

MetLife



THE MILLENNIAL BENEFITS PERSPECTIVE

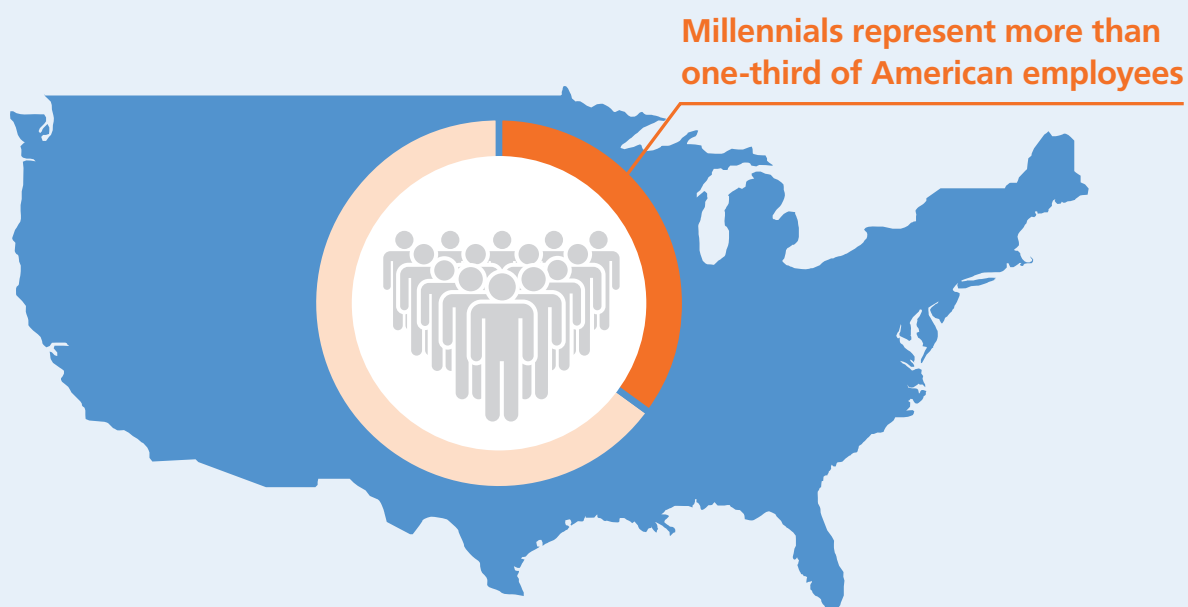
Turning Stereotypes Around

THE MILLENNIAL BENEFITS PERSPECTIVE TURNING STEREOTYPES AROUND

According to the U.S. Census, Americans born between 1982 and 2000 — also known as Millennials — represent more than one quarter of the nation’s population at a number of 83.1 million. Their size exceeds the 75.4 million Baby Boomer population and they have now surpassed Generation X to become one of the largest demographic groups in the American workforce.¹

With more than one-third of today’s American employees being a Millennial, understanding how this generation thinks and behaves in the workplace is crucial to many aspects of a business’ success — now and in the future. The 14th Annual *U.S. Employee Benefits Trends Study* takes a deep dive into the Millennial attitude on benefits and financial well-being. And while much has been researched and written on this topic, MetLife’s study found that analyzing Millennials based on one general profile does not do justice to the differences in attitudes among this generation.

Visit [BenefitTrends.MetLife.com](https://www.benefitTrends.MetLife.com) for additional findings, more insights and helpful resources from MetLife’s 14th Annual *U.S. Employee Benefit Trends Study*.



