

Recent Research in HR and Employee Benefits 2018 – Spring Edition

Winter is finally on its way out, and that means it’s time for our Spring *FYI Roundup*. In this issue, we look at some of the latest publications offering insights and analyses on HR and employee benefits issues, including compensation best practices, the rise of caregiving and its impact on employers, the link between dental benefits and wellness, and Millennials in the future. We also provide links to some of our most popular surveys that are open for participation in 2018.

In this issue: [Call for Survey Participants](#) | [Compensation](#) | [Health, Welfare & Long-term Care](#) | [Health & Welfare – Caregiving](#) | [Retirement Planning](#) | [Workforce: Millennials](#) | [Workforce/Workplace Issues](#) | [Statistics – Employee Compensation Data](#)

Call for Survey Participants

The Knowledge Resource Center’s Survey Team is extending an invitation to participate in one of several new surveys planned for release this year.

- Now in its 12th year, our [Global Wellbeing Survey](#) will focus on traditional health and wellness issues. New this year will be an expanded focus on broader wellbeing issues, particularly financial wellbeing. (Deadline: May 9)
- Our [Global Long-Term Incentives Survey](#) will provide insight into competitor approaches to variable long-term compensation programs. (Deadline: June 1)
- The latest [Compensation Planning Survey](#) has two parts and will look at salary increases and compensation policies and practices. (Deadlines: June 8 and August 17, respectively)

To participate in any of these surveys, please follow the link and submit your responses. All participants will receive a complimentary report.

Compensation

Two new reports provide a look at trends and benchmarking data related to severance and separation benefits, and a look back at the biggest issues around compensation last year, as well as insights into best practices going forward.

Conduent HRS Consulting

For more information about Conduent HRS Consulting Surveys, contact [Anwar Aguilar](#).

[Severance & Separation Benefits](#) – Looks at trends and best practices related to severance and separation benefits, including reasons for offering severance, methods of calculation, and the most commonly offered benefits. This report offers useful benchmarking data and includes information on outplacement benefits, stay bonuses, early retirement programs, covenants, and more. (Lee Hecht Harrison, 2018)

[2018 Compensation Best Practices Report](#) – Includes a review of 2017 compensation practices, such as merit raises, retention, compensation structure, and pay by geography. This report also looks at variable pay issues, perceptions around compensation fairness, characteristics of top performing organizations, the biggest challenges for 2018, and a spotlight on the salary history debate. (Payscale, 2018. **Note:** registration required to download report)

Health, Welfare & Long-term Care

In this issue we provide an array of new reports covering health and welfare benefits, including a look at the top concerns for players in the healthcare industry, and some of the reasons behind employer motivation to continue sponsoring healthcare coverage. Other recent reports explore the link between dental benefits and employee wellness, and the causes and effects of employee fatigue in the workplace. Also included is a report on the long-term care insurance industry, useful for employers considering how to structure employee benefit offerings.



[The 8th Annual Industry Pulse Report](#) – Evaluates marketplace trends, opportunities and challenges in the healthcare industry. This survey of healthcare payers and other industry stakeholders provides important insights into important issues, and includes findings on high-deductible plans, mobile and digital health adoption, blockchain, artificial intelligence, and other technologies, and consumer behavior incentives. (Change Healthcare, 2018. **Note:** registration required to download report)

[“Tipping Points” of Employer Sponsored Healthcare](#) – Speculates on what the tipping point might be for employers to consider ending their sponsorship of healthcare. This white paper looks at structural changes such as the shift from DB to DC plans, concerns around retiree healthcare coverage, government regulation, and the benefits and challenges that come with continuing to provide coverage. (American Health Policy Institute, 2018)

[Dental Benefits: A Bridge to Oral Health and Wellness](#) – Looks at how dental benefits utilization can decrease overall dental and healthcare costs to employers, particularly usage of preventive care services. This report provides statistics on dental visits by workforce subgroups, positive health behaviors associated with increased dental visits, provider loyalty, and cost barriers to receiving adequate care, among others. (Guardian, 2018)

