

Benefits Trends and Creating a **Quality** **Employee** **eXperience**

May 18th, 2023





Trey Smith

Sr. Vice President,
Employee Benefits Practice Leader
HUB International

trey.smith@hubinternational.com
hubinternational.com

Today's Conversation

Employee Benefits Trends

Water is Wet and Others Stories

From Miley Cyrus to The Rolling Stones

A Confession, Netflix & Life Quakes

QEX

**“80% of employees
would prefer more
benefits than salary”**

Ranstad Sourceright. “2022 Talent Trends Report: Put People First to Recharge Your Talent Strategy.”



The employee/employer landscape has experienced a major shift.

Looking at the Current Labor Market

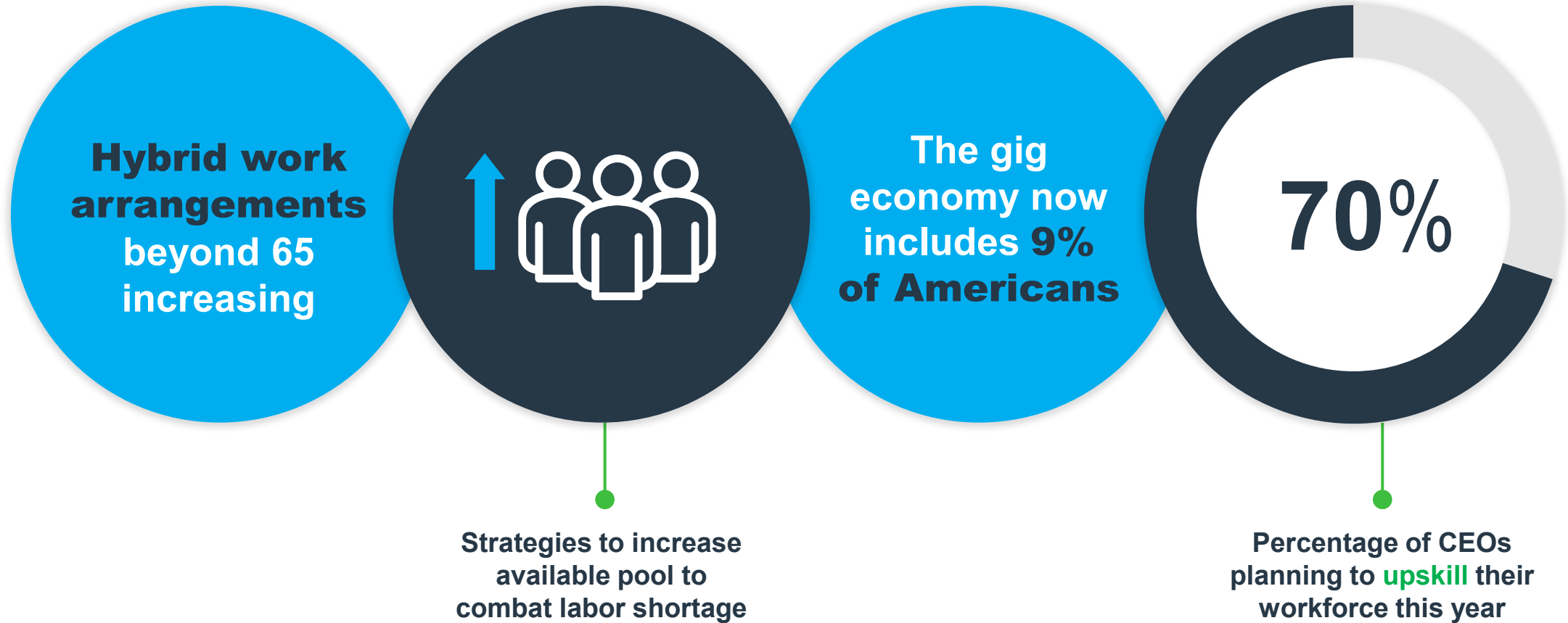


Decrease in unemployment
to job vacancy rate in
every state.



Most industries expecting
obstacles recruiting and
retention or skilled labor

The New Labor Market



Who Does “Benefits” Benefit?

Ineligible, Part-timers, 1099, <26



The Preventers



No Utilization or Minimal



Deductible Hitters

OOPers

“One of those Years”

Water is Wet: Turnover is Expensive



Turnover as % of Salary



What do employees really want?

