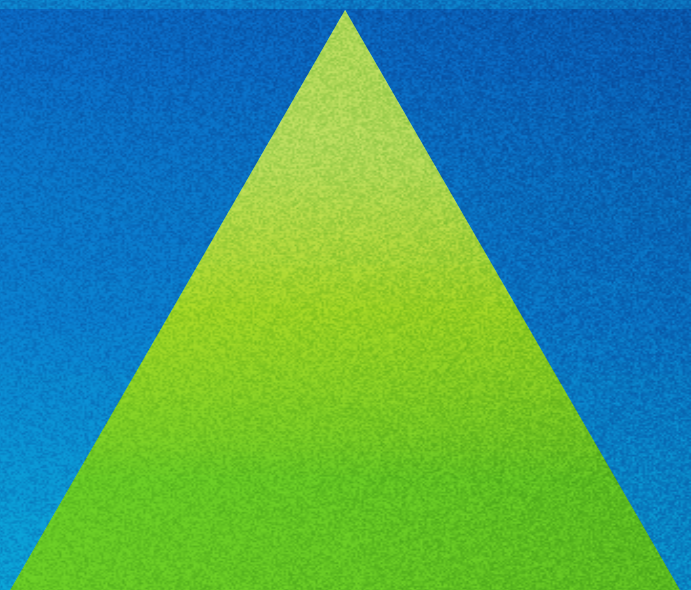
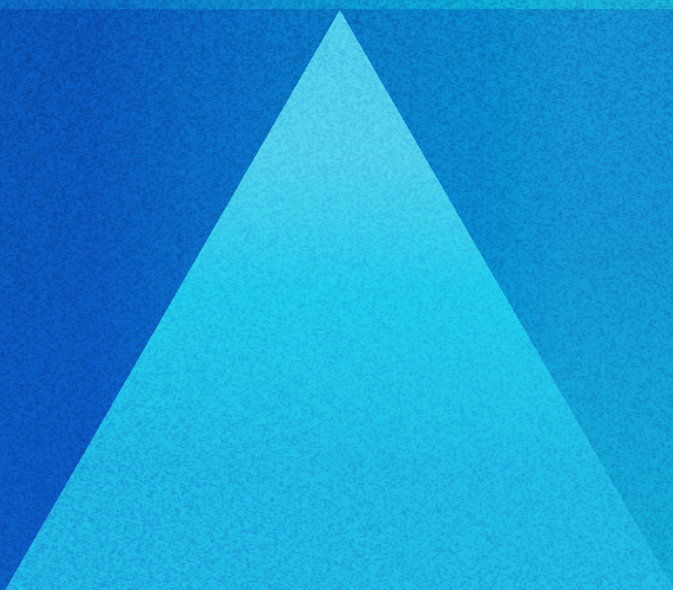




# Examining strategic benefit trends: What employers and employees expect — and how brokers can deliver

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A report based on  
MetLife's 17th Annual  
U.S. Employee Benefit  
Trends Study 2019



# As benefit needs and strategies evolve, one thing remains constant. Employers recognize the need for expert guidance from their benefits brokers and consultants.

Employers rely on their brokers for more than cost savings, although that remains an essential ask. Today's employers also expect their brokers to advise them on innovative benefits and upcoming trends, administration solutions, and regulatory and compliance issues.

In turn, brokers are diving deeper into segmentation to better understand and recommend tailored solutions that fit the specific needs of different clients. This specialized report, based on extensive data collected as part of MetLife's 17th Annual *Employee Benefit Trends Study*, provides insights to help brokers tailor their strategies based on employer and employee expectations across company sizes, industry types, and generations.

## What employers want from their brokers

On the surface, employers' expectations of their brokers and consultants haven't changed much in recent years. In fact, the top expectations are tightly grouped and show minimal fluctuation from year to year. However, with a deeper dive into the responses, distinct differences regarding expectations emerge.

