



HR Specialist Summit

September 10-11 | 1:00-5:00 p.m. Eastern

Benefit Trends and Strategies

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HR Specialist Summit

Agenda

- 1) Generations in the Workplace
- 2) AI in HR
- 3) Benefit Trends
- 4) BONUS: underwriting tips and tricks

Generations at a glance



1946–1964

1965–1980

1981–1996

1997–2012

78–59

58–44

43–28

27–12

21%

20%

22%

21%

15%

31%

36%

18%

Job and health security

Work-life balance

Freedom and flexibility

Security and stability

Company loyalty,
teamwork, duty

Diversity, work-life balance,
personal-professional
interests rather than the
company interests

Responsibility, quality of
their manager, unique
work experiences

Diversity, personalization,
creativity, individuality

Achievement comes after
paying one's dues;
sacrifice for success

Quick to move on if
employer does not meet
their needs; resistant to
change at work if it
impacts their personal
lives

Seeking challenge, growth,
and development; a fun
work-life balance; likely to
leave a workplace if it isn't
willing to change

Value stability,
independence,
individuality, and
diversity; innovative
coworkers; concerned
about the future

More formal; in-person
or phone call

Informal but direct style;
email and
text messages

Frequent and
timely feedback; text and
chat messages

In-person preferred;
video calls^{1,2}

Sources: 1. **Trendlines**. *Changes in the U.S. Labor Supply*. Trendlines, 2024. 2. **Statista**. *Population Distribution in the United States in 2023, by Generation*. Statista, 2023.

Boomer's valued benefits

1

Financial support

As retirement looms, this group is especially focused on retirement benefits, like 401(k) matching, and access to financial planning benefits to further help them prepare. **Two-thirds of Americans** who will turn 65 between 2024 and 2030 are financially unprepared for retirement.¹

2

Avoiding delayed care

Boomers who lack robust health care coverage may find themselves forced to wait until Medicare kicks in to seek treatment, a trend quantified in a Stanford study showing a spike in cancer diagnoses at age 65. Delayed care is associated with higher treatment costs and worsened patient outcomes.²

3

Unretirement

Over 12% of retired Boomers want to reenter the workforce. This trend is largely driven by economic pressures on this cohort—namely inflation and the rising cost of living. However, many retired Boomers simply miss the camaraderie, sense of community, and purpose of the workplace; the majority of Boomers reentering the workforce say they are enthusiastic about the decision.³



12%+

of retired boomers want to
reenter the workforce.

Gen X's valued benefits

1

Advancement opportunities

Gen X members report feeling disadvantaged when applying for new roles. Negative assumptions about the generation's technological savviness, adaptability and ability to be a “cultural fit” with younger teams mean that they are being passed over in the hiring process. Age discrimination is a growing concern among this generation.¹

2

The new “oldest generation”

Gen X is quickly moving toward becoming the eldest generation in the workforce. They are tasked with upskilling themselves with technology and digital tools while working to understand the cultural norms and working preferences of their younger colleagues.²

3

Caring for caregivers

Many Gen X workers are caregivers for children and/or aging parents. This generation is saddled with time-consuming, resource-draining responsibilities. They need benefits and flexible work policies to help them care for their loved ones without sacrificing the quality of their workplace contributions.³



Gen X is quickly moving toward becoming the eldest generation in the workforce.

Millennial's valued benefits

1

Purpose-driven work

89% of Millennials say that having a sense of purpose in their jobs is somewhat or very important for job satisfaction and well-being. As a generation that struggles to keep up with rising costs of living and make sense of an increasingly chaotic world, they want jobs that give them both stability and a sense that they are contributing to positive change.¹

2

Access to benefits advisors

Millennials are the generation most likely to experience major life changes, such as marriage, buying a home, becoming a parent, or divorce. These life changes all require careful financial planning, and, in some cases, strategic use of employee benefits. **77% of Millennials** say access to a benefits advisor is extremely important; the ability to make big decisions with the support of expert advisors gives Millennials invaluable peace of mind.²

3

Help with childcare

Nearly nine in ten Millennials say the high cost of childcare is a major factor in their decision to have children. **Over two-thirds of Millennials** say the cost of childcare prevents them from achieving their professional goals. Help with childcare in the form of subsidies or on-site childcare facilities is vital for Millennial employees.³



77%

of Millennials say access to a benefits advisor is extremely important.

Gen Z's valued benefits

1

Voting with their feet

Gen Z is unwavering in its support for the social, political, and environmental causes it champions. Gen Zers hold their employers to high standards and will not hesitate to find a new job if their organization's values do not align with their own. Nearly a quarter of Gen Zers have already left or plan to leave their job because their organization does not reflect their environmental values.¹

2

Savvy savers and investors

Gen Z is saving and investing at higher rates than previous generations. In part, this is thanks to the expansion of financial education; one in four members of Gen Z learned about investing in high school. Gen Z has three times more assets in retirement savings than Gen X did at the same time (adjusted for inflation). On average, Gen Z started investing at age 19, compared to 25 for Millennials, 32 for Gen X, and 35 for Boomers.^{2,3}

3

Boundaries reign supreme

Gen Z is steadfast in its commitment to boundaries and work-life balance. There has been a generation-wide movement to stop working promptly at 5 pm, to take full advantage of sick days, and to speak candidly about the impact of their work on their mental health. This approach to work will continue to influence organizational culture as Gen Z becomes a more sizable portion of the workforce.⁴