An Employer wants

**Cost Efficient and
Effective Benefits**
for retention and
our bottom line

2019

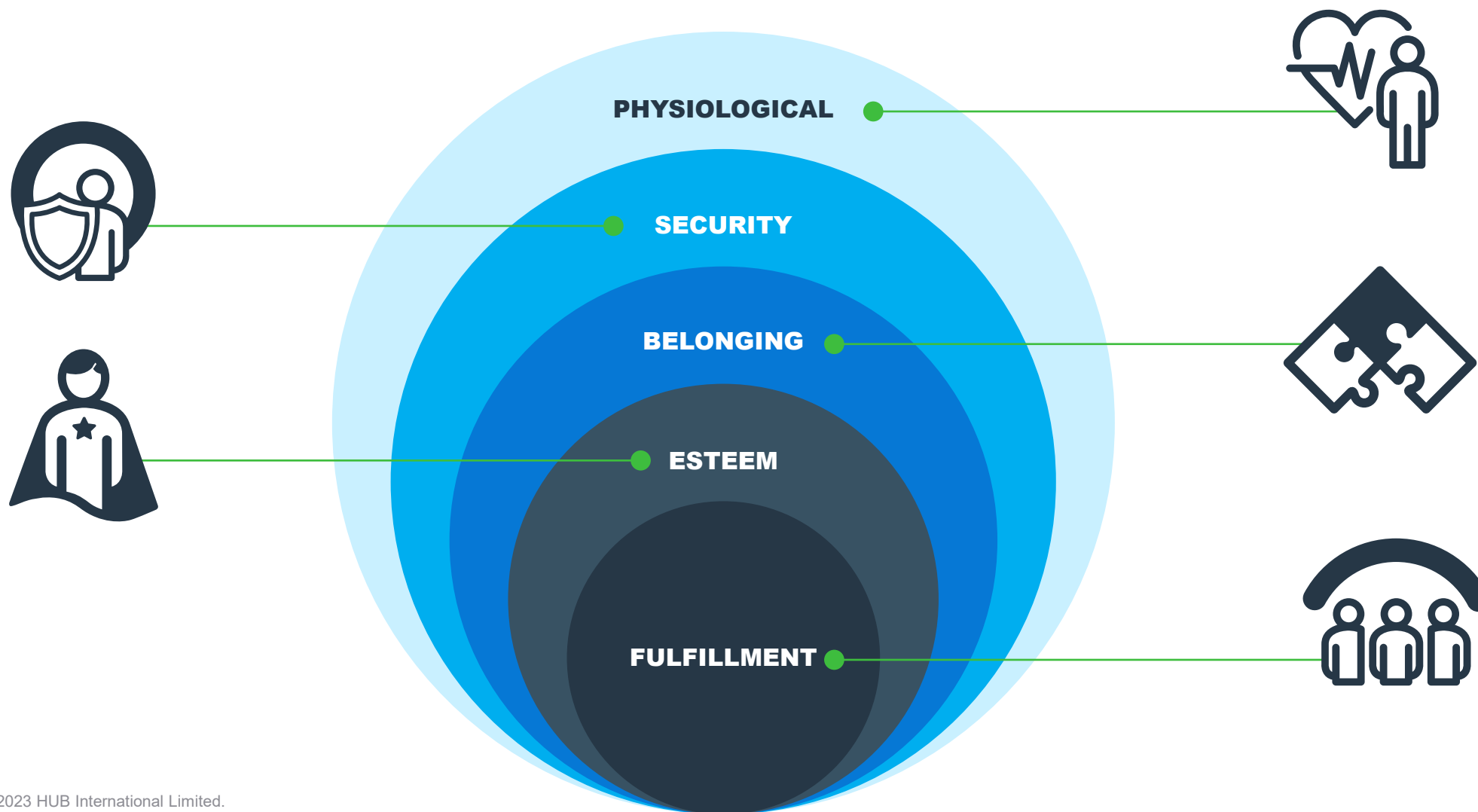


A Worker wants

**Access to
Robust Benefits**
for me and my
family

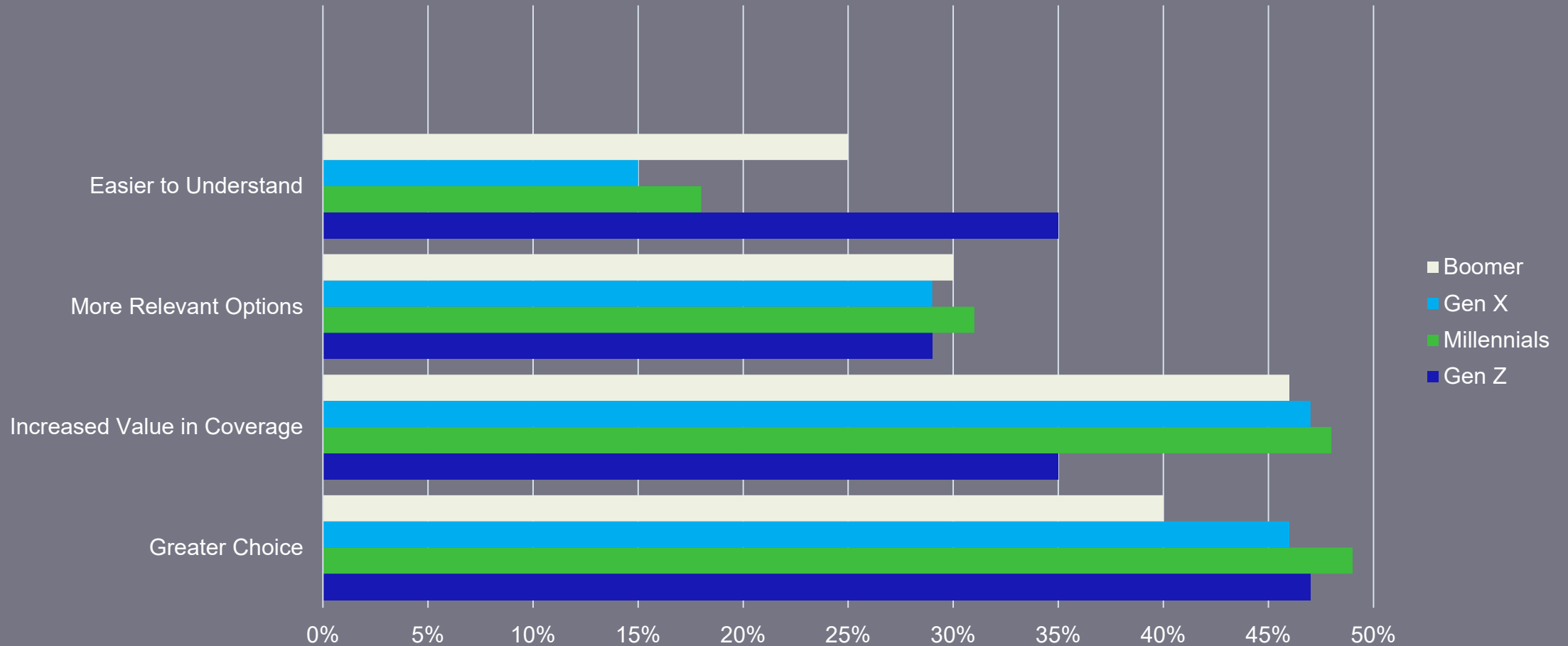
2023

The Total Needs Hierarchy



Medical Dental Life Disability Retirement EAP Wellness
Parental Leave Referral Bonus Home/Auto/Renters Insurance
Pet Insurance Student loans Vacation Buy/Sell Flex days
Financial Literacy Education Something 'New' Courses
Sabbatical Music Lessons Travel Home Buying Education Daycare
Career Coaching Gym Membership Sports Programs Free Lunch
Discounts Philanthropy Matching Donations Eldercare Support
Legal Personal Shopper Meal Prep Emergency Backup Childcare
Concierge Health/Genomic Testing Virtual Assistant Divorce Support

Which would provide a significant improvement to your current employer-provided group benefits insurance plan?



Diverse Workforces & The Need for Personalization



“Digitization creates a personalized and enriched customer journey within the marketplace so employees now demand the same **personalized experience at work, full of moments that matter for people”**

**Natal Dank Co-founder @PXO Culture
& Author of ‘Agile HR’**

Data That Supports Your Friday Evening: Netflix Algorithm



Data points are tracked to deliver a personalized experience.

- Time and date a Netflix user watched a title
- User profile information such as age, gender, location, and selected favorite content upon sign up
- The device used to stream
- If the show was paused, rewind, or fast-forwarded
- If the viewer resumed watching after pausing
- Whether an entire TV series or movie was completed
- How long it took a viewer to watch an entire TV series
- Whether the viewer gave the show or movie a thumbs up
- Scenes users have viewed repeatedly
- The number of searches and what is searched for
- Where a user watched the show (by postal code)
- Browsing and scrolling behavior
- Screen shots when the show was paused, when the user left the show, and when the user watches a scene more than once

What is QEX?