## Top employer expectations of broker expertise:

|     |  |
|-----|--|
| 62% | Recommending cost saving alternatives                |
| 61% | Providing prompt, effective service                  |
| 59% | Recommending product bundling to meet employee needs |
| 58% | Advising on healthcare reform requirements           |
| 58% | Recommending new/innovative benefit solutions        |
| 58% | Reducing the frequency and expense of claims         |

## 01

# Behind the numbers: How company size and type impacts expectations

While the largest companies are more likely to seek out broker expertise on topics such as insights, innovation, and financial wellness, smaller and mid-size employers look to their brokers for a combination of strategic and tactical guidance.

Across the board, mid-sized companies with 100 to 4,999 employees are significantly more likely to rely on their brokers' expertise — both tactically and strategically — than their small business counterparts. The difference likely reflects the increasing complexity of benefit offerings for mid-sized employers combined with fewer in-house resources compared to larger employers.

For example, as employees seek benefits to fit their individualized needs, 70 percent of mid-sized employers are looking to their brokers for product bundling recommendations that will provide options for a diverse employee population. The interest in bundling aligns with the expectations of larger employers but is significantly higher than interest levels among companies with fewer than 100 employees. Bundling interest among small businesses is still relatively high at 48 percent, indicating a strong potential market for expanding coverage options.

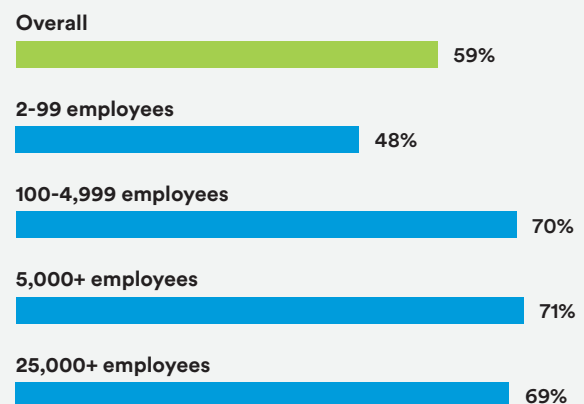
Employee expectations are a driving force behind mid-size and large employers' benefit goals. For employees, better benefits are the third-highest request — behind salary and a positive work environment — of what they need to navigate their work-life worlds today. Going a step further, nearly one-third of employees say they would be willing to trade a higher salary for better benefits.

Benefit bundling is a cost-effective approach that enables employers to expand their offerings, while also achieving savings and value-adds for both themselves and their employees. Forward-looking brokers should strategically recommend bundling solutions to small business clients as well. At companies with fewer than 100 employees,

88 percent of employees say the ability to customize their benefits is a must-have or nice-to-have option. Bundling traditional and voluntary benefits offers smaller companies a way to add benefits choices without necessarily adding to their budgets.

## Interest in broker recommending product bundling to meet employee needs:

### Employers:



At the other end of the spectrum, the largest companies, with 25,000 or more employees, turn to their brokers for more strategic advice around insights, innovation, and financial wellness. Sixty-seven percent expect recommendations for innovative benefits, and 66 percent seek advice on employee financial wellness solutions.



