Presenting voluntary benefits as an essential financial wellness product

Matt Beaulieu

Humans are pretty great at evaluating their immediate needs and setting limits.

There's no way I have time to take on Bob's assignments this week!

We can't afford new tires this week.

When it comes to forecasting the future, we tend to think our future selves will somehow be better equipped to handle these identical situations. We have higher expectations of ourselves and our ability to rise to the occasion, even faced with the same tight timelines and budgets.

Sure, I can fill in for Bob next month. No problem!

Our budget will handle new tires. All we have to do is skip dinners and drinks for a few weeks.

As one comedian put it, you can get anyone to commit to an event taking place two years from now.

Couple that with people's penchant for long-term optimism, and voluntary benefits can become a tough sell for brokers. How do you break through this hazy cloud of optimism? Try reframing the proposition as a very present-based question of the employee's financial wellness strategy.

Why financial wellness resonates

When you talk about financial wellness, you're inviting people to take a step back and take a big-picture view: Financial wellness means taking steps to meet current financial needs, while preparing for the future, whatever that may bring.

Sometimes, employees say no to voluntary benefits because they're seeing another layer of meaning when they're asked to opt in or opt out. Opting in can feel like an admission that something WILL go wrong in the future, and there may be a perception that they have control over that outcome. As long as they can hazily commit to, say, being more disciplined about socking more money away into savings, there's no need for voluntary benefits. Right?

However, presenting voluntary benefits as part of an overall wellness strategy puts a different spin on the question. It widens the lens and makes buying in feel more like taking a positive step in the right direction. Of course, no one ever plans to fall on the ice, break their wrist and miss four weeks of work. But if it happens, disability insurance offers a financial safety net that allows one to concentrate their energies on healing and recovery.

Show proof in numbers

Dig into the data you can gather from employees, through answered questions, as well as existing data that any plan sponsor can round up. You can show in black and white, in dollars and cents, the tangible difference voluntary benefits can make ... even on a person's paycheck.

You can begin by polling customers or industry trade groups about the following figures and statistics:

- Absenteeism: What do the year-over-year trends reveal, and what are the underlying causes?
- Wage garnishment: Identify the circumstances stemming from these court judgments.
- Loans: How many employees have taken out loans from their employer, and if so, was there a reason given?

- Voluntary benefits participation: For each situation, check the percentage of employees who were participating in voluntary benefits at the time these situations occurred.

Collect this data over a period of time (anonymously, of course, without names or personal details attached), ideally from several plan sponsors, and you can demonstrate the value and ROI of voluntary benefits to the employer and the workforce at large. This shows a correlation between voluntary benefits and the important role they play in anyone's financial wellness strategy (maintaining the ability to meet financial needs, despite going through a medical situation).

The protective power of voluntary benefits

There are many circumstances that drive wage garnishment, loans and absenteeism. But one that looms large in the minds and pocketbooks of Americans today is rising medical costs. A plethora of data shows that more and more Americans are going into debt they're unable to pay, even if they have health insurance. If that reason for medical care also means taking extended time off work, well, things in the financial department can get pretty bleak.

Some employees opt out of voluntary benefits because they don't want additional funds to be withdrawn from their paychecks. However, collecting and presenting data can tell a powerful story of how voluntary benefits can, in the long run, have a positive effect on the paycheck — and help people maintain financial wellness, even when they're at their worst.

- When an employee needs an extended leave of absence due to a serious injury, or giving birth to a baby, **disability benefits** replace lost income.
- It's increasingly common for hospitals and health clinics to seek a judgment in court over unpaid medical bills. As deductibles and out-of-pocket costs continue to rise to pay for doctor care and medicine, it's easy to see how this can befall an employee with insurance coverage. However, voluntary **critical illness, accident or hospital indemnity coverage** can pay for those out-of-pocket costs, heading off bills and judgments, offering a powerful paycheck protection.

People have a remarkable tendency to view their future selves through rose colored lenses, which can be one reason they choose to forgo voluntary benefits offered by the workplace. However, presenting these benefits as financial wellness products, while also presenting real data that shows their ROI and value, can be an effective way to convince and convert the skeptics.

About the author

Matt Beaulieu, Assistant Sales Manager, has 14 years of sales experience with proven success in voluntary benefit plans. For the past three years Matt has been managing the North Florida market with a primary focus in growing the Reliance Standard worksite benefit book of business.

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