OUR GOAL: Deliver quality employee experiences by coauthoring quality employer experiences

User Experience

Products & Services

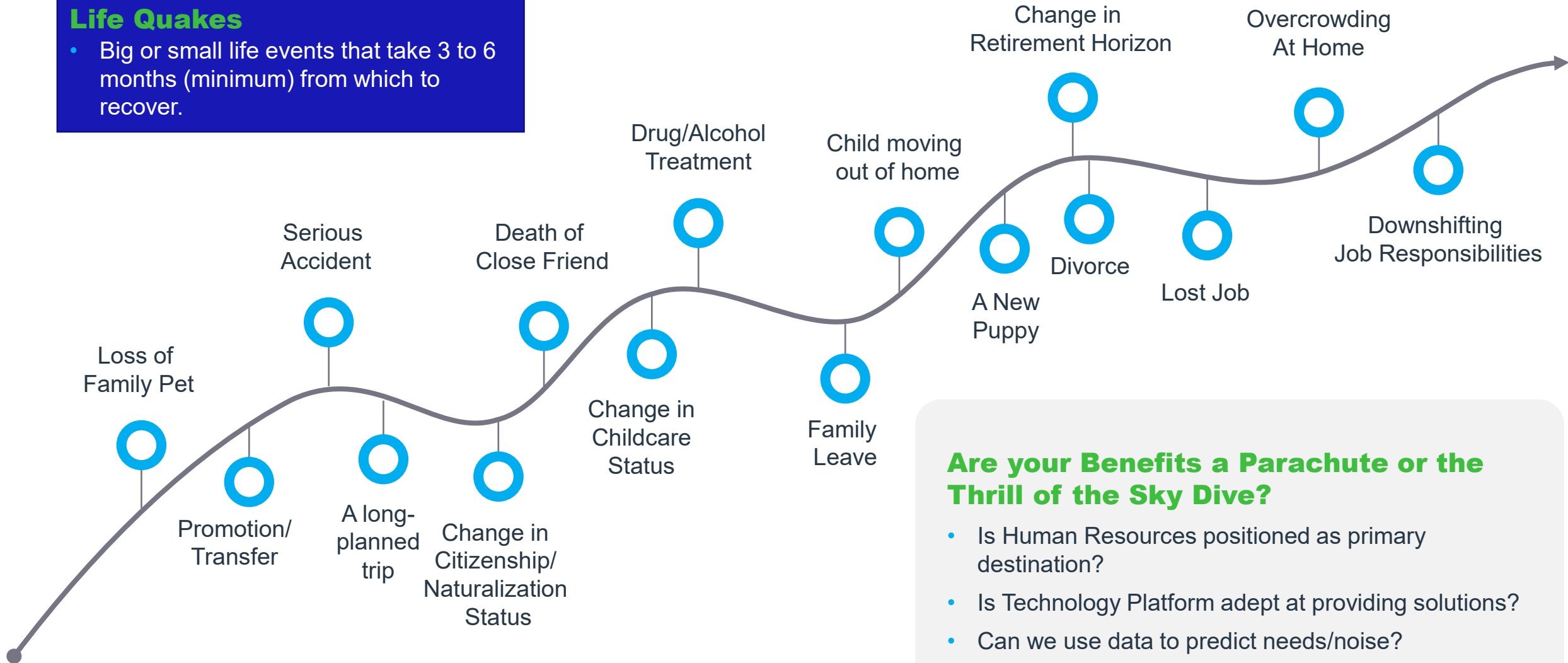
HR Philosophy

From QLEs to QEX: LifeQuakes



Life Quakes

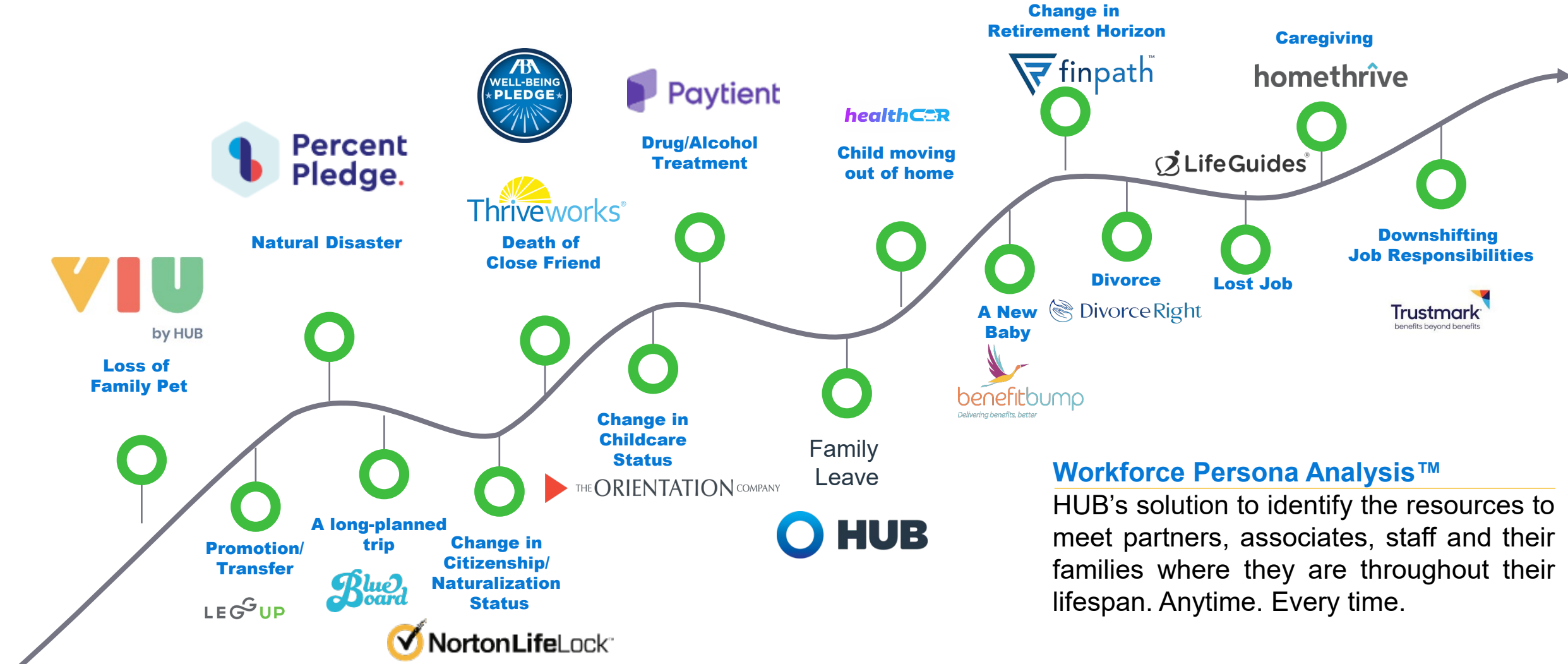
- Big or small life events that take 3 to 6 months (minimum) from which to recover.



