

MetLife



BUILDING TOMORROW'S WORKFORCE

Benefits In Public Education

BENEFITS FOR A CHANGING WORKFORCE

As cash strapped public schools across the country struggle to recruit younger teachers and retain effective ones, benefits have become a critical tool in building a competitive workforce. With pay levels that fall below the national average, attracting the talent needed to educate our nation's children can be a challenge. But the right mix of benefits can help. Understanding what public school teachers value when it comes to their benefits is the first step in creating an effective benefits plan.

In MetLife's 14th Annual *U.S. Employee Benefit Trends Study*, we surveyed primary and secondary public school employers and employees around the country to learn about their attitudes toward workplace benefits and determine what's important to them.

Visit [BenefitTrends.MetLife.com](https://www.benefitTrends.MetLife.com) for additional findings, more insights and helpful resources from MetLife's 14th Annual *U.S. Employee Benefit Trends Study*.

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Making the Most of Benefits — Concerns and Priorities

Optimizing employee benefits is top of mind for public school districts of all sizes and budgets. Offering competitive compensation in order to attract and retain the best and brightest is a constant challenge when funding is often in flux. Not surprisingly, many K-12 employers and those in higher education are seeking stability in the coming year.

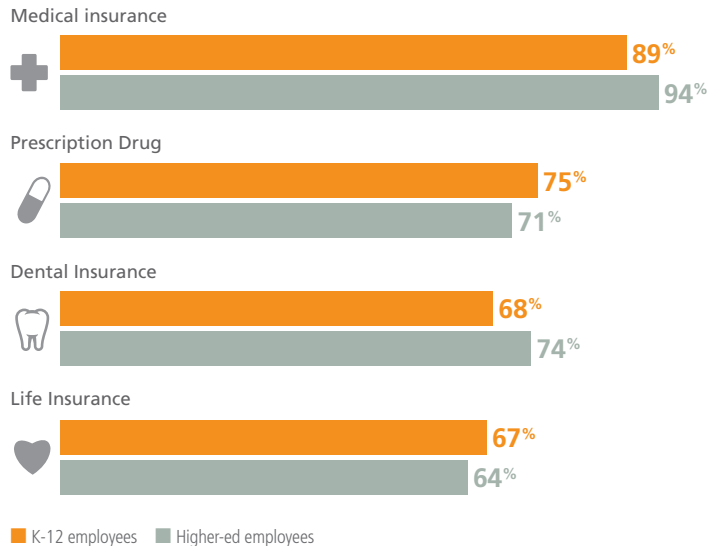


Nearly half (**47 percent**) — of K-12 and **42%** of higher-ed employers are focused on stability in the coming year, mirroring a trend among all employers



90% of K-12 and higher-ed employees agree that having insurance/benefits gives them peace of mind for the unexpected

Employees view certain benefits as “must haves”



When it comes to choosing benefits, major life events and someone close being diagnosed with a chronic illness, are the biggest factors influencing a public education employee's decisions.