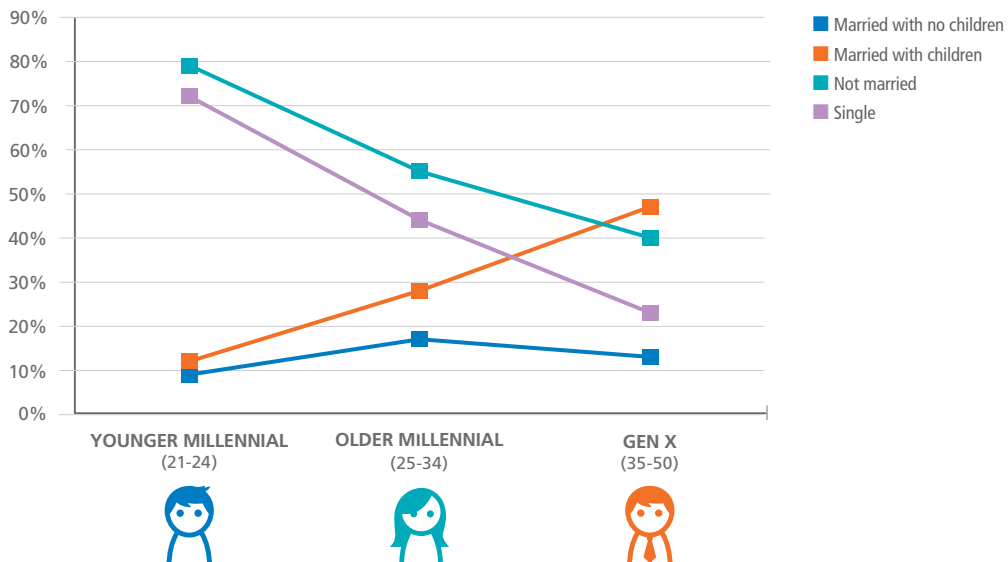
¹ “Millennials Outnumber Baby Boomers and Are Far More Diverse, Census Bureau Reports.” United States Census Bureau; June 25, 2015.

A Look at Logistics

There is an 18-year age difference between the oldest and the youngest Millennials. Ages range from approximately 16 years old, to early thirties, with the oldest being 34 years old. Perspectives, life experiences and attitudes vary widely and cannot be looked at holistically when it comes to assessing attitudes towards benefits. For this reason, the Study looks at the portion on the generation entering the workforce (21-24 years) along with their older counterparts (25-34 years), the Younger Millennials vs. the Older Millennials.

Highlighting some selected demographics, like marriage status and living arrangements, helps lay the groundwork for establishing the differences among the generations that were surveyed. It's important to note that marital status, specifically married with children, increases significantly between Younger Millennials and Older Millennials (12% to 28%), and then jumps to 47% for Generation X. While this is an intuitive life progression amidst the generations, marital status also impacts attitudes and decision-making. Decisions around benefits can be more significant when there are children involved. Benefits are an important motivator for improving financial wellbeing.

Millennial marital status

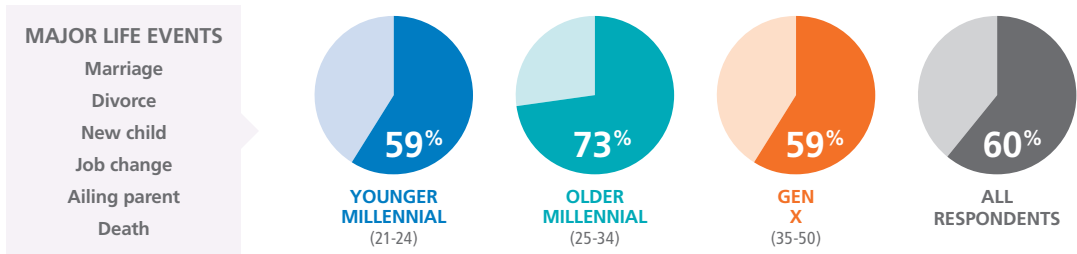


When it comes to living situations, 47% of Younger Millennials, 70% of Older Millennials and 79% of Generation X say that they reside with a spouse or partner. The percentage of both Millennials and Gen X-ers living with children under age 18 also increases at a similar rate. This sets up fundamental differences in life stages between the Younger and Older Millennials and also shows how close in circumstances the lives of the Older Millennials are in comparison to the Gen X-ers.