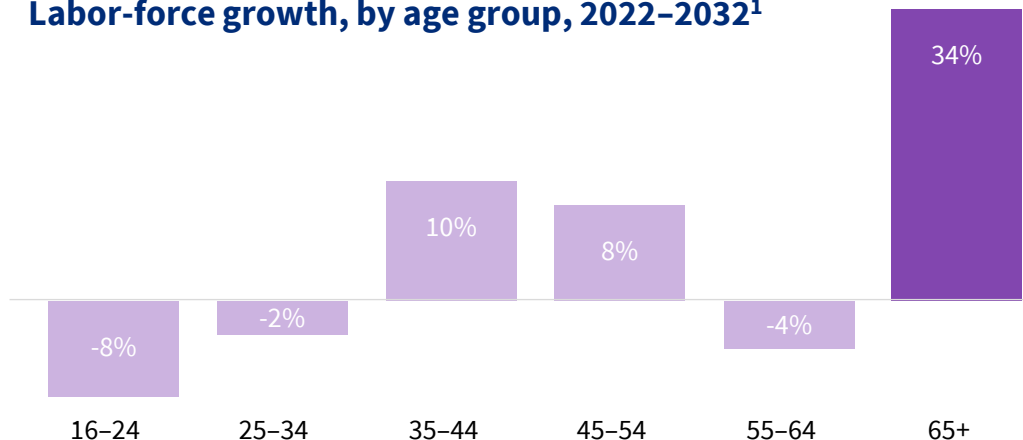
1 in 4

members of Gen Z
learned about investing
in high school.

Workers are remaining in the workforce longer than ever before.

As Boomers continue to postpone retirement or unretire, the share of workers over 65 is expected to increase by 34% by 2032. In fact, workers over 65 are the fastest-growing segment of the labor force.^{1,2}

Labor-force growth, by age group, 2022–2032¹



Sources: 1. **Harvard Business Review**. *Redesigning Retirement*. HBR, 2024. 2. **ASA**. *Workforce Monitoring Study 2024*. ASA, 2024.



Unretiring is about more than money.



78% of retirees considering returning to work reported being “very enthusiastic” about the idea.

This speaks to the reality that many are motivated to reenter the workforce not only because of financial necessity but also because many retirees report missing the community and camaraderie they enjoyed at their workplaces.¹





Age discrimination litigation is on The rise.

Some of this trend is being driven by the U.S. Equal Employment Opportunity Commission, which in 2024 filed seven lawsuits against employers for violating the ADEA (Age Discrimination in Employment Act).

Employers must actively work to understand which employment and hiring practices may constitute age discrimination. Furthermore, as human resources departments continue to implement AI tools in their hiring practices, this technology must be calibrated to avoid age-discrimination bias.

Even internal language used around hiring and recruiting must be carefully monitored. The plaintiff in a 2023 age-discrimination lawsuit against IBM alleged that HR staff referred to older employees as having “shorter runways” and expressed a desire to hire employees with “new energy.”^{1,2,3,4}

Sources: 1. **Bloomberg**. States Keep Legal Pressure on PBMs Ahead of Potential FTC Suit. Bloomberg, 2024. 2. **US Equal Employment Opportunity Commission**. Fiscal Year 2024 EEOC Litigation Focuses on Emerging Issues and Underserved, Vulnerable Populations. EEOC, 2024. 3. **INC**. The Feds Are Taking a Closer Look at Ageism in the Workplace. INC, 2023. 4. **Forbes**. How Age Discrimination Lawsuits Can Benefit the Workplace. Forbes, 2024.

Fostering connections in the workplace will require overcoming different mindsets.

Z

Gen Z is not interested in the chitchat.

“Everyone in my company is remote, and whenever I call someone with a question, they want to chitchat for 30 minutes about their day and life...I find myself feeling like they’re wasting my work day—I want to be efficient with my time, and instead of that 45 minutes I spent on the phone with the coworker—I could have spent 45 minutes on a walk for myself outside. If I’m using time to do non-work things during the day, I want to use it on something that improves my mental health.” ~ Lauren, Gen Z, Madison, Education Industry

X

Gen X is craving connection through relationship building.

“I find that when I get on a call with my younger coworkers and I start to try and connect with them—human to human—ask them questions, tell them a story, they just meet me with a total blank face. They’re not interested in connecting in that way at all. To me, that’s an essential part of being coworkers and building relationships with your team, and they just appear to be completely uninterested—and even put off by it. They don’t want to share themselves.” ~ Mel, Gen X, Los Angeles, Advertising Industry

Mentorships and reverse-mentorships are valuable (and profitable).

While mentorships traditionally entail a more senior employee coaching a junior employee, the growing trend of “reverse mentorships” flips this dynamic. Reverse mentorships enable younger employees to help upskill their older coworkers—particularly with digital tools and technology.



Mentorship programs are particularly effective for Gen Z and Millennial employees, who place a higher emphasis on personal growth and development than older generations.³

Mentorships and reverse mentorships foster trust and communication among employees of different generations. These relationships promote the idea that every employee has something to teach and every employee has something to learn. Beyond improving intergenerational workplace relationships, mentorships and reverse mentorships improve organizational functioning and productivity, leading to a measurable increase in profit.^{1,2}

Sources: 1. **Forbes**. *Does Mentoring Still Matter for Fortune 500 Companies?* Forbes, 2022. 2. **HR Director**. *Reverse Mentoring – Why It Is a Must-Have in 2023*. HR Director, 2023. 3. **Research Fielded by MMA in December 2024**. “Is your work a platform for personal growth, learning and skill development?”

