

Use Your Company's Benefit Package to Combat the Labor Shortage

The most compelling labor and employment story of 2018 is not legal but economic. Most of our clients face some form of labor shortage. The unemployment rate declined by approximately 20% between 2015 and 2017, meanwhile, there are constraints on immigration and skilled workers. Some savvy employers are using their benefits package as a strategic advantage. After all, benefits make up approximately 32% of an employee's total compensation. SHRM recently published its annual benefits [survey](#) and it is worth reviewing.

There is No Consensus on Group Health Insurance Other Than to Have It.

The group health insurance market is so complex, and so expensive, that there is no consensus among employers as to how to leverage health insurance as a strategic advantage. One trend is clear, however. Employers are providing group health insurance to an ever wider group of people who are important to their employees. For example: spouses (including same-sex), domestic partners, foster children, non-dependent children, and dependent grandchildren are all receiving more group health insurance benefits than they were in 2014. Employers are offering more health insurance benefits to part-time workers as well.

Select Wellness Benefits Are Increasing.

Three quarters of employers offer wellness resources. In particular, more employers are offering: fitness competitions/challenges, CPR/first aid training, and standing desks. Surprisingly, preventative programs targeting employees with chronic conditions are declining.

Larger Employers Are Offering More Paid Parental Leave.

Although various laws require employers to provide unpaid family leave, such as the FMLA, paid parental leave is not legally required. Many larger employers are differentiating themselves from the competition by providing paid parental leave, including: paid maternity leave, paternity leave, adoption leave, foster child leave, and surrogacy. The rise in these benefits is coming at the same time as the American [birth rate](#) declines.

More Employers are Providing Retirement Advice.

Almost all employers provide some sort of retirement plan. Consequently, a way for a firm to separate itself from the crowd is to provide retirement advice. Five years ago 41% of employers provided such advice through a third party. Now, 53% do. More employers are providing a reduced schedule and/or reduced responsibilities program for their retiring personnel as well.

Convenience Benefits Are on the Rise.

"Dress down" or "jeans days" are popular among employers and prevalent. 50% of employers offer these benefits every day. Telecommuting on a part-time basis has also risen over the past five years with 37% of employers offering this benefit in 2018 compared with 29% in 2014.

More and better benefits is not a panacea for the labor shortage. Employers must tackle this problem on multiple fronts: better recruiting, consideration of different categories of employees, and higher salaries. Nevertheless, now is the time for employers to review their benefits package.

If you have any questions about the matters addressed in this *CCM Alert*, please contact the following CCM author or your regular CCM contact.

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