

Worker Recruitment and Retention Update

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The opinions expressed in this presentation are those of the speaker. The International Foundation disclaims responsibility for views expressed and statements made by the program speakers.

International Foundation
OF EMPLOYEE BENEFIT PLANS 

Panelists

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Session Framework

- Program structure
- Hot topics in recruitment and retention
- Panelist introductions and opening remarks
- Audience vote on topics
- Q&A and session eval

Hot Topics in Recruitment and Retention

1. Retirement savings plans changes/trends
2. Inflation impacts
3. Generational differences and expectations
4. Benefits offering changes/trends
5. Vacation and paid time off changes/trends
6. Employee demand for more flexibility
7. Employee demand for more education on benefits/compensation
8. The increasing cost of turnover

The Aging of America

- By 2030 one in five Americans are projected to be 65+
- By 2065 that number is projected to be 1 in 4 (rising to 29% in 2100)

Source: US Census 2023 National Population Projections

Insufficient Retirement Savings

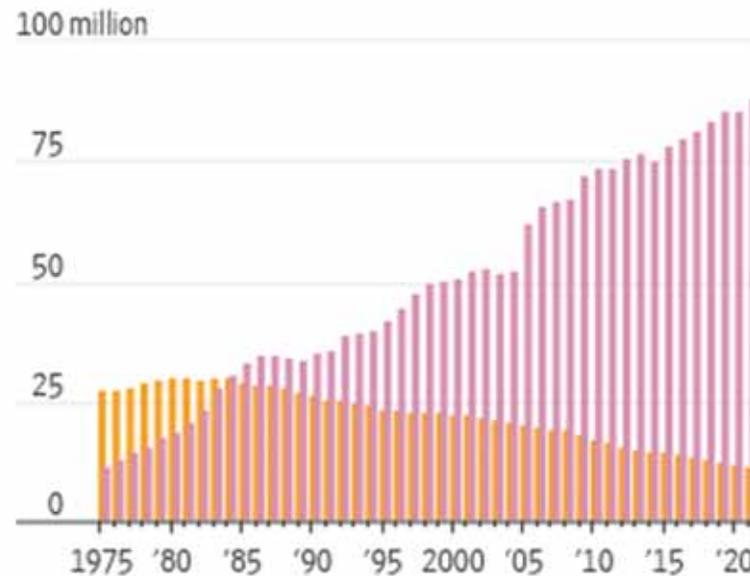
- In 2022, half of all Americans aged 65 and older received less than \$29,740 in income from all sources.
- Approximately 1 in 4 U.S. adults aged 50 and older say they expect to never retire.
- Median Gen X retirement savings is \$10,000

Sources: Current Population Survey, March 2023; AARP Survey, 2024; NIRS, July 2023 report.