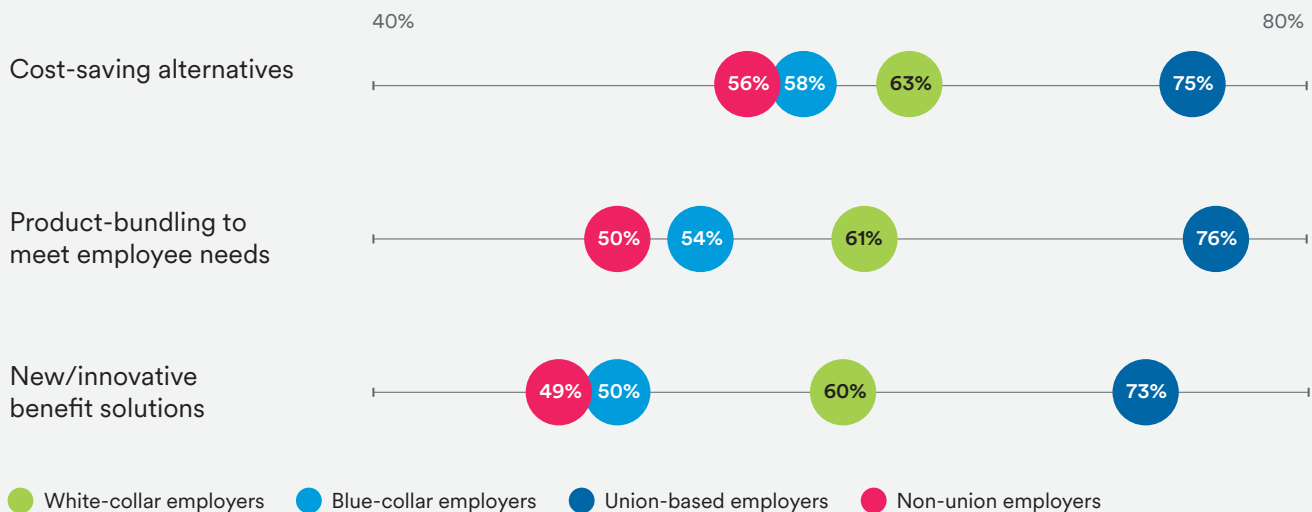


### How does company type factor in?

Company type also drives differences in what employers expect from their brokers. White-collar employers are slightly more likely to be interested in brokers providing cost-saving alternatives, product bundling, and innovative business solutions, compared to blue-collar companies.

The difference in expectations between union and non-union clients is more dramatic. In fact, union-based employers express high interest in all types of broker support.

### Interest in broker providing expertise in:



## 02

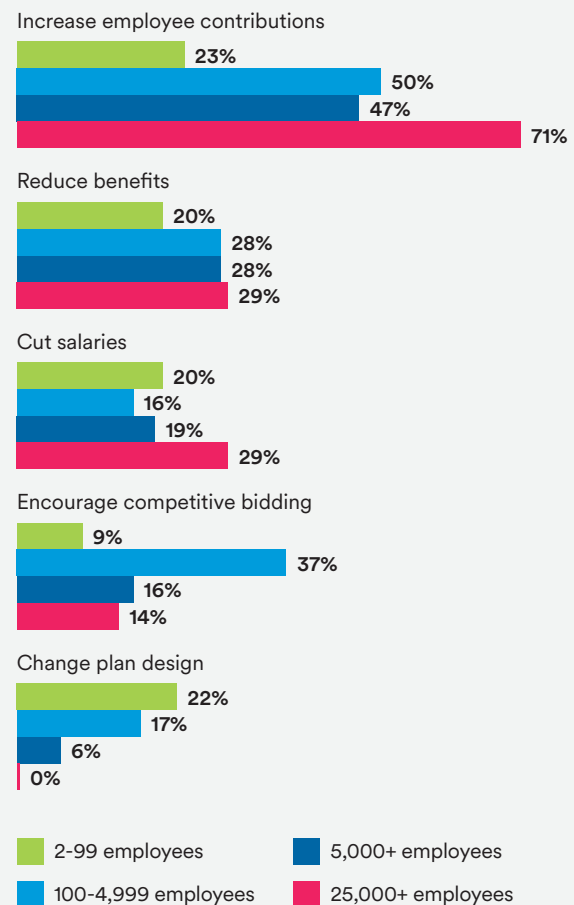
# Cost-saving means different things to different clients

No matter the size or the company type, cost-saving tops the list of what employer clients are most interested in from their brokers. But the strategies employers are exploring to accomplish the savings vary among employer segments.

Mid-sized and larger employers are looking for insights on how to effectively increase employee contributions to benefits. For the largest employers, this is by far the main focus, with 71 percent reporting they are planning to implement it. Increasing employee contribution levels is also the main cost-cutting strategy for 47 percent of union-based employers.

Compared to 2018, competitive bidding and plan design changes to achieve cost savings are favored by fewer employers overall. Mid-sized (with 100-4,999 employees), union-based, and blue-collar employers are most likely to consider competitive bidding as a cost-saving strategy. Blue-collar and smaller employers are the most likely to implement plan design changes to drive costs down.

