



How to Build a Benefits Package That Attracts Next-Gen Talent

Namely  HR for Humans

TABLE OF CONTENTS

INTRODUCTION.....03

FINANCIAL BENEFITS04

WELLNESS BENEFITS07

PROFESSIONAL DEVELOPMENT 11

FLEXIBLE WORK 13

LIFESTYLE BENEFITS..... 15

CONCLUSION 18

INTRODUCTION

Gen Z is the fastest-growing segment of the workforce. In 2020, it will make up a whopping 36 percent of the U.S. labor market. With unemployment at an all-time low and nearly 10,000 baby boomers reaching retirement age every day, Gen Zers couldn't be starting their careers at a better time. Unfortunately for employers, today's job market favors candidates and makes it more challenging to find and recruit top talent. So how can your company stand out from the competition and win over this new generation of workers? The answer is simple: employee benefits.

But first, to build the perfect benefits package, you need to understand your audience.



Who is Generation Z?

Gen Z is defined as anyone who was born between 1995 and 2015. They are the first generation with no memory of 9/11. They grew up in a world that had smartphones and free wifi, making them technology experts. They are more independent than millennials, preferring to work alone rather than collaboratively. They saw how the 2008 financial crisis affected their parents and crave stability and security in their future jobs. They are competitive and want to prove themselves in the office by working hard, learning new skills, and moving up the career ladder.

With this new, individualistic, digital-native generation entering the workforce, how can employers keep up with their needs and meet their expectations of the workplace? From financial wellness to professional development, we dive into the five essential benefits employers need to entice this new upcoming pool of talent.

FINANCIAL BENEFITS

Research shows the biggest source of stress for Americans is money. Between student loan debt, paying rent, buying a car, paying for insurance, saving for retirement, and everything else in between, Gen Z has its own set of finance issues.

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To help ease your new employees' money worries, here are a few financial benefits you can consider adopting at your company:

Student Loan Repayment Assistance

Forty-four million Americans owe more than \$1.5 trillion in student debt, with the average college graduate leaving a private four-year university owing \$32,600. To help ease the financial burden on younger employees, many companies have introduced student loan repayment assistance.

How does the benefit work? Similar to 401(K) contributions, companies typically match a percentage of an employee's monthly loan payment. Sometimes companies choose to specify a monthly, annual, or lifetime cap on how much they will contribute.

Though growing in popularity, the benefit isn't too widespread yet. SHRM's 2018 Employee Benefits Survey revealed only 4 percent of companies help employees get back in the green.

But while companies are slow to adopt the financial benefit, employees are incredibly interested in the perk. One survey found that 86 percent of employees said they would commit to a company for five years if an employer helped pay back their student loans.

Helping younger employees pay off their debt faster could be the secret to keeping employees happy and loyal to your company.

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FINANCIAL BENEFITS

401 (K) Matching

While paying off student loans and dealing with living expenses are Gen Z workers' immediate concerns, studies show younger employees are entering the workforce more mindful of the importance of saving for retirement. The sooner your employees start saving, the better off they will be come retirement.

Financial Wellness

Not ready to offer student loan payback assistance?

As an alternative, many companies opt for providing financial counseling. That way, even employees without student loans can benefit from the offering. Employees can discuss loan repayment plans and refinancing options, in addition to other financial concerns like saving for retirement, investing, buying a house, and more.

Employees can get professional advice, create a repayment plan, and ideally pay off their loans faster and save on interest with the help of a financial expert. your monthly base salary.

A person is holding a tablet computer. The screen of the tablet shows a video call with a male doctor in a white lab coat and a stethoscope. The doctor is smiling. The background of the video call is a blurred office setting. The entire image has a blue color overlay.

WELLNESS BENEFITS

Wellness benefits span well beyond traditional health, dental and vision benefits.

WELLNESS BENEFITS

Physical Wellness

Everyone needs a little motivation to hit the gym. Many employers are enticing employees to get fit with perks like on-site gym facilities, bike stipends, fitness stipends, etc. Some fitness companies, like ClassPass and PeerFit, even offer corporate memberships, which give employees monthly credits they can use to attend boutique fitness classes or appointments for facials, acupuncture, massages, cryotherapy, and more. Many employers are even offering employees discounted fitness watches and reward employees for meeting their movement and fitness goals.

While working out is a great way to get stronger, increase flexibility, and improve cardiovascular health, being active is just one aspect of a healthy lifestyle. Diet is often just as important for your overall health. It can be tempting to have one (... or two) office donuts or grab a convenient, albeit indulgent, meal on your lunch break, but it's important to keep the adage "you are what you eat" top of mind. Make it easier for your employees to make healthy dietary choices by keeping healthy snacks around the office. Ditch sugary cereals in favor of nuts, yogurt, fresh fruit, granola bars, etc.

For employees who want to take their diet more seriously, consider offering access to a dietician or nutritionist. They can help your employees build healthy meal plans, alleviate digestive issues, and more.



