



HARNESSING GROWTH SERIES

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GROWTH
IN AN EVOLVING
WORKFORCE MARKET**



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In a recent LinkedIn Live event, Patrick Leary, Corporate Vice President of LIMRA and LOMA, and Chris Morbelli, Principal — Life and Group Transformation of Ernst & Young LLP, discussed:

- How the workforce is changing
- What strategies employers and insurance providers need to meet the growing expectations of a diversifying workforce
- The role digitalization will play in communicating and delivering workplace benefits over the next five years

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Life and Group Transformation
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THE WORKFORCE IS MULTIGENERATIONAL

Baby Boomers — who have dominated the workforce — are beginning to retire and now represent less than **25 percent**. The influence of Gen X will slowly be eclipsed by Millennials and Generation Z, who will comprise more than **60 percent** of the workforce and benefits customer base by 2031.¹



If we think about the fundamental, generational tipping point we're at today, what, why, and how [employees] want to work, what they want to buy, and how they want to engage is quite different."

Chris Morbelli

AN EXPANDING, HETEROGENEOUS WORKFORCE



We're finding [that] COVID changes are sticking, and a 'new norm' has emerged. Millennials and Gen Z now represent the majority of the workforce. Technology will hold the key to personalization and harnessing growth in the future around workplace benefits."

Patrick Leary



¹ Employment Projections, U.S. Bureau of Labor and Statistics.

NEW WORKFORCE REALITIES: THE RISE OF CONTRACTORS AND FREELANCE WORKERS

44% of Millennials and **47% of Gen Z** participate in freelance or gig work, compared to just **24% of Gen X** and **20% of Baby Boomers.**

With the popularity of gig work continuing to increase, and organizations looking for ways to retain their best freelance workers, 69 percent of employers are considering **offering insurance benefits to contract and freelance workers** in the future.

A more heterogeneous, fluid, and virtualized workforce is here to stay and rapidly expanding.



In 2021, we found that approximately two thirds of employers were utilizing contract and freelance workers to at least some extent. In 2023, that number has **increased to 75 percent.**

Patrick Leary



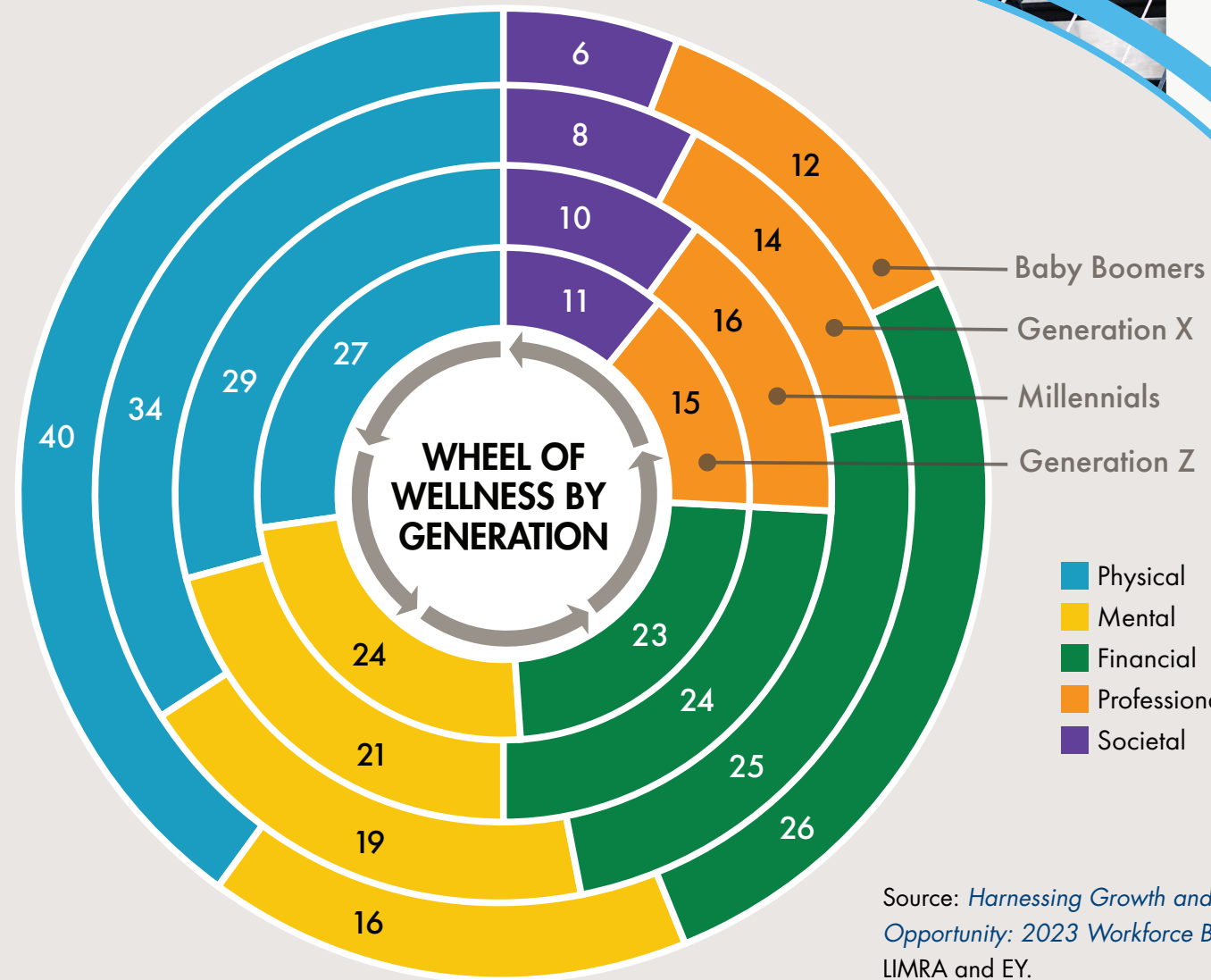
The expansion of the gig workforce is a potential growth opportunity for insurers and benefits providers who can develop innovative strategies to supply benefits to these workers, either directly or indirectly. In the war for talent, they look to benefits to connect and support them.