Impact of environmental factors on benefits selection



62%

Major life event



62%

Family, friend, co-worker or myself diagnosed with a chronic illness/cancer



55%

State of the economy



50%

Car accident

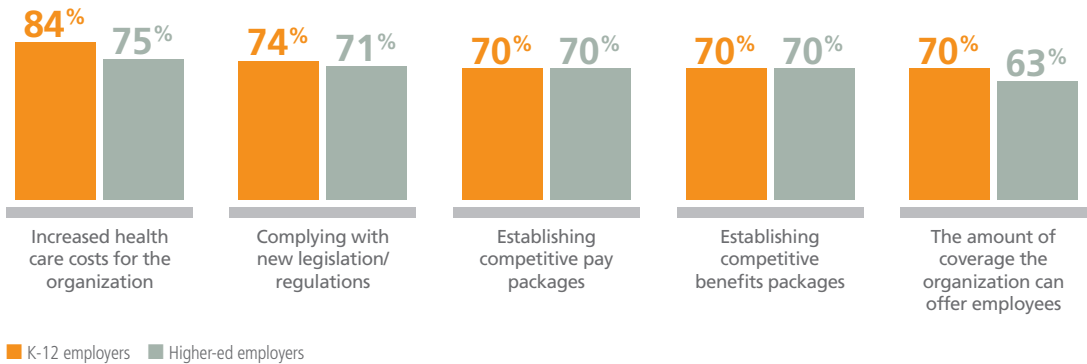


47%

Workplace stress

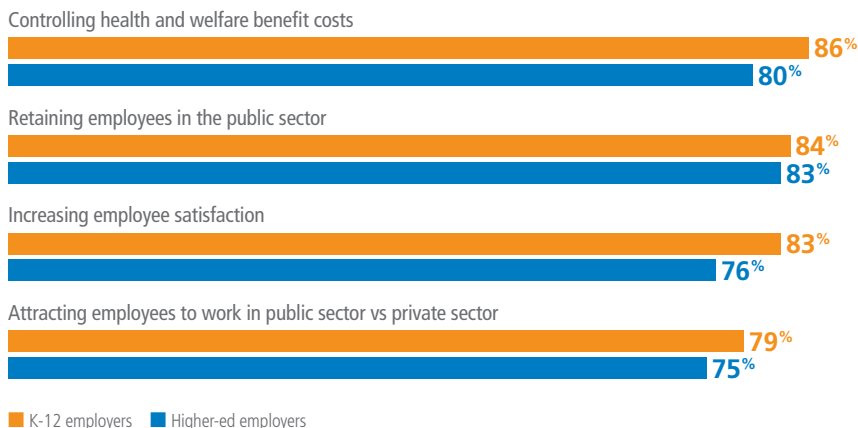
Employers face many obstacles in their efforts to manage costs, but rising health care costs and legislative compliance pose the biggest challenges, followed by concerns about their ability to offer competitive pay and benefits.

Public education employers' top 5 concerns



Not surprisingly, the top benefit objectives cited by an overwhelming number of public education employers reflect those concerns.

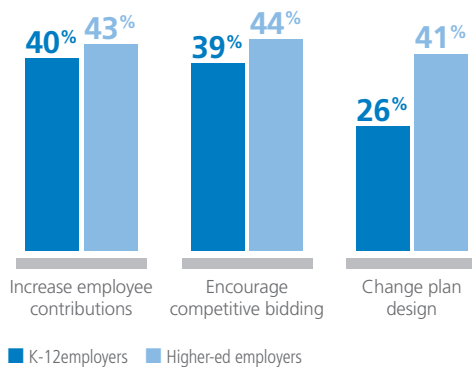
Public education employers' top 4 benefit objectives



Achieving Stability

Balancing a budget when employee benefit costs seem to increase every year, while trying to also stay competitive when recruiting talent, is a challenge. Public education employers are trying a variety of approaches to manage those costs. While cost sharing puts more responsibility on employees for managing their health care costs and their wellbeing, public sector employers and employees agree that voluntary benefits can help.

Balancing the budget



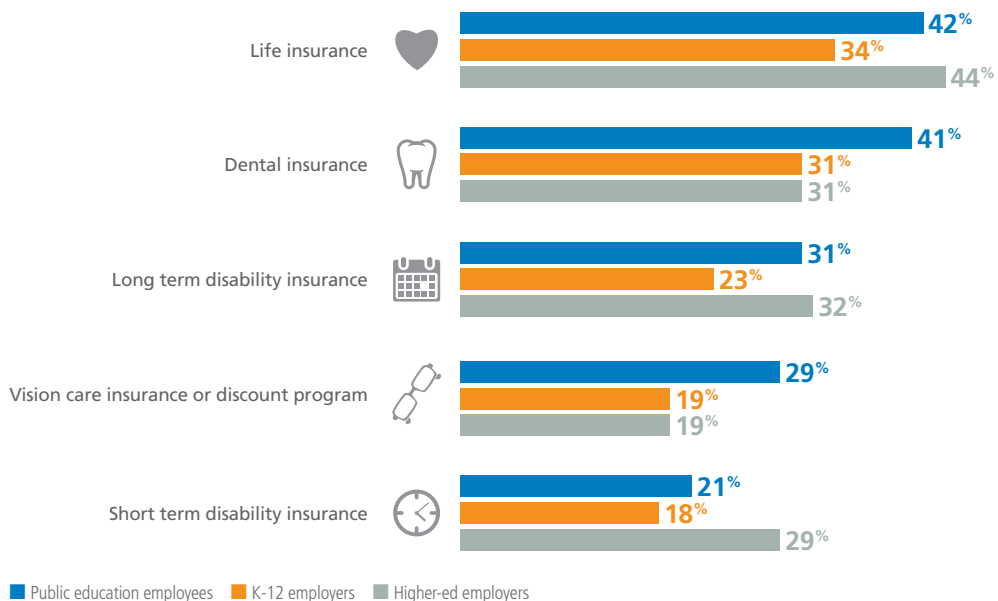
Limiting out-of-pocket expenses



Public education employees who agree non-medical benefits such as critical illness and accident coverage can help limit their out-of-pocket expenses.