Are your Benefits a Parachute or the Thrill of the Sky Dive?

- Is Human Resources positioned as primary destination?
- Is Technology Platform adept at providing solutions?
- Can we use data to predict needs/noise?

Persona-based Customized Benefits



Workforce Persona Analysis™

HUB's solution to identify the resources to meet partners, associates, staff and their families where they are throughout their lifespan. Anytime. Every time.

HUB

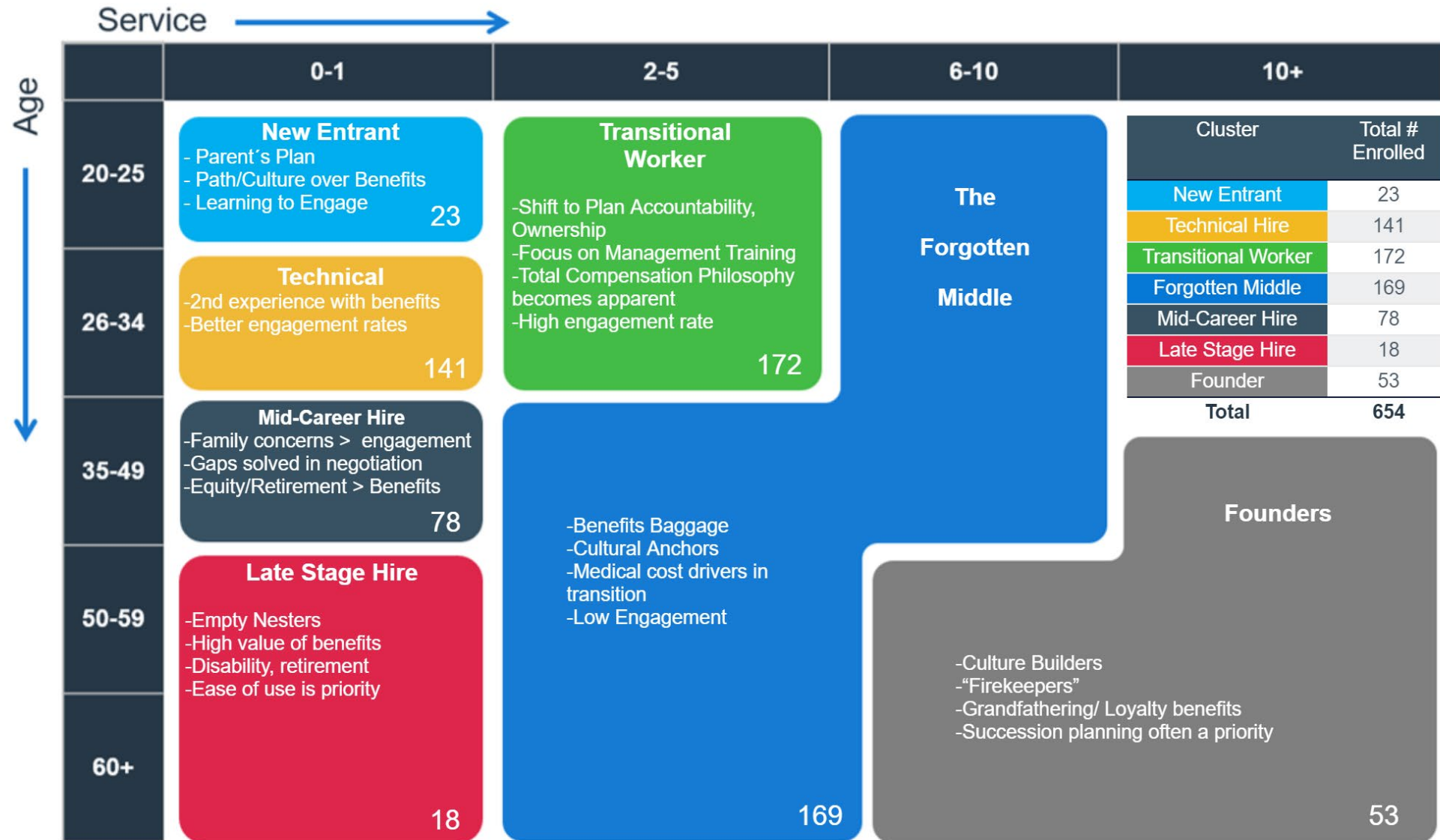
Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Friday Demo Client HUB Workforce Persona Analysis™



Table of Contents

- Your Culture
- Persona Analysis TM
- Social Determinants of Health – Food Deserts
- What %: HealthCare & Rent
- Labor Pool
- Employing 5 Generations
- Demographic Analysis
- Disability Income Shortfalls
- State Mandates
- Post Open Enrollment Migration
- Opportunities
- Appendix



🎯 How does your population compare to US Average? What % of salary does your population spends on benefits?

Personas

US Population | **Your Population**
Contributions as % of Earnings



Financially Fragile

81 % | **41 %**
6 %

41% of your employees are 'Financially Fragile' compared to 81% nationwide. These employees spend 6% of their salary on benefits



