

Voluntary Benefits Insights

How to sell benefits to Gen X

Veronica Pollock

Meet Gen X. They're not as, shall we say, well-noticed as their super-sized counterparts, baby boomers and millennials. But when it comes to voluntary benefits, don't overlook the small but mighty Generation X during enrollment season. Born between the years 1964 and 1981, they're well into their peak earning years, and industry data suggest they're the largest consumers of voluntary benefits.

Before you approach Generation X, it's critical to understand their financial pressures are genuine.

- ▶ Surprise! When it comes to student debt, all generations, not just millennials, are carrying larger shares of the burden. Surprisingly, the age group with the most massive load is none other than [Generation X, according to Experian](#), with the average borrower carrying \$39,584.
- ▶ Thanks in part to mortgages, Generation X is the most indebted generation overall with an average load of \$142,000, according to Kasasa.
- ▶ They're the first generation in modern history to have less wealth than their parents.
- ▶ They're the first to come up in their careers with pensions as a rarity rather than the norm. At the same time, there's an abundance of terror-inducing speculation that their entitlement benefits will disappear by the time they start reaching retirement age.

On top of these financial realities, they're also taking on some significant responsibilities at home. You might call them the **sandwich generation**, as many members are caring for children at home. At the same time, they're looking out for their aging parents, and perhaps even providing financial support.

What's the best strategy?

Everyone's different, and plenty of Gen X employees will gladly point out that none of the above applies to them. When you take these considerations into account, an overarching theme emerges. When talking to Gen X employees, chances are their biggest concerns will be around shielding the assets they have and building wealth for retirement. In a nutshell, **protection and stability**.

With so many family members depending on them, voluntary benefits are a vital piece of this generation's overall benefits strategy. Here's a quick look at how three voluntary benefits can be of value from a Gen X perspective.

- ▶ **Critical care coverage:** The youngest members of Generation X are on the cusp of 40, while the upper ages of this generation are well into their mid-50s. While they'll be hitting their stride and peak earning years, there's also a lot on the line. They now face the risk of a serious diagnosis, such as cancer or heart disease. Even with health insurance, recovery is often accompanied by significant expenses, including five-figure deductibles, hefty co-pays, and also travel costs for out-of-town treatment. Critical care coverage is a safety net for these disruptive times.
- ▶ **Disability insurance:** Anyone can get sidelined by a broken arm, let alone something more serious. Disability insurance is something of value to Gen Xers because this coverage will replace a portion of their income while they recover. Just because they can't work doesn't mean they also have to face putting their entire family into financial peril.



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- ▶ **Life insurance:** As we age, life insurance premiums purchased on the private market will only go up, which can present a challenging cost-benefit analysis against already-strained household budgets. When workplaces offer additional life insurance protection, Gen Xers are sure to embrace it as a valuable and welcome addition to their benefits portfolio.

Tips for interacting with Gen X

- ▶ **Roll out the technology:** While Gen Xers are not “digital natives” as their Gen Z and Millennial cohorts, Gen X has proven themselves more than savvy users of technology, as they witnessed the dawn of the digital age while they were still relatively young. They’ll appreciate how predictive analytics functions found in decision tools remove the clutter and streamline their options, so they can cut to the chase and choose from a field of benefits that make sense for their lives and their families. Digital tools that help them access their benefits and monitor their balance let them pilot their financial destiny.
- ▶ **Keep it personal:** While a Gen Xer will not hesitate to download the app, they still very much value the in-person meeting with the helpful broker. Be ready to discuss their questions and concerns. At the same time, ask guiding questions around their family life, their fears and their hopes, so you can craft a benefits package that makes sense for their situation.
- ▶ **Take a practical, problem-solving mindset:** Early in their career, Gen X was derided for being (supposedly!) slackers and cynics. A more refined assessment of this generation is pragmatic. When talking to Gen X about refining their retirement strategy, acknowledge and empathize with the challenges and obstacles, but be ready to demonstrate in concrete numbers how voluntary benefits can help them achieve their goals.



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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