Growing Up and Getting Real

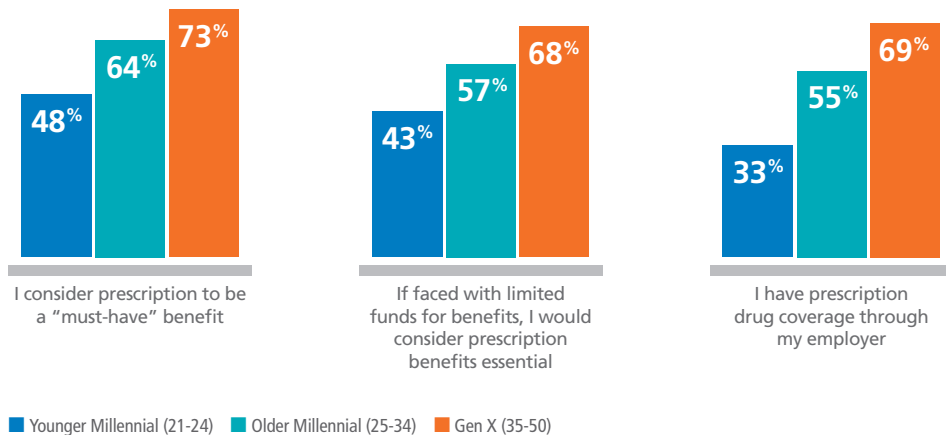
Life events such as marriage, divorce, children, change of employment, death or caring for an ailing parent have a considerable impact on workplace benefit selections. They play a substantial role in driving attitudes and behaviors of employees. Many of these events transpire during certain life stages — with younger and older members of a particular generation experiencing them at different times of their life. The triggers for benefit decision-making is quite different for Younger Millennials than the older members of the generation. For example, 59% of Younger Millennials said that these types of life events impact their benefit decision-making. That response increases to 73% for Older Millennials, a significant statistical difference of 14 points. This suggests that Older Millennials are making more family-focused benefit decisions as they are immersed in a life stage full of impactful changes.

Impact of life events on benefits consideration



More specifically, when it comes to must-have benefits, Older Millennials and Gen X-ers have greater needs than Younger Millennials. For example, prescription benefits become increasingly more important as the age of the workforce increases. Forty-eight percent of Younger Millennials consider prescription coverage a must-have benefit, compared to 64% of Older Millennials and almost three-quarters of Gen X-ers. With Older Millennials and Gen X-ers being the majority of those supporting a household with children, this further plays in to life stage and life events driving needs and considerations.

Employee perceptions of prescription benefits

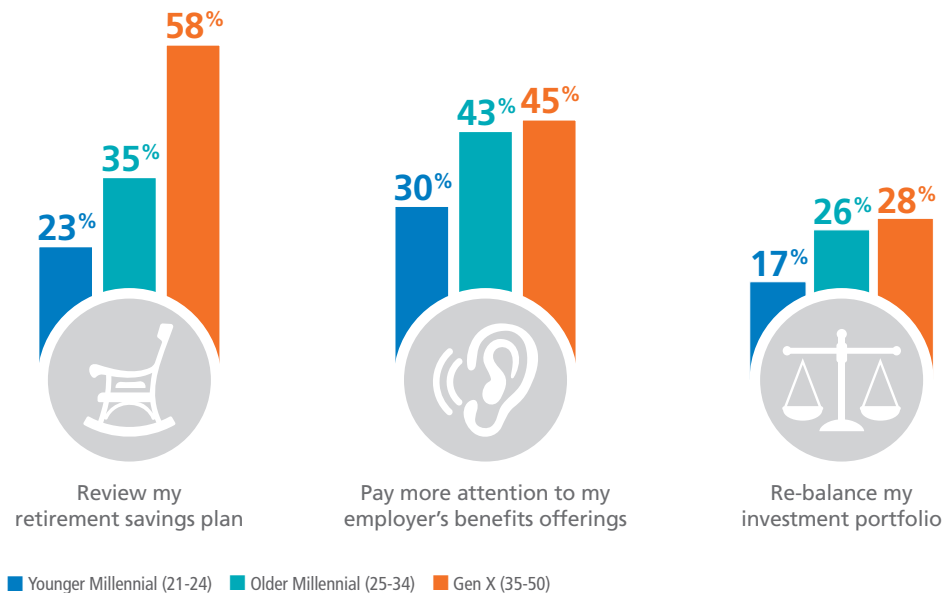


Ready to Commit

Much of what has been written about Millennials in the workplace supports a generation constantly on the look-out for the next best career opportunity without much thought to committing to one employer or to their financial security. While this behavior may exist for some Millennials entering the workforce, the study shows a different picture emerging as well.

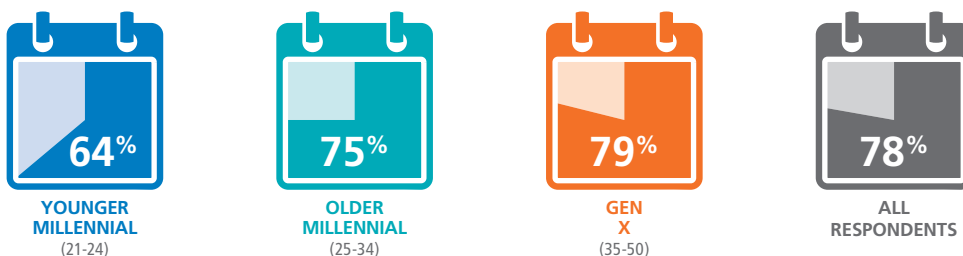
Older Millennials are taking the security of their financial futures very seriously. They are reviewing their retirement savings plans, re-balancing investment portfolios and paying more attention to their employers' benefits offerings. They also acknowledge that certain benefits, such as short and long-term disability, can play a role in reducing their financial stress.