18%

better than average profits were reported by companies with mentoring programs, while those without mentoring programs had profits that were 45% worse than the average.¹

90%

of employees who are part of a company mentorship program report being happy at work.¹

Preferred Benefits at a Glance

BOOMER

Comprehensive health care plans

Workplace flexibility

Retirement benefits and support with financial planning for retirement

Wellness benefits and discounts

X

Remote work benefits

Flexible scheduling

Caregiving benefits

Retirement planning

Y

Flexible scheduling

Remote work benefits

Student loan repayment

Financial planning assistance

Ongoing training and development

Family leave and childcare benefits

Fertility benefits

Z

Comprehensive health care plans

Health Savings Accounts and Flexible Spending Accounts

Holistic health and well-being benefits, particularly mental health benefits

Financial planning assistance

Tuition reimbursement

Flexible scheduling

Remote work benefits ^{1,2,3}

Sources: 1. **Benefitfocus.** 2024 State of Employee Benefits Report. Benefitfocus, 2024. 2. **Aflac.** Workplace Benefits Trends 2022-2023. Aflac, 2023. 3. **Voya.** Voya Survey Finds One-Third of American Workers Don't Understand the Benefits They Selected During Open Enrollment. Voya, 2023



**Employees say
HR is the top
resource in
benefit selection
process.**

What resources do you consult when selecting your benefits?

HR representatives

66%

Online resources

56%

Colleagues/coworkers

45%

Friends/acquaintances

29%

Financial advisors

43%

By the numbers

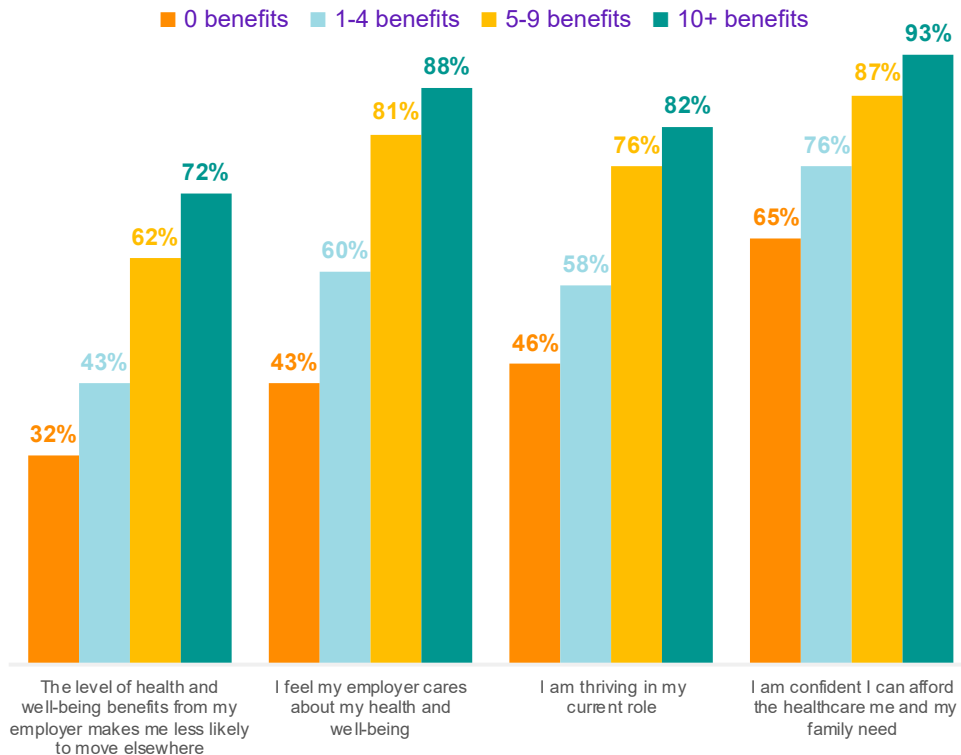
Care = thriving

“**78%** of employees who believe their employers care about their health and well-being also say they are thriving.”

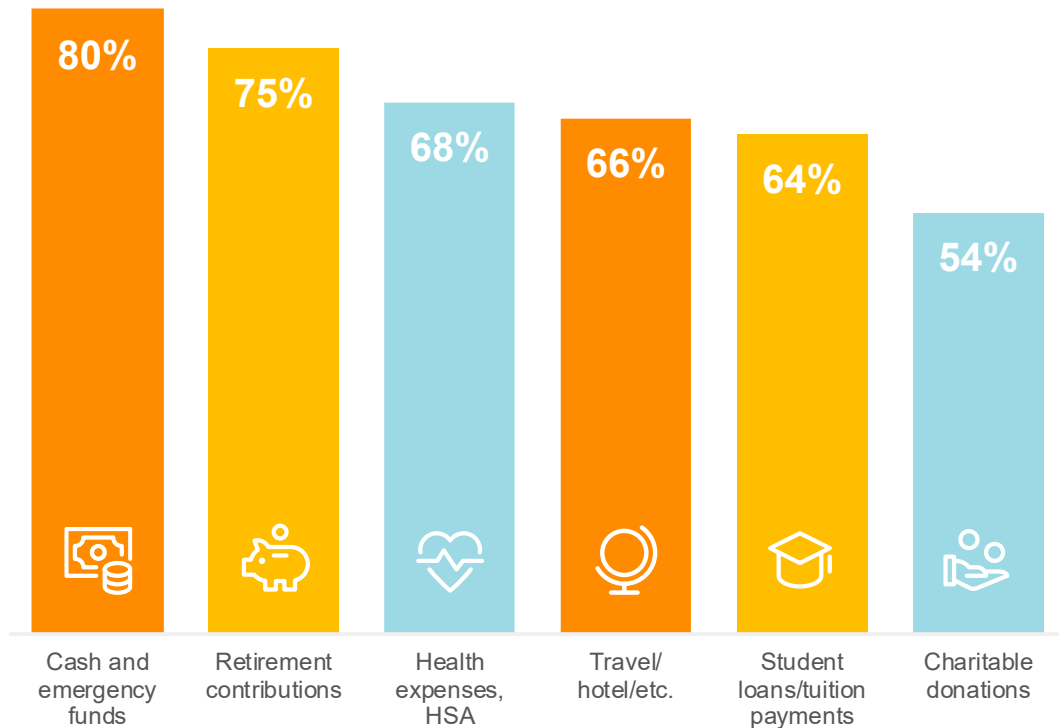
More is better

“Of the employees who have access to 10 or more benefits (such as medical coverage, life insurance, and mental health counseling), **82%** say they are thriving, compared with just **58%** of those with access to between one and four traditional benefits.”