When it comes to reducing financial stress, both employers and employees agree that life and dental insurance are the non-medical benefits most likely to ease that burden.

Non-medical benefits that reduce stress

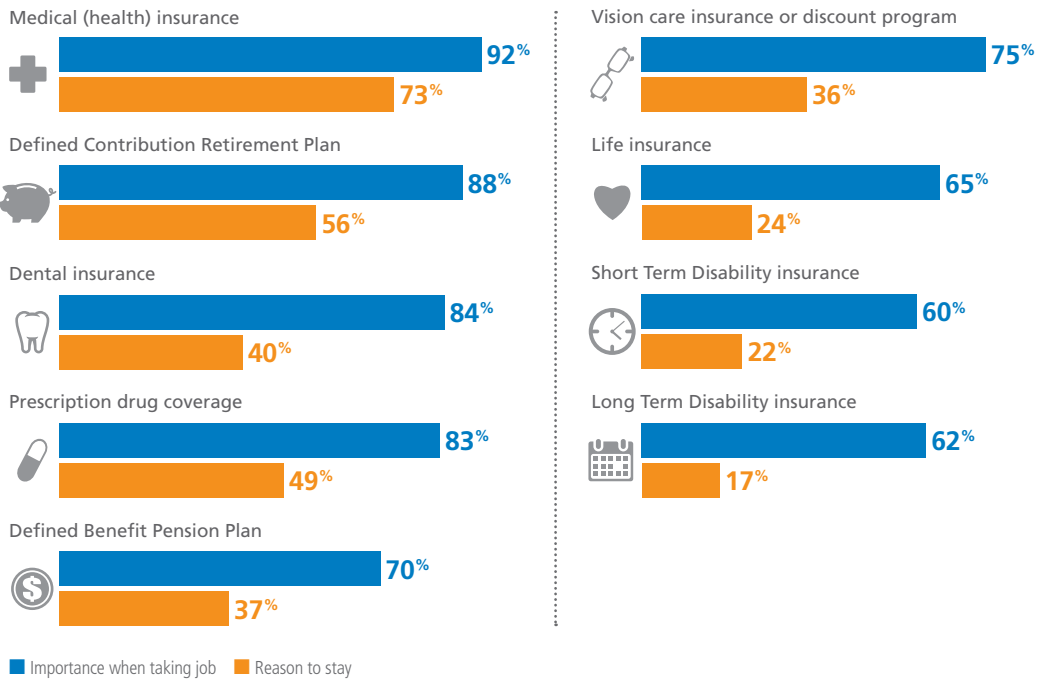


Recruiting, Retention and Loyalty

The need for competitive pay and benefits is more critical than ever when it comes to attracting and keeping top talent in public education. Understanding what employees value is key to that effort.

For job seekers, dental insurance along with medical coverage and defined contribution and benefit retirement plans are the most important benefits to consider when taking a new job. For current employees, a desirable benefits package is a key reason to stay.

Benefits to attract and retain public education employees



A majority of employees agree that their loyalty is tied to the benefits they receive.

Benefits drive loyalty



K-12 employees

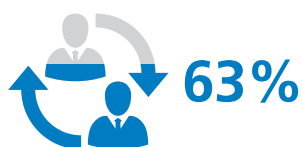


Higher-ed employees

Improving Benefit Education and Communication

While most public education employees fully understand their traditional benefits such as medical, dental, and prescription drug coverage, many are not as clear on voluntary benefits, such as critical illness insurance and group legal plans. Overall, they indicate that employers can do a better job communicating information about benefits. Non-medical benefits, such as hospital indemnity insurance, can provide employees with a sense of security in uncertain times. However, most government employees don't fully understand how these benefits can help them to meet some of life's challenges. Offering face-to-face meetings with carriers and brokers to educate employees about these benefits would be the most helpful approach.