Employees are taking steps to secure financial future



Furthermore, the majority of all Millennials are quite committed to their jobs. In fact, 64% of Younger Millennials say that they intend to still be working for the same organization in 12 months' time. This statistic increases to three-quarters of Older Millennials who feel the same.

I intend to still be working for my organization in 12 months' time



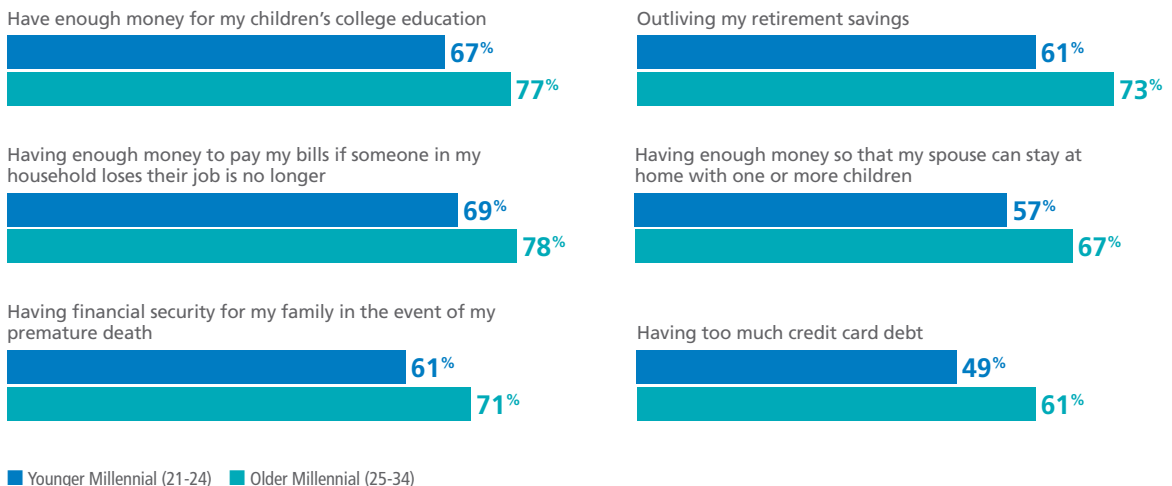
Benefits may help drive more than just loyalty too. A similar picture emerges when looking at their commitment and motivation. Of the Younger Millennials surveyed, 59% feel committed to their organization's goals, vs. 72% of the Older Millennials. This percentage drops slightly for the Gen X-ers in the workforce. Over half of Younger Millennials say that working for their employer motivates them to do the best work possible — 66% of Older Millennials say the same. When asked whether they're motivated by their employer to contribute more than is normally required in their work, the same trend in response occurs.

Employee commitment and motivation



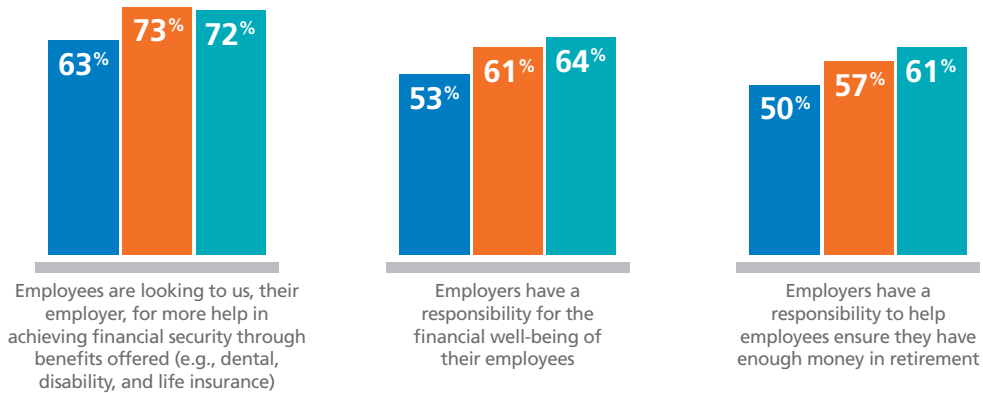
Previous MetLife EBTS study results correlate loyalty and commitment to benefits that help ease concerns about financial well-being. It's no surprise that financial concerns are heightened with the additional responsibility of a partner or a child. Older Millennials are most likely to be at a phase in their life where they are facing those responsibilities and suddenly have a myriad of concerns to consider. Is there enough money for their children's college education? How are bills going to get paid if someone in the household loses their job or is no longer able to work? As Millennials are faced with having to answer some of these questions, there is a renewed appreciation for the benefits they receive.

