

# The Evolving Workforce: 2024 Employee Benefits State of the Market



## Trend 1: Containing Costs – the pressure is on

Employer budgets are stretched to the breaking point compounded by current economic conditions, aggressive cost management is priority #1 for 2024

### Top health care trend drivers:

- Increased health care labor costs and payer contracting
- Hospital/health system consolidation
- Vertical integration within health care
- High-cost conditions
- Spiraling specialty drug costs
- Weight loss medications (GLP1s)
- Gene and cell therapies
- Legislation impacting employers

### Strategic levers for employers to pull:

- Address unit costs of the benefits you provide
- Deploy voluntary benefits to improve plans at zero cost
- Maximize available embedded well-being carrier programs
- Consider multi-line discounts for possible cost and administrative burden reduction
- Evaluate alternative payment models



## Trend 2: Better benefits, better talent

1 in 3 employees are still considering leaving their job. Having the right benefits to attract, engage and retain key talent is critical. Are you offering what employees want?

A “comprehensive benefits package” is now expected to include emergency savings programs, career development, paid family leave, accident insurance, and mental health treatment.

### Personalizing your benefit offerings can help

Offering supplemental benefits, lifestyle spending accounts is a cost effective, scalable way to start down this path

### Family leave is expanding to be more inclusive

- Parental leave is growing in popularity, as are caregiver, bereavement, and other types of leaves focused on inclusivity.
- Employee expectations are high, with more states requiring some form of paid leave or job protection.

Consider reviewing leave and time-away-from-work programs.



## Trend 3: Whole person health is here to stay

Employees need help not just managing their physical health but their mental health, social health, and financial well-being

**Invest in mental health:** Even with strapped budgets employers are continuing to invest more to combat mental health

**DE&I cannot just be a stated goal.** A diverse workforce is important, and the presence and impact of DE&I can even lead to higher employee engagement.

**Financial well-being offerings are expanding.** These are no longer nice to have benefits, these are table stakes.

**What about the cost of cancer?** Cancer is driving more employer spend and one employees note they can't afford if diagnosed.

### Women's health care is a key focus for 2024.

Employers are looking for ways to address the unique issues impacting women's health care; not just on the medical.



## Trend 4: 4 generations, 1 workforce

What employees want from work is changing. Employers need to take a generational view of what benefits employees want most.

**Do you have the right tech stack to support your organization?** Employees want more real time support. Technology drives better employee experience and engagement.

### Why is everyone worried about Long Term Care?

- Aging population
- Many don't understand Long term care and what is and is not covered by federal programs
- States are weighing their options
- Mandated vs. private plans
- Growing care needs with rising costs
- More employers offering coverage



## Employer actions:

1. **Employers need to weigh the benefits of meeting the new expectations of employees vs. increasing costs.**
2. **The world of work is changing faster than ever before, and employers need to embrace an agile benefits strategy to respond to the evolving needs of our workforce.**
3. **It's not one size fits all, each employer should consider their unique challenges and the specific strategies needed to address them.**

Let us be your guide.

Contact your Marsh McLennan Agency representative today to discuss your strategy.

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