The more benefits an employee receives, the more likely the employee is to report thriving in their role



Rethinking paid time off



Source: Mercer, "Health on demand 2023 survey report," 2023, [Link](#)

90%

of employees say the ability to exchange their accrued PTO would make them more likely to stay with their employer.

83%

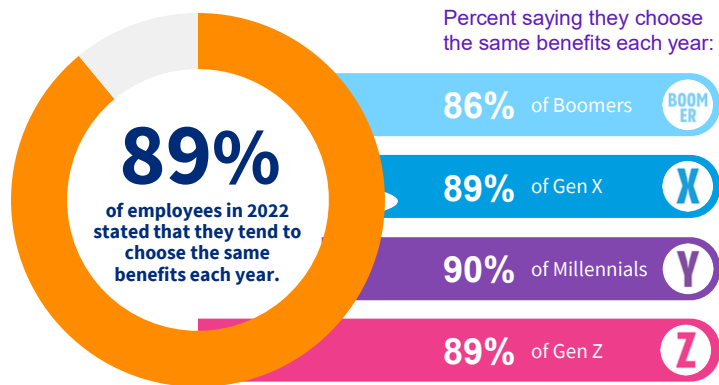
of employees are very or extremely interested in using their paid leave to support their various personal financial needs.

25%

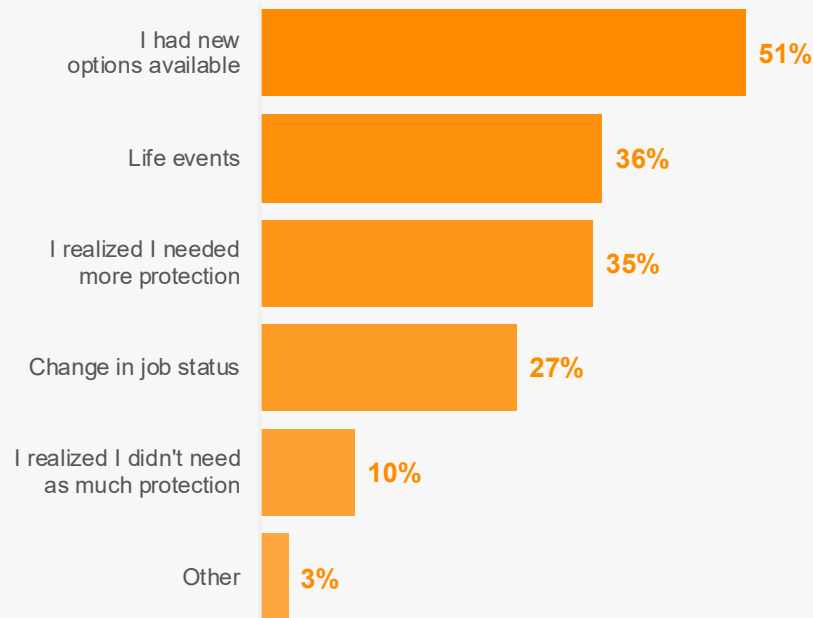
of employers provide employees unlimited PTO.

89% of employees say they typically choose the same benefits plan each year

Employers should continue enhancing their benefits plans. However, these improvements will not move the needle on employee satisfaction unless they work to educate and engage employees at the time of benefits selection.



Question: What events caused you to make a change to your benefits selections?



Personalized communications boost employee engagement and benefit usage

With low employee engagement, employers are forced to take action by delivering custom communications and expanding communications outside of just the benefits enrollment period. Successfully meeting employees' differing needs will require a personalized approach.

Personalization gives employers a competitive edge

85% of HR Leaders believe that employers must offer personalized benefits to attract and retain talent.

85%

of HR Leaders believe that employers must offer personalized benefits.

Employers are slow to implement personalized benefits

Only 42% of employers are planning to personalize benefits for their workers. Reasons for slow adoption of personalized benefits include complex governance, cybersecurity concerns, and delivery challenges.

42%

of employers are planning to personalize benefits for their workers.



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- 2) **AI in HR**
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AI: defined

AI is an umbrella term for technologies that enable computers to learn, think, recognize patterns, and make decisions by analyzing large amounts of data.

Generative AI creates new content based on patterns learned from data to support creative or content-heavy tasks.

Decision intelligence refers to AI that helps organizations make data-driven decisions using predictive modeling and data analysis.

Machine learning algorithms help businesses analyze data, recognize patterns, and make predictions.

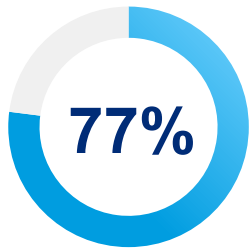
Predictive analytics uses statistical techniques and machine learning to forecast future trends based on historical data.

GPT (Generative pre-trained transformer) is an AI model that generates human-like text by learning patterns from large amounts of data. GPTs are able to write unique text, respond to questions, and carry on conversations.

AI represents the biggest game-changer for organizational functioning since the arrival of the internet.

Employees, for their part, are largely optimistic about how AI will impact their roles.