Empty Nesters

16 % | **6 %**
5 %



Sole Income Earners

40 % | **51 %**
4 %



Single Parents

31 % | **22 %**
3 %



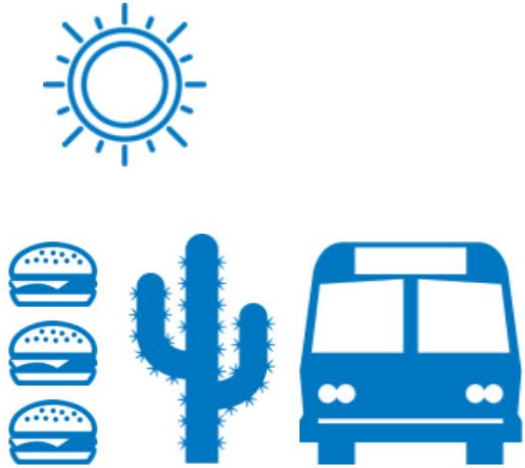
High Net Worth

0 % | **1 %**
2 %

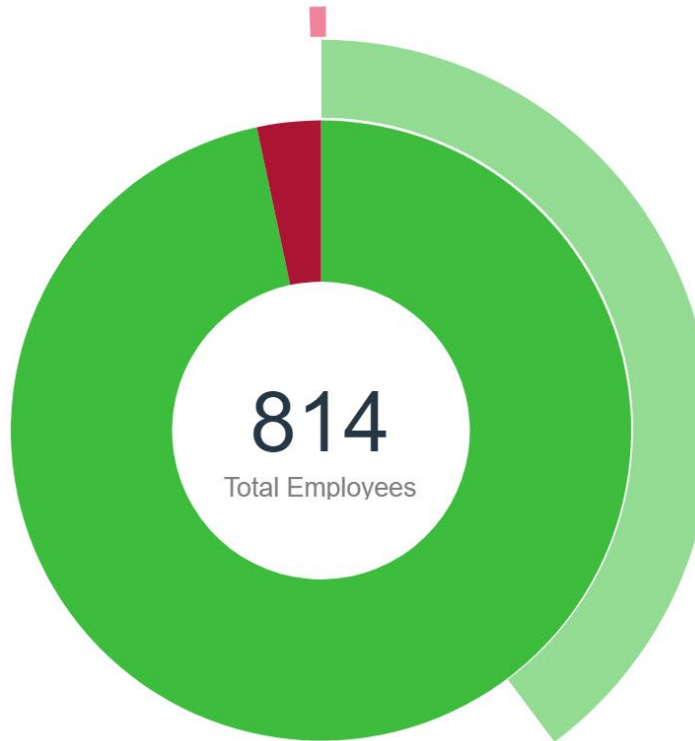
Social Determinants of Health - Food Deserts

🎯 3% (27 employees) of your population live in a food desert, 1% (5 employees) of those are also Financially Fragile.

Financially Fragile &
Food Insecure: 1%
(5 Employees)



Food Insecure: 3%
(27 Employees)



Financially Fragile but
Food Secure: 40%
(324 Employees)



Food Secure: 97%
(787 Employees)

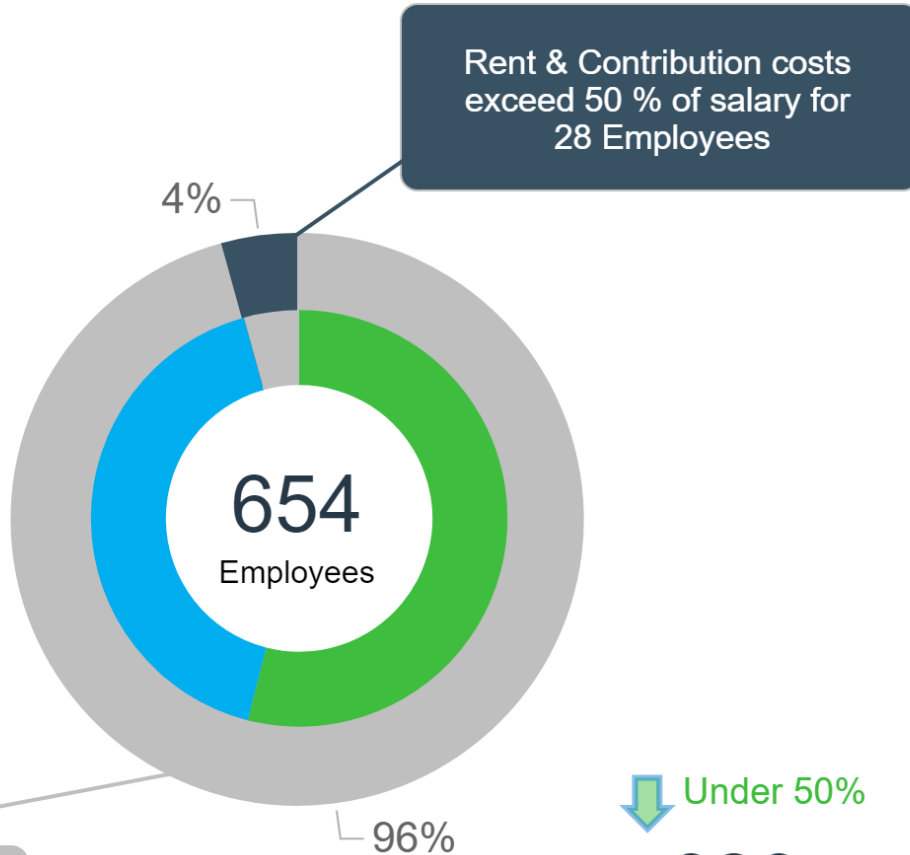
Annual Earnings Spent - Employee Contributions & Rent

Approximately 96% of your workforce spend less than 50% of their earnings on the fixed expenses of employee contributions and rent.

↑ Over 50%

28

Employees



96% spend less than 50%

↓ Under 50%

626

Employees



% Earnings Spent	Employees	% of Total	Financial Stability Status
Under 25%	353	54%	Good!
26% - 50%	273	42%	Acceptable
51% - 75%	23	4%	Warning
76% - 100%	5	1%	Critical Risk
Over 100%	0	0%	Critical Risk
Total	654	100%	

Potential Population Changes Based on Age - Within 5 Years



38 waived employees will turn 26, losing the ability to be covered under their parent's plan. These individuals have a **high likelihood of joining your Medical plan.**

7 enrolled employees will reach or are already 65, potentially leaving the Medical plan for **other coverage such as Medicare.**

Effectively Engage the Five Generations of Workers



Millennials are estimated to make up 50% of the national workforce by 2022



Silent Generation
75 +
(1927 - 1945)



Baby Boomers
56 - 74
(1946 - 1964)



Gen X
40 - 55
(1965 - 1980)



Millennials
24 - 39
(1981 - 1996)



Gen Z
< 24
(1997 - Current)