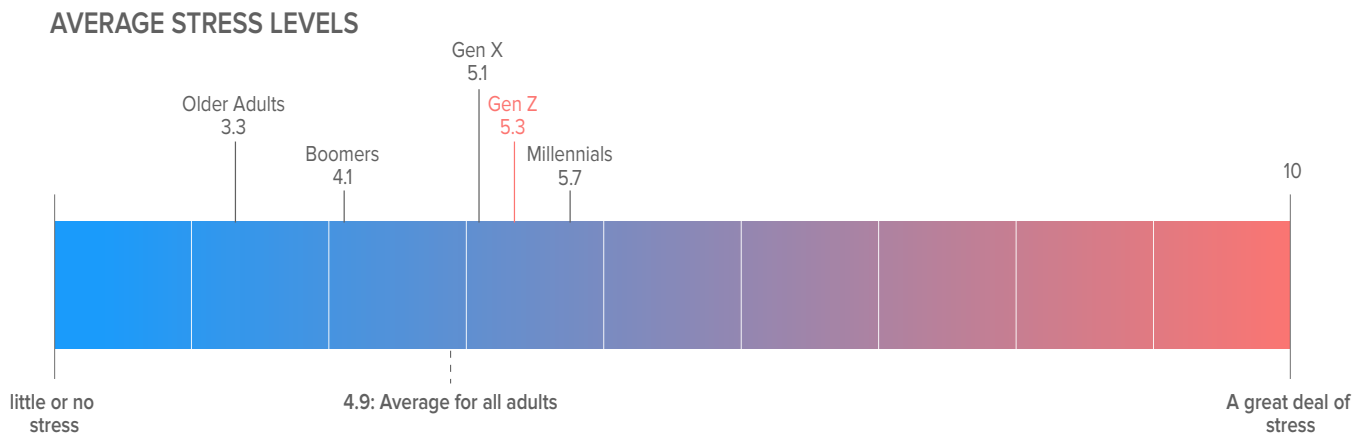
WELLNESS BENEFITS

Stress Reduction Benefits

Life insurance provides your loved ones with money in the event of your death so that they are taken care of financially. This benefit can cover monthly bills, pay off debt, and even fund your children’s education.

Gen Z is significantly more likely than any other generation to speak up if they are experiencing poor mental health and to seek treatment from a psychologist or mental health professional.

On a scale of 1 to 10, the average adult has a stress level of 4.9, but both millennials and Gen Zers score above average. While millennials might win the title of “most stressed generation” with an average stress level of 5.7, Gen Zers come in a close second with a 5.3. Clearly, these younger generations could benefit from office initiatives aimed to reduce stress.



Source: <https://www.apa.org/news/press/releases/stress/2018/stress-gen-z.pdf>

WELLNESS BENEFITS

To help employees combat stress in and out of the office, many companies have adopted a series of innovative benefits like emergency childcare stipends, onsite laundry service, Uber/Lyft stipends, and free snacks. Some offices even created ongoing office programs, like yoga or guided meditation, to give employees an opportunity to step away from their desks, clear their heads, and return to work refreshed. Some employers try to pamper their employees with a mini office spa day, hosting on-site massages, facials, or manicures for their teams.

Want to help employees unwind outside of work too? Some companies subsidize meditation applications, like Headspace, so employees can practice mindfulness in the office, at home, and everywhere in between.

Telehealth

Between work and life, it can be hard to find time to go to the doctor's office. To help employees manage their busy schedules and prioritize their health, many employers are investing in telehealth options.

Telehealth allows employees to call or video chat with a doctor who can diagnose symptoms and prescribe treatment—all over the phone. No doctor's office visit needed. If an employee is home sick, they can speak with a doctor and have a prescription sent to their pharmacist—without leaving their bed!

Physical ailments aren't the only thing treatable by telehealth. Employees can even speak to a therapist or mental health professional over the phone, too. Some services allow you to text your therapist on-the-go if you don't have time to take a call or video chat.

Telehealth gives your employees the flexibility to schedule and receive the care they need when it's most convenient for them. Employees can check a doctor's availability and book last-minute appointments, so they can get help as unplanned issues or injuries arise. While telehealth does not replace the need for a primary care provider, it does give employees peace of mind that quality care is just a phone or video call away.

PROFESSIONAL DEVELOPMENT

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When asked what they look for in a new job, Gen Zers said their top priority was to find a company that had professional development opportunities. Because Gen Z craves stability in their job and career, they want to land at a company where they can grow personally and professionally while having a successful career.

Tuition Reimbursement

Many companies offer tuition reimbursement so employees can develop existing skills or learn new ones. Usually, employers pledge to cover a predetermined amount towards an online or in-person class or degree pertaining to an employee's career. Over 83 percent of employers offer some form of the tuition reimbursement, but it seems that very few employees take advantage of the benefit. In fact, only 2 to 5 percent of employees use the program. Make sure you advertise your program—especially to job prospects—as it shows your company invests in your employees and encourages them to learn and grow.