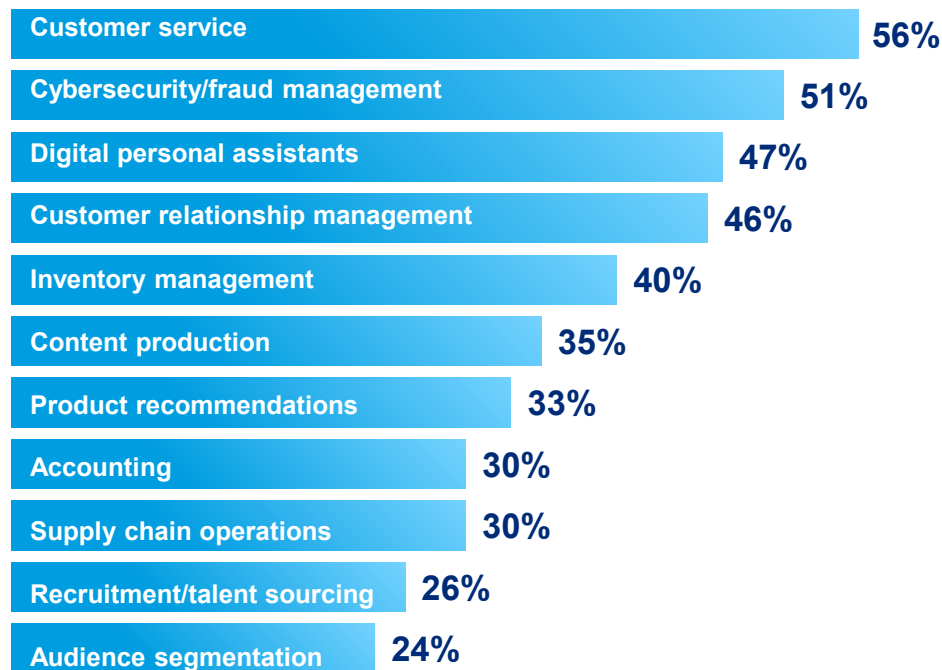
Propelled by macro- and microeconomic pressures, rapidly evolving technologies, and widespread employee buy-in, the AI revolution is fully underway. The train has left the station, and there's no turning back.



of workers believe that AI will make their work life better.



How do organizations currently use (or plan to use) AI



Sources: 1. **Forbes**. *How Businesses Are Using Artificial Intelligence in 2024*. Forbes, 2024



We've had some very specific trainings on how to use AI in our day-to-day jobs. It's in some expected places, like the marketing team leveraging GPT in their emails and communications, streamlining our grant reviews and automating job application processes. Suddenly, there's an explosion of tools that truly will allow us to streamline processes and lighten the workload. But our company has also used it in unexpected ways. They implemented an innovative program for our automotive service technicians to give customers a real-time play-by-play of their car being serviced. AI has allowed those workers to become more effective communicators and has helped build goodwill with customers with the increased transparency and information.



Nancy, Gen X, Minneapolis, Automotive Sales Group



Emerging uses for AI in HR

Predictive analytics
for turnover
and other
employee metrics

Scenario modeling
in workforce
situations

Employee
well-being
programs

Immersive training
with virtual reality
simulations

Personalized
career pathing

Bias mitigation

Continuous
feedback loops for
performance

Enhanced learning
and development
programs

Skills gap analysis

Sentiment analysis
tools

Evaluating market
trends for
performance

Compliance analysis
for compensation,
retirement plans,
and ACA

Top uses of AI by category:^{1,2}

Recruitment



- Generating job descriptions
- Targeted/customized job postings
- Reviewing/screening resumés

Interviewing



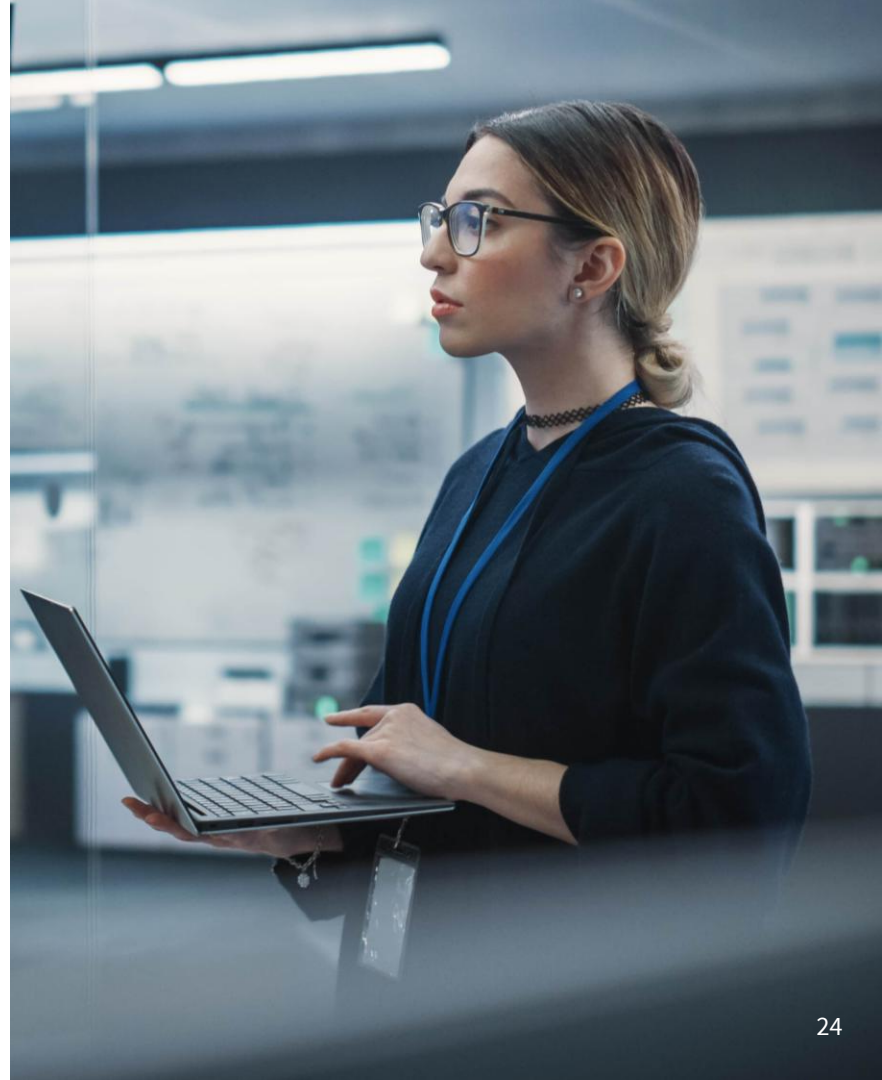
- Scheduling interviews
- Background checks/information verification
- Chatbot-based assessments