	Silent Generation	Baby Boomers	Gen X	Millennials	Gen Z
% of Total Workforce	0%: EEs	3%: 22 EEs	15%: 123 EEs	79%: 641 EEs	3%: 28 EEs
Most Common Plan	HSA 2000 : %	HSA 2000 : 44%	HSA 2000 : 38%	HSA 4000 : 38%	HSA 4000 : 69%
Of Enrolled: % Employee Only	0 %	38 %	35 %	66 %	92 %
Communication Strategy	Meet with Me	Meet/Mail me	Call Me	Email me	Text me
Concerns & Well-being	Remain healthy and productive at work until ready to retire	Providing for family and retirement	Buying a home, supporting families, financial future	Concerned with finances and their future	Beginning their career
Medical Benefits **	Likes choice (PPO) but can afford (HDHP); likes HSA retirement savings option	Likes choice (PPO) but can afford (HDHP); likes HSA retirement savings option	Likes choice (PPO)	HDHP or low cost option (HMO)	Likely still on parent's plan
Voluntary / Disability **	ID theft, permanent life, CI and LTD	Term life, CI, ID theft and LTC; Disability - Values coverage	CI, accident, 529 plan, home/auto; Needs Disability but must be educated on it's value	Home/auto, financial wellness, student loan repayment, accident, ID theft	
Gaps to Consider	Permanent Life Insurance, Retirement	Sabbatical, ER Paid LTD, IDI, Retirement	Paid Maternity/Paternity, Pet insurance, Child Care Support, ER paid LTD, IDI, Student Loan Repayment, 529 Savings Plan	Paid Maternity/Paternity, Pet insurance, Child Care Support, ER paid LTD, IDI, Student Loan Repayment, 529 Savings Plan	

Demographic Analysis

Medical Plans

All ▼



Friday Demo Client demographic data broken down by plan.

%EEs Male %EEs Female

Plan Name	EE Count	% of Enrolled	Avg EE Age	% EEs Female	Avg YOS	% of Enrolled Employee Only	Salary Average	Demographic Factor	Geographic Factor
HSA 4000	235	36%	33	73.2 %	4	81.3 %	\$85,014	0.73	1.01
PPO 500	220	34%	36	68.6 %	4	50.9 %	\$103,495	0.79	1.03
HSA 2000	199	30%	37	69.3 %	5	48.7 %	\$99,940	0.79	1.00

Total Enrolled	654	80 %	35	70.5 %	4	61.2 %	\$95,772	0.77	1.01
Waiver	160	20 %	36	74.4 %	4		\$103,198	0.81	1.02
Grand Total	814	100%	35	71.3 %	4		\$97,232	0.78	1.01

Green line represents the youngest and red the oldest population

Disability Income Shortfalls

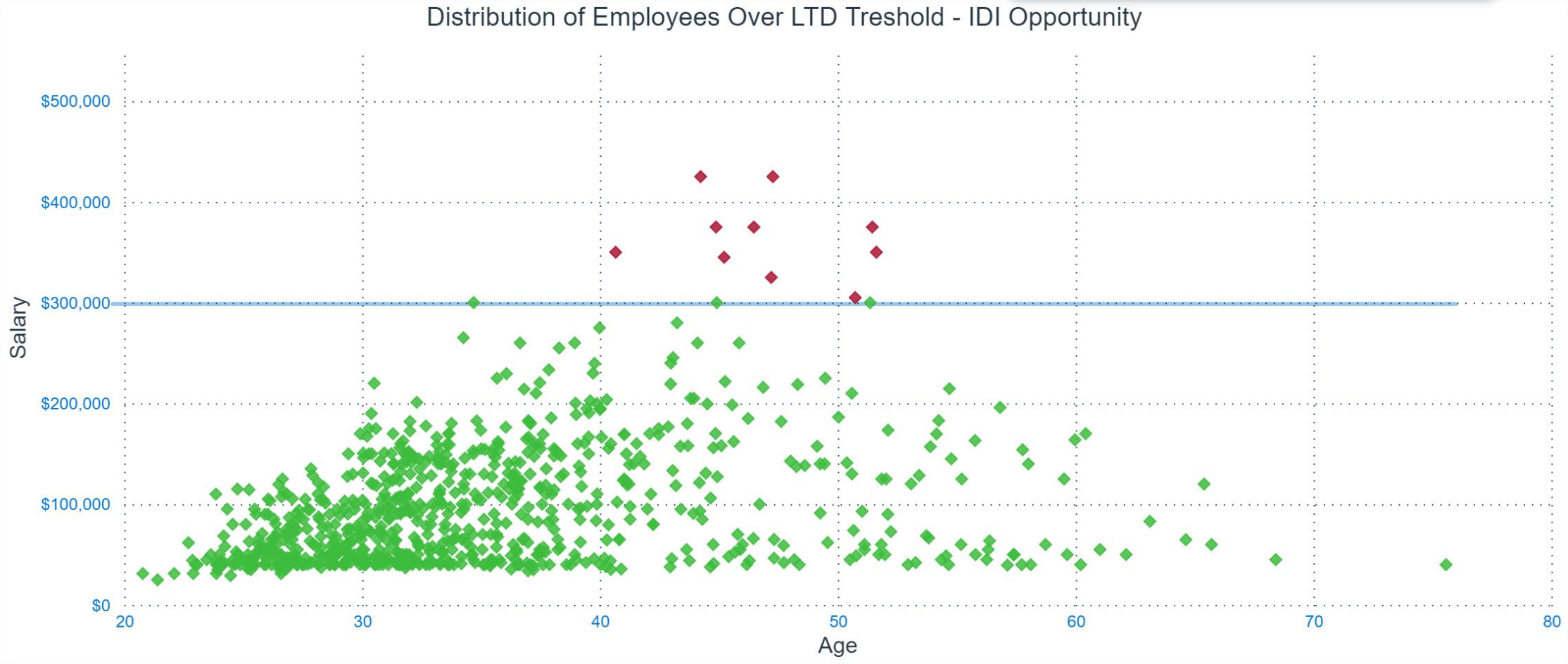
All age cluster selected



- LTD Threshold
- ◆ LTD Above
- ◆ LTD Below

1% of total population is not fully protected by LTD. 10 employees and \$54K of total monthly salary not protected

