

A woman with curly hair, wearing a white shirt and a tan blazer, is smiling broadly in a meeting. She is looking towards the right. In the foreground, the back of a man's head wearing glasses is visible. The background is a bright, out-of-focus office setting.

**Voluntary benefits
enhance employee's
financial well-being**



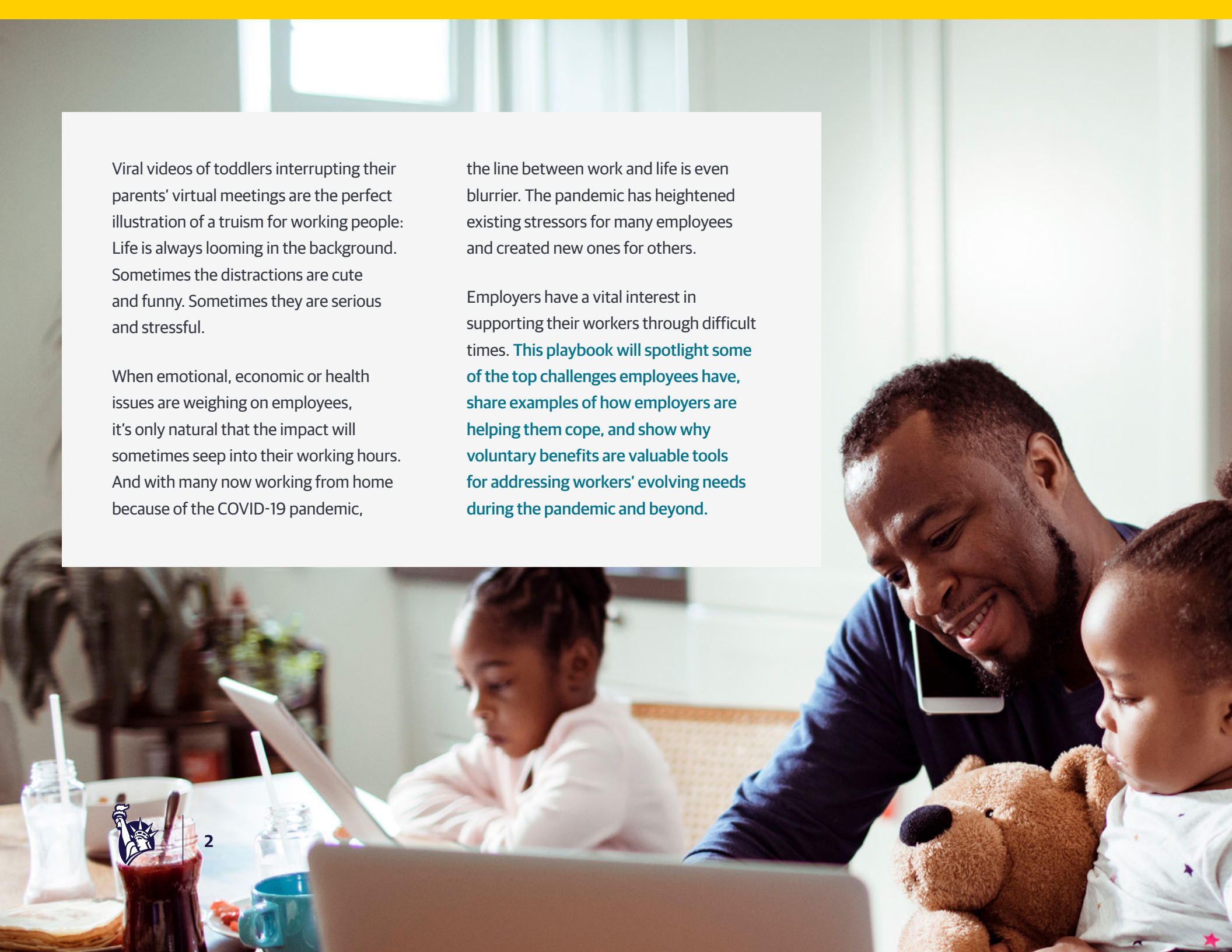
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Viral videos of toddlers interrupting their parents' virtual meetings are the perfect illustration of a truism for working people: Life is always looming in the background. Sometimes the distractions are cute and funny. Sometimes they are serious and stressful.

