

# Encouraging Enrollment for Voluntary Products Among the Millennial Generation

By the year 2020, one in two employees will be a millennial.<sup>1</sup> This type of age density has not been seen since the baby boomers entered the workforce, and it is starting to influence the way employers interact with their employees. The oldest millennials—members of a group of individuals born between 1981 and 2000 who are coming of age in the new millennium<sup>2</sup>—are just turning 30 while the younger members are embarking on their future career endeavors.

Millennials in the workforce are currently facing a higher offering of voluntary benefits from their employers, compared with employer-funded benefits programs. As employers cover the increasing cost of health care, many are shifting the scope of benefits coverage for their employees. This shift is highly evident in the transition from employer-sponsored Life and Disability Insurance benefits to voluntary insurance.

Voluntary products allow employers to have additional products and services available for employees to purchase—but without additional expense to the employer. Many employers may undertake this cost shifting of disability benefits to employees, as it can result in a minor premium savings for employers, which they may consider to stay in the black during lean economic times.

During a time when voluntary coverage is playing a larger role in employers' benefit offerings, it is important for employers to find fresh, engaging ways to educate and assist employees on the importance of these benefits. For the millennial generation, which demands instant technology access and information right at its fingertips, using an online educational module is an opportunity to inform them of the need for coverage and, in turn, encourage enrollment.

## WHO ARE THE MILLENNIALS?

Like people, generations have personalities. Typically, their collective identities typically begin to reveal themselves when their oldest members move into their teens and 20s and begin to act upon their values, attitudes and worldviews. Millennials are in

the middle of a coming-of-age phase of its life cycle. Its oldest members are approaching age 30; its youngest are approaching adolescence.<sup>2</sup>

Tech-savvy millennials are the first generation in history to view social media and Internet technology as an everyday part of their lives, not as an innovation of the digital era. They use Web sites such as Facebook, YouTube and Google, and send tweets and texts to better understand the world around them.

Although they excel with technology, they also have been subjected to the pressures of an uncertain economy and a lackluster workforce in recent years. According to the Pew Research Center, households headed by adults younger than 35 had 68 percent less wealth than households of their same-aged counterparts had in 1984.<sup>3</sup> This statistic calls into question whether millennials have the savings to withstand interruptions in their household incomes.

In 2009, 38 percent of adults under age 35 owned their own homes, compared with 40 percent of the same age group in 1984.<sup>3</sup>

Due to these factors, millennials are especially vulnerable to risks against which Disability and Life Insurance protect. One way to do this is to help them make decisions to help them make decisions for a secure financial future.

## BRINGING INFORMATION TO MILLENNIALS

Employers can turn these insights about the millennial generation into educational initiatives. By harnessing this generation's demand for instant information and educational training, HR managers can bridge the information gap and educate millennial employees on the importance of voluntary Disability Insurance. Two types of initiatives can assist HR managers in this mission and encourage enrollment: informing millennials on the financial risk of disability and educating them on their own benefits offerings.

First, HR managers can help workers better understand the financial challenges that may arise if they experience a disabling disease

or injury by using an online educational program. The vast majority of workers—more than two-thirds—do not have the benefit of private long-term disability insurance.<sup>4</sup>

Industrywide educational initiatives, such as the Council for Disability Awareness' Defend Your Income Campaign, can equip this generation to take the important steps necessary to preserve their ability to earn an income, should they face a disabling illness or injury.

• This program unites an online experience, a platform that this generation has embraced, with information designed to enable individuals, particularly those just entering the workforce, to take important steps to preserve their ability to earn an income. Including quizzes and interactive games, the program can inform millennials about these risks to their financial health.

According to a survey taken by the Council for Disability Awareness, over half of survey respondents thought only 1 in 100, or 1 in 50 working Americans are likely to become disabled during their working careers.<sup>5</sup> Because many young workers think they will never experience a disability, they have not taken the proper steps to protect their finances.

Second, employers can better engage millennials in the voluntary market by using an online interactive educational module to help them understand the voluntary life and disability benefits available to them through their employer. The modules can help millennials overcome enrollment barriers and allow them to

make the right decision for their situation during enrollment. They also can help employees learn the basics of how their specific policy works, how to estimate their needs, select appropriate coverage, and enroll. This approach gives employees an opportunity to take full advantage of their benefits and understand how their coverage meets their needs.

Features of these types of modules include other key features, including calculator tools that help motivate individuals to apply for coverage and protect their long-term finances and an intuitive step-by-step guide through the life and disability benefits decision-making process. In addition, users are provided with a direct link to the employer's enrollment website or form and video explanations.

For businesses with remote locations or a small number of employees, this tool allows employers an easy, yet effective, way to walk through enrollment materials when an on-site option is not feasible. This approach provides employees with relevant, consistent information about benefits in a cost-effective and simplified manner.

#### PREPARING MILLENNIALS FOR THE FUTURE

Implementing these two online educational tools can help protect employees, especially those in the millennial generation, from the financial risks of serious illness or injuries. Educating them, in a manner in which they are accustomed to learning, on the need for voluntary Life and Disability Insurance also can lessen the risk of the financial

impacts of a disability, better preparing them for the future.

By understanding the educational needs and inherent characteristics of the millennial generation entering the workforce, employers can adequately prepare for this new generation. Learning how to connect this generation with information on the needs of voluntary insurance translates into a win for both employers and their employees. ☉

#### NOTES

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