Benefit tools and support — public education employees' perspective



would find one-on-one consultations with benefits experts who aren't peddling products to be helpful



49%

expressed interest in mobile apps for managing benefits



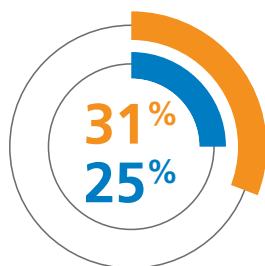
would find a mobile app helpful in learning about their benefits



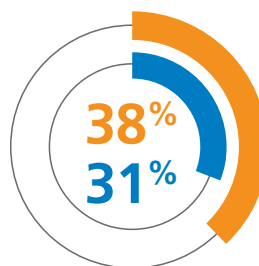
43%

would find apps useful when it comes to enrollment information

Benefit support — public education employers' perspective



Prefer one-on-one meetings



Prefer group meetings

■ K-12 employers ■ Higher-ed employers

Valued Benefits for a Changing Workforce

Public school districts across the country are facing big workforce challenges — from teacher shortages, to salaries that hover below the national average, to an uptick in retirements. Amidst these changes, benefits have become increasingly important as K-12 employers look for ways to attract top talent and retain their best and brightest.

Gen X and Millennials

Benefits are a key way that employers can show employees that they are valued. Survey after survey shows that younger workers put a premium on work-life balance. While most employees want more medical benefits, one-fourth of K-12 employees cite flexible hours as a way to feel appreciated. About four in ten public sector employees would consider going part-time if they could continue receiving the same benefits as they did when they worked full-time.

Older Workers

Many public sector workers expect to work in retirement, including more than half of those in both K-12 and higher-ed. The two major reasons for working beyond retirement age, according to employees, are to stay active and to support something they care about through volunteering.

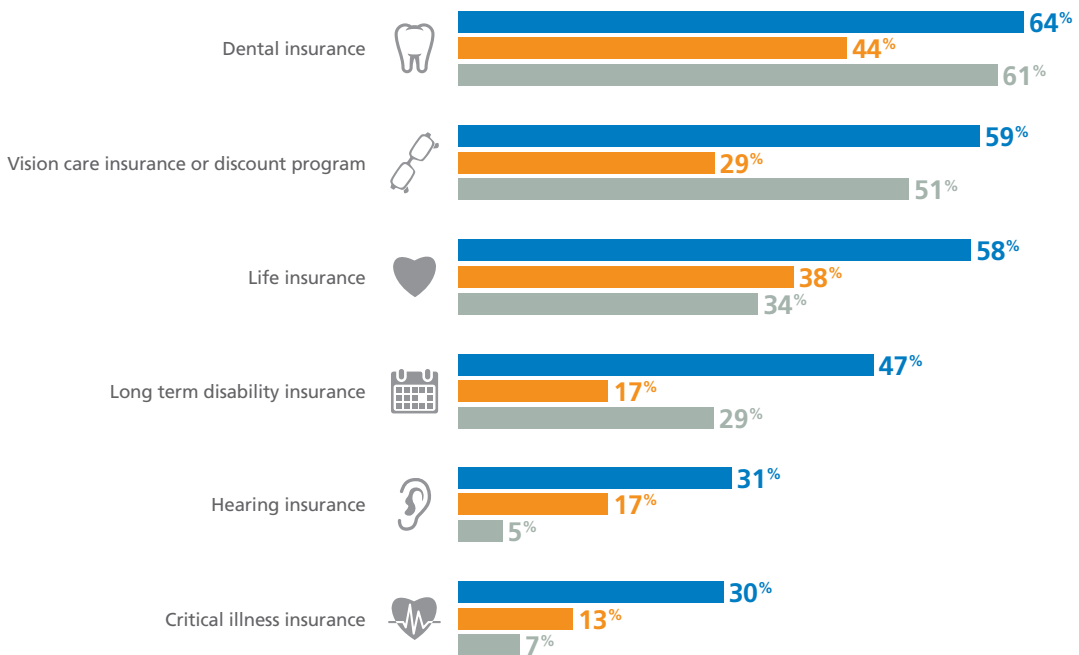
Retiree Benefits Inspire Loyalty

That said, retiree benefits have a big impact on employee loyalty, with 53 percent of public education employees saying that these benefits are the key reason they stay on the job.

Public education employees are more likely to enjoy retiree non-medical benefits than are their private sector counterparts.

But overall, retiree benefit offerings lag behind employee interest. The retiree benefits that K-12 and higher-ed employees are most interested in are dental, vision, and life insurance.

