

# Voluntary Benefits Insights

## OK, Boomer: What you need to know to reach Gen Z with your benefits program

Veronica Pollock

Believe it or not, the millennial generation is starting to turn 40. That means they're no longer the youngest generation in the room.

In the past couple of years, we began seeing the first waves of Generation Z roll in. Born between 1996 and 2015, its eldest members are now graduating from college and launching their careers.

Some employers and brokers may make the mistake of overlooking Gen Z when it comes to preparing and presenting the workplace benefits plan. Because they're on their parents' health insurance plan, they'll wait until they turn 26 to enroll, right?

Not necessarily. Here are some things to know.

- ▶ Graduates of this generation are entering the workforce in a time of record employment, which means employers are rolling out competitive compensation and benefits packages. Even if they're not ready to enroll, they're paying attention.
- ▶ Gen Z workers in general are less likely to "job hop" than their millennial counterparts, because they prioritize a high-quality employer where they can let their careers take root.
- ▶ Taking a cue from the millennials before them, Gen Z feels just as empowered to ask their employers to give them what they want to grow their careers.

What this means is even if these employees are not ready to sign up for benefits, employers that offer them will present a much more attractive workplace. If the workplace doesn't have the benefits they want and need, they won't hesitate to look for a new job.

To meet the needs and expectations of this up-and-coming generation, voluntary benefits present a strategic option for the employer and employees. To grow enrollment, it's important to understand how to resonate with these Gen Z workers.

### Menu approach

The outdated approach to benefits administration is picking and choosing which benefits are best for the employees. To get traction with Gen Z, let them evaluate their options, so they can choose what best matches their lifestyle and priorities. Workplaces that offer voluntary benefits should give this group the means to make that choice at prices they can afford.

### Education

You may be Gen Z's very first encounter with workplace benefits and how they work. Whether they're waiting until they turn 26 or signing up right away, you'll want to make the most of your first impression.

To reach this group, make it a priority to develop a strong education component. It should include:

- ▶ Out-of-pocket costs
- ▶ What each benefit covers and doesn't cover



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- ▶ An explainer on essential terminology; for example, deductibles vs. premiums
- ▶ An emphasis on the value of the benefits. If they don't understand the potential return on investment, voluntary benefits will be seen as things that take a portion of their paychecks. It can help to use storytelling techniques to show how voluntary benefits offer wage protection and coverage for out-of-pocket medical expenses, and the case for voluntary benefits becomes all the more compelling.

## Technology

Unlike generations that came before, Gen Z are the true tech natives. A scant few remember the 1990s, so there are no wistful memories of the analog age. They live in a world where USB ports, Google and Wikipedia have always existed, and it was never a luxury to own a wireless phone. Not only are they comfortable with technology, they expect it to work in service of their needs. To see it through their eyes, consider the apps and websites you use for shopping, entertainment and managing finances, and evaluate how your benefits technology stacks up.

- ▶ Consider how well the technology works. Serious glitches and flaws are likely to raise red flags and even become deal breakers for Gen Z customers.
- ▶ Do the tech tools meet their needs? Think about how easily a person can find information, filing claims and understanding limits.
- ▶ Is it easy to communicate? If they can't find what they're looking for on the site or the app, how else can they find information or get in touch with a helpful employee? In addition to telephone and email options, a chat box offers a fast route to answers without forcing users to change tracks.

## Financial guidance

Like the millennial generation, Gen Z is entering adulthood carrying high debts. The most recent figures show that 2018 college graduates owe [\\$29,200 on student loans](#), according to The Institute for College Access & Success. Even though they're young adults, their personal finances are sure to be a high priority and possibly even a source of stress. Should they suffer a serious injury or illness, they'll want voluntary benefits to help them navigate the financial fallout. One important way to make voluntary benefits relevant to Gen Z is by spending extra time explaining the financial protection they offer in a time of crisis, covering wages and out-of-pocket costs.



### About the author

**Veronica A. Pollock, GBDS, DIA, Manager, Voluntary Enrollment and Sales Support, Reliance Standard Life**, has enjoyed a 24-year career in employee benefits, the majority spent with a large benefits consulting firm. As an account manager, Veronica has worked with high profile employers in a variety of industries as well as several national trade associations, helping them identify, quantify and respond to risk in the employee benefits delivery model. She has evolved with the marketplace to specialize in Voluntary market dynamics and in her current role Veronica leads a team of trusted advisors who are strategic partners to our broker and policyholder in Voluntary benefits decision making, enrollment and implementation.

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