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## ATLANTA BUSINESS CHRONICLE

# INSURANCE & EMPLOYEE BENEFITS

## INDUSTRY FOCUS



**LOOKING AHEAD**  
Expert Dorn Swerdlin says big changes are coming for the employee benefits industry.

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Section C

November 19-25, 2010

# Employers helping ease workers' money worries

By **Leslie Williams Johnson**  
CONTRIBUTING WRITER

**E**mployees have a lot on their minds and not enough in their coffers. Sometimes they're losing time at work, not just losing sleep.

MetLife's Eighth Annual Study of Employee Benefits Trends found that employees' concern about their financial stability has a widespread effect on their lives, including their work life.

The study found that employees are taking positive action to strengthen their money matters through saving and reducing debt, but still have major concerns about their financial security — although those concerns and attitudes are waning, compared with 2008 study findings.

Perhaps most revealing was "the degree that both employers and employees acknowledged and recognized how financial insecurity impacted workforce

productivity," said Ronald Leopold, vice president of U.S. Business for **MetLife**.



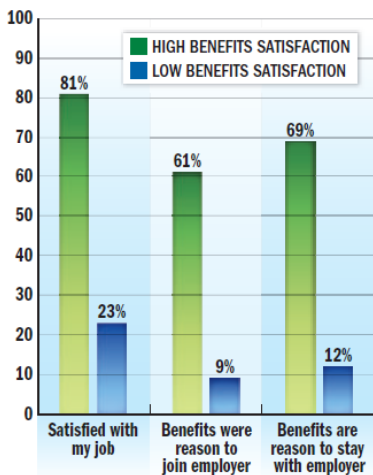
**Leopold**  
MetLife

Leopold noted that 65 percent of employers said they thought employees were less productive at work because they were worried about personal financial

issues, and 52 percent said absenteeism went up when employees were worried about personal financial issues.

## Employee satisfaction

A 2010 survey of workers by MetLife shows a strong link between benefits satisfaction and job satisfaction.



Source: Eighth Annual MetLife Study of Employee Benefit Trends

It also appears many people don't think emergency funds will fill the void for long should they need it: 62 percent of employees were concerned about having sufficient funds to pay bills during sudden income loss, the study found.

"We are at a point in time where more of us will not live as well as our parents. Even young folks grew up in a world where we thought with each generation we would get more prosperous," Leopold said. "In part because of the economic wallop we've taken, we know not only are times tight but the prognosis in the future is it's going to be very difficult for most of us."

The benefits employers provide today can be one of the deciding factors for

employees considering other job options once the recovery is in full swing.

Health and wellness programs can help employees refocus their energies and strengthen their minds and bodies.

"When you compare folks that say they have a serious debt to those that say they don't, you see a big difference in headaches, stress, low back pain, depression and elevated blood pressure," Leopold said.

There are a couple of ways companies can help employees' financial situations and spend very little or nothing to do so.

Services such as Atlanta-based **Purchasing Power LLC**, a purchase program where employees can pay for typically pricey items such as computers and home appliances through a payroll deduction arrangement, is taking away some of the worry. Chief Marketing Officer Elizabeth Halkos said employee participation has increased 20 percent since the onset of the recession two years ago. They like it because they don't need to use cash or credit cards, and the payroll deduction is convenient.

Halkos said there's also been interest from more employers to make the service available — a move that doesn't cost them.

When it comes to offering perks, employers are sometimes stuck between the proverbial rock and hard place in today's economy, said Debbie Howard, senior vice president of Global Corporate & Institutional Advisory Services at Merrill Lynch Wealth Management.

"I think companies are faced with the challenge of having to do more with less — that's less people, less money, less extensive benefits, yet they have to do more because employees are fearful of what they've lost in the market and economic downturn," she said.

Earlier this year, a survey in Merrill Lynch Affluent Insights Quarterly showed retirement benefits are the next greatest factor keeping affluent employees loyal to a company other than compensation and job promotions.

Smith said the buzzword these days is "global wellness" — which includes financial wellness — and employers are seeking ways to help their employees achieve it.

One way to help, Leopold said, is offering employee-paid options like supplemental life insurance, where workers can get an added level of protection.

Employers can also provide education, advice and guidance from experts and professionals who can help employees — as well as their spouses or partners — properly examine their financial situations and questions they need to answer.

Howard said education should include retirement planning, but not be limited to it.

Companies need to help their workers plan for "life event needs," such as what it will take to purchase a first home, she said.

Smith said as recently as 18 months to two years ago, many employers wanted self-directed programs where employees could get such information on their own.

That request is no longer as popular as it once was. According to the study, 58 percent of employees want access to a financial planner through their employer.

"Employees want validation about decisions they're making," she said. "I think the market drives employees' confidence and when you see economic ... instability, then you definitely have people question the decisions they need to make, and looking for expert guidance in making them."