

# Unum survey points to lack of knowledge and understanding as major benefit communication challenges

By Bruce Shutan

While employee benefits communication has made some positive strides over the past several years, Unum's fifth annual survey of working Americans suggests there's still room for improvement.

"Employees really are struggling with their feelings of financial security. The percent that rate themselves as being financially secure has actually dropped since 2011," reports Barbara Nash, Unum's VP of Corporate Research. She noted that those who have a stronger opinion of their employer and the benefits education they have received tend to be more confident about their finances.

[Unum's](#) survey of 1,890 U.S. adults, conducted by Harris Interactive in December 2012, found that the expected retirement age of U.S. workers now averages 67.1. Respondents reported that they had pushed back their retirement an average of 2.6 years from what they had expected five years ago. Their need to bolster their financial position and manage expenses was the key reason behind the change in retirement intentions. These concerns are understandable; one in two employees do not believe they have enough savings to cover lost income if they are sidelined by illness or injury.

"What amazed us is that 40% of employees who were offered disability benefits said they had not received any educational materials describing the coverage," Nash says.

Understandably, they reported feeling much less comfortable with their ability to make informed decisions about their disability benefits than they were about their benefits package decisions overall. All told, only 37% of respondents considered their employee benefits communication and education strategy "excellent" or "very good" last year. In contrast, 25% described it as "fair" or "poor."

## Frequency, passion key messages

The lesson? Nash says it's important not to assume that employees are receiving or understanding information about their non-medical insurance benefits "Employers really need to keep this type of information front and center with their employees," she adds. "If these important benefits are offered, then make sure employees are aware of them and have the tools they need to make good decisions."

One of the biggest communication challenges is explaining the value of benefits to employees between the age 18 and 34, according to [Unum's](#) research. Nash says it's important to explain the purpose of the coverage in relevant terms younger employees can understand.

For example, the cost of signing up for short-term disability benefits offered on a voluntary basis could equal just three cups of gourmet coffee per paycheck. Also, the danger of lacking adequate income protection in the event of an illness or accident could result in drastically altering one's lifestyle, causing individuals to miss their car and rent payments and forcing them to become dependent on their parents or others for support.

Less familiarity with benefits in general, and with financial protection insurance in particular, also may call for more coaching. "Young people need to be reminded about the importance of these benefits at more frequent intervals," Nash says. "It can't be just once a year."

Nash has seen two positive developments since [Unum](#) began conducting this annual research five years ago. "Employees are feeling a bit more loyal and engaged than they have in the past several years," she observes. "What's also interesting is that they're seeing all insurance benefits as more important than they did back in 2008."

## **Stick to the basics**

But in other respects, not much has changed during that time. "We continue to see that employees need a good three weeks to review their benefits options and they need to receive benefits education in multiple formats," Nash explains. "Even in this digital age, printed brochures are still the most used resources."

She compared this last finding to consumers preferring the traditional book format over e-readers for some types of books, such as travel guides so that they can easily find what they are looking for and share with others. "I think we need to remember that people differ with regard to the types of learning formats that work best for them, and an individual may want to have multiple formats to help bolster their understanding when making difficult decisions," she says. For example, an employee may take home brochures to share with his or her family, attend meetings or call a toll-free number to ask questions of a benefits expert, and use interactive tools to run calculations.

Employees who rated their benefits education as "excellent" or "very good" were most likely to have had three or more weeks to review their benefits, while those with less than two weeks were more likely to report they did not have enough time.

Another barometer for success is personalized educational materials, which are closely tied to positive benefits education ratings. However, only 47% of employees received their benefits information this way.

Communication will be especially critical for the upcoming open-enrollment season with employers bracing to field a plethora of employee questions about whether they are eligible to purchase medical coverage through public health insurance exchanges.

"It's going to force employers to be really well informed," says Nash, who believes health care reform may have heightened awareness about the importance of employee benefits.