

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.

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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. Inflation impacts
2. Changes/trends in benefits and retirement offerings
3. Changes/trends in vacation and paid time off
4. Employee demand for more flexibility
5. Employee demand for more education on benefits/compensation
6. 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

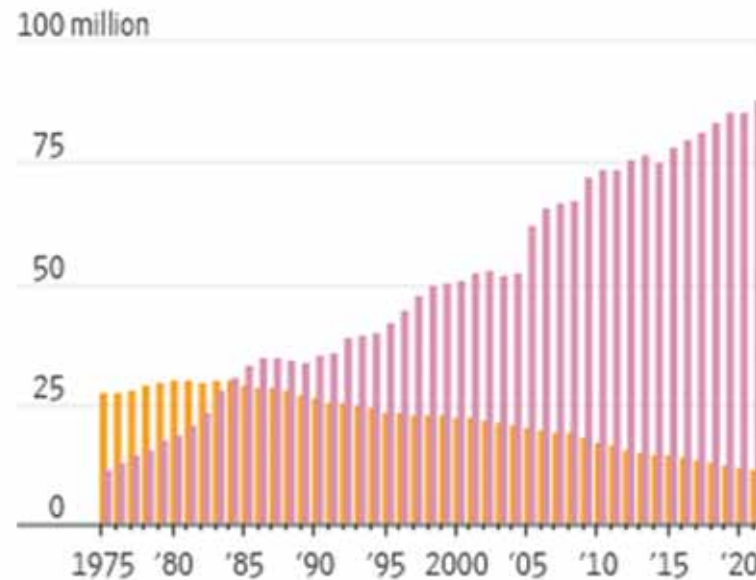
- In 2022, half of all Americans aged 65 and older received less than \$29,740 in income from all sources.
- Approximately 1 in 4 U.S. adults aged 50 and older say they expect to never retire.
- Median Gen X retirement savings is \$10,000