When emotional, economic or health issues are weighing on employees, it's only natural that the impact will sometimes seep into their working hours. And with many now working from home because of the COVID-19 pandemic,

the line between work and life is even blurrier. The pandemic has heightened existing stressors for many employees and created new ones for others.

Employers have a vital interest in supporting their workers through difficult times. **This playbook will spotlight some of the top challenges employees have, share examples of how employers are helping them cope, and show why voluntary benefits are valuable tools for addressing workers' evolving needs during the pandemic and beyond.**





What keeps workers up at night

Managing personal finances, maintaining a home, raising children, caring for elderly parents, planning for retirement, paying for health care—these are just some of the things employees contend with and likely spend time thinking about during work hours. Add a health pandemic to these perennial concerns and workers' personal challenges suddenly become more complex and more likely to impact their work. That's especially true for the many who have shifted to working from home.

Research has shed light on the COVID-19 effect on workers' emotional and economic well-being. For example, about 40% of U.S. adults have reported symptoms of anxiety or depression during the pandemic, according to a survey by the [Kaiser Family Foundation](#). The foundation's February 10, 2021, issue brief also noted the results of a July 2020 health tracking poll:

- 36% of adult respondents were having trouble sleeping
- 32% found it a challenge to eat well

- 12% were consuming more alcohol or other substances
- 12% reported that chronic health conditions had worsened because of stress over the coronavirus.

The pandemic has also increased the stress of working parents. [The Education Trust](#) conducted a state-by-state poll of parents of school-age children. Nine in 10 parents worry their kids may fall behind academically because of school closures. Eighty percent said their children were more stressed.



In a survey by the National Endowment for Financial Education, released in October 2020, 84% of respondents said COVID-19 was straining their personal finances. Fifty-five percent ranked not having enough savings among their top five financial stressors, while 46% placed concern about paying bills on the list. Job security, paying off debt and fluctuating income were additional concerns the NEFE poll uncovered.

A survey of John Hancock Retirement plan participants, reported in Human Resource Executive, found that the portion experiencing high levels of financial stress nearly tripled from 11% before the pandemic to 27% after the crisis entered their lives. Sixty-seven percent said they were experiencing at least some degree of financial worry, compared to 44% before COVID-19.

BEFORE COVID-19

44%
experiencing
financial worry

DURING COVID-19

67%
experiencing
financial worry



Why employers should care

Skilled and efficient workers will find ways to meet their job responsibilities—and often go above and beyond—while juggling an assortment of personal matters. It is important for employers to recognize what a challenging feat this is. They need not only to show empathy and concern but to offer tangible measures of support. The positive work environment this creates also benefits employers, making it easier to recruit good talent and keep workers engaged.

“When you feel cared for, when you are working on a project you’re going to be more focused,” says Nick Shah, manager of the Igniting Employee Experience Movement at Liberty

Mutual Insurance. “You’re going to be more valuable, productive and efficient in the role that you play. Research has shown that, with a more engaged workforce, their output is more beneficial to the company.”

Dr. Phillip Bryant, associate professor of management at Columbus State University in Columbus, Ga., and editor-in-chief of the peer-reviewed *Compensation & Benefits Review*, notes that having a caring workplace not only boosts employee recruitment and retention, it makes a good impression on customers. “A company’s reputation as an employer affects their reputation as a place to do business,” he says.

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Dr. Phillip Bryant, associate professor of management at Columbus State University in Columbus, Ga.





How employers are stepping up

If employers weren't already motivated to support their workers through tough times before the pandemic, the crisis has made it clear that ignoring their struggles isn't an option. Employers are increasingly lending a hand and responding.

Liberty Mutual, which has 45,000 employees worldwide, has published pandemic-related tips for [setting up an ergonomic workspace at home](#), staying productive while working remotely and keeping in touch with colleagues virtually. The company's Women and Allies employee resource group set up a

video-conference discussion group on parenting, and the company offers an activity box subscription through one of its vendor partners for employees looking for creative ways to keep children occupied while they're working from home.

