

NEW PLATFORMS, OLD CHALLENGES

Old benefits engagement and communication challenges persist in the age of online enrollment and technology platforms

In *Enrollment and the Web: The New Norm*, we shared new Guardian research that declared online benefits enrollment the “new normal” — as its use has more than doubled in five years to 62% and is now employees’ enrollment method of choice. But what else has changed? Have employees’ benefits engagement and decision-making improved with these advances in technology? In this *Spotlight on Enrollment Trends* we’ll explore Guardian’s latest enrollment research findings, which reveal that while online channels have evolved the enrollment experience and bring many benefits to employers and employees, many age-old benefits communication challenges persist. We’ll also outline three tips employers can use as they evaluate their enrollment and communication strategies in this “new normal” of online enrollment.

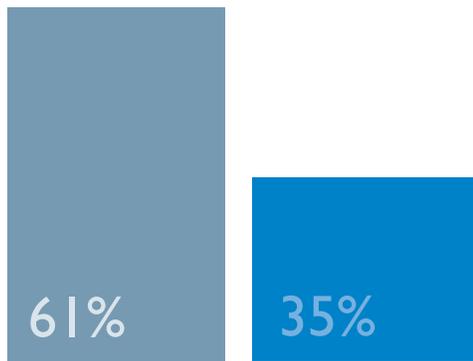
KEY FINDINGS		
<p>44% of employees spend less than one hour reviewing their benefits options</p>	<p>1 out of 3 Millennials are not enrolled in any non-medical insurance benefits</p>	<p>Only 37% of employees attended a benefits meeting</p>

ONLINE, MORE SATISFIED, MORE CONFIDENT...

So what has changed now that online enrollment has become the “new normal”? In addition to its ease, convenience and time savings, online enrollment can also influence how employees perceive their employers’ benefits communications. Guardian’s research reveals that when employees used online enrollment and found it to be very easy, they were more likely to report that their employers’ benefits communication efforts were more effective. As a result, these employees who are more satisfied with their benefits communications are also more likely to report being “completely confident” in their ability to make good benefits decisions.

Communications Effectiveness

% of employees perceiving employers’ benefits education / communication efforts as “effective”

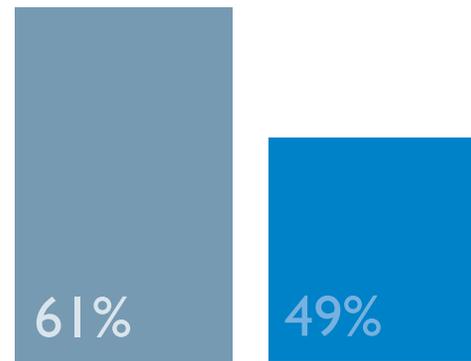


Employees who used online enrollment and found it to be very easy

All other employees

Employee Confidence

% of employees who report being “completely confident” in their ability to make good benefits decisions



Workers highly satisfied with benefits communications

All other employees

BUT BEWARE OF BLIND SPOTS...

Our research supports the notion that online enrollment platforms can help boost employees’ perceptions of benefits communications and support their confidence in making good benefits decisions, but it also suggests that online enrollment alone is not a magic solution that addresses all benefits challenges. Employers should consider these “blind spots” as they implement or build on their online enrollment platforms:

False Sense of Confidence

Though 62% of employees enroll online, 51% give their employers “A” or “B” grades for the effectiveness of their benefits education and communication, and 68% have high overall confidence in their benefits decision-making ability, many industry studies have suggested that Americans remain uninsured or underinsured. This suggests employees may have a false sense of confidence in their ability to make good benefits decisions — and based on our research findings this may be especially true for those who enroll online. Millennial workers are especially susceptible. They are by far the most confident about their ability to make the right benefits decisions, yet are least likely to be enrolled in insurance benefits.

Current Enrollment in Insurance Benefits

% of Employees Enrolled In...	Millennials (ages 18–29)	Gen X (30–45)	Late Boomers (46–55)	Early Boomers (56–65)
Any Non-Medical Benefits	70%	88%	91%	88%
Dental	63%	73%	79%	74%
Life	48%	68%	75%	72%
Disability	53%	65%	74%	65%