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

Shift From DB to DC

Active participants in private retirement plans

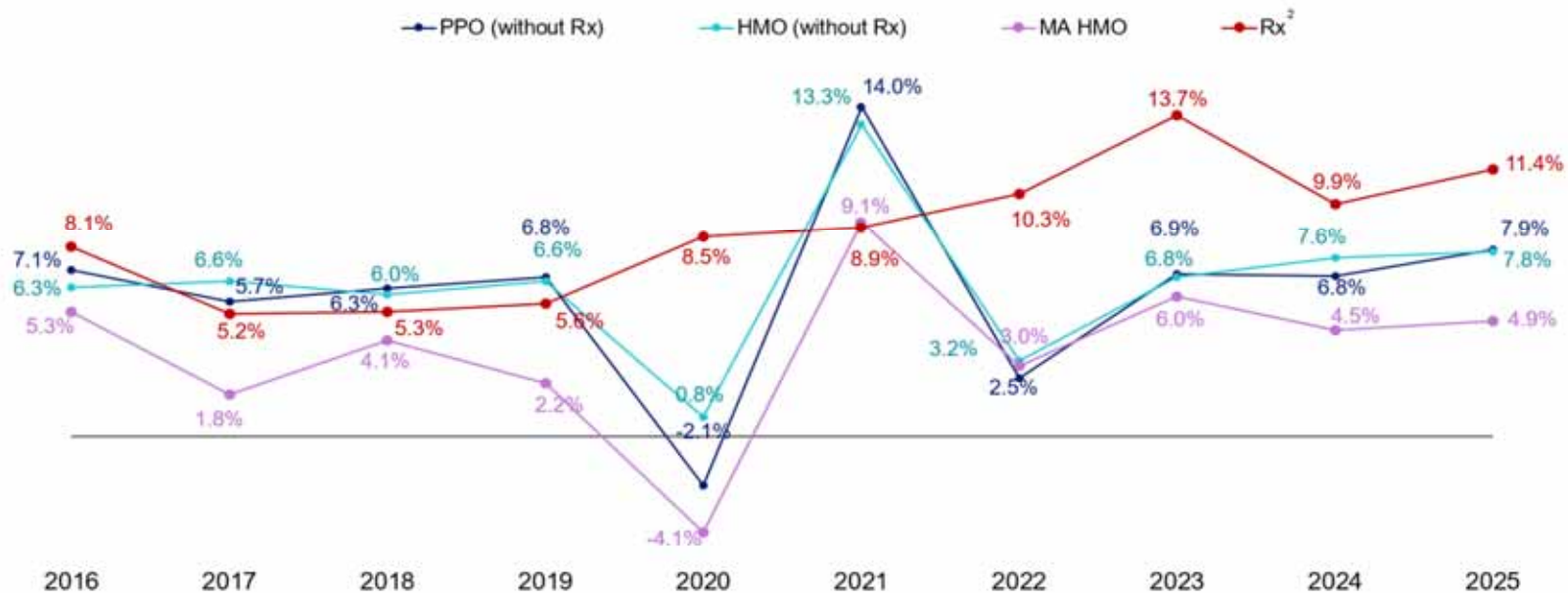
Defined benefit Defined contribution



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



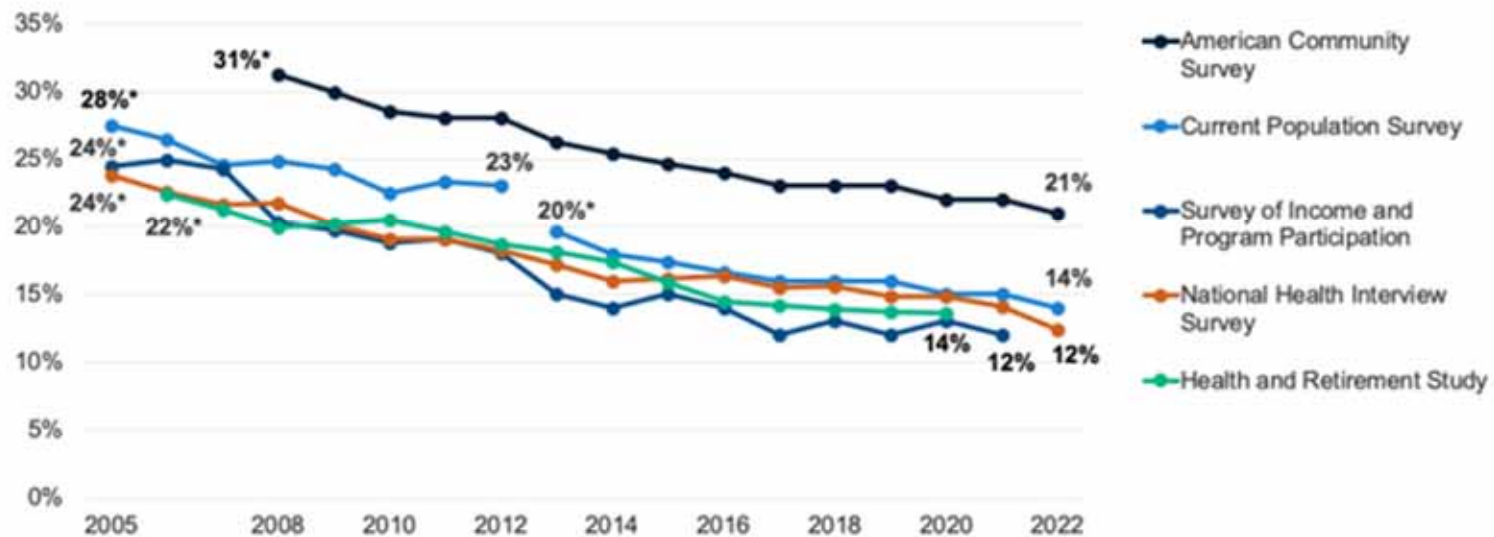
Source: 2025 Segal Health Plan Cost Trend Survey