Employee concern over financial well-being



Employers play a role in creating a workforce of loyal and engaged Millennials, as well. Retaining Millennial employees is high on employers' radar screen, and most do agree that they have a responsibility to help their employees become more financially secure through benefits. There is, however, a significant shift in attitude when it comes to employers feeling the same way towards their employees' general financial well-being and ensuring they have enough money for retirement. Past research shows that Millennials like this caring approach, and employers may benefit from greater Millennial loyalty if they broaden their attitudes and scope of responsibility.

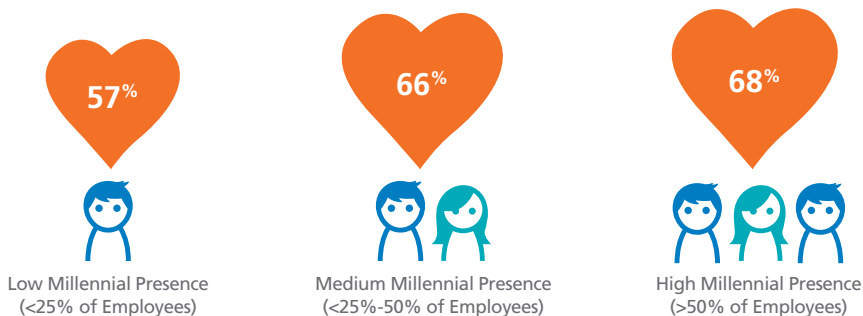
Employers' agreement on responsibility



■ Low Millennial Presence (<25% of Employees) ■ Medium Millennial Presence (<25%-50% of Employees) ■ High Millennial Presence (>50% of Employees)

The focus on employee loyalty is significant internationally as well. Employers with expatriate employees outside the states consider loyalty an important factor in their benefit offering — 57% in companies with a low Millennial presence, 66% in companies with a medium Millennial presence and 68% in companies with a high Millennial presence.

Loyalty is also an important benefit strategy to employers with international employees

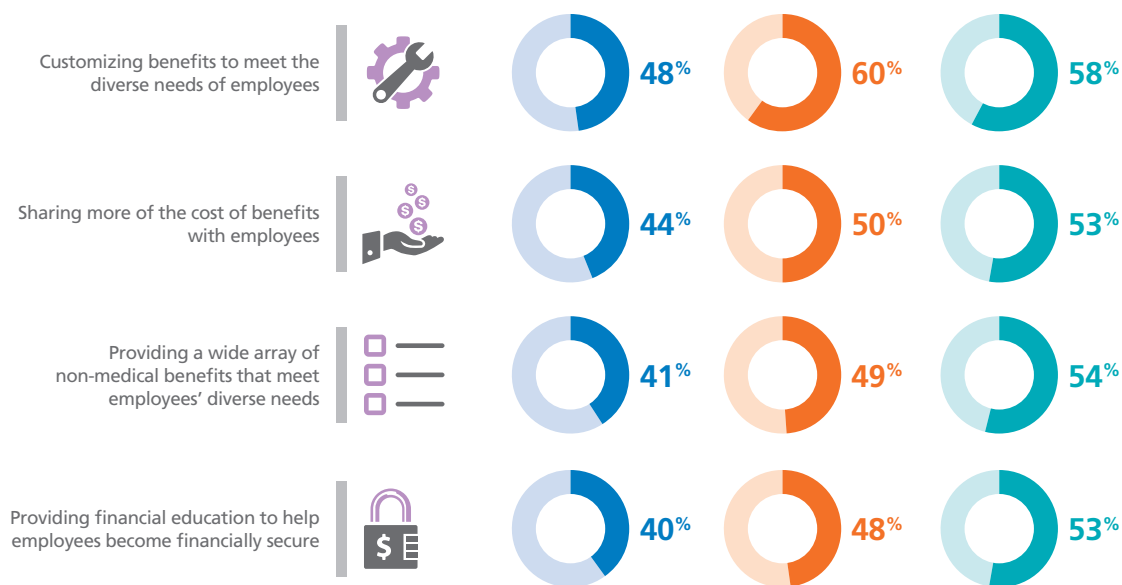


Sometimes it is “All About Me”

Millennials, in general, are looking for benefit solutions as unique as they are. The types of benefits they are looking for to meet their personal and professional needs vary widely as previous MetLife EBTS studies have shown. Employers are taking notice and understand that a wide array of customizable, non-medical benefits is important, but there is room for some improvement.