### Strategies planned to control (or manage) benefit costs:



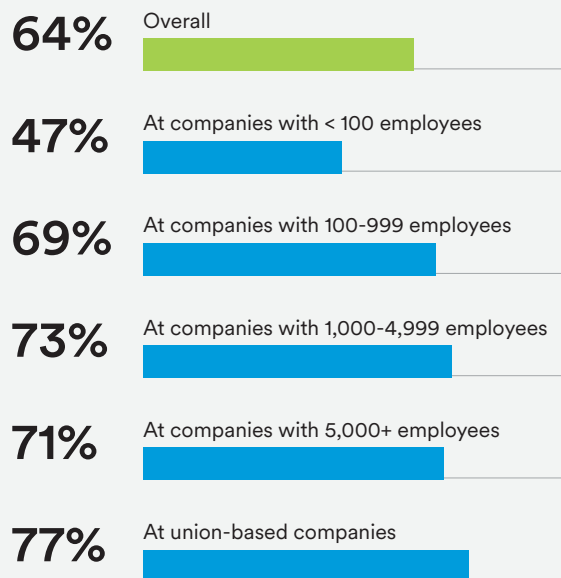
## 03

# Employee perceptions: Helping employer clients understand the reality

Benefit strategies that achieve employer objectives for recruiting, engaging, and retaining employees must align with employee expectations. Brokers and consultants can play a pivotal role in helping their employer clients understand and address changing employee perceptions. However, as with employers, it's important to analyze employee expectations by looking at specific segments.

### **“My employer offers a range of benefits that meet my personal and household needs.”**

Employees who agree:



For employees today, benefits are viewed as essential tools in achieving their personal and work-related goals. At the same time, employees rely on benefits to address key financial stressors. Overall, 64 percent of employees believe their employer offers a range of benefits to help meet their personal needs. However, this belief is significantly stronger among employees of mid-size and larger companies, as well as union employees. The outlier is small business employees, with only 47 percent of employees expressing confidence in the range of benefits available through their workplace.

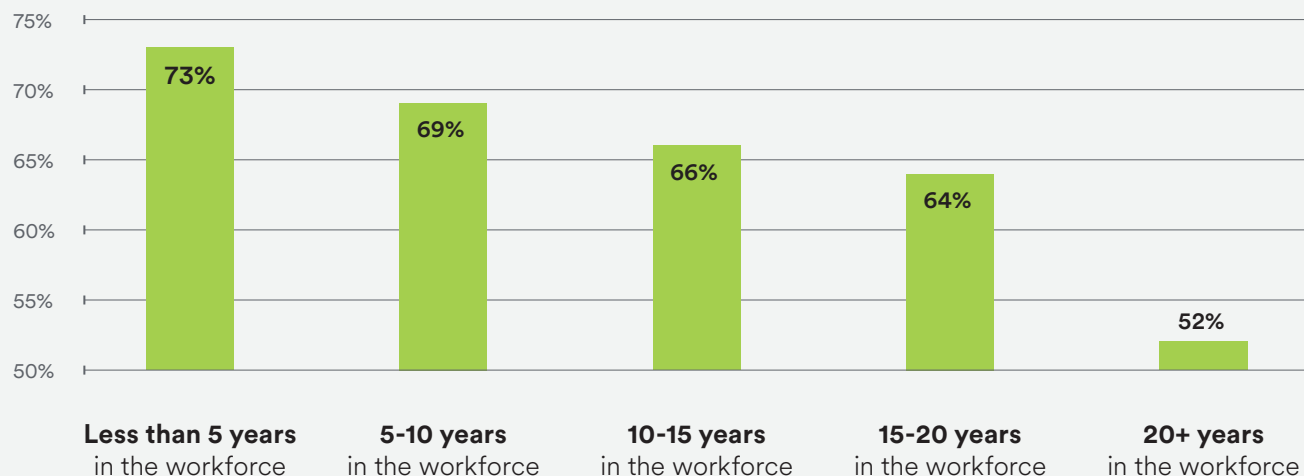


**To help small businesses compete for talent and drive increased recognition among employees for the range of benefits offered, take a deeper dive into benefits trends and insights related to small businesses. Go to [metlife.com/SBtrends](https://metlife.com/SBtrends) to download our full report, *The Evolving Work-Life World: How Small Businesses Can Compete and Thrive*.**

**“I am interested in having my employer provide a wider array of non-medical benefits I can choose to purchase and pay for on my own.”**

Employees  
Overall: 60%

Employees who agree:



Similarly, 6 in 10 employees are interested in having access to a wider array of non-medical benefits to choose from and pay for on their own. The interest level jumps considerably among younger employees with less than ten years in the workforce.