At 60% to a Max of \$15,000, LTD Plan Protects Employees to \$300K



Disability Income Shortfalls

All age cluster selected

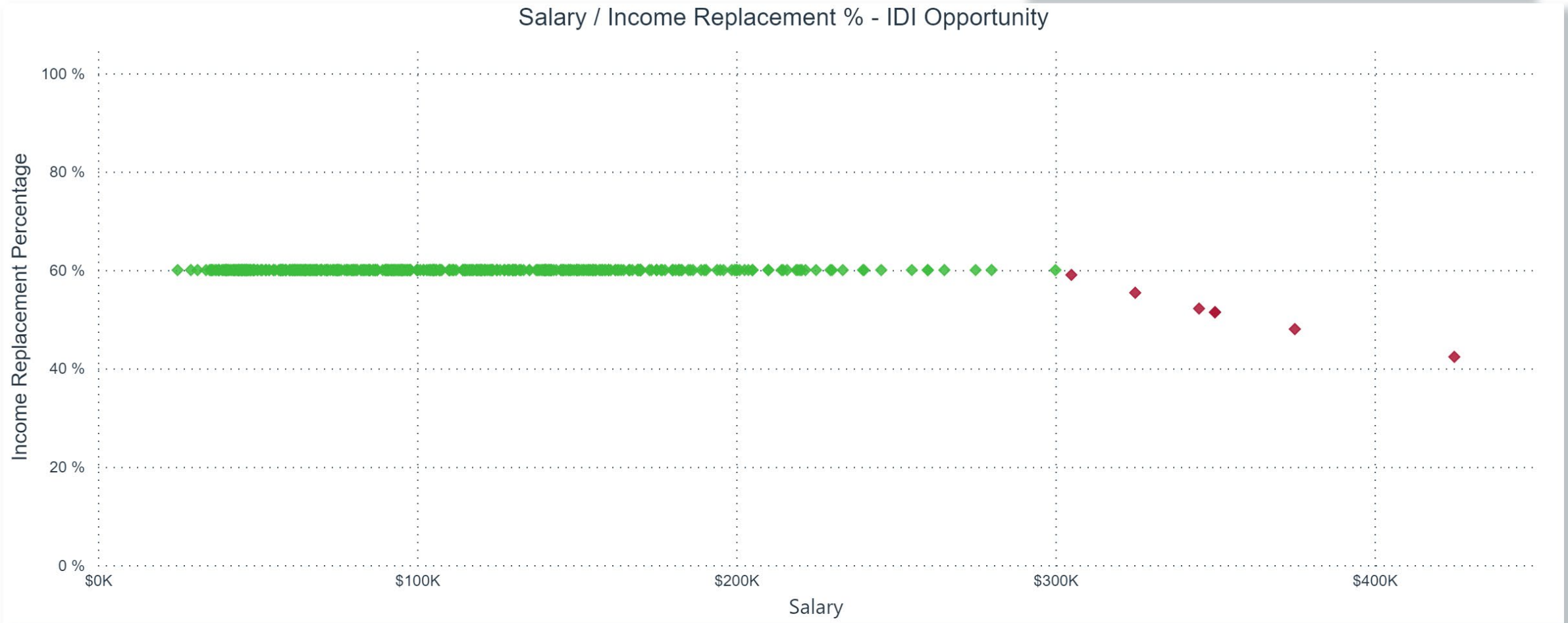


- ◆ Above LTD Plan Maximum
- ◆ Below LTD Plan Maximum

Average Income Replacement % for the 'Not Fully Protected' population is : 52%

LTD Plan Max of \$300K Protects Less Than 50% of Income for High Earners

Salary / Income Replacement % - IDI Opportunity



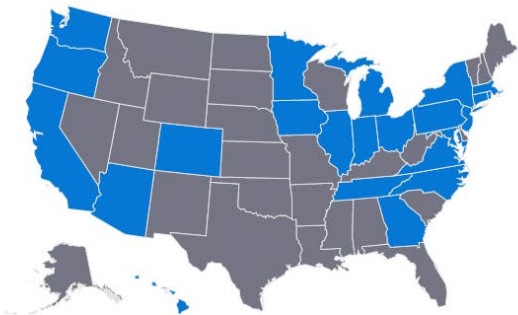
State Mandates and Compliance Zones

-6 Mandates +7 Mandates

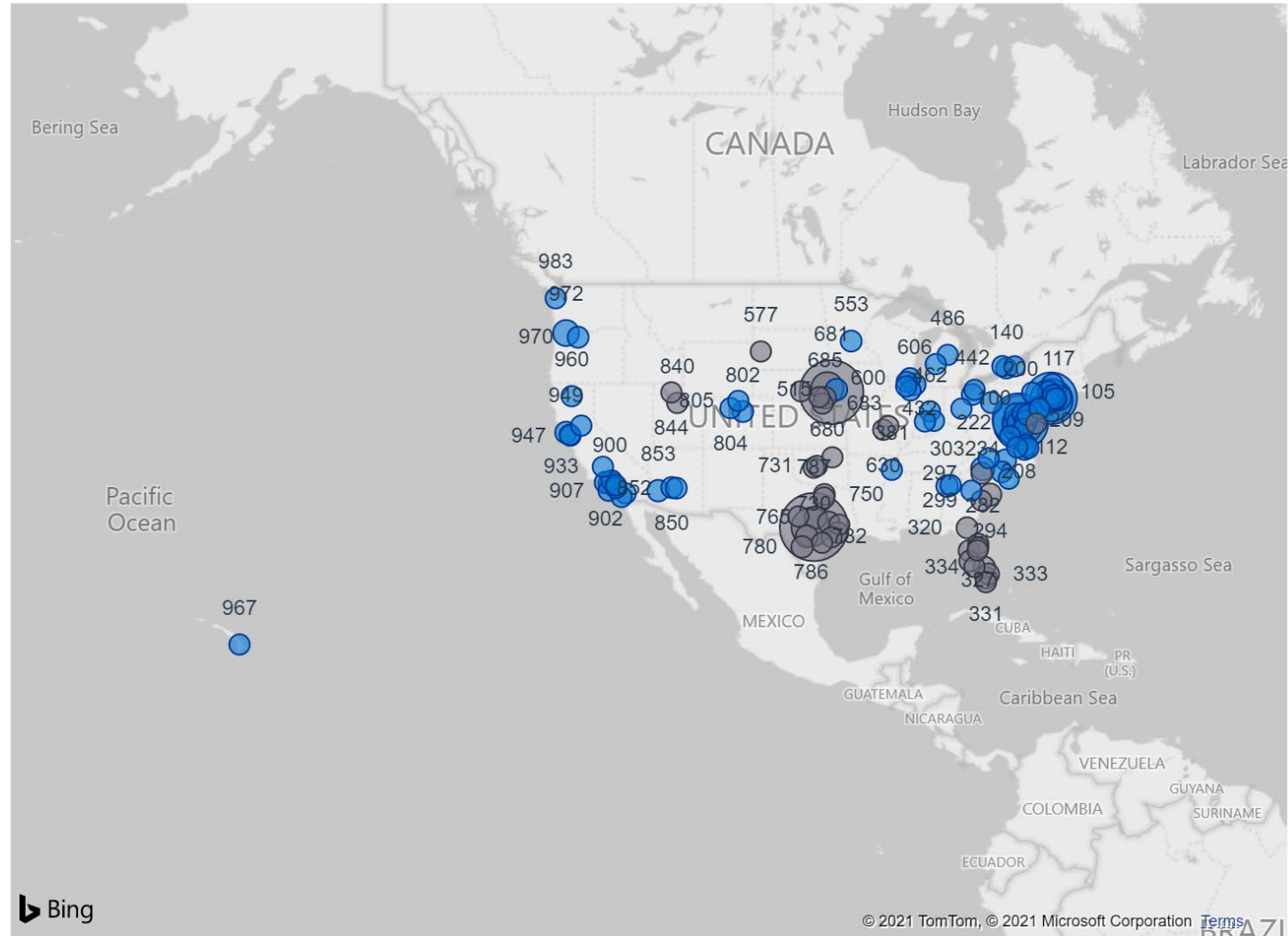
24 Compliance Zones
58 % % with Mandate

Compliance Zone	Total Employees
New York	151
Maryland	100
District of Columbia	57
Virginia	54
New Jersey	49
Connecticut	28
California	21
North Carolina	12
Oregon	12
Massachusetts	10
Arizona	7
Illinois	7
Pennsylvania	7
Georgia	5
Colorado	4
Ohio	4
Indiana	3
Iowa	3
Michigan	2
Minnesota	2
Hawaii	1
Rhode Island	1
Tennessee	1
Washington	1

Coverage ● With Mandate ● Without Mandate



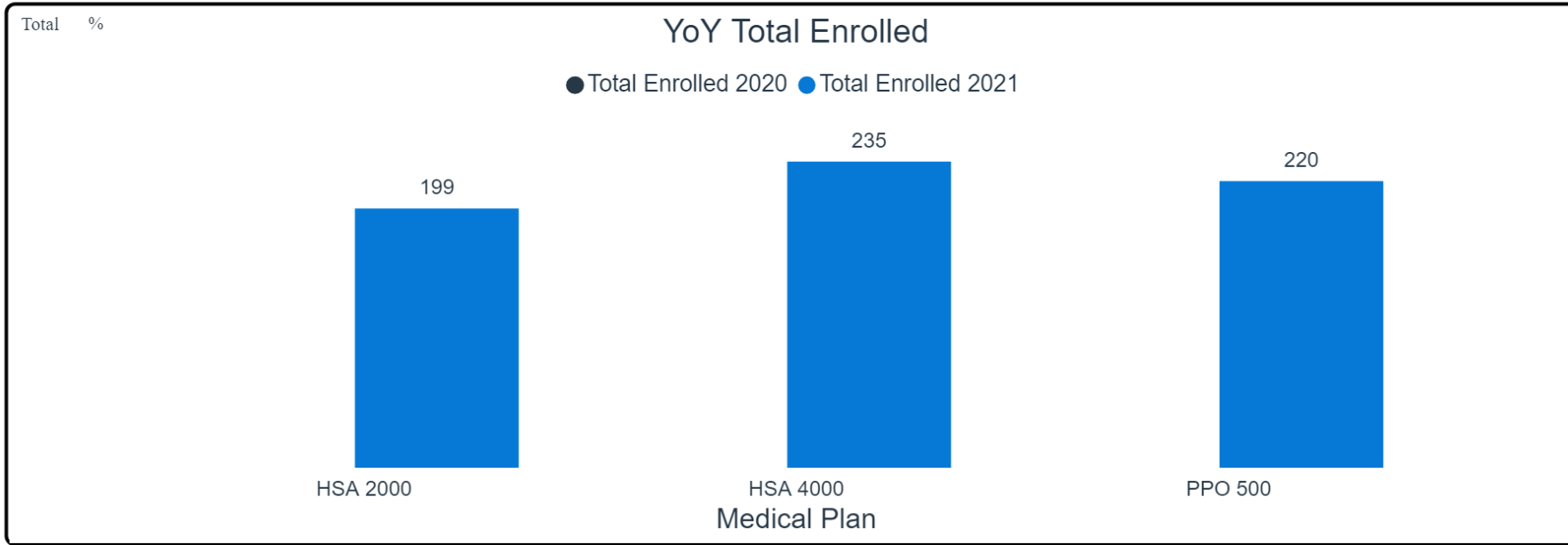
Coverage ● With Mandate ● Without Mandate



Post Open Enrollment Migration

Medical Plans

All



Medical Plan	YoY Change	Enrolled Employees
HSA 2000	↑	30 %
HSA 4000	↑	36 %
PPO 500	↑	34 %

2020 Pre OE

Medical Plan	Enrolled last year	% Covering Dependents	% Enrolled last year
▲			

2021 Post OE

Medical Plan	Enrolled this year	% Covering Dependents	% Enrolled this year
▲			
HSA 2000	199	51 %	30%
HSA 4000	235	19 %	36%
PPO 500	220	49 %	34%
Total	654	39 %	100%



Pet Insurance

67% of households own an insurable pet
Friday Demo Client's workforce care for approx.

1,179 adorable cats and dogs

\$141K to \$265K Potential Emergency Vet Costs*



Auto/Home/Renters