When it comes to customization and providing a diverse range of non-medical benefits that meet employees’ needs, companies with a high Millennial count are much more willing to accommodate these broader ranges of benefits than their counterparts with a low Millennial presence. The differences are staggering — 13% for those offering a wide-array of benefits and 10% for those willing to customize them. It is interesting to note that companies with a medium mix of Millennials in their work force are most accommodating, with 60% willing to customize benefits to meet the diverse needs of their employees across all age groups.

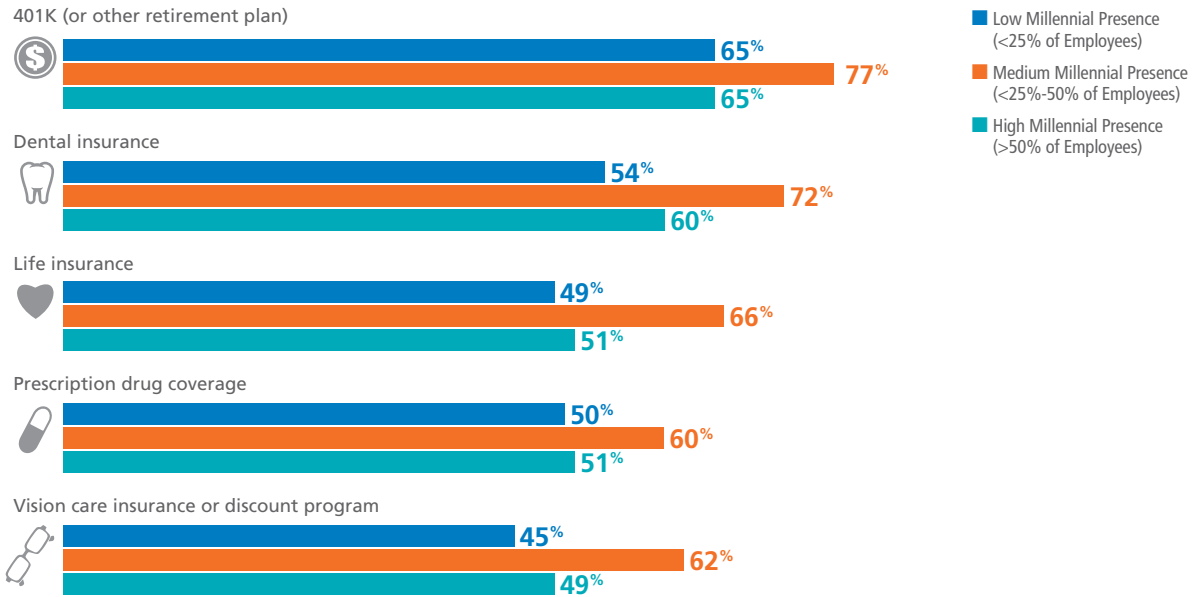
The importance of different benefit strategies



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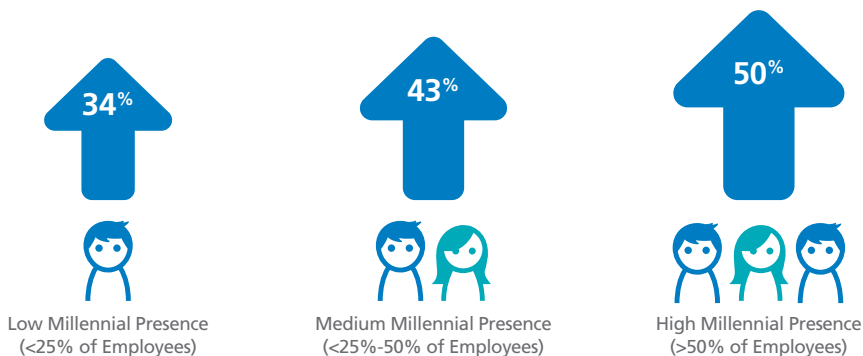
Companies with medium mix also offer the most benefits and are more likely to provide elemental non-medical benefits such as 401K, dental, life, prescription drug and vision care insurances than the low and the high presence Millennial employers. Since these companies have a diverse spread of generations, they may be more likely to take the wants and needs of all generations (not only Millennials) into account.