### ✓ Which benefits do employees prioritize?

Now, you can cut select data from MetLife's annual employee benefit trends research to create different sub-segment views to supplement specific client recommendations.

To see how employee must-have product priorities change by industry, geography, and company size, go to [metlife.com/ebts2019](https://metlife.com/ebts2019). You can also view the data by employee-related filters, including gender, generation, and role.

## 04

## Trends to watch: Emerging benefits attracting employer interest

As brokers and consultants continue to solidify their position as a valuable and trusted adviser for their employer clients, anticipating emerging benefit trends is paramount. Once again, gauging the potential interest by different employer segments is helpful.

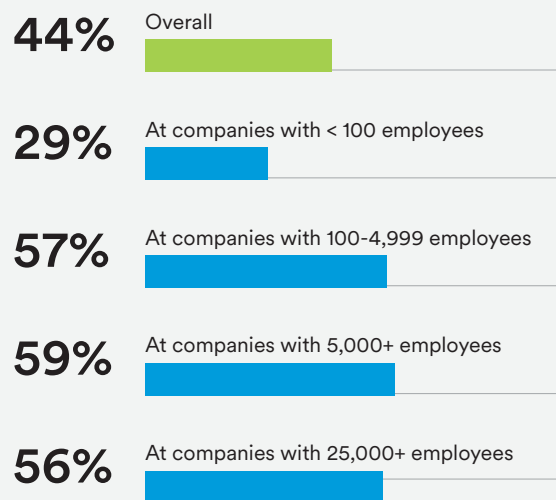
Looking ahead, portability of benefits is gaining traction, especially among larger companies and union-based employers. Forty-four percent of employers say they are likely to add portability or convertibility features that enable employees to take their benefits with them when they change jobs or retire. While only 29 percent of employers with fewer than 100 employees express interest, the likelihood to offer portability is higher among mid-size and larger companies.

Employers also express increased interest in phased retirement programs, where employers provide an option for employees to make a gradual shift from full-time employment to full-time retirement. Forty-five percent of employers overall say they're likely to add this option in the future. However, more than half (57%) of employers with 100+ employees and 69 percent of union-based employers say they're likely to add phased retirement options going forward.

And, reflecting the increasing desire for flexible work opportunities, one-third of all employers are interested in enabling employees to work abroad or take on work assignments in another country, driven by the interest from half of employers with 100-4,999 employees.

### Likelihood to offer portable benefits in the future:

#### Employers:



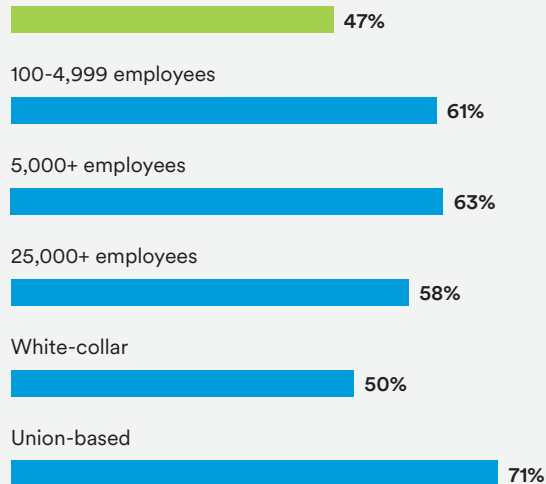
**Does the diversity of the benefit solutions you recommend match the diverse needs of your clients? MetLife can help.**



### Likelihood to offer a comprehensive financial wellness program in the future:

#### Employers:

Overall (+7% from 2018)



Wellness also continues to be an important theme for employers looking to enhance their benefits. Programs that reward employees for healthy behaviors are cited by 53 percent of employers as benefits they are looking to offer in the future. The interest level spikes to 73 percent among union-based employers and 69 percent for employers with 5,000 or more employees.

Similarly, comprehensive financial wellness education programs for employees also have appeal among 50 percent or more of white-collar and union-based employers, as well as companies with more than 100 employees.



