

What Keeps Your Clients Up at Night?

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Getting to Know Millennials

The U.S. Census Bureau defines millennials as individuals born between 1982 and 2000 — a group that numbers 83.1 million, or more than one-quarter of the nation's population. It has become the largest generation on record, surpassing the roughly 75 million-strong Baby Boomer segment.



That latter cohort is, of course, beginning to leave the workplace in droves — an average of 10,000 boomers are expected to retire each and every day. And the Pew Research Center says millennials accounted for nearly 54 million workers in 2015, a number that will only continue to rise as more of this generation enter the workforce. That means workforce demographics are shifting — and the needs of workers along with them.

Some sectors and companies have been more nimble than others. Airbnb and Uber, for instance, are prime examples of how millennial consumption activity and preferences have transformed long-entrenched industries.

Yet other segments of the economy have been resistant to change.

Venture capitalist David Chase, the managing partner of HF Quad Aim Fund, which invests in health care startups, calls the health care industry “remarkably resilient” to the forces driving change in nearly every other economic sector.

Chase believes that will inevitably come to an end — and soon, thanks to the consumption habits and demands of millennials.

“The gig is up and the fix is in,” wrote Chase in a recent Forbes column. “There is a near perfect mismatch between what millennials value and how health systems and plans have been designed. Ask any venture capitalist who they study to get an eye into the future and they’ll give you a clear answer: Study the millennials.”

Voluntary benefits put consumption power in the hands of millennials

Benefits brokers have likely witnessed the use of cultural and economic data to broad brush millennial consumers.

For instance, this is the first generation of “native” technologists. Many are slammed with considerable student debt, even more than twentysomething Gen Xers were in the past. They foresee — and embrace — itinerant career paths. They are “cord-cutters” — two-thirds of millennials don’t have land-based phone lines, and their preference for content on demand helps explain the declining popularity of cable TV.

Maybe all the millennial clichés seem, by now, trite and overblown. Or maybe they are telling. Millennials don’t expect or demand choice as much as they presume it is their right — their manifest.

Enter the consumer-driven health care market.

When coupled with ancillary and voluntary benefits, consumer-driven plans can address cost concerns. But many experts note that health care providers, insurers and brokers have a long way to go when it comes to crafting the perfect package of services and benefits for millennials.

Traditional plan design delivers comprehensive protection that comes at a considerable cost to both employers and employees.

And independent health care analysts suggest at least some of those costly protections may not benefit millennials. While a properly designed, customizable plan remains a staple benefit offering, some analysts say employers need to offer new benefits solutions alongside traditional health care coverage in order to satisfy the imperative millennials tend to place on personal wellness — whether in health, financial or lifestyle.

Some benefits brokers will no doubt struggle to evolve. But enterprising brokers will embrace these changes as opportunity.

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BROKER CHECKLIST

- How efficient are you — and your team — at conducting a thorough audit of your prospects' existing plans? Identifying and pointing out areas of over-coverage and their role in overall plan cost will no doubt win an employer prospect's attention.
 - How efficient is the prospect's current benefit administration system? Technology is evolving at a rapid pace, and what was state-of-the-art just a few short years ago may by now be a relic.
 - Do you survey millennial employees on their experience with benefits administration systems? A simple online survey distributed via email or social media, with questions exploring a system's pros and cons, is a great way to engage younger workers. Ask them for their honest opinion. Is the platform clunky? Does it concisely convey necessary info? How would you improve it?
 - Millennials have developed a reputation as price-driven shoppers. But with health care decisions, the jury is still out. So ask them outright: "Do you price shop for health care services?" "Do you ask doctors about the cost of services?" "How much does cost guide your health care decisions?"
 - Engage millennials with questions they want to answer. Some examples: What was your overall impression of last year's enrollment season? How do you feel about making benefits decisions? Talk to me about the value of your existing benefits offerings? What is the one workplace benefit you would not do without?
 - On a scale of one to 10, how well do you understand your current health care benefits? Some answers may shock brokers, but this confusion creates an opportunity to add value via education.
 - Data are generally powerful, but not every millennial is the same. Some value autonomy in benefits decisions, others not as much. Ask them point blank: What has been your experience with on-site health care brokers? Do you have questions for them outside of the enrollment period? How you view brokers — as sales people, advisors, consultants, etc.? How does your broker help you understand your benefit options?
 - Millennials value their peers' opinions — a trait that is fairly common among other age groups, as well. Ask millennials what benefits sources or systems/tools they've used outside of the workplace to understand the growing number of benefit options in today's marketplace.
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