Savings opportunity from bidding coverages:

\$224,258



College Debt Refinancing

Savings from refinancing, grants, forgiveness:

\$49,714



529 Plan Interest

Size of population with college bound children:

395 Employees

Sample of Innovative Leave Policies



Paw-ternity Leave

1-2 days of leave when
adopting new pet.

Extending bereavement leave
for lost pets

Community Action Day

Volunteer day to give back
to community. Voting drives,
non-profit client support,
honor flights, etc.

Remote Company BBQ

Find a date (May 13)
Credit \$25 for supplies
Celebrate how you want!
Share pics!

Key Takeaways/Considerations

- How well do you really know your current employees that show up to work on Monday morning and their unique needs?
- Have you segmented your employees as well as you have segmented your customers? Have you fully unlocked the power of your HRIS for reporting purposes?
- Map out your roles and segments required in your workforce in the next 24-36 months
 - Current state segmentation is for retention, succession and upskilling possibilities
 - Future state is for recruitment

Key Takeaways/Considerations

- **Personalization & The Path to Inclusion**
 - How well does your current talent brand/recruiting strategy/total rewards offering resonate with the unique needs of new entrants to the workforce? Contract workers? Hybrid work arrangements?
 - Have you factored in personalization or is it a “One Size Fits All Fits None” scenario?
- **Comparing Apples to Pears?** Be mindful about making decisions based on benchmarking data in isolation without supporting segmentation data



Thank you.

For more information, visit:
www.hubinternational.com/QEX

