

## ▶ PRUDENTIAL'S NINTH STUDY OF EMPLOYEE BENEFITS: TODAY & BEYOND THEMES

Prudential's Ninth Study of Employee Benefits: Today & Beyond is an informative and actionable tool that can help support your efforts in the ever-evolving group benefits marketplace.

The study is the result of three distinct surveys\* that Prudential Group Insurance (Prudential) conducted in June and July 2015—one among employers, another among employees, and the third among group employee benefits brokers and consultants.

The trends that emerged from these surveys shaped the study's five themes:



### 1. Current Landscape: Broker and Employer Objectives and Strategies

- ▶ The most important objectives to brokers' businesses continue to relate directly to retaining current business and improving productivity and efficiency.
- ▶ The most important employee benefits objective for employers is controlling health care costs, followed by employee retention and employee health.
- ▶ Reducing group benefits costs is the top priority for non-health care group benefits over the next two years.



### 2. Return-to-Work Programs Are More Than a Cost-savings Strategy

- ▶ Employee benefits brokers and consultants report seeing more employer investment into return-to-work programs than they did five years ago.
- ▶ Over 60% of employers reported their return-to-work programs as being highly effective in positively effecting the morale of impacted employees, as well as highly effective in helping to retain employees in the long term.
- ▶ Sixty-five percent of employers say they are not or do not know if they are measuring the ROI of their programs, yet most are able to report on the effectiveness.



### 3. Voluntary Benefits: Here to Stay

- ▶ Employee benefits brokers and consultants believe the demand for voluntary benefits will increase a great deal over the next five years.
- ▶ More than half of employers expect to increase their voluntary product offerings over the next two years.
- ▶ More than three-fifths of employees say offering voluntary benefits increases the value of their company's overall benefits program.



#### 4. Employee Financial Wellness and the Role of the Workplace

- ▶ The workplace continues to be the primary source for employees to obtain a majority of their insurance products.
- ▶ Over 40% of employees said they are not prepared to handle expenses if they become disabled, outlive assets in retirement, or experience out-of-pocket expenses in the event of a critical illness.
- ▶ Forty-five percent of employees said they would use their savings if they were to incur an out-of-pocket medical expense of \$10,000.



#### 5. Employee Benefits and Enrollment Communication

There is room for improvement when it comes to benefit enrollment communications:

- ▶ Forty-two percent of employers and 39% of employees say their benefits communication is highly effective in helping employees make the right choices based on their personal and family situations.
- ▶ Forty-seven percent of employees spend less than an hour on their benefits enrollment decisions, with more than half that time being spent on medical benefits decisions.
- ▶ More employee benefits brokers and consultants are beginning to recommend having more than one enrollment period over the course of a year for different benefits.

Prudential is happy to partner with you. If you have feedback on this report, or would like some ideas about putting it to work in your business conversations, please contact your Prudential representative.

#### \*Survey Methodology

The year's study was conducted for Prudential by Center for Strategy Research (CSR) in conjunction with Oxygen Research. The surveys were conducted online using panels supplied by Research Now and fielded from June 1 - July 1, 2015.

#### Overview of Employer Survey

Employer results are based on a national survey of 1,039 employee benefits decision makers. Respondents included business executives, business owners, human resources professionals, and financial management professionals. The survey sample covers all industries, including government, and is nationally representative of all U.S. businesses with at least 50 full-time, benefits-eligible employees. Data shown in this report is weighted to reflect the actual proportion of U.S. businesses by company size, industry, and region based on data from the U.S. Census Bureau.

#### Overview of Employee Survey

Employee results are based on surveys conducted among 959 employees, ages 22 or older, who work full-time for a company with at least 25 employees. The survey of employees was conducted during the same time period as the employer and broker surveys. The survey sample is nationally representative of all U.S. workers at companies with at least 25 full-time employees. Data shown in this report is weighted to reflect the actual proportion of U.S. workers by gender, region, race and ethnicity, education level, household income, and age based on data from the Bureau of Labor Statistics and the U.S. Census Bureau.

#### Overview of Broker Survey

Broker/consultant results are based on surveys conducted among 484 insurance professionals. Screening criteria ensured that these professionals spend a large portion of their time selling and servicing employers.

Group Insurance coverages are issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ.

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