Hiring



- Document collection/compliance
- Onboarding management
- Progress and performance analysis

Sources: 1. **SHRM**. 2024 *Talent Trends*. SHRM, 2024. 2. **Forbes**. *AI-Enhanced Employee Onboarding: A New Era in HR Practices*. Forbes, 2023.



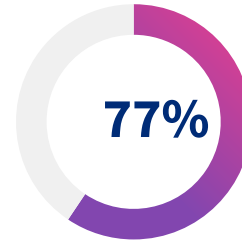
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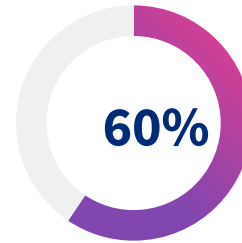


Voluntary benefits are a hit with employees of all ages.

All generations of the workforce take advantage of voluntary benefits, and the majority view them as a highly attractive offering when considering a new job.



say they're more likely to work for an employer who offers voluntary benefits, such as critical illness insurance, hospital indemnity insurance, disability, or accident insurance.



of employees say their voluntary benefits make them feel more confident in their financial security.



High-deductible health care plans (HDHPs) grow in popularity, particularly among Millennials and Gen Z.

While HDHPs increase incrementally in popularity year over year, they are more likely to be utilized by Millennials and Gen Z than older generations.

HDHPs hold appeal both for higher-salary and lower-salary employees.



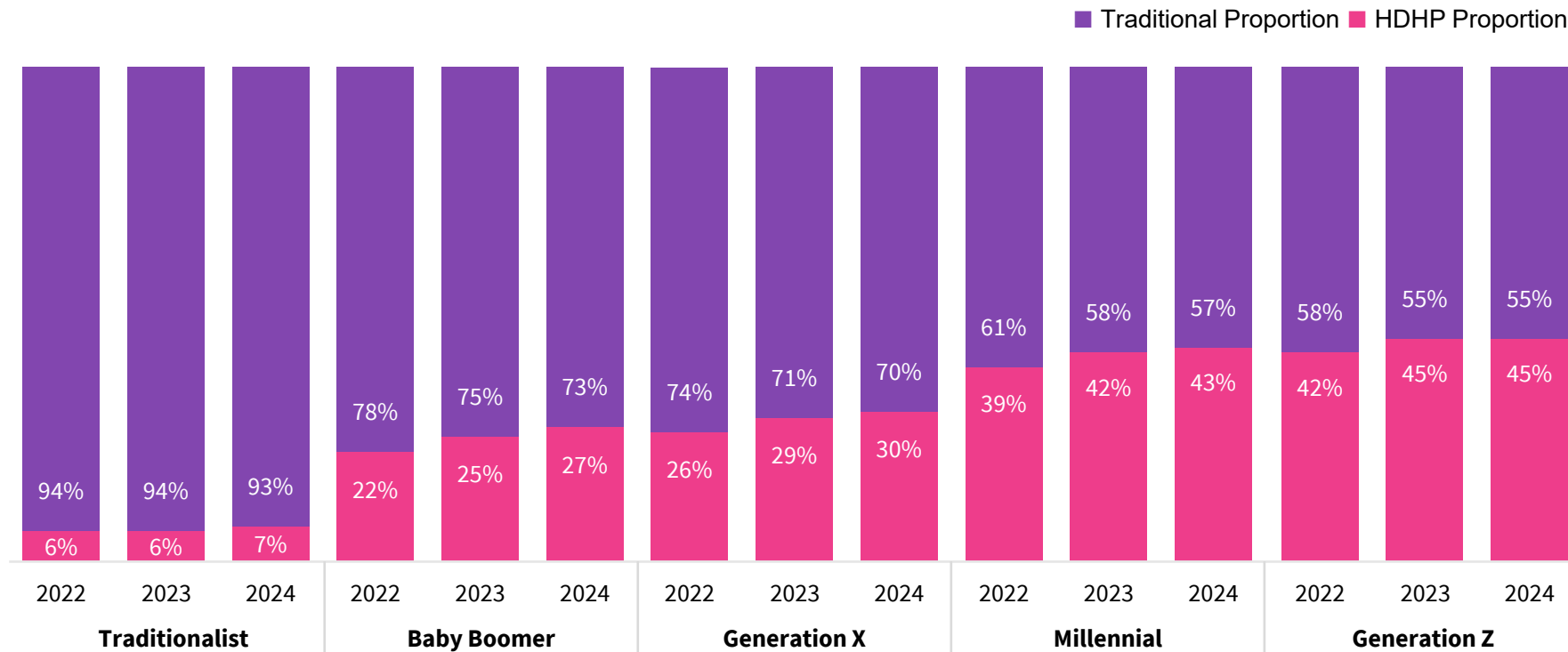
Higher-salary employees are comfortable assuming the risk of a high-deductible medical event.



