

# Benefit Plan Trends



## THE FUTURE OF YOUR WORKPLACE AND ARE YOU READY FOR A 4-DAY WORKWEEK?

There is a storm brewing between employers and employees that is likely to rage well into 2022. In one corner are employers, who hope to have their office up and running by the end of the year. In the other corner are employees, who prefer to stay remote indefinitely. Both reference data that reinforces their position and both sides will end up compromising to some extent.

### REMOTE vs. THE OFFICE

More than 16 months into the pandemic, no one can answer the question: what will the future workplace look like? The reason: employers and employees disagree on some important points with respect to remote work.



A recent study from Arizent — parent company of *Accounting Today*, *American Banker*, *Bond Buyer*, *Financial Planning*, and *National Mortgage News* — addressed attitudes about remote work and found that:

- “While the majority of employees would like to work remotely in the future, just one-third of employers envision a hybrid work environment for their organization one year out. In the meantime, employers do not plan to offer stipends or financial incentives to create functional at-home workspaces.
- Technology is a critical piece to ensuring business success, if employers can navigate challenges like security breaches and accessibility to high speed internet. Looking ahead, the majority of employers across all industries believe they will have the appropriate resources in place to navigate technology challenges.
- More must be done beyond COVID-19 to help vulnerable workplace populations like working parents and women. Flexible work, back up child care benefits and emergency childcare support should become commonplace.
- While employers have confidence that business will grow post-COVID, the reality will require more communication and safety protocols to help employees regain confidence with in-person work arrangements.”

## NEW BENEFITS EMERGING

What employees and employers do agree on – sort of – is that benefits are undergoing a transition and the pandemic has created a new workplace environment that would have never existed 10 years ago. Let's examine three benefit trends that prospective employees are demanding and employers are considering as both sides try to navigate the return to the office.

### Trend #1: Flexible Work Schedules

Employees have always wanted the flexibility to work whenever and wherever they want, but the pandemic taught us that working from home can be productive and employers are reluctantly (although not always) agreeing. As such, going forward, employers are adding flexibility to this WFH (Work from Home) movement.

In fact, according to Arizent, almost 7 in 10 employers thought that remote work and telecommuting will be permanent. And according to a Gallup poll, 6 in 10 employees who have been working from home during the pandemic want to continue working remotely.

Recently, many of the tech giants – think Twitter and Facebook – have announced permanent WFH arrangements. But it's not just the tech companies. Insurance behemoth Nationwide said this recently in an interview with Forbes: "Nationwide plans to shrink from 20 physical offices pre-crisis, to just four," said Nationwide CEO, Kirt Walker. "We think the world is changing. We've got to take cost out of the system. We want to enable sustainable growth."

JP Morgan Chase had this to say: "We are going to start implementing the model that I believe will be more or less permanent, which is this rotational model. Depending on the type of business, you may be working one week a month from home, or two days a week from home, or two weeks a month," said Daniel Pinto, COO and co-president.

And a poll on behalf of Bloomberg News found 39% would consider quitting if their employers weren't flexible about remote work. And an earlier Microsoft poll of 30,000 global workers found 41% said they, too, were thinking about a new job.



### Trend #2: More Technology

With more people working remotely, there will be a much greater demand for technology tools that support the remote workforce. Employers and employees must advance their cybersecurity policies and ensure that company assets are protected. Many companies have internal policies that might sound draconian – if your work laptop is stolen because it was not locked down, then you're fired. Expect more of those policies going forward.

### Trend #3: More Support for Mental Health

The CDC suggests that more than half of us struggled with a mental health issue during COVID. And while the stigma of seeking help has dissipated some, mental health and telehealth benefits are becoming much more common and almost 25% of employers plan to make changes to their mental health benefits – and that percentage is expected to rise.

With these benefit changes in the coming years. – especially the WFH movement – maybe we should really ask ourselves: is it time to switch to a four-day workweek?

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## THE FOUR-DAY WORKWEEK

Remember a year ago when employers and employees first began to switch to remote work? Most were worried how productivity would be impacted as the WFH movement gained steam. Well, as it turned out, both employers and employees thought it worked.

According to consulting firm PwC:

- 83% of employers considered remote work to be a success;
- 71% of employees considered remote work to be a success; and
- 52% of bosses thought productivity improved.

So, might we see similar results by moving to a four-day workweek?

- The International Labour Organization at the United Nations conducted a study that showed that shorter work hours can result in greater output thanks to lower fatigue, improved motivation, and reduced turnover.