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Professional Development Stipend

Similar to tuition reimbursement, a professional development stipend is a set amount of money an employer is willing to spend on an employee to develop their skills. For example, an employee might take a day-long workshop, go to a conference, buy textbooks, or purchase subscriptions to industry publications. The employee usually has to make a brief proposal on why their choice will benefit their career and the company, but ultimately has the freedom to follow their passions and interests.



FLEXIBLE WORK

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While some companies offer work-from-home Fridays or full-remote roles, your company needs to figure out the comfort level you have with letting employees own their schedules. Giving your employees the ability to choose when they work out of the office or from home establishes a sense of trust and can actually lead to increased job satisfaction and reduced absenteeism.

Employees can avoid the anxiety of the morning commute, stay home with a sick child, take their dog for walks during the day, or step out for a doctor's appointment without worrying that they will be reprimanded or judged for leaving the office. Flexible work allows your employees to own their schedules and rest easy knowing they have options if something requires their presence at home.

In order to have a successful flexible work program, your company needs a policy that clearly outlines expectations so performance doesn't slip.

A word of caution: Gen Z is often called the "always-on generation" because they always have access to technology. Because they are constantly an arms-reach from technology, they may struggle to "unplug" outside of regular office hours. Encourage your managers to lead by example, by not sending or replying to emails after 6 p.m. or on weekends.



A blue-tinted photograph of three people looking at a laptop screen together. The image is the background for the entire page.

LIFESTYLE BENEFITS

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Younger generations want to be a part of something bigger than themselves. Millennials came first, craving a job that has a purpose and contributes to a great cause. Gen Z grew up connected to the world thanks to technology and is more aware of and connected to global issues than any of their predecessors. They want to make a difference and help make the world a better place. That's why it's important for your company to have a powerful mission and encourage your employees to give back to the community.

Charitable Donations

Some companies partner with vendors, like Bright Funds, that allow a portion of an employee's paycheck to go directly to a charity of their choosing, making it simple and easy for employees to support their favorite causes. Some employers go a step further to match employee donations up to a specific value, which not only allows your business to give to a greater cause but also shows your employees that you support the organizations they care about.

Volunteering Time Off

Charitable donations aren't the only way to give back. Volunteering is a valuable way to make a difference and see the impact your time and effort can have on an individual or a community. Organizing regular team volunteer outings are a great way to let your employees feel a part of something greater, as well as bring employees together outside of work and deepen your business' relationship with the community.

If you aren't one for organizing, leave it up to your employees. Many employers are adding "VTO," or volunteering time off, to their paid time off programs. Employees can take a full or half-day to volunteer at an organization of their choosing, while still getting paid. It's a great way to encourage your employees to be a part of something greater and follow their passions outside of work.

LIFESTYLE BENEFITS

A woman with dark hair, wearing glasses and a white patterned sweater, is sitting at a desk and looking at a laptop. The background is blurred, suggesting an office environment.

Other

Pet insurance, a casual office dress code, flexible scheduling, catered lunches, work from home, or discounted movie tickets are just a few ways companies pass on savings to their employees. While these benefits probably won't make or break someone's decision to join your organization, they are all nice-to-haves that add up to help make your employee's lives easier. At the end of the day, that's the goal of any employee benefit!

CONCLUSION

As Gen Z prepares to enter the workforce, employers need to prepare for their arrival. Building the right benefits package is not only a way to attract next-gen talent, but also a way to keep them.

Having a strong company culture, competitive compensation, professional development opportunities, and comprehensive benefits will inspire loyalty and drive engagement at your organization. Generation Z employees are expected to be a driven, outspoken wave of talent. Investing in their success is investing in the future of your workplace.



ABOUT MANAGED BENEFITS

Namely Managed Benefits offers enterprise consulting advantages to mid-market employers without sacrificing on support. Our Benefits Advisors have years of industry experience, deep carrier relationships, and knowledge of compliance—giving our clients the ability to offer affordable benefits that fit their business and budget. We go a step beyond other consulting firms by bridging the gap between industry and technology expertise. All of our Benefits Advisors are tech-enabled and will not only help you curate modern and creative benefits plans but they will bring them to life in your platform and administer them on your behalf.

To learn more about Managed Benefits and to watch a demo, visit www.namely.com/benefits-consulting/.

ABOUT NAMELY

Namely is the #1 HR Software company that empowers mid-sized businesses to build better workplaces. Its cloud-based software brings HCM, benefits, insights, payroll, and time into a single-view platform to help modern HR teams make data-driven decisions about their people and understand what's really going on in their workforce.

The Namely ecosystem includes powerful integrations with market-leading applicant tracking, identity management, ERP, compliance, E-Verify solutions, and more. Serving more than 1,400 clients with 280,000 employees globally, the company is backed by leading investors, including Altimeter Capital, GGV Capital, Matrix Partners, Scale Venture Partners, Sequoia Capital, Tenaya Capital, and True Ventures. For more information, visit www.Namely.com.

Visit www.Namely.com or request a demo to see how Namely's HR software can help your organization.