

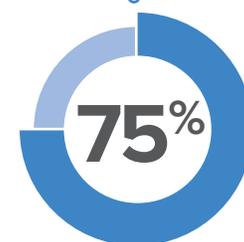
Talking benefits with millennial workers? Change the story by stressing financial independence



Has there ever been an era without a generation gap? Probably not: Each generation of workers laments the lack of initiative and work ethic of the following – and they put an exclamation point on it with tales of life before cellphones and computers, walking long distances to school or delivering newspapers before the crack of dawn.

The truth is that most of today's young workers – members of the millennial generation – aren't lacking in motivation. They've simply come of age in a time of economic strife. Millennials have learned from experience that it's not always easy to find a job, let alone the "right" job. What's more, seeing their hard-working parents laid off by companies that are cost cutting and downsizing has led to a not-so-surprising distrust of employers.

Businesses must make an effort to adjust and adapt to the millennial mindset. After all, **by 2020, 1 in 3 adult Americans will be members of the millennial generation,** and **millennials will comprise 75 percent of the workforce by 2025.**¹ Put simply, companies that have long focused on the wants and needs of baby boomers and Gen Xers must turn their attention to younger workers, who have very different mindsets and expectations.



IT'S ALL ABOUT FLEXIBILITY

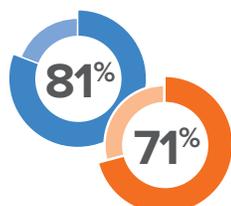
Here's one way millennials differ from their parents: Salary is not nearly as important as job satisfaction. In fact, **64 percent** of millennials would rather make \$40,000 per year at a job they love than \$100,000 at a job they think is boring.¹

Still, despite their seeming disinterest in money making, millennials' lives are often clouded by financial responsibilities. According to a Wells Fargo survey, **40 percent** describe their debt as overwhelming, compared to **23 percent** of baby boomers.²

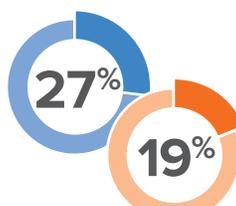
Given that so many millennials are in financially precarious situations and yet are willing to forego high salaries in favor of contentment, it makes sense that employee benefits are critical to this independent generation. Unfortunately, many employers and advisors aim wide of the mark when coaching them about benefits strategies. Much of the communication focuses on setting aside funds for retirement, which is a key issue for baby boomers. However, millennials are less interested in planning for tomorrow's retirement than in achieving financial independence today: According to a recent report, financial independence is the top priority for **39 percent** of millennials.³

THE BENEFITS EQUATION

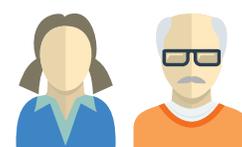
Instead of focusing on retirement benefits when working with millennials, companies would be wise to turn the spotlight on health insurance options. The 2017 Aflac WorkForces Report revealed that millennials have high expectations in that regard:



81 percent say they would be happier employees if their benefits packages were improved, compared to **71 percent** of non-millennials.



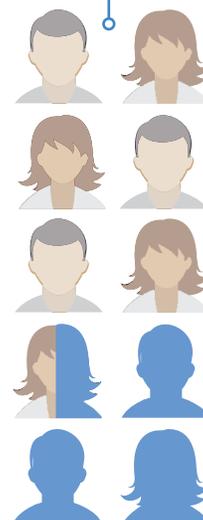
27 percent of millennials say they've left a job due to benefits offered, compared to **19 percent** of non-millennials.



According to the WorkForces Report, strong health care benefits are critical to millennials' satisfaction, engagement and willingness to remain in a job: **40 percent** say improving their benefits package is one thing their employers could do to keep them in place. The answer was second only to "increase my salary."

What's more, **65 percent of millennials would be at least somewhat likely to accept a job offer with slightly lower compensation but better benefits.**

They report their benefits package offerings are extremely or very important to:



WHAT MILLENNIALS SHOULD KNOW ABOUT VOLUNTARY INSURANCE

When communicating about voluntary health insurance benefits, employers should keep their younger workers' tenuous financial circumstances and eagerness for financial independence in mind. That's because millennials might be the generation least equipped to cope with the out-of-pocket expenses that accompany an unexpected accident or illness. The 2017 Aflac WorkForces Report found that despite their intentions to save, **70 percent** of millennials have less than \$1,000 on hand to pay out-of-pocket medical expenses and **39 percent** have less than \$500.

For this reason, voluntary insurance is something most millennials can't afford to go without. When communicating with younger workers about benefits, employers should stress that a serious accident or illness might not only endanger their present financial security; it might endanger their long-term goals for financial independence.

Aflac herein means American Family Life Assurance Company of Columbus and American Family Life Assurance Company of New York.

The 2017 Aflac WorkForces Report is the seventh annual study examining benefits trends and attitudes. The study's surveys, conducted by Lightspeed GMI, captured responses from 1,800 benefits decision-makers and 5,000 employees across the United States in various industries. For more information, visit AflacWorkForcesReport.com. This piece is for informational purposes only and is not intended to be a solicitation.

SOURCES

¹ The Brookings Institute. "11 facts about the millennial generation." Accessed March 11, 2017. <https://www.brookings.edu/blog/brookings-now/2014/06/02/11-facts-about-the-millennial-generation/>

² Wells Fargo. "Eight in 10 millennials say great recession taught them to save now, Wells Fargo survey finds." Accessed March 11, 2017. https://www.wellsfargo.com/about/press/2014/20140610_millennials/

³ Bank of America/USA Today. "Young Americans and money." Accessed March 11, 2017. http://about.bankofamerica.com/assets/pdf/BOA_BMH_2016-REPORT-v5.pdf

Voluntary insurance is something most millennials can't afford to go without.



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