THE WHEEL OF WELLNESS: EMPLOYEE PREFERENCES BY GENERATION



“In between traditional employer products and employee-paid products are a broader set of wellbeing needs across all elements on the wheel of wellness.”

Chris Morbelli



Source: *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

QUESTION

How would you allocate 100 points based on the importance of these wellness categories and each type of benefit?

Looking Through the Generational Lens

Health insurance increases in value as workers age. **Baby Boomers** place the highest value on **physical wellness benefits**.

Generation Z and **Millennials** place higher value on mental wellness benefits than other generations. Mental health is as important as vision and almost as important as dental and medical.

All generations place a high degree of interest and value in financial wellness benefits, but their underlying needs vary based on their different life stages.

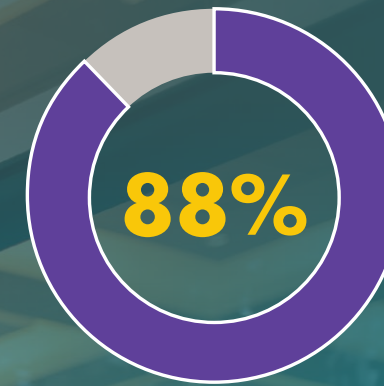
Millennials have the highest interest in professional development at 46 percent.

Younger generations are more passionate about the common good, valuing societal wellness benefits more highly than the older generations.

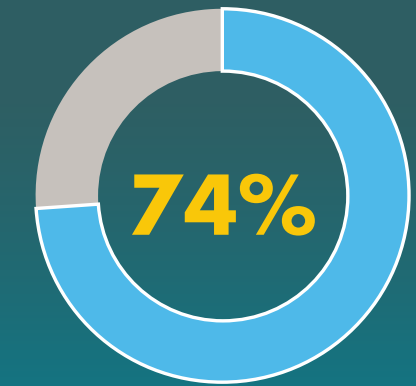
Benefit needs are expanding, differ dramatically by generation, and are critical in the continued competition for talent.

MEETING THE NEEDS OF TODAY'S WORKFORCE AND **GETTING AHEAD** OF TOMORROW'S EVOLVING NEEDS

Digitalization to
Align Benefits
Delivery With
Employee
Preferences



vs.



GENERATION Z

are reliant on
their employers to
provide guidance
when selecting their
benefits.

BABY BOOMERS

look to
employers
to help with
benefits selection.



At the macro level, the importance is the full shop, buy, and use experience. It's not about just one part of the value chain or value stream, it's across the entire experience."

Chris Morbelli

Approximately

90%

of employees say they value personalized, digital experiences as they shop for, select, and use their benefits.



“Quality and ease of experiences [are] what’s going to drive top quartile performance in the future.”
Chris Morbelli

Almost **one third** of all employers said that meeting the needs of the multigenerational workforce was a **key challenge**.



CURRENT EMPLOYER USE OF AND INTEREST IN DIGITAL SERVICES

Top Five Unmet Needs
Percent of employers who don’t have but want this digital service

- 1 **Same-day claim payments** 43%
- 2 **Self-service/real-time quoting** 30%
- 3 **Text messaging** 27%
- 4 **API for employee data exchange** 27%
- 5 **Implementation** 26%

Source: *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.



Digitalization is critical to align benefits delivery with employer and consumer generational preferences to maximize value per dollar from benefits programs.

44% of employers would **switch** to a different benefits provider if their current provider was not integrated into their benefits technology platform.

59% of employers would select carriers based on their ability to connect with their benefits technology platform.



For more information, read the
Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study
from LIMRA and EY.