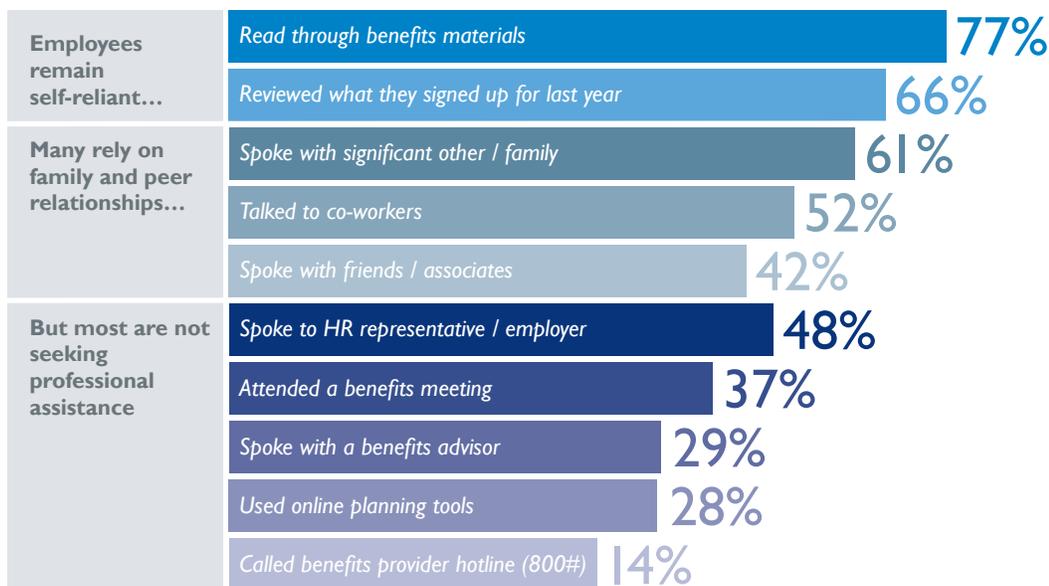
Interestingly, unlike their older counterparts, Millennials say they are more confident in their benefits decision-making ability (96% are “highly confident” vs. 66% of Gen Xers and 64% of Baby Boomers). Our research also revealed that Millennials are even more likely than their older co-workers to say they carefully evaluated their benefits options (50% vs. 30% of Gen X and 31% of Baby Boomers), yet fewer Millennials feel that their employers do an “excellent” job in explaining their benefits (31% vs. 48% for all others). This brings into question whether employers are providing the right information and communications to Millennial workers, who appear interested but are less satisfied with their employers’ benefits communications. For employers with a large population of Millennials, there may be an opportunity to provide different or more tailored education to these younger workers.

Self-Reliant Approach

Benefits information and resources are more readily available than ever before, but many employees remain self-reliant when it comes to their benefits. Though most workers report they read their benefits materials and reviewed their prior year's selections, far fewer say they used online planning tools or attended benefits meetings. Worse, many report not using professional help or tools — which is often free — as pre-enrollment information sources to help inform their benefits decisions.

Pre-Enrollment Information Sources

% of workers using each source



Millennial Spotlight: More Social about Their Benefits

Millennial workers are more likely than Gen X or Baby Boomers to consult with friends prior to completing their benefits enrollment. They are also much more likely to rely on the advice of friends than to attend a benefits meeting or speak with a benefits advisor.

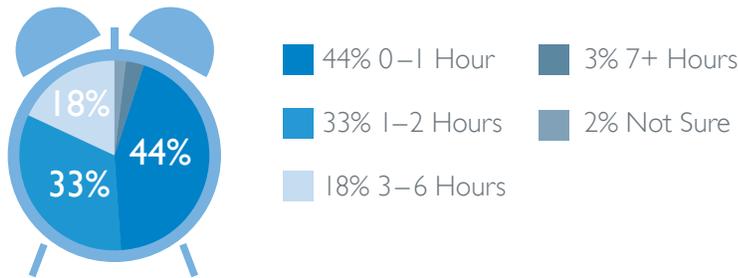
Information Sources Used for Making Benefits Decisions

	Millennials (ages 18–29)	Gen X (30–45)	Baby Boomers (46–65)
Friends	52%	43%	34%
Benefits Advisor	16%	29%	33%
Benefits Meeting	20%	36%	44%

Low Level of Attention to Benefits

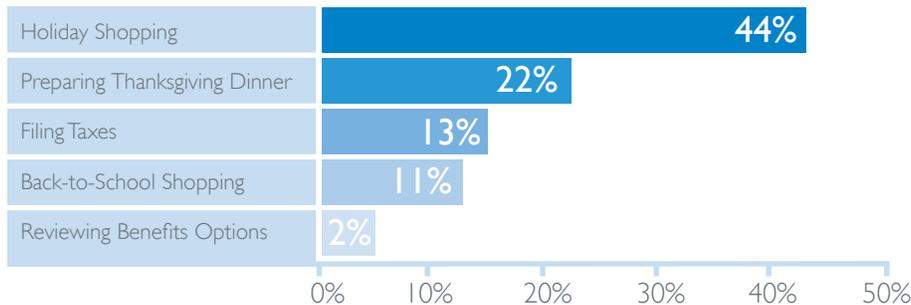
A third “blind spot” is employees’ low level of attention to benefits relative to many other decisions and activities. Despite employers’ increased use of online enrollment and consolidated benefits web platforms, a majority (79%) of employees still spend less than two hours evaluating their insurance benefits options, including group medical, dental, life or disability insurance.