Lower-salary employees are attracted to the low-cost premiums of HDHPs.

Employee health plan participation

Year-over-year generational participation when both traditional and HDHPs are offered, plan years 2022–2024



HSA participation is declining across all generations—except for Gen Z.

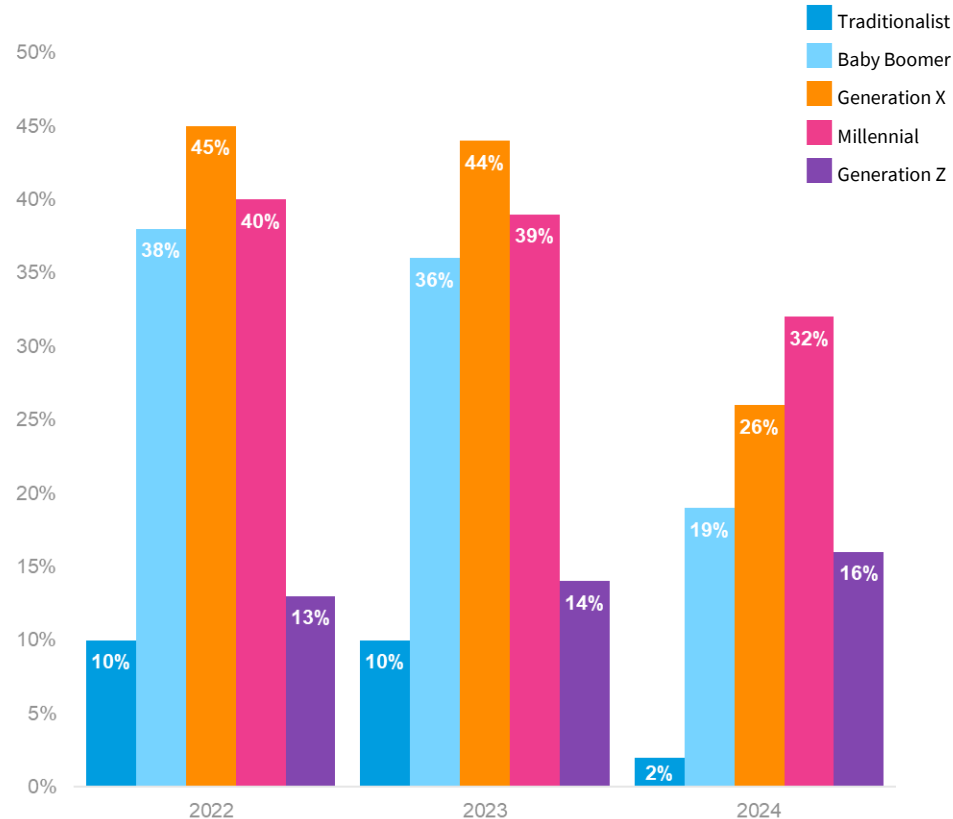
On average, employee use of HSA accounts declined 20% between 2022 and 2024.

While some of this could be the result of inflationary pressures and a high cost of living, employers must continue educating and incentivizing their employees to take advantage of HSA programs.

However, Gen Z is an exception to this trend—they are the only generation whose HSA contributions have *increased* in the last three years.

Sources: 1. **Benefitfocus**. 2024 State of Employee Benefits Report. Benefitfocus, 2024.

Year-over-year HSA participation rate by generation, plan years 2022–2024



Large organizations are more likely to self insure, but small and medium orgs are catching up.

While large employers have mostly opted for self-insurance plans for decades, the use of self-insurance by medium and small employers has been steadily growing since the passage of the Affordable Care Act in 2010.

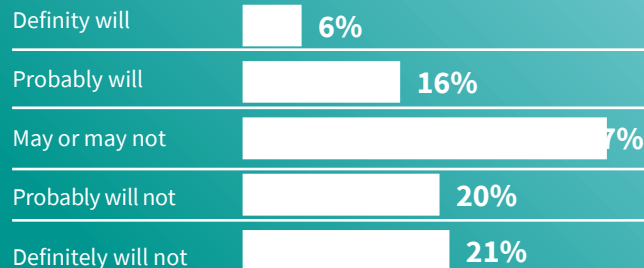
Between 2010 and 2023, the percentage of small employers that self-insured at least one plan increased from 13% to 16%, and the percentage of medium-sized companies increased from 27% to 32%.

Insurance brokers help small and medium-sized employers hedge their risk exposure through **stop-loss coverage** for high-cost claims.¹

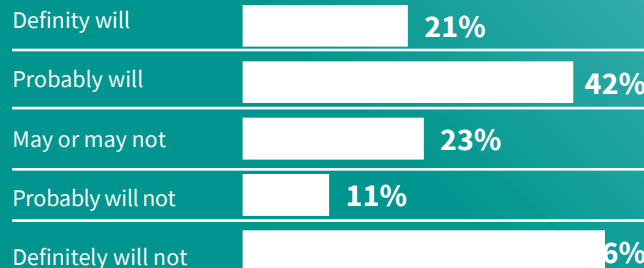
Sources: 1. **EBRI**. *New Research Finds Increasing Number of Self-Insured Health Plans in Small and Medium-Sized Businesses but a Decreasing Number in Large Companies Since Passage of the Affordable Care Act of 2010*. EBRI, n.d. 2. **AHA**. *America's Hospitals and Health Systems Continue to Face Escalating Operational Costs and Economic Pressures as They Care for Patients and Communities*. AHA, 2024.

