay in the workforce longer despite physical limitations, and employees who are sick can complete work at home without contaminating co-workers.

In a [survey](#) of U.S. companies last year, 63 percent of department heads had employees working remotely for significant parts of their work days, and 38 percent predicted their staff will primarily be working remotely by 2028.

“Remote work is no longer a privilege — it’s become the standard operating mode for at least 50 percent of the U.S. population,” notes

Abdullahi Muhammed in [Forbes](#). “Traditional employers are finally on-board and ready to propose a flexible work arrangement higher up the pipeline.”

Career and personal development. Studies show millennials want their work to mean something beyond just a paycheck. A recent report by Harvard Business Review found “the opportunity to learn and grow” was the [most-desired](#) job feature among millennials, more important than the quality of manager or respondents’ interest in the work itself.

Some ways firms are making that happen? They may offer seminars or webinars that increase workers’ knowledge about their jobs, technology, leadership principles or other career skills. Other tactics include regularly recognizing those who go above and beyond, offering clearly defined internal promotional opportunities and/or creating personal growth plans for each employee.

“Millennials fundamentally think about their role as a stepping stone and a growth opportunity,” notes Brandon Rigoni in HBR. “But they also want to feel deeply committed to their role and to work for a manager who will invest in their development.”

One final note: Digitization is becoming crucial.

In a national trend affecting every kind of employee compensation, benefits-focused technology continues to rapidly evolve. As younger generations naturally seek more digital solutions addressing HR matters, companies are increasingly adopting online HR platforms that improve management and enable better decision-making by employees. “(That will) help the increasingly diverse employee workforce learn, understand and navigate the benefits process based on their specific needs,” predicts benefits software exec Jon Shanahan in the SHRM article. “These systems can also reduce HR’s transactional tasks, given that HR managers say they lose 14 hours a week due to lack of automation.”

In summary, if you are an employer who’s continually strategizing how to recruit and retain the best employees, you’ll want to pay close attention to the benefits and perks being offered by others in your field. Start planning now so you can keep going strong and compete, even in the tightest labor market.

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