Average Time Spent Reviewing Benefits Options



On average, time spent reviewing benefits options is still far less than the average time spent on back-to-school shopping, holiday shopping, filing taxes or preparing Thanksgiving dinner.

% of Employees Spending 7+ Hours on Selected Activities



In light of these statistics, employers need to ensure that new online platforms encourage employees to engage with their benefits. Without this focus, online platforms could actually make it even easier for employees to spend less time and energy on important benefits decisions.

They’re reviewing, but how closely?

Only 32% of employees described their approach to open enrollment as one that incorporates a “careful review” of their benefits details and options

WHAT NOW?

We've concluded that online enrollment is the "new normal," and with its rise employers and employees have enjoyed many of its benefits. However, it's clear that while employees' satisfaction and confidence may increase with the use of these channels, several challenges persist. More specifically:

- Employee satisfaction and confidence may not lead to better decisions.
- Many employees take a self-reliant approach, not using many of the resources available to them.
- Employees still spend relatively less time on benefits than on other decisions in their lives — online channels need to help drive employees to engage with their benefits and not make it easier for them to enroll and tune out.

3 Tips to Evaluate Your Strategy

It's easy to think of possible tactics an organization could take as a result of these research findings — create more education, tailor communications, personalize materials, use social channels or develop ways to promote benefits differently. However, before employers put plans into action, Guardian recommends that employers take a 3-step approach to aligning benefits communication strategies to their organization's needs, preferences, culture and goals.

I. **Audit** — Evaluate your current materials, communications and approach. Ask questions and reflect on your activities. Understand what's working or not working, and why. Find out what communication channels are most useful to employees, and see if there are needs that are not being met currently. Assess what engages employees and why. If employees are not engaged, what obstacles exist? This process is critical — it's easier to know where you're going if you know where you've been. Here are a few ideas to consider as part of your audit process:

- Collect all materials, communications, and records of interactions in one place. Analyze when they're used, who receives them, and document your processes.
- Map out past benefits communications and results on a visual timeline to better understand when they're most effective.
- Ask employees for feedback. Consider use of surveys, focus groups or even informal conversations. Ensure you solicit feedback from employees at different levels within your organization, ages, life stages, etc.
- Evaluate your "new hire" enrollment process. This may be overlooked if most attention is paid to the annual open enrollment period. Also consider your re-enrollment strategies — how do you communicate to employees already enrolled in benefits?
- Learn from others. Talk to your broker, carriers, and peers; read industry reports and use your networks to understand how your benefits programs measure up.

2. **Test** — Once you know where you've been, you can build your future strategy. Build on successes and stop activities that don't have value for your organization and employees. It's important that in this phase, employers launch their strategies deliberately and carefully. Resist going "all at once" with several tactics or changes — testing one idea or change at a time will help you know if it worked or not. Consider testing segmented communications based on the characteristics of your employee population. For example, some employees may prefer to "pull" information (e.g., from web sites, printed materials, etc.), while others may prefer to receive "push" communications (e.g., emails, reminders, in-person meetings, etc.). As you test, it's important to understand these differences and consider multi-channel approaches.

3. **Measure** — Measure each new tactic and determine what "success" means for each. Remember, not all communications will yield the same results. Incorporate your results and feedback into future initiatives, and don't be afraid to refine your measurements — you may find out there are better ways to measure success over time. For example, you may begin by measuring web site visits, but over time add scoring capabilities to understand if employees find value in the information. Or, you may add sharing functionality or forum areas to get feedback and measure engagement.

Contact your Guardian Sales Representative for more information and resources you can use to maximize the value of your enrollment strategies and overall benefits programs.

About the Survey

Benefits & Behavior 2011: Spotlight on Enrollment Trends presents the findings of a telephone survey conducted among a national probability sample of 2,000 adults. In total, 874 adults qualified to answer questions pertaining to their employee benefits: 469 men and 405 women, all of whom are 18 years of age and older; living in private households in the continental United States. Opinion Research Corporation of Princeton, NJ, conducted the interviews from August 25–27, 2011.

About Guardian

A mutual insurer founded in 1860, The Guardian Life Insurance Company of America and its subsidiaries are committed to protecting individuals, business owners and their employees with life insurance, disability income insurance, dental insurance products and offer funding vehicles for 401(k) plans, annuities and other financial products. Guardian operates one of the largest dental networks in the United States, and protects more than six million employees and their families at 115,000 companies. The company has approximately 5,000 employees in the United States and a network of over 3,000 financial representatives in more than 80 agencies nationwide.

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