Difference in employer offerings of non-medical benefits



However, companies with relatively more Millennials are more likely to increase the number of non-medical benefits offered to employees in the next 1-3 years — 50% compared to 34% of companies with a low Millennial presence and 43% of those with a medium presence. This is a valuable find that brokers and enrollment firms can leverage as they prepare employers and employees for the next enrollment season.

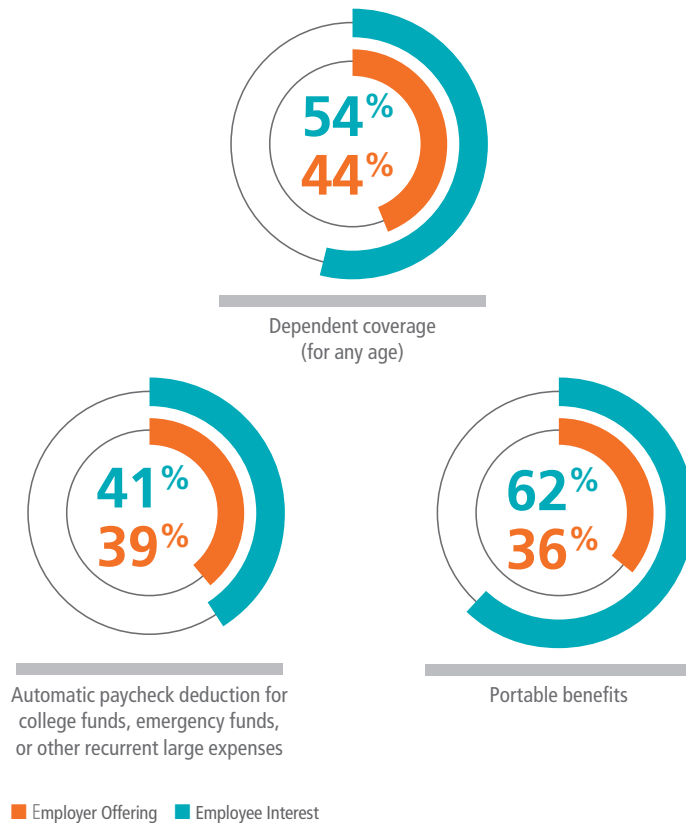
Employers planning to increase benefits offering



The same holds true for other benefits such as wellness programs, automatic re-enrollment and offering single carriers for multiple benefits. Employers with higher Millennial populations are more likely to offer these options and benefits of interest to Millennials.

There is room for growth with additional benefit options. Fifty-four percent of Older Millennials say that they are interested in dependent coverage and automatic payroll deduction. They are also more interested in portable benefits than Younger Millennials. Yet, some employers are not yet offering these types of programs or benefits.

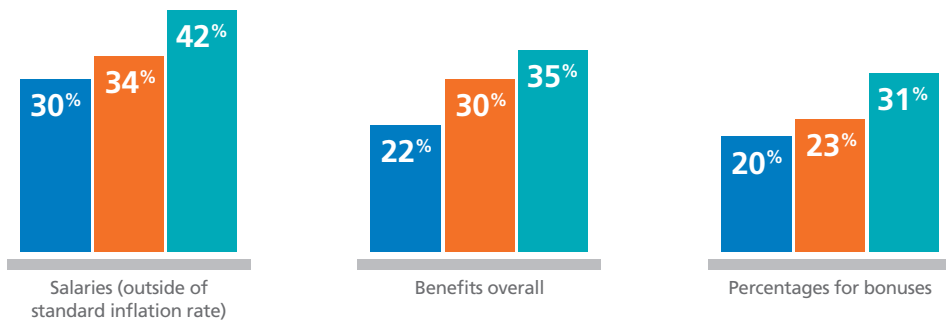
Employer offering vs. employee interest (among employers with high Millennial populations)



Make Change Personal

Companies with more Millennials have made significant effort to adapt their benefits. They are actively assessing and have even made changes to salaries (30% of low count Millennials companies vs. 42% of high count Millennial employers). Similar patterns surface when employers were asked whether they had increased overall benefits and the percentage for bonuses. These are all indications that employers with high Millennial counts are increasingly vested in providing the right mix benefits for their workforce — fostering commitment, engagement and ultimately the retention of Millennials' talent and skills.