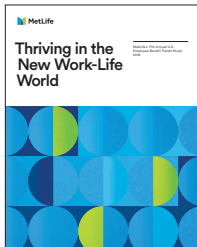
**For more insights on employees' financial health and the potential value of financial wellness programs, visit [metlife.com/ebtsfinwell](https://metlife.com/ebtsfinwell) to download our complete report, *Financial Wellness Programs Foster a Thriving Workforce*.**



## 05

# Benefit trends resources at your fingertips

Explore more of what's top of mind for employers and employees. Tap into our library of reports based on our annual employee benefit trends research leverage and share relevant insights, guidance, and expertise with your clients of all types and sizes.



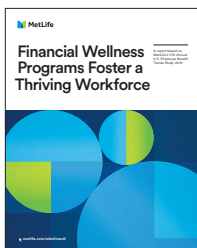
## 17th Annual U.S. Employee Benefit Trends Study Thriving in the New Work-Life World

- Visit [metlife.com/EBTS2019](https://metlife.com/EBTS2019)



## Public Sector - Government The Power of Purpose: What it takes to attract and retain government employees in the new work-life world

- Visit [metlife.com/ebtsgovernment](https://metlife.com/ebtsgovernment)



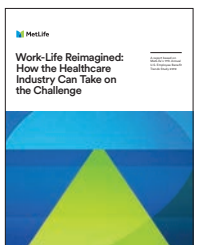
## Financial Wellness Financial Wellness Programs Foster a Thriving Workforce

- Visit [metlife.com/ebtsfinwell](https://metlife.com/ebtsfinwell)



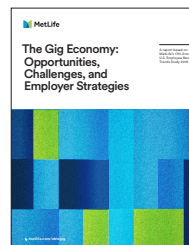
## Public Sector - K-12 Public Education The battle against burnout: What public school systems can do to keep the best and brightest

- Visit [metlife.com/ebtsK-12](https://metlife.com/ebtsK-12)



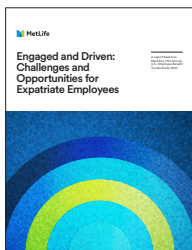
## Healthcare Sector Work-Life Reimagined: How the Healthcare Industry Can Take on the Challenge

- Visit [metlife.com/ebtshealthcare](https://metlife.com/ebtshealthcare)



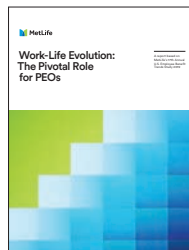
## Gig Economy The Gig Economy: Opportunities, Challenges, and Employer Strategies

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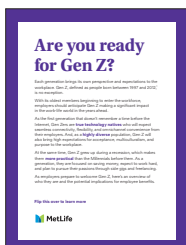
## Mobile and Expat Workers Engaged and Driven: Challenges and Opportunities for Expatriate Employees

- Visit [metlife.com/expatebts](https://metlife.com/expatebts)



## Preferred Employer Organizations: Work-Life Evolution: The Pivotal Role for PEOs

- Visit [metlife.com/PEO](https://metlife.com/PEO)



## Gen Z Are you ready for Gen Z?

- Visit [metlife.com/ebtsgenZ](https://metlife.com/ebtsgenZ)



## Small Business The Evolving Work-Life World: How Small Businesses Can Compete and Thrive

- Visit [metlife.com/SBtrends](https://metlife.com/SBtrends)



## METHODOLOGY

MetLife's 17th Annual U.S. Employee Benefit Trends Study (EBTS) was conducted in October 2018 and consists of two distinct studies fielded by Engine Insights - a practice area of Engine, a data driven marketing solutions company. The employer survey includes 2,500 interviews with benefits decision makers and influencers at companies with at least two employees. The employee survey consists of 2,675 interviews with full-time employees, ages 21 and over, at companies with at least two employees. Among the Healthcare industry, this includes 251 employees and 236 employers.

## ABOUT METLIFE

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates, is one of the largest life insurance companies in the world. Founded in 1868, MetLife is a global provider of life insurance, annuities, employee benefits and asset management. Serving approximately 100 million customers, MetLife has operations in nearly 50 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East. For more information, visit **[www.metlife.com](http://www.metlife.com)**.

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