

# BENEFITS INSIGHTS



## 10 Benefits Trends To Know in 2023

When it comes to employee benefits, no year is ever the same. But the past few years have made “different” seem like a vast understatement.

Expect more changes in 2023 as lingering pandemic disruptions and economic uncertainty affect employee health and finances. Other driving forces will stem from evolving workplace expectations, including hybrid work arrangements, new dynamics in the labor market, and the needs of increasingly diverse, multigenerational workforces.

*Let's explore 10 areas in benefits that will see increased focus this year:*

### 1. MENTAL HEALTH

Mental health benefits continue to grow in importance, with the Society for Human Resource Management noting that employers will expand these options again in 2023. Look for increasing awareness and usage of:

- Employee assistance programs
- Expanded network to psychiatrists, psychologists and counselors
- Apps and online courses that teach life skills like resilience, meditation, healthy eating and sleep habits
- Mental health literacy programs
- Cognitive behavioural therapy for stress, anxiety and depression

### 2. TOTAL WELL-BEING

Given the great disruptions to work and life over the past three years, total well-being will be a focal point for 2023. Total well-being targets key elements of overall health, including:

- **Physical** – A top goal remains quality and affordable coverage that encourages preventive care and adherence to medication. Employees are also growing more interested in options like disability, accident and critical illness insurance.
- **Emotional** – Workshops, personalized coaching and online courses will help employees build a growth mindset, resilience, adaptability and other skills to meet the challenges ahead.
- **Financial** – In-demand financial wellness benefits include student loan repayment plans, budgeting information, financial and retirement education, and one-on-one meetings with financial advisers.
- **Social** – Organizations will be adding volunteer opportunities, community drives and office celebrations to draw people together and build goodwill.

### 3. PROFESSIONAL DEVELOPMENT

To combat changing workplace expectations, look for renewed efforts in internal mobility and career-long learning. Trends include:

- In-house training for new skills and roles
- Industry certifications and custom education
- Mentoring and coaching
- Leadership development programs
- Tuition reimbursement

Many organizations are also moving toward skills-based hiring based on technical and transferrable skills rather than educational degrees, university reputations or prior experiences. Some companies are even doing away with education prerequisites in job descriptions.

These hiring practices can:

- Help internal and external candidates better understand required skills
- Increase employee engagement and retention efforts
- Increase equity by prioritizing skills over similar connections or backgrounds

#### 4. CREATIVE COMPENSATION

With the high rates of inflation and employee mobility, you can expect salary demands to continue growing. This will lead employers to find creative options for compensating employees without the long-term cost of salary increases, including:

- **Bonuses** — Expect to see more one-time, surprise or workload-based benefits this year. Bonuses provide an immediate reward without being tied into future inflation and percentage increases.
- **Extra vacation days** — Providing additional paid time off can improve the physical and mental health of your employees. Short-term losses in productivity will pay dividends in employee loyalty and long-term health benefits. Some organizations provide days off to select individuals, while others shut down the entire office to combat employee burnout.
- **Enhanced office perks** — The increase in remote and hybrid work is leading to enhanced office experiences through benefits such as snack and meal options, on-site fitness and educational classes, redesigned workspaces and more. Use surveys to give employees a voice and discover the office perks they value most.

#### 5. WORKPLACE MODELS

More employers are attempting to bring employees back to the office, but employees still want the flexibility of remote and hybrid positions. Inc. magazine says this disparity will continue to change the workplace in 2023. Potential points

of emphasis include:

- Ongoing evaluation of in-person, remote and hybrid workforces
- Increased flexibility in scheduling and time off
- A focus on company culture and workplace environments to reduce turnover rates
- A wider net for job applicants, including national and global talent
- Cross-training opportunities to improve professional development and organizational resilience

Understanding your culture and whether employees need to be on site or can choose when and where work gets done (or somewhere in between) will be a must going forward.

#### 6. DIVERSITY, EQUITY AND INCLUSION (DEI)

Equality and human rights are becoming integral parts of the business world. In fact, 80% of employees want organizational values to align with their personal values, according to the survey Closing the Employee Expectations Gap. Use your DEI initiatives to:

- Enhance gender, racial and LGBTQ equality
- Increase equity in salaries and promotions
- Tackle workplace discrimination
- Improve working conditions
- Implement employee resource groups for minority employees to share conversations, experiences and insights with each other and company leaders

#### 7. CARE FOR THE CAREGIVERS

The pandemic revealed a great need for caregiver benefits, with many employees trying to juggle workplace duties while caring for children or elderly loved ones — and millions of others leaving the workforce entirely because of those duties. Even as the pandemic recedes, caregiving will continue to affect your workforce.

Popular caregiver benefits include:

- Subsidized and backup child care services
- Vetted resources for child care and elder care
- Tours of residential facilities and other elder care options
- Meetings with social workers
- Tutoring services
- Flexible hours

## 8. DECISION SUPPORT TOOLS

Surveys reveal that employees typically spend less than 30 minutes picking their benefits each year.

To increase awareness, appreciation and usage of benefits, more employers will turn to decision support tools to help employees select their benefits.

- Interactive Q&A formats to increase engagement
- Artificial intelligence to guide employees to more optimal benefit selections
- Voiceovers to add a human element and appeal to auditory learners
- Compelling visuals of costs and risks to aid visual learners
- Different languages to reach diverse employee populations

With health care costs continuing to rise, employees and employers both benefit from the right dollars going toward the right benefits. In addition, support tools that streamline the enrolment process can help free up valuable time for your human resources team.

## 9. MULTIGENERATIONAL CHOICES

Generations aren't homogenous, but they do show unique trends and preferences. Meeting the benefit needs of all generations can help you get the best from each.

- Baby boomers provide valuable institutional knowledge and experience. They are looking for retirement planning and education.





- Gen X is often referred to as the forgotten generation, but they are increasingly moving into leadership roles and taking advantage of a wide range of benefits, including elder care, child care, financial education and tuition reimbursement.
- Since 2016, Millennials have made up the biggest percentage of the workforce. They have helped to usher in remote work, student loan benefits and work-life balance, and they will continue to shape organizations from top to bottom for decades to come.
- More members of Gen Z are entering the workplace each year, and the World Economic Forum predicts that they will make up over 25% of the workforce by 2025. This generation is seeking professional development, mental health days and more customized benefit options.

To meet the needs of varying generations, organizations will continue to expand voluntary benefits in 2023. These benefits, in which employees pay for some or all of the premium costs, allow you to meet the needs of a diverse workforce while saving health care dollars. Common voluntary benefits include:

- Life insurance
- Disability, accident and critical illness insurance
- Legal insurance

- Long-term care insurance
- Financial education and planning
- Career development programs
- Identity theft protection
- Pet insurance

## 10. STRATEGIC ADVISEMENT

A recent study on the future of benefits revealed that employers are increasingly asking for support from benefits advisors. Turn to your trusted advisors for information on: Baby boomers provide valuable institutional knowledge and experience. They are looking for retirement planning and education.

- Plans, pricing and networks
- Employee engagement
- Benefit trends
- Legislation and regulations
- Compliance efforts
- Cost-saving initiatives

Your Navacord benefits advisor can help you match your benefit dollars to your most pressing business and employee needs, now and for years to come.

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**If you have questions specific to your business, or would like additional information, please reach out to your Iridium Risk Services Advisor.**

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