

# Beyond medical:

Why small business owners offer added  
benefits — and how they do it



# Beyond medical

**Providing medical benefits — and then adding to their company’s offering — is something the owners of Eugene, Oregon-based Ninkasi Brewing Company have prioritized since they started the company 10 years ago.** The small brewery began with basic medical, dental and vision, and have since added everything from disability and life insurance to pet coverage.

Cheryl Collins, the company’s Chief People Officer, says these benefits make an important statement. “People don’t have to choose to work here — they have lots of options,” she says. “We see our benefits as a way of saying, ‘Thank you for choosing us.’” For many small business owners, offering their employees basic medical benefits is a major first goal. In fact, nearly half of all small firms offer health benefits, according to a recent study by the Kaufmann Family Foundation.<sup>1</sup>

Yet with many companies offering robust benefits packages, basic medical can feel, well, basic. So for various reasons — from wanting to better compete for talent to eliminating barriers to work — small business owners are expanding their employee benefits programs.

The good news: Adding benefits such as, dental, vision, disability, life insurance and more doesn’t have to break the bank. Instead, small business owners say there are many ways to grow benefits programs to better serve employees — it just takes a little listening and a long-term view.

# Attracting the best and brightest

When it comes to recruiting and retaining employees, benefits matter — perhaps more than you think. Fifty-five percent of employees say they consider affordable benefits more important than salary while job hunting, according to a 2015 CareerBuilder survey.<sup>2</sup>

## Offer benefits? Job applicants want to know

The most important things candidates want to see in a job posting<sup>3</sup> include:

Salary



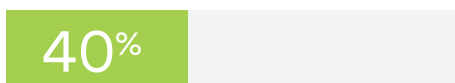
Total benefits package



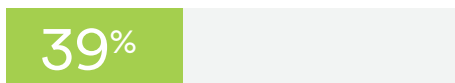
Employee ratings



Contact info of hiring manager



Work from home options



Attracting new employees was top of mind for Bill Carr, the CEO of Jacksonville, Florida-based Retirement Strategies, Inc. as he reviewed his company's benefits this past year. Carr and his partners all came from big financial firms, where robust benefits packages were the norm. When they began thinking about a succession strategy that involved recruiting younger advisors, they knew benefits would likely be a big part of the draw.

"We wanted to bring in people who were in their young 30s, and who would be interested in working with us for a long period of time," Carr says. "Then as we began to hire young professionals, we realized that they were often the primary breadwinner in their families and they needed more benefits from us."

Carr's firm, which has 13 employees, has long offered its staff basic medical and disability insurance. But now in order to compete for the talent they wanted, the firm needed "a benefits package that looked more like what you find at bigger firms," he says. Carr worked with a broker who specialized in benefits for financial service firms. In mid-2016 his company implemented a full suite of benefits that now includes dental, vision, HSA plans and even commuter savings options.

The company continues to pay for 50 percent of its employees' medical benefits, funds \$20,000 in life insurance for every employee and covers the full cost of short and long term disability insurance. Employees also have the ability to choose and pay for additional benefits that the company makes available, but doesn't cover. And the firm is able to keep their costs nearly the same.

"The staff is thrilled," Carr says. "For us to attract the kind of employees we wanted, this was definitely necessary."

# 55%

of employees consider affordable benefits more important than salary while job hunting.

# Keeping the staff satisfied

Collins joined Ninkasi five years ago, when the brewer employed about 45 people. The staff has since grown to 110, and Collins says that Ninkasi's commitment to regularly reviewing and adding to their benefits has really helped retain their people.

## How do your benefits stack up?

According to MetLife's 14th Annual U.S. Employee Benefit Trends Study, small business<sup>4</sup> employees see the following benefits as "must-haves:"



59%

401k (or other retirement plan)



53%

Dental Insurance



53%

Life Insurance



37%

Vision Care Insurance



32%

Long Term Disability Insurance



29%

Short Term Disability Insurance

"Not only do we want to attract the best, but we also want to take care of the staff we have," Collins says. The company expanded its benefits beyond basic medical about five years ago, adding in dental coverage, short and long term disability, life insurance and flexible spending accounts. Ninkasi also provides less traditional benefits such as pet insurance, subsidized produce boxes from local farms and free iPhones.

The brewery highlights the total value of their benefits in the offer letters they send prospective hires and then spends time teaching the staff how to make the best use of them. Ninkasi also surveys their staff annually about employee benefits. Perhaps as expected, Ninkasi employees routinely report via the survey that they view their benefits package as strong, and they tell Collins the same.