Retiree Healthcare

Figure 1

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

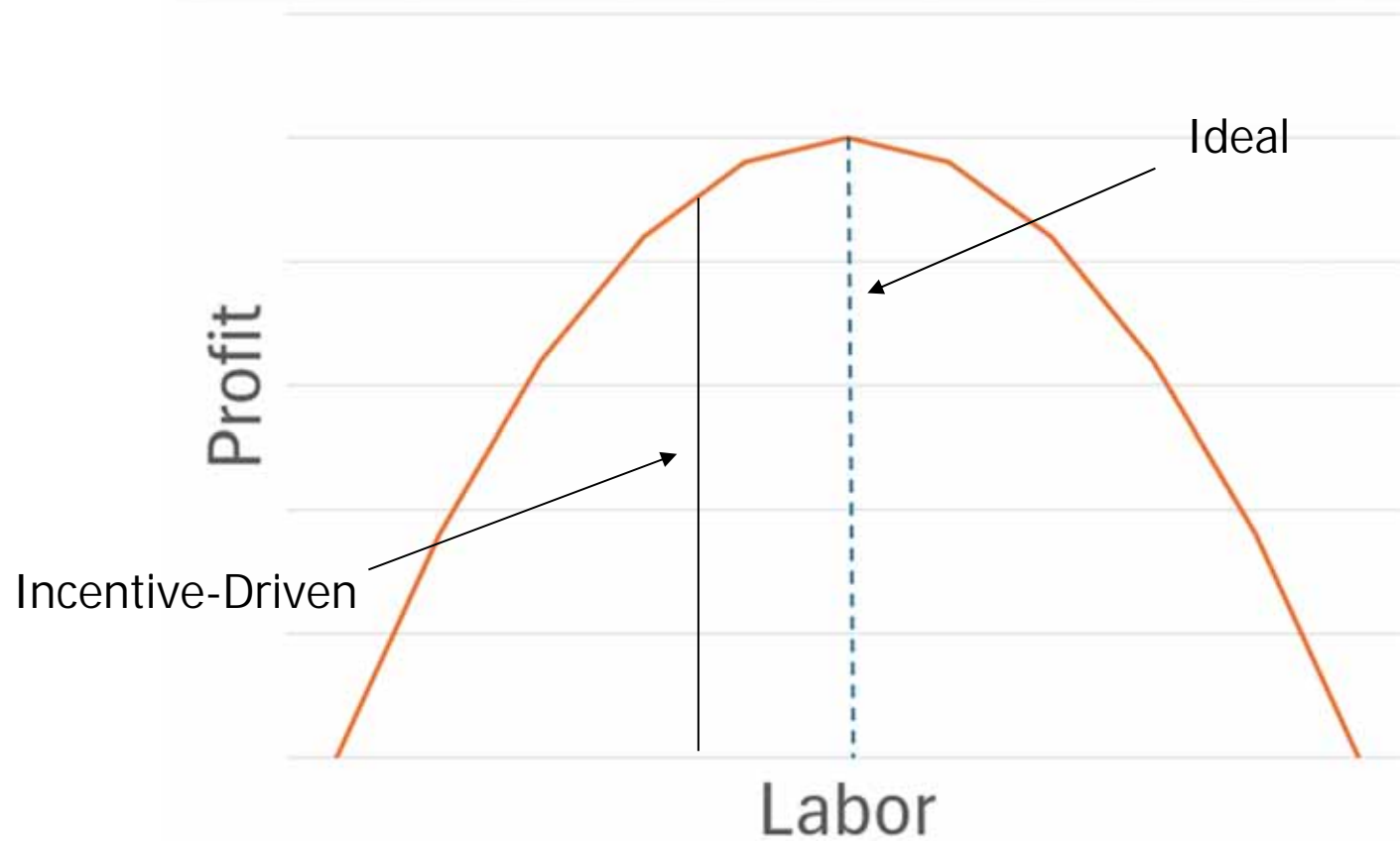
Percent of people ages 65 and older with employer- or union-sponsored retiree health, by survey



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