

EMERGING TRENDS FOR EMPLOYERS

As consultants for organizations of all sizes in the Upper Midwest, we learn about what's at the top of their agenda as well as the pace at which change will take place, and in turn what solutions are most likely to fit into those plans. We expect to hear more about these up and coming trends in 2018.

Student loan repayment

Employer-provided loan repayment assistance is still relatively new and untested, but according to the recent Gallup survey, *How Millennials Want to Work and Live*, 45% of millennials would change jobs if this benefit was offered.

The high demand for this employee benefit is fueled by these financial facts according to the ValuePenguin website:

250% growth in debt

More overall debt: Student loan debt has grown 250% in the last 10 years.

90% increase in borrowers

More people in debt: Since 2004, the U.S. has seen an almost 90% increase in the number of student loan borrowers.

80% increase in balances

Higher balances: Student loan balance size has increased by nearly 80% since 2004.



Big debt in the Upper Midwest:

Both Minnesota and Wisconsin are among the top 15 states where the average amount of student debt is the highest.

Student loan debt can impact employee participation in other benefits like 401(k) plans and even health insurance. Providing student loan repayment assistance is one way some employers are improving their recruiting strategies and employee well-being to drive results.

Insurtech and the Internet of Things (IoT)

The Internet of Things (IoT) refers to the interconnection of online technology and data in everyday objects. Insurtech focuses on the use of technology to improve customer experience in the insurance industry.

The IoT is already reshaping relationships with our clients and is producing innovations across the insurance industry.

“INSURTECH IS THE USE OF TECHNOLOGY TO IMPROVE CUSTOMER EXPERIENCE IN THE INSURANCE INDUSTRY.”

For example, more auto insurance carriers are utilizing telematics, smart devices that gather data and calculate premiums based on driving habits and behaviors.

This technology could eventually be integrated with other systems such as home monitoring or fitness trackers, allowing for highly personalized coverage options for businesses and individuals.

However, with more data collection devices comes greater risk of cybercrime. Every point of data collected via IoT smart devices represents a potential “in” for criminals. This must also be addressed as this technology develops.

The IoT has already begun to reshape the lives of millions of Americans, and experts predict even more rapid growth in the coming decade.



Attracting and retaining Gen Z workers

We have focused a lot on millennials in recent years, but it's time to turn some of the attention to the millennials' new co-workers, Gen Zers. In five years, Generation Z will constitute a fifth of the workforce. The birth years of this generation are usually defined as starting in the mid-1990s, which now places the age of their first members in their early 20s. Research shows what Gen Zers want and need from their employers will be surprisingly different from older generations.

- **They're diverse**, with half of them likely to be part of a minority ethnic group. A culture of acceptance is important to them.
- **They pay attention to benefits** like health insurance, and are attracted to companies that offer robust financial rewards and career advancement.

- **They're intensely tech-savvy**—"digital natives"—and expect to integrate their online personal and work lives during and beyond traditional 9-5 hours.

Successful organizations today, and in the future, will need to implement important workplace processes and programs that accommodate the diversity and unique values of these workers.

"IN FIVE YEARS, GEN Z WILL CONSTITUTE A FIFTH OF THE WORK FORCE."

Relationship between wellness and workers' compensation

Unhealthy employees represent added risk—in terms of productivity, health insurance costs and workers' compensation expenses.

Claim adjusters will tell you that poor health such as obesity inherently slows the normal progression of a workers' compensation claim. A Duke University Medical Center analysis found that obese workers:

- Lost 13 times more days of work from work injury or work illness than did non-obese workers.

- Filed twice the number of workers' compensation claims.
- Had seven times higher medical costs from those claims.



A study by U.S. Corporate Wellness says the "average results" of an employee wellness plan include a:

30% drop in claims

Drop in workers' compensation and disability claims by as much as 30%.

32% decrease in sick leave

Decrease in short-term sick leave by as much as 32%.

300-600% return on investment

Savings of between \$3 and \$6 for every \$1 invested.

Given the strong link between poor health and workers' compensation costs, helping employees maintain a healthy lifestyle should be a high priority for employers.