Make It Real

Knowing Your Audience and the Appeal of Voluntary Benefits Can Help Your Clients Effectively Reach Generation Y

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At 27, an infection from a root canal put me in the hospital for six days. Although I was lucky enough to avoid surgery, I was left with the lingering bad taste of hospital food and $5,000 in out-of-pocket costs.

I often tell this story when selling voluntary benefits to Gen Y, our nation's youngest generation of employees—those typically born in 1980 or later. As a member of this demographic group myself, I know these workers understand bills, and they understand debt. And I also know the importance of "making it real" for Gen Y. They don't have experiences of their own to draw from, so you sometimes have to use personal examples to help them understand the need for financial protection.

How are you and your clients connecting with this segment of the workforce? Are you using the same old benefits strategies? If you are, it's probably time to take a fresh look at the unique benefits needs and preferences of this important demographic group.

Bigger than the Boomers, but Full of Financial Woe

In just two years, nearly half of the employees in the world will belong to Gen Y—outnumbering baby boomers and all other groups of employees at work in 2014.[1] Technologically savvy, these workers grew up with computers at home and school. They've spent the majority of their education working in groups, so they're adept at communicating and sharing information and ideas with their friends and peers.

But unemployment is rampant among these younger workers. Thirty-seven percent of 18- to 29-year-olds are currently unemployed or out of the workforce.[2] That's the highest share among this age group in more than 30 years. And they're not faring so well financially:

- Only 56% of those who work say they're covered by some form of health plan.[3]
- Just 58% pay their monthly bills on time.[4]
- Nearly 70% of Gen Y is not building up a cash cushion, and 56% of those who work admit they have not done anything to build retirement or financial security.[5]
- Credit card debt is high, with 43% carrying too much debt on their cards.[5] The average Gen Y holds three credit cards, with 20% of them carrying a balance of more than $10,000.[4]
- They are the least likely of any generation to own their own homes.[2]

Gen Y workers are woefully underinsured. They are the least likely working group to take advantage of workplace insurance—not just ancillary coverage such as life, disability, accident and long-term care insurance, but major health plans as well.[3] And even though they don't always purchase coverage at work, 60% of them list benefits as the second most important aspect of job satisfaction, behind job security.[6]

Voluntary Benefits Offer a Viable Solution

Don't let Gen Y workers use their age as an excuse not to protect themselves. Unexpected injuries, illnesses and disabilities can happen to anyone. Know how to relate to the younger generation of employees and help them get the protection they need.

Gen Ys want protection, but they also want to be able to meet their financial obligations comfortably. They need alternative benefits solutions that reduce their risk and give them the security and peace of mind they need. And they need affordable benefits.

Voluntary insurance plans allow employers to offer a cost-effective, expanded benefits package at little to no direct cost to them. Gen Ys choose the benefits that best meet their individual needs and typically pay for these products themselves, often through convenient payroll deduction. Individual voluntary benefits are owned by employees, so if they ever leave the company they can keep their coverage. This is important, considering two-thirds of Gen Y workers say it is very likely or somewhat likely they will switch careers sometime in their working lives.[2]

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Engage Gen Y with Communication and Education

The workplace continues to be Gen Y's most reliable source for benefits information, although they do not depend on it as much as their older colleagues do. They are significantly more likely than other generations to rely on family and friends. And, surprisingly, they are much less likely to rely on online resources than older workers are.[3]

Though Gen Y is rarely away from their mobile devices, don't be fooled into thinking impressive enrollment technology will lead to a sure sale. Just because they're young and you display the information on an iPad doesn't mean Gen Y employees will buy from you. Face-to-face, ongoing benefits communication helps the younger worker (and the older worker) better understand their benefits and overcome any objections and concerns they might have.

Keep your communication simple and easy to understand. Think in terms of brevity and to-the-point content, much like the information Gen Y gets online when searching for restaurants and movie reviews. Make sure your benefits education materials are formatted and shortened to suit the delivery channel, whether they're on the web, over social media platforms or mobile devices—all tools that Gen Y uses on an ongoing basis to access information.

By learning more about the benefits needs and preferences of Gen Y, you can make benefits relevant and real to today's younger employees. Learn how you can integrate voluntary benefits into your clients' workplace strategies to help them attract and retain this important demographic group. HIU

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