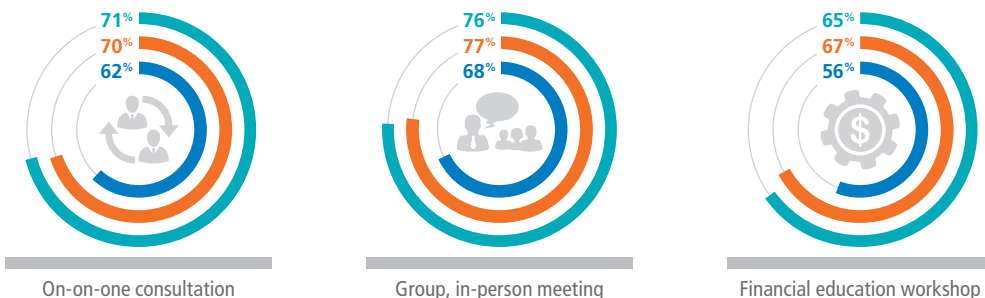
In the past year, where has your company made changes?



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The addition of personal assistance proves valuable to Millennials as well. One-on-one consultations, in-person meetings and workshops are excellent ways for employers and brokers to reach the Millennials and provide the type of individualized support they seek. Millennials are known for their interest in discussing important career and benefits decisions with loved ones. In fact, data shows that 60% of Millennials consult with their families and friends when learning about benefits, further indicating that personal interaction is preferred over electronic consumption. This type of consultation prior to enrollment is a concept they embrace and warmly welcome. Employers also agree that personal assistance is beneficial in helping employees understand their financial needs, options and solutions.

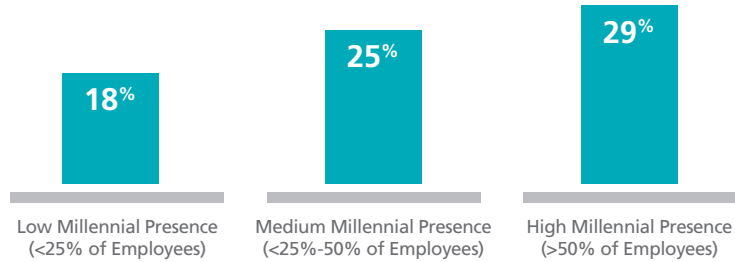
How valuable are the following types of consultation for employees?



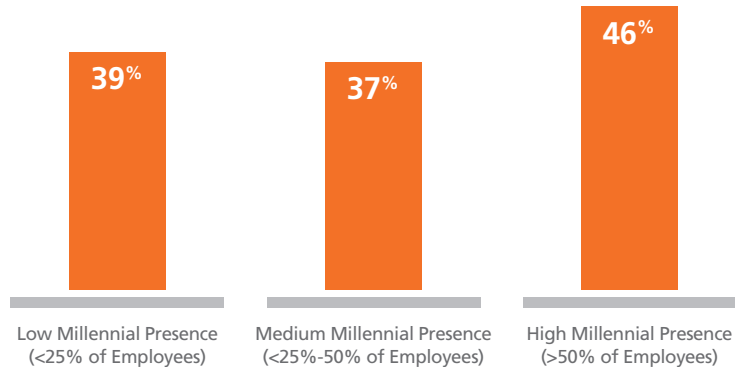
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Not all change is cost-effective for all employers. Moving benefit selections to exchanges may be a good solution and is becoming increasingly more common among employers with large Millennial populations. There is, in fact, quite a difference between those companies who have added the option to enroll for benefits through an Exchange — 10% between those with high vs. low presence of Millennials. Those companies with higher populations of Millennials also plan to move more employees to exchanges in the next two to three years.

Employers that have added exchanges in the past two years



Employers planning to move more employees to exchanges in the next two to three years



Conclusion

Not all Millennials in the workforce are the same, and most are defying cultural stereotypes and stigmas of their generation. By segmenting the generation and looking at the Younger versus the Older Millennials, EBTS portrays a new picture of the Millennial employee. Attitudes and behaviors can vary drastically among this generation and it is important for employers, brokers and enrollment firms to keep this in mind as they look to build benefit strategies to attract and retain talent. Helping Younger Millennials understand and appreciate benefits relevant to their career and life stage is as important as providing Older Millennial with benefits and tools they can adapt to their own life-changing events. A diversified approach will help ensure all Millennials are receiving the solutions they need.

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