

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 (GL-P1s)
- 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 are 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.

Make benefits easy for employees.

- Make communications easy to understand.
- Personalize enrollment decisions by leveraging support tools.
- Have carrier partners who are focused on the employee experience.
- Consider how navigation, advocacy, and concierge solutions may help.



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 benefits are no longer considered optional; they are now essential.

Cancer drives significant costs. More employers are considering targeted cancer strategies to combat this trend driver.

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.

Understanding the generational needs and your demographics can help you consider what will offer the greatest value:

- Importance of flexibility, from PTO to hybrid work.
- Caregiver needs and the growing need for long-term care.
- Mental health benefits.
- Affordable yet comprehensive medical benefits.
- Student loan benefits, financial well-being.
- Technology drives employee experience and engagement.
- Artificial intelligence to drive everything from enrollment, to digital health, and more.

Employers must keep up with compliance requirements, including PBM reform, Mental Health Parity, paid leave expansion, fiduciary litigation, Transparency in Coverage, and more.

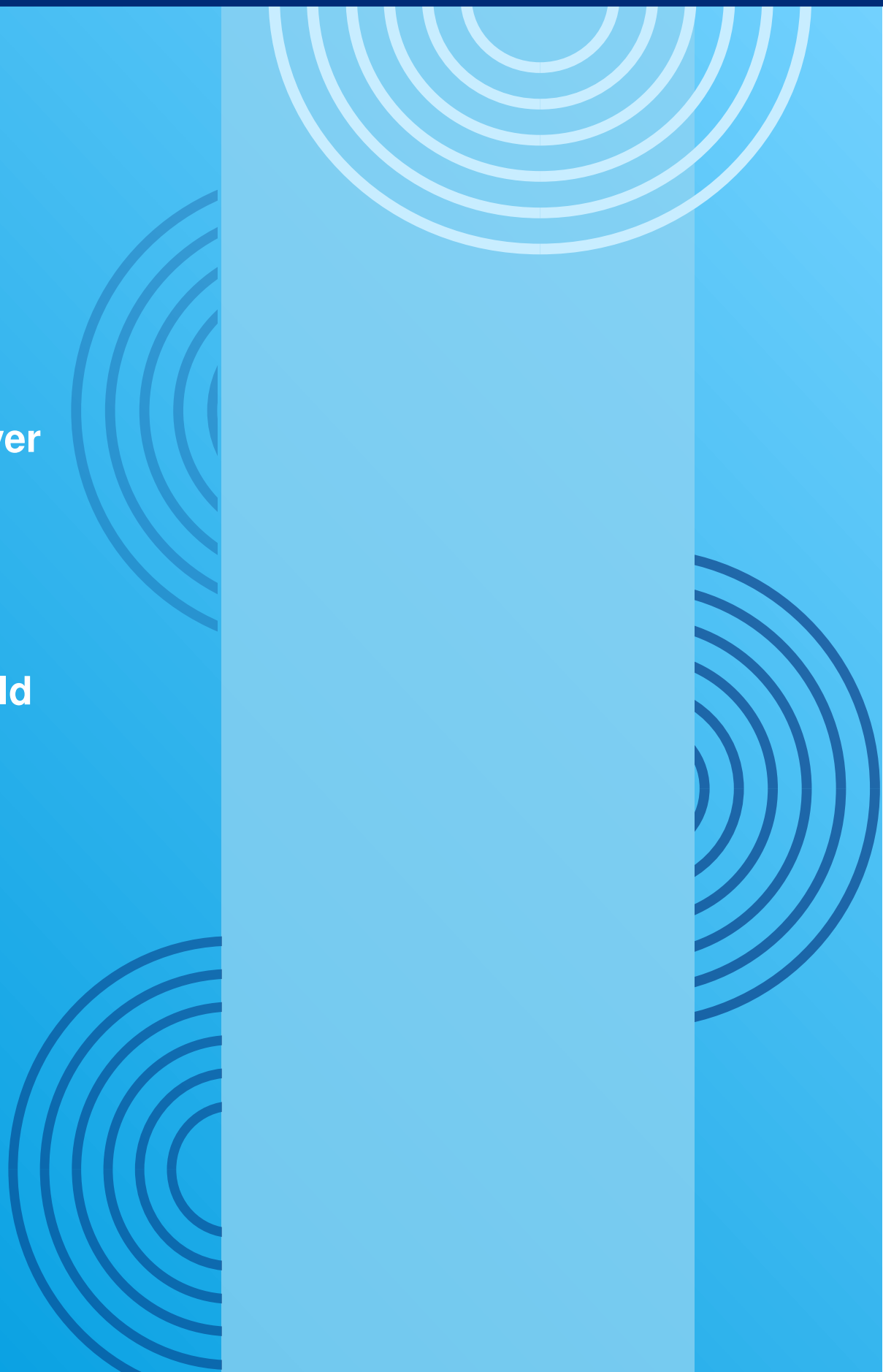


Employer actions:

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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