Shift From DB to DC

Active participants in private retirement plans

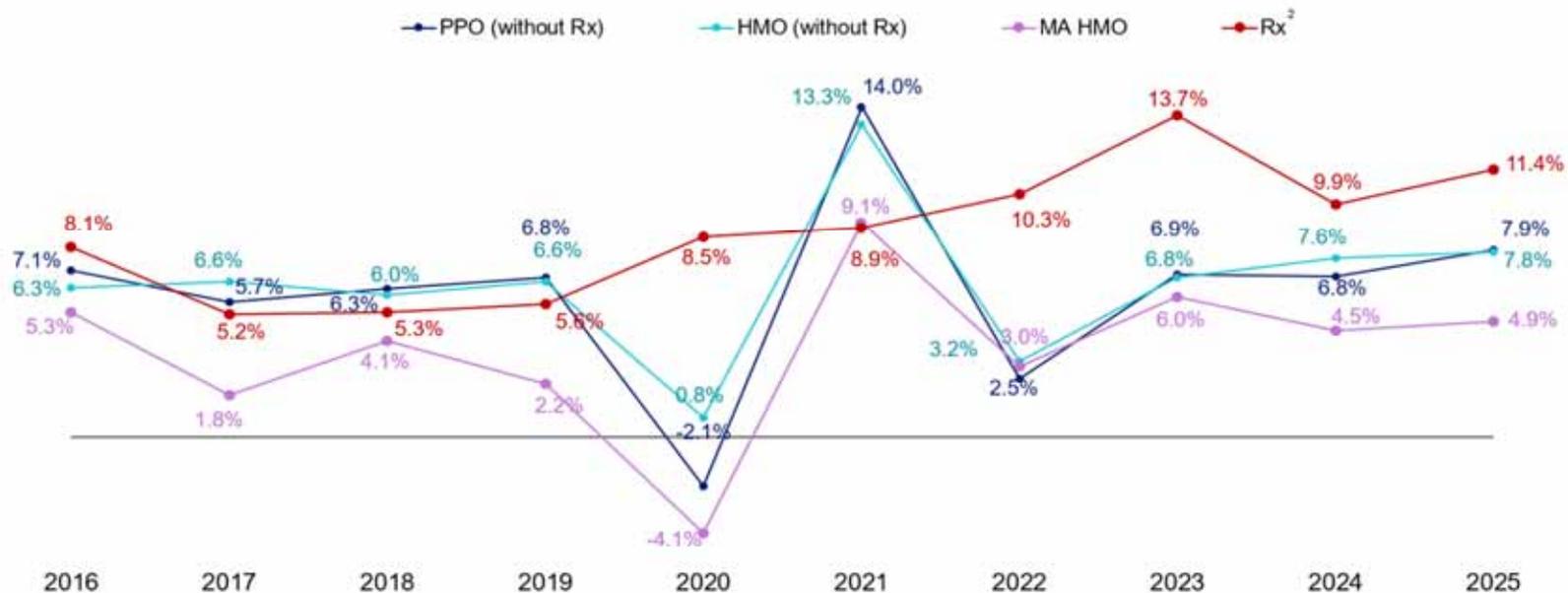
Defined benefit Defined contribution



Source: US Department of Labor

Rising Healthcare Costs

Ten-Year Summary of Selected Medical and Rx Trends: 2016–2023 Actual and 2024 and 2025 Projected¹



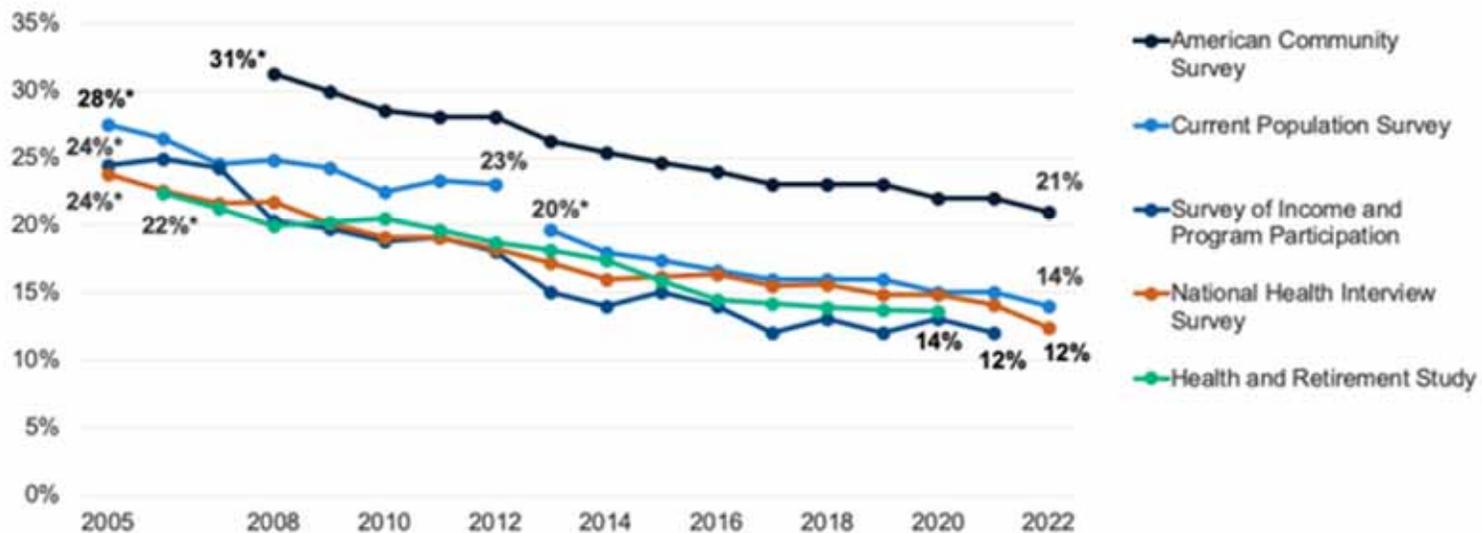
Source: 2025 Segal Health Plan Cost Trend Survey