Split of respondents by likelihood to convert fully insured to self-insured plans²

Small employers (<500 FTEs)



Large employers (>500 FTEs)



How can employers control GLP-1 spending?

Employers are increasing the scope of their obesity care programs, including lifestyle interventions, disease management strategies, and stop therapy protocols.

Specific measures employers are taking to control GLP-1 expenses include **restricting coverage to employees with higher BMIs**, requiring participation in **obesity management programs** before authorization, **requiring members to try more affordable weight-loss medications** before using GLP-1s, and setting **lifetime maximums on payments**.²

Sources: 1. **Mercer**. *Survey on Health & Benefit Strategies for 2025 and Tables of Survey Results*. Mercer, 2025.

2. **HR Executive**. *Amid a Changing Landscape for GLP-1 Drugs, 8 Employer Considerations*. HR Executive, 2024.

Obesity management programs¹

11%

Will implement a program in 2024 or 2025

4%

Will likely implement a program in 2026

60%

No plans yet, but interested in participating in this type of program

17%

Not interested in this type of program

8%

N/A – we already have a robust obesity management program in place

Understanding different GLP-1 drugs

Glucagon-like peptide-1 (GLP-1) is a hormone that regulates blood sugar and appetite.

GLP-1 agonists such as Ozempic, Trulicity, and Victoza work by triggering insulin release, which helps lower blood sugar and A1c levels, and can result in weight loss.

The majority of GLP-1 drugs are FDA-approved for the treatment of type 2 diabetes, while fewer are FDA-approved for the treatment of obesity.^{1,2}

Mounjaro, the most recent GLP-1 drug approved for type 2 diabetes, is expected to generate \$4.9 billion in yearly revenue by 2026.³

Zepbound, approved for obesity in late 2023, is projected to generate \$2.7 billion in revenue in 2024.⁴

Sources: 1. **Diabetes Care** 47(11). *Efficacy and Safety of GLP-1 Medicines for Type 2 Diabetes and Obesity*. Diabetes Care, 2024. 2. **International journal of molecular sciences**. *Emerging Role of GLP-1 Agonists in Obesity: A Comprehensive Review of Randomised Controlled Trials*. Int J Mol Sci, 2023. 3. **Fierce Pharma**. *ADA: Eli Lilly's stellar tirzepatide weight loss data tee up showdown with Novo Nordisk's Wegovy, analysts say*. Fierce Pharma, 2022. 4. **Biopharma Drive**. *Drugmakers are racing to find the next Wegovy. These obesity trials are ones to watch*. Biopharma Drive, 2024.

Drug Name	Indication
Ozempic	Type 2 Diabetes
Rybelsus	Type 2 Diabetes
Wegovy	Obesity
Mounjaro	Type 2 Diabetes
Zepbound	Obesity
Trulicity	Type 2 Diabetes
Victoza	Type 2 Diabetes
Saxenda	Obesity

Employee benefit issues to watch

More statutory state programs?

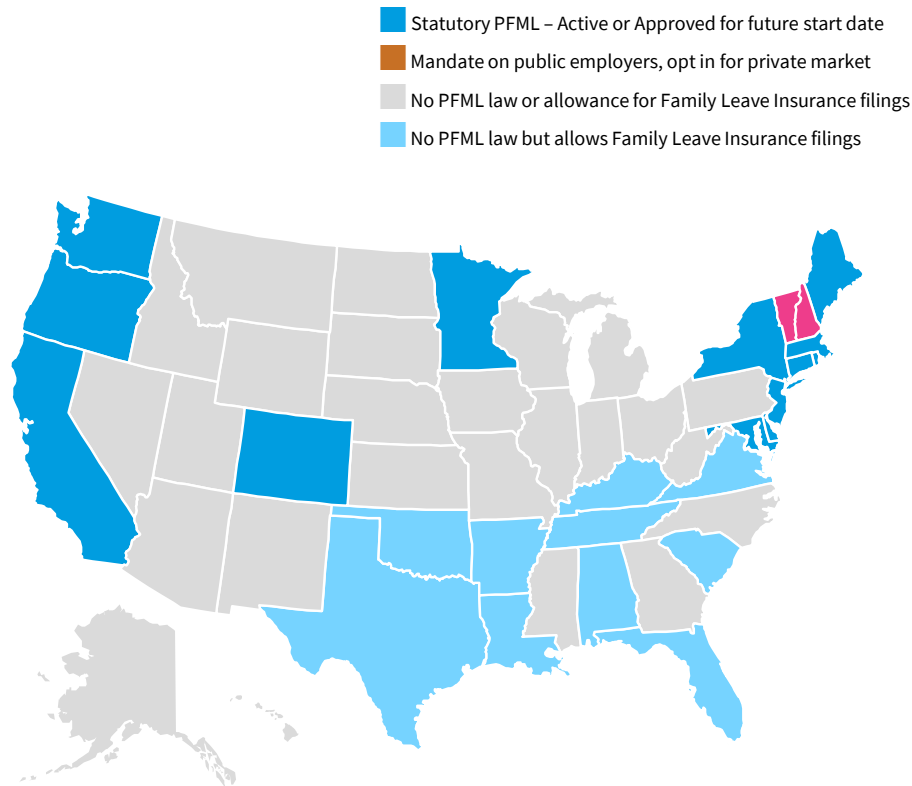
Hawaii and New Mexico

Paid leave tax credit:

Expires at the end of 2025

Potential reauthorization with changes:

- Premium tax credit
- Available in states with statutory programs



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Underwriting and Trends

Underwriting

- Medical : 75-85% TLR
- Dental and Short Term Disability : 50-55% TLR
- Life and Long Term Disability : 75-80% TLR

TLR – Tolerable Loss ratio

Thank you!

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