Liberty Mutual also gives employees access to one-on-one mental health counseling, digital sleep and meditation aids, and an employee grief guide. With their manager's approval, workers can take time off for COVID-19 concerns without reducing their regular paid time off. These benefits didn't come out of the blue:

Before launching them, the company asked employees what they wanted through surveys, interviews and focus groups.

"A word we use a lot now is co-creation," Shah says. "It's not coming in at the end all the time and saying, 'Here are three options.'

Why not start further upstream and get them involved in helping us paint that vision of what we need to implement?"



How voluntary benefits enhance employee support

As more workplaces adopt a holistic approach to employee well-being, voluntary benefits can help, notes Jean Bernhardt, assistant director of Broker Relationship Management at Liberty Mutual. "Employers are trying to build as robust and comprehensive offerings as possible," she says.

Many employers are offering voluntary benefits to complement their pandemic-related support and elements of their employee assistance programs that already existed. Sean Romero, sales leader for the Southeast Region at Liberty Mutual, says the market for voluntary benefits has spiked in recent years;

demand for accident, hospital indemnity and critical illness insurance has grown the most. "There's also been an explosion of pet adoptions during the pandemic, and we think that's partially responsible for the growth of our pet insurance product," Romero says.

Concerns about the pandemic's economic impact have fueled employee interest in voluntary benefits, as workers facing higher risks of income losses and health emergencies look for ways to boost their financial security. "The financial need is really what's driving this increase in the popularity of voluntary benefits," Romero says.



"Employers are trying to build as robust and comprehensive offerings as possible."

Jean Bernhardt, assistant director of Broker Relationship Management at Liberty Mutual



Indeed, wanting to help employees improve their financial picture is a big reason employers provide voluntary benefits. A survey by the human resources advisory firm Buck shows this rationale was growing increasingly important even before the pandemic and its economic pressures. In Buck's 2020 Financial

Wellbeing and Voluntary Benefits Survey, conducted from late 2019 through February 2020 and released in July, **40% of employers chose "addressing financial stress" as a primary reason for offering more benefits options to employees.** In the firm's 2017 survey, only 16% gave that response.

Voluntary benefits provide employees with access to popular insurance products at no cost to employers. And the savings don't end there. The 2020 Buck survey found that **80% of employers offering voluntary benefits saved money through improved employee attraction and retention, behavior change and increased participation in cost-favorable plans.**

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Liberty Mutual's voluntary benefits programs

Liberty Mutual's voluntary benefits programs have a broad reach, comprising both group products—such as accident, critical illness and hospital indemnity insurance—and individual offerings (think auto, home and pet insurance). During the pandemic, the need for ways to reduce employees' out-of-pocket expenses has grown, Romero says.

"COVID has really squeezed employers and employees financially," Romero says. "Our voluntary products are meant to either save the employees money on insurance programs that are mandatory, in the case of auto and home, or reduce their health care expense. Now it's become even more important to find additional savings to help relieve some of that financial strain."

In the case of voluntary health plans, relief comes as soon as the need arises. "Those types of benefits pay for first-dollar expenses, whereas other types of medical coverage may not pay anything until after you've met a deductible that could be anything from \$500 to \$4,500," Romero says.



Employees can customize their Liberty Mutual voluntary benefit plans, and those who participate in more than one program can save money through multi-policy discounts. Liberty Mutual also helps employers and brokers with program implementation and marketing, including the creation of email, direct mail, co-branded websites and web copy.

"We're helping to get the messaging out there so that people can take advantage of and use these benefits," Bernhardt says.

Voluntary benefits can be a valuable part of employers' efforts to respond to the evolving needs of their workers, especially during financially stressful times. They help attract and retain talented employees who want to be part of a supportive and

compassionate work environment. They help create an atmosphere in which workers are more engaged and productive because their worries about financial security have been relieved. **The right voluntary benefits program provider will help astute employers create the kind of caring environment in which employees want to contribute.**





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