[Tired at Work: How Fatigue Affects Our Bodies](#) – Examines the various causes of fatigue, including biological and environmental factors, and looks at how fatigue affects employee performance, including safety issues, productivity, and absenteeism. Workplace environmental factors include ergonomics, types of tasks performed, organizational factors, and worksite environment. (National Safety Council, 2018. **Note:** registration required to download report)

[State of the Long-term Care Insurance Industry](#) – Reviews the health of the LTC industry, noting a decline in sales since the market's peak in 2002, with seven of the top ten carriers dropping out of the market between 2001 and 2015. Some of the reasons given include lower interest rates, increasing longevity, lower lapse rates, and mismatched cash flow. This report also evaluates how successful carriers overcame barriers, and trending changes, such as the move from offering traditional stand-alone LTC policies to hybrid plans that combine LTC benefits with annuities or whole life plans. (NOLHGA, 2018)

Health & Welfare – Caregiving

With an increasing number of workers taking on caregiving responsibilities, valuable information on financial costs, planning, and other impacts is presented in a new report.

[2018 C.A.R.E. Study](#) – Looks at four aspects of caregiving: costs, accountabilities, realities, expectations. This study provides useful statistics to help illustrate the increase in caregiving responsibilities among Americans, including expectations around caregiving, incidence of planned versus unexpected events, and the impact on caregivers' financial wellbeing. (Northwestern Mutual, 2018)

Retirement Planning

Various new publications offer perspectives on multiemployer pension plan health, managed account valuation, and specific experiences, challenges, and preferences of women, pre-retirees, and retirees on planning and investment behavior.

[Here and Now: How Women Can Take Control of Their Retirement](#) – Reviews data from a survey of almost 4,000 women employed full- or part-time, looking at issues such as retirement dreams, expectations, and plans. This report provides information on the types of risks women in particular face in preparation for retirement, and evaluates areas where improvements can be made. (Transamerica Center for Retirement Studies, 2018)



[Poll: Multiemployer Pension Plans](#) – Examines perspectives of 46 trustees of multiemployer pension plans. This snapshot of plan health looks at issues such as current funded status, steps taken to improve underfunding, and other factors, concluding that unfunded liabilities and lack of confidence in regaining green zone status are among the greatest concerns. (SEIC, 2018)

[Made to Measure: Evaluating the Impact of a Retirement Managed Account](#) – Offers a method for valuing managed accounts and provides suggestions for each feature separately, quantifying values for engaged and unengaged participants. (Great West Financial, 2018)

[MassMutual Retirement Savings Risk Study](#) – Provides a look at investment practices of pre-retirees within 15 years of retirement, and those 15 years into retirement. This survey evaluates investment behavior, risk tolerance, impact of advisor services, investment option availability and preferences, and perspectives on past decisions. (MassMutual, 2018)

Workforce: Millennials

Highlighting the various experiences of different generations in the workplace, recent research focused on Millennials, and includes a look at retirement goals and planning, healthcare access and utilization, and other concerns. A unique report on Millennials in the future offers insights that can help employers understand and plan for the challenges this generation faces.



[The 80-Year-Old Millennial](#) – Imagines what life will be like for Millennials in 50 years, in light of the challenges they face compared to previous generations. This report gathers information from multiple resources — surveys, data mining, moderated discussions, expert interviews, and more — to uncover four major themes: work, technology, wellness, and finance. Analysis for each theme includes a look at the current situation, future trajectories, societal and workforce implications, and drivers of change. (Prudential, 2018)

[Millennials and Retirement: Already Falling Short](#) – Evaluates how prepared Millennials are for retirement by examining access to and participation in employer-sponsored retirement plans, retirement plan coverage by industry of employment, and adequacy of retirement savings. (National Institute on Retirement Security, 2018)