"Must have" retiree non-medical benefits

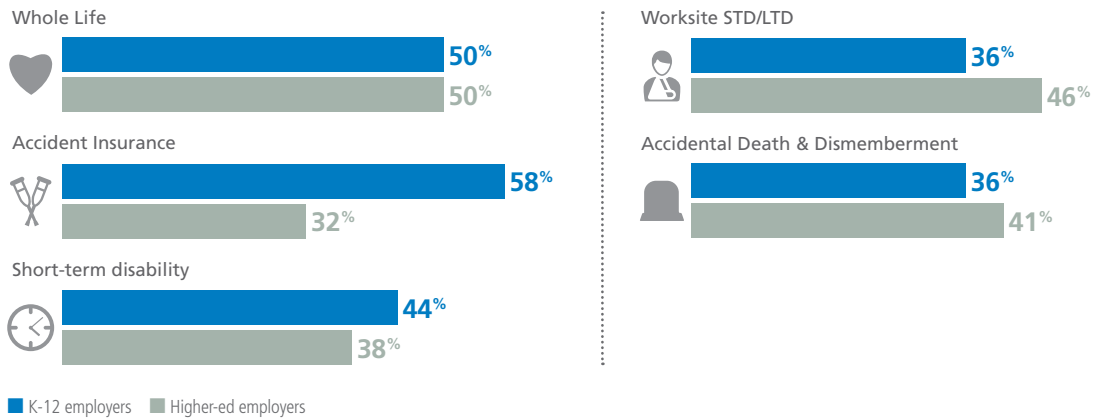


■ Public education employee: non-medical benefits "must have" ■ K-12 employers: non-medical benefits offered ■ Higher-ed employers: non-medical benefits offered

Employees On the Move

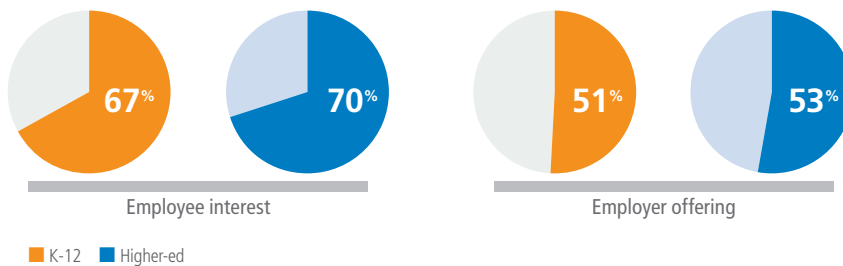
As workplace flexibility becomes an important issue for many workers, interest in portable benefits, which allows workers to take their benefits with them when they change jobs or prepare to retire, is also on the rise. In addition to retirement plans, public education employees are most interested in portable dental, life, and vision.

Portable benefits offered by employers



Topping the list is the need to plan for their retirement and their families' future financial needs. Public education employers cite several reasons for offering portable benefits. The goal of helping employees maintain continuity when planning for their retirement and their families' financial futures tops the list.

Portable benefits



Conclusion

As many K-12 school districts face budget cuts and a weakened teacher pipeline, a well-designed employee benefits package can be an important tool in addressing these challenges. While traditional benefits will continue to play a key role in attracting and retaining employees, voluntary benefits and job flexibility have become increasingly important to recruitment and retention. Understanding the benefits employees want and need, in order to face the challenges in their lives, is the first step in creating a workforce to tackle the business challenges ahead.

Turn Insights into Action

Public education employers should seek to better understand their employees' benefit needs and then work with their brokers, consultants and providers to evaluate cost-effective ways to enhance their benefit offerings.

Quick tips:



Provide a wide range of non-medical benefits to ensure that employees of all ages and life stages have access to the coverage that can give them peace of mind for the unexpected. The study shows employees understand that non-medical benefits can limit their out-of-pocket expenses.



Look for solutions to better educate your employees on their benefit choices. Employees value their benefit options but are looking for one-on-one consultations to make informed decisions.



Adapt to the changing workforce. The shift in employee demographics is highlighting a need for portable benefits. Millennials place greater value on work-life balance than their older counterparts and Baby Boomers are interested in continuing to work past the traditional retirement age. This shift of employees moving to part-time or consulting status is driving a need for portable benefits.

*For tips and more resources on how to meet employees' benefit needs:
Visit **MetLife.com/PublicSector***

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