Retiree Healthcare

Figure 1

Five National Surveys Show a Declining Share of Medicare-Age Adults with Supplemental Retiree Health Benefits

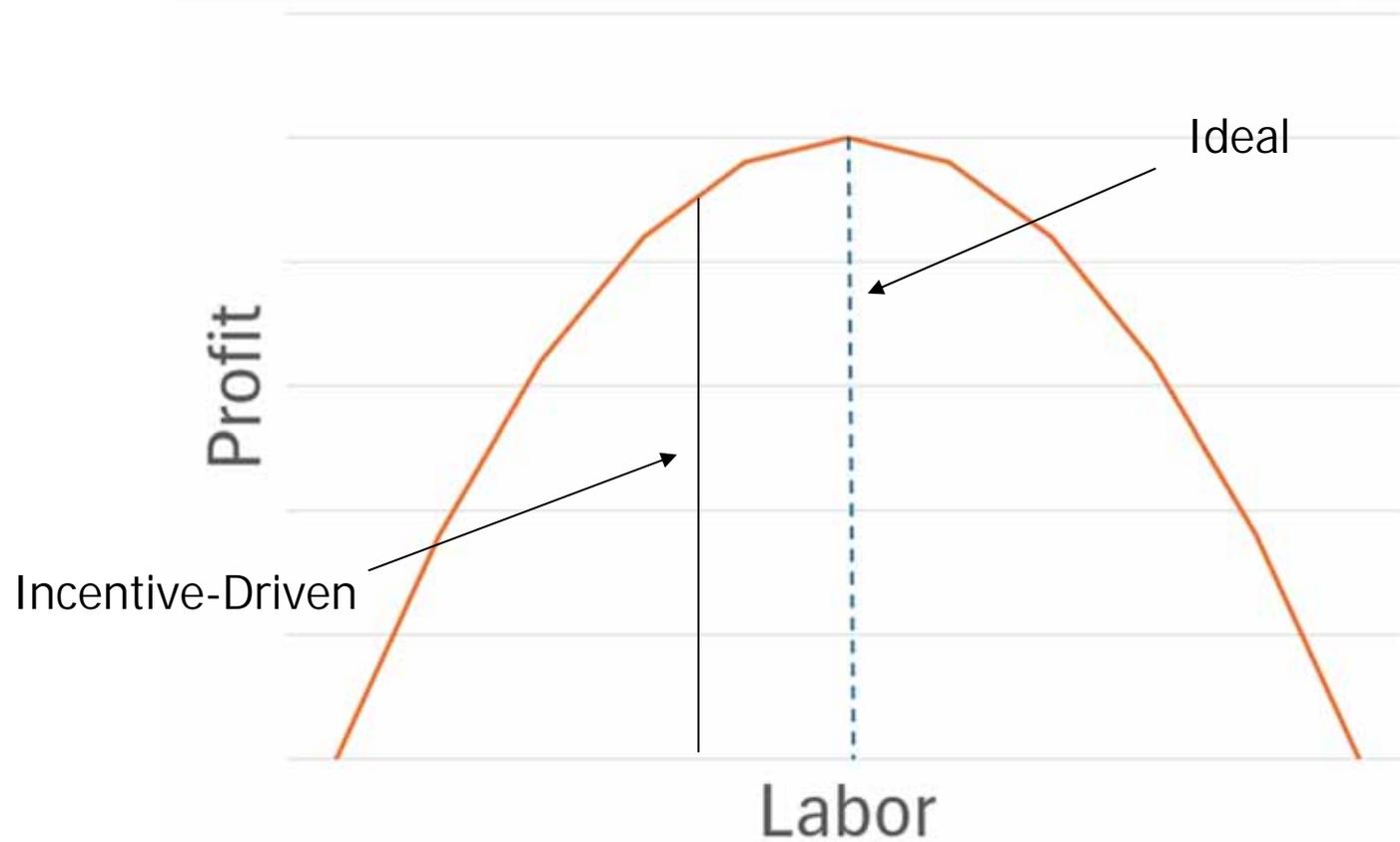
Percent of people ages 65 and older with employer- or union-sponsored retiree health, by survey