[Consumer Engagement in Health Care Among Millennials, Baby Boomers, and Generation X](#) – Examines issues around healthcare, including cost of insurance, plan satisfaction, reasons for choosing a plan, and sources of information. This report analyzes differences by generation, concluding that Millennials are both more satisfied with their coverage and are greater users of wellness programs. Other findings include the greater importance of primary care providers to Baby Boomers, versus younger generations. (EBRI, 2018)

Workforce/Workplace Issues

A selection of reports and surveys provides insight and guidance on remaining competitive in the search for talent, ensuring optimal engagement of employees, evaluating factors that detract from or improve productivity in the workplace, and planning for the future in an increasingly automated world.

[State of Workplace Training Study](#) – Concludes that nearly one-third of American workers do not receive formal training from their current employer. This survey presents statistics across various industries on worker preferences and attitudes towards training and questions whether training is effective and for what reasons. (Ipsos, 2018).

Note: these are findings from a poll conducted November 20 through December 4, 2017)

[2018 Workplace Distraction Report](#) – Looks at the biggest causes of worker distraction, including personal technical devices, meetings, technical problems, and early departures/late arrivals, among others. This report also looks at the impact of workplace distractions, ways that employees are coping, and some steps employers can take to improve the situation. (Udemy, 2018)

[The Future of Work](#) – Examines the ways in which artificial intelligence (AI) is creating a “fourth industrial revolution” in the workplace. This survey of over 800 executives across various global industries and several generations

evaluates the impact of AI on the workforce, on management, and on customer service. (Pegasystems, 2018.

Note: registration required to download report)

[Employee Engagement Trends and Indexes: Q1 2018 Report](#) – Investigates factors that contribute to engagement by reviewing responses from over 12,000 employees. This report explores the meaning of engagement as defined by several core emotional needs, and measures 14 engagement drivers. Breaking down results by generation, the report also provides four steps employers can take to improve engagement by helping employees find more meaning in their work. (Emplify, 2018. **Note:** registration required to download report)

[2018 Talent Trends Report](#) – Lists the top ten trends that talent leaders should pay attention to this year. This survey of 800 C-Suite, HR, and procurement leaders across 17 countries provides a roadmap to navigating an evolving market in the competition for top talent. Key findings include increasing importance of HR technology, greater acceptance of flexible labor, and an optimistic outlook for the year ahead. (Randstad, 2018.

Note: registration required to download report)

Statistics – Employee Compensation Data

The U.S. Bureau of Labor Statistics' recent release, [Employer Costs for Employee Compensation](#), provides comparative data on employer costs for wages, salaries, and employee benefits in private industry and state and local government in December 2017. Overall, wages and salaries averaged \$24.49 per hour and accounted for 68.3% of total costs, while benefits averaged \$11.38 and accounted for the remaining 31.7%. Total compensation costs for private industry workers averaged \$33.72 per hour worked, while compensation costs for state and local government workers averaged \$49.19 per hour. (BLS, 2018)

The table below shows the relative importance of employer costs for employee compensation as of December 2017 for private industry and state and local government workers:

Compensation Component	Private Industry	State and Local Government
Wages and Salaries	69.6%	62.6%
Benefits	30.4	37.4
Paid Leave	7.0	7.6
Supplemental Pay	3.8	1.0
Insurance	8.0	11.8
Health	7.6	11.5
Retirement and Savings	3.8	11.5
Defined Benefit	1.5	10.6
Defined Contribution	2.3	0.8
Legally Required Benefits	7.8	5.5

Authors

Julie Masal, JD, MA
Teresa Wilkins, MS (LIS)

Produced by the Knowledge Resource Center of Conduent Human Resource Services

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email fyi@conduent.com.

You are welcome to distribute *FYI@* publications in their entirety. To manage your subscriptions, or to sign up to receive our mailings, visit our [Subscription Center](#).

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.