While employers keep an eye on the ever-changing legislative landscape and its affects on their overall budgets for benefits, the challenge of attracting and retaining top talent, increasing employee satisfaction, loyalty, and productivity within a competitive job market remains a top priority.

One of the levers companies can pull to help attract candidates and retain employees is unique benefits not offered by competitors. Silicon Valley is known for offering trendy and unique benefits and perks such as onsite haircuts, free dinners, open bars, and home cleaning services. These benefits have proven to be highly successful in increasing employee morale, productivity, and creativity when closely aligned with the vision and mission of the company. The challenge can be unraveling these nontraditional benefits if they become financially unsustainable. Once implemented, it is nearly impossible to take away benefits and perks that employees perceive as valuable without draining morale.

In order to craft a total rewards strategy that is sustainable and provides a large return on investment in both employee perception as well as the bottom line, a thorough assessment should be conducted. This assessment should consider: the existing compensation and benefits package with employee perks on a per capita basis, current utilization and satisfaction with the company’s current benefits, company culture and values, availability of necessary human capital in the job market to accomplish business objectives, and the changing demographics of the labor force.

**WORKFORCE DEMOGRAPHICS**

Knowledge of your company’s current and available workforce demographic mix can help you assess which benefits will reach the largest segments of your company’s employee population and help attract new talent. The current workforce is made up of five distinct generations: Traditionalists, Baby Boomers, Generation Xers, Millennials, and Nexters. Understanding the differing perspectives, characteristics and life stages of each of the three largest generations in the current workforce will help shape a benefits strategy that truly resonates.

**MILLENNIALS | BORN BETWEEN 1981 AND 2000**

Millennials are now the largest population in the labor market. Attracting and retaining the best of this generation will serve employers well who can harness and channel their unique value to the company.

**GENERAL CHARACTERISTICS**

• Comfortable with and expect self-serve, on-demand technologies such as social media, text, and email to access employment information including pay and benefits information

• Expect seamless work/life blending

• Ambitious and look to the workplace to help them achieve their goals

• High student loan debt and lower wages than generations than preceded them

**GENERAL DESIRES**

• Unique, meaningful, cool, and innovative benefits and work perks

• While employers may not be able to provide the pay they desire, employers who offer benefits tailored to their life stage can set themselves apart as employers of choice

“Analysis of the differing needs, perspectives, and desired mix of compensation and benefits will inform which benefit offerings will provide the most value and touch the largest segment of your employee population.”
GENERATION X | BORN BETWEEN 1965 AND 1980

Generation X comprises the second largest population in the labor market.

GENERAL CHARACTERISTICS
- Competent with and can adapt to new technology
- Independent and self-reliant
- View themselves as a marketable commodity
- When possible to do so, good at saving for their own retirement and college tuition for their children

GENERAL DESIRES
- Flexible work environment
- Freedom and time off rewards

BABY BOOMERS | BORN BETWEEN 1946 AND 1964

Baby boomers are the third largest population in the labor market.

GENERAL CHARACTERISTICS
- Technology is an acquired skill and prefer in-person communication
- Workaholic and loyal to employer; “live to work”
- View themselves as service-oriented and values teamwork
- May not have saved enough for retirement

GENERAL DESIRES
- Recognition: awards, job titles, and public appreciation
- Transition support help them understand their options and need/desire to keep working as they approach retirement

EMPLOYEE BENEFIT TRENDS

In light of the generational influences in the workplace, these are some benefit trends we expect to be leveraged in 2017:

FINANCIAL WELL-BEING
Previously, employers have focused on physical well-being such as healthy eating and exercise. While this will continue in an effort to decrease health care costs, well-being is expanding to include all facets of employee well-being including financial health. All generations can take advantage of and find value in financial investment, education, planning, and management for both short-term and long-term goals.

- Student loan repayment assistance
- Short-term loans offered through third-parties and payroll deducted
- Wealth management and investment education
- Debt reduction education and programs
- Employee discount program expansion
- Will and estate planning, health care directives, and funeral planning

- Employer-funded college grant programs
- College savings education such as 529 Plan options
- Retirement transition assistance: Medicare education, financial planning
- Identity theft/cyber security benefits

INNOVATIONS IN HEALTH CARE

Prescription drug costs and overall health care spend continues to rise. Employers continue to seek ways to inform, engage, and assist employees and their families to get the most cost effective care.

- On-site (employer) clinics
- Teledmedicine/virtual online care
- Consumer cards for discounts on prescriptions
- Pharmacy management solutions
- Health advocacy/navigators

- Worksite benefits such as critical illness and accident insurance that supplement the group medical plan to assist with out-of-pocket costs not covered
- Mobile applications to compare health care costs

FAMILY FRIENDLY POLICIES AND BENEFITS

The federal Family and Medical Leave Act (FMLA) currently allows eligible employees who work for a covered employer up to 12 weeks of unpaid leave for mothers and fathers following the birth or adoption of a child. While the leave is job-protected, because it is unpaid, many are financially unable to take leave.
Especially in the technology and professional services industries, family planning is an area to watch. Both women and men who have delayed, or chose to delay starting a family to focus on their careers are now seeking employers with generous family planning and family-friendly benefits.

- Paid Family Leave (maternal and paternal)
- Employer-paid or subsidized In-Vitro Fertilization (IVF) benefit
- Employer-paid or subsidized female egg freezing
- Au pair, nanny services, sponsored back-up childcare services
- Eldercare resources and services

TECHNOLOGY
Human resources technologies will continue to evolve and improve, enhancing the employment experience. Accessible employment and benefits information will be necessary to keep employees engaged and informed about their benefits on-demand. Employees will expect the same "consumerism" approach to employment as they do in other facets of their life.

- Employee self-service for benefits enrollment
- Employee kiosks to access employment and benefits information
- Virtual video workplace tours for candidates
- Wearable health technologies
- Mobile applications for timekeeping, benefits, and performance management

WORK/LIFE BLENDING
Work/life blending continues to be a challenge even for those who telecommute or have flexible work hours. Employers who recognize this and can innovate culture-appropriate ways to keep employees engaged will be ahead of those who rely on only "traditional" benefits. Benefits and perks that blur the lines between individuals’ interests at home and work and provide ways for employees to collaborate in new ways can often provide the most return with the least financial impact. Employers can choose to offer the service or provide an employee subsidy.

- Flex time, job sharing, paid sabbaticals, and cash for vacations
- “Funnovation.” On-site gaming, music, fitness or nap rooms
- Employer-sponsored fitness leagues
- Dog-friendly workplace and pet sitting/walking services
- Employer-paid volunteer hours and scheduling
- On-site community garden
- Unlimited PTO and increased number of company-paid holidays
- Concierge and cleaning services

NAVIGATING THE TRENDS
With the ever-changing state of the legislative and job market landscape, in addition to the number of benefit offerings and plan designs, it can be difficult to determine which benefits provide the most return on investment. It helps to have a trusted resource that understands your business and culture and can assess which trends would bring employees value. Marsh & McLennan Agency has the expertise needed to navigate the nuances of implementing total rewards strategies for your employees – your most valued asset.

For further information, please contact your local Marsh & McLennan Agency office or visit our Website at www.MarshMMA.com.