



The Growing Importance of the Workplace

Results from the **Sixth Annual Study of Employee Benefits: Today & Beyond** indicate that consumer confidence and financial concerns have not improved significantly since the recession. Unfavorable economic conditions contribute to worker concerns focused on immediate needs such as job security and being able to pay the bills.

Important long-term needs such as having financial security if a wage earner can no longer work due to a disability or serious illness, needing to save for retirement, having a financial plan for achieving major financial goals, and having financial security in the event of a premature death continue to fall out of the spotlight, as workers continue to focus on the short term.

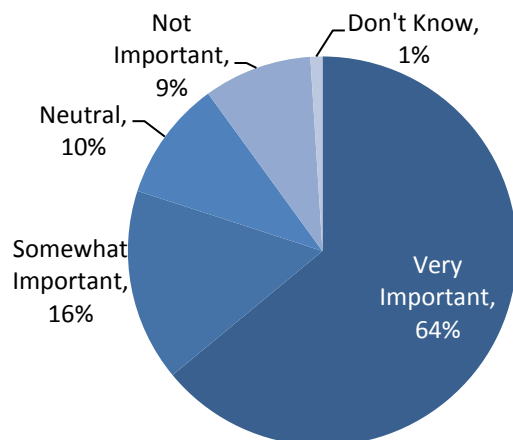
- Fewer than two in three plan participants cite these concerns as “highly important” this year.

In the midst of continued economic uncertainty, the workplace has emerged as an important source for personal insurance and savings products.

- Three in 10 plan participants say it has increased greatly.
- Almost half (47%) report some level of increase in importance.
- Only 10% report that the workplace has decreased in importance on some level.

When asked to rate the importance of the workplace as a source for personal insurance and savings products currently, almost two-thirds (64%) of plan participants rate it as a “very important” source. Combined with those who rate the workplace as “somewhat important,” this group grows to 80% who view the workplace as an important source for these products.

Importance of Workplace as Source for Personal Insurance and Savings Products Percentage of Plan Participants





Employees already rely heavily on the workplace for many personal insurance and savings products.

As part of the competitive landscape for attracting employees, most employers offer certain benefits such as medical insurance.

- For plan participants in this survey, medical, dental, and disability insurances are mainly provided by employers (over 90%).
- Home and automobile insurance and banking products are purchased largely outside the workplace (greater than 95%).
- When it comes to life and long-term care insurance, the workplace is more often the place where they are purchased. But these products are also purchased outside of the workplace in many cases (38% for life insurance and 14% for long-term care insurance).

Education and communication are essential in making benefits a competitive advantage.

Perhaps more important than offering a competitive benefits package is making sure employees understand those benefits and their value. An employer can offer the best benefits in the industry, but unless their employees understand how those benefits work and what their value is, then the benefits are most likely underappreciated and overlooked.

**Importance of Needs and Concerns vs. Importance of Employee Benefits
Percentage of Plan Participants Saying “Highly Important”**

Need and Concern	Highly Important	Benefit	Highly Important	Gap
Having financial security if a wage earner can no longer work due to a disability or serious illness	63%	Disability Insurance	41%	-22%
Having financial security in event of a premature death	50%	Life Insurance	40%	-10%

Plan participants were asked about the importance of various financial needs and concerns as well as the importance of specific employee benefits. Gaps in perception are seen when comparing responses.

- Nearly two in three plan participants identify having financial security if the wage earner can no longer work due to a disability or serious illness as “highly important;” yet only two in five rate disability insurance as “highly important.”

Similarly, 50% of employees rate having financial security in event of a premature death as “highly important” to them, yet only 40% cite life insurance as a “highly important” benefit— a 10-point gap

Determining the best and most effective method of communicating with employees is essential.

When plan participants were asked which ways their company currently communicates benefits information with them, email at the workplace was the top response (65%), followed by group meetings during the work day (56%) and mail received at home (52%).



- These three methods are also the most preferred by employees, named by 55%, 49%, and 39% of plan participants, respectively.

Yet, for several methods, preference scores are greater than current exposure: individual, one-on-one meetings during the work day; email received at home; webinars; a video, CD-ROM, or DVD presentation of benefits information; and individual, one-on-one meetings during non-work hours. It's clear that employees would like to see more communication in these ways.

- These methods seem to have two common traits: they are more personalized (individual meetings) and/or more convenient (webinars and online presentations) for employees.

Plan participants who cite their benefits communications as "highly effective" are more likely to say their company uses most methods of communication, as compared to those who cite their benefits communication as "neutral/not effective." For most methods, we see about a 20-percentage point gap between the two groups.

This is the first in a series of five key point documents that highlight the major findings from Prudential's **Sixth Annual Study of Employee Benefits: Today & Beyond**. The research was conducted via the Internet during April and May of 2011 and consists of three distinct surveys:

- A Plan Sponsor Survey among 1,500 benefits decision-makers
- A Plan Participant Survey among 1,200 full-time employees age 22 or older, who work for a company with at least 50 benefits-eligible employees
- A Broker/Consultant Survey among 744 group employee broker/consultants who work full time for a company with at least 50 employees

The research was conducted for Prudential by the Center for Strategy Research, Inc., an independent Boston-based market research firm.

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