

## PLOT POINTS

By Bonnie Brazzell  
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# The power of generational demographics

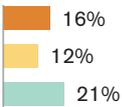
### Preferred payment method by generation

Boomers Gen X Millennials

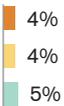
#### Payroll deduction



#### Credit card



#### EFT from checking or savings account



#### Other



**GENERATIONAL** demographics are shifting quickly, and your employer clients expect you to know how these changes will impact voluntary benefit strategies. They want to know which products they should offer in order to meet the needs of their increasingly diverse workforce, and they want to offer their employees personalized enrollment communications based on age, gender or life stage. These desires require a solid awareness of generational demographics so that you can appropriately guide employers to make the most informed decisions for their unique employee populations.

Take payroll deduction, for example. In our November 2019 column, we discussed how, despite the growing number of options for payment alternatives, employees overwhelmingly prefer payroll deduction. What if you



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encounter an employer whose employee base has a high percentage of Generation X and millennial employees? You may wonder if this preference holds true or if you should offer your clients alternative payment methods, like credit card or ACH. Our latest employee demographic research suggests there is surprisingly little variation in preference across generations. In fact, Gen Xers have the strongest preference for payroll deduction, and while millennials are somewhat more open to credit card payments compared to the other segments, only 21 percent prefer credit card payments.

Similarly, in terms of enrollment preferences, you may assume that younger generations would strongly prefer enrolling on their own via the internet, as opposed to in person. However, around a quarter of all generations surveyed prefer enrollment with a sales representative.

Furthermore, you may think that different generations find different types of insurance products more important than others. And you'd be right! Our research finds that importance does not vary significantly by generation for dental, vision, long-term care or hospital indemnity/supplemental medical products. However, boomers give slightly higher importance to medical and prescription drug coverage, while Gen Xers and millennials give slightly higher importance ratings for life, disability/income replacement, accident, AD&D, critical illness and cancer.

Commanding a more data-driven view of employee wants and needs from a generational perspective can give you the edge in making helpful, informed recommendations to your employer clients.

### Importance of different types of insurance by generation

(5-point scale, with "1" being no importance and "5" being great importance)

	Boomers	Gen X	Millennials
Medical	4.81	4.65	4.55
Dental	4.24	4.21	4.23
Prescription drug	4.33	4.19	4.06
Vision	3.98	3.92	3.97
Life	3.41	3.88	3.89
Disability/income replacement	3.39	3.59	3.65
Accident	3.16	3.37	3.56
Long-term care	3.37	3.35	3.47
AD&D or travel insurance	2.99	3.26	3.45
Hospital indemnity/supplemental medical	3.15	3.22	3.31
Critical illness	2.98	3.23	3.38
Cancer/dread disease	2.89	3.17	3.32