Notes: *Denotes statistical significance at the 5% level relative to 2022, except for SIPP, HRS, and the pre-redesigned CPS segment (starting in 2005), which are relative to 2021, 2020, and 2012, respectively.

Source: KFF analysis of data from five national surveys reporting health insurance coverage among US adults (2005-2022).

Labor as Investment



Generational Considerations

SANDWICH GENERATION

Who?

Middle-aged adults aged 40-60 years old, who are caring for both their growing children and ageing parents at the same time



Challenges Faced

- Rising Financial Pressure from Two Dependent Generations
- Balancing a Full-time Job with Family Care
- Negative Impact on One's Mental Health
- Delayed Plans in their Personal Life



How to be the last

- Talk about Your Finances
- Invest in an Insurance Plan
- Saving for Retirement
- Seek Help from a Caregiver



Benefits Changes and Trends

- Balancing new offerings/programs with the old
- HSAs and other ways to make high deductible plans doable and attractive alternatives
- Enhanced mental health coverage and access

Flexibility Changes and Trends

- Increased flexibility, hybrid work where possible
- Longer leave provisions with job protection
- Flexible hours/days, 4-day workweeks, etc.

Employee Education and Communication

- Employees are demanding “total rewards” packages that go beyond traditional benefits.
- The communication from companies needs to be clear and informative; with the purpose of educating their employees about the programs and benefits available to them.

Increasing Cost of Turnover

- Gallup estimates that employee turnover costs US businesses a trillion dollars annually; and the true cost of replacement can run from **50% to 200%** of the departing employee's salary.

<https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx>

Increasing Cost of Turnover

- Current BLS-published unemployment rate is 4.1%¹
- The SSA's National Average Wage index has risen steadily since 2020: \$55,208 (2020), \$60,575 (2021), \$63,795 (2022), \$66,621 (2023)²
- Approximately 51% of organizations have adjusted compensation in 2023 to attract talent, addressing rising inflation and job market competitiveness³

¹ <https://www.bls.gov/charts/employment-situation/civilian-unemployment-rate.htm>

² <https://www.ssa.gov/oact/cola/AWI.html>

³ SHRM

Increasing Cost of Turnover

- A major driver of employee retention is growth potential, with 94% of employees stating they would stay longer if offered development opportunities. Providing upskilling, mentorship, and career mapping are crucial, particularly in environments where talent seeks future growth.¹
- A 2023 survey indicates that the top skills needed by employers are cognitive skills like creative and analytical thinking. Resilience, flexibility, and agility, technological literacy, and curiosity/lifelong learning are also among the most important to the surveyed employers.²

¹ SHRM

² <https://www.weforum.org/publications/the-future-of-jobs-report-2023/in-full/5-workforce-strategies/#5-workforce-strategies>

Format

- The next slide will have our available Hot Topics in Recruitment and Retention
- The panelists will comment on what's changed post-pandemic, and when applicable, what's to come
- Use your smartphone to vote
- The top 3-4 topics will be discussed, dependent on time

Audience Vote on Panel Discussion Topics

- A. Retirement savings plans changes/trends
- B. Inflation impacts
- C. Generational differences and expectations
- D. Benefits offering changes/trends
- E. Vacation and paid time off changes/trends
- F. Employee demand for more flexibility
- G. Employee demand for more education on benefits/compensation
- H. The increasing cost of turnover

Open Forum Q&A

**Your Feedback Is Important.
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Session Evaluation