"Our belief is that we want to perpetuate better living, and if our employees are taken care of and they have options, then they're more apt to succeed," she says.

Maggie Hubbell, president of Agency Revolution, a Bend, Oregon-based firm that provides marketing and communication software for insurance agents, has continued to expand her company's benefits for similar reasons. The company offers basic medical, but also vision and dental coverage, life insurance for their key officers and a flexible spending account for health and childcare expenses.

"With a lot of these benefits it's not even a question — if we can offer it, then why wouldn't we?" Hubbell explains. "Employees get really excited about our benefits, and we want to make this a place that they want to be."

# Eliminating barriers at work

For Kevin Kent, the chief operating officer of Chicago-based ReviewTrackers, a company that helps businesses monitor, manage, and generate online reviews, part of the motivation for offering a robust benefits package comes from a more personal place.

## Financial worries interrupt work days

Money worries plague many workers, and often those concerns can be a distraction from work, according to the *MetLife Employee Benefit Trends Study*.

# 59%

of employers agree that employees are less productive when they're worried about personal finance problems.

# 60%

agree that benefits actually enable productivity.

# 46%

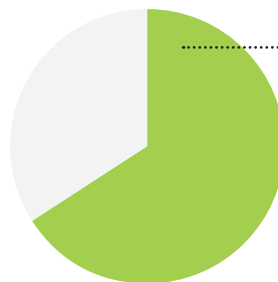
of employees who are financially distressed believe they are less productive because of their money worries.

"I've been diabetic for about 16 years, and I know more than anyone should about the medical system, and the stress that insurance and lack of benefits can cause," he says. "We wanted our employees to be comfortable and to be able to focus on doing the best work of their career as opposed to worrying about their health or medical bills."

Kent's concerns aren't just his — consider that two-thirds of Americans report they would have trouble coming up with \$1,000 to cover an unexpected medical or other crisis, according to an annual poll by The Associated Press.<sup>5</sup> In an effort to minimize potential stress for ReviewTrackers employees, Kent asked the company's insurance broker to provide "as much as he could get us."

The benefits package for the company's 32 employees includes medical, short- and long-term disability, vision, dental, transportation benefits, telemedicine and more. Kent views these added benefits as a cost of doing business — the company covers 100% of its employees' premiums.

And the additional offerings make a big difference to the staff. "I've had people specifically tell me that our benefits package was something that weighed into their decision to come here — it wasn't an afterthought, but instead right up there with salary and culture," Kent says.



## Two-thirds

of Americans report they would have trouble coming up with \$1,000 to cover an unexpected medical or other crisis.

# How you can move beyond medical

Providing a robust benefits plan is possible for small businesses. The key is taking a thoughtful approach, and then regularly evaluating your benefits strategy to ensure it's achieving your goals.

Here are some tips to help you go beyond medical and create a benefits package that suits your company's needs:

## 1

**Talk to your employees.** "Find out what your staff wants," Collins, with Ninkasi, advises. "You might be surprised at what's important to them, and you want them to buy into the benefits and make use of them."

---

## 2

**Take a long-term view.** Work with your broker to assess the right mix of employer and employee-paid options carefully. As your company grows, the cost of benefits will too, so add them thoughtfully.

---

## 3

**Don't break the bank.** You may not be able to pay for a lot of additional benefits, but you can find creative ways to offer them to your employees. Talk to your broker to see what can be made available in your program, whether you pay for part of it or simply provide it to your employees as a self-pay option.

---

## 4

**Revisit your plans annually.** Circle back with your employees once a year. Ask them what benefits they're using, and which ones they're not. In some cases, you may simply need to educate your staff on how a certain benefit, such as short term disability or life insurance, works. Also, connect with your broker to keep him or her updated on your staff needs and learn about new options.

As a small business, your employees are your lifeblood. Find ways to expand your benefits package and you'll attract, retain and take better care of the people who make your business a success.

1. "A Comparison of the Availability and Cost of Coverage for Workers in Small Firms and Large Firms: Update from the 2015 Employer Health Benefits Survey." Kaufmann Family Foundation, February 2016.
2. "Finding a New Job Among New Year's Resolutions at Work." CareerBuilder, January 2015.
3. "New CareerBuilder Study Unveils Surprising Must Knows for Job Seekers and Companies Looking to Hire." CareerBuilder, June 2016.
4. MetLife defines small businesses as those with 2 to 99 employees.
5. "Two-thirds of U.S. Would Struggle to Cover \$1,000 Crisis." The Associated Press Poll, May 2016.

[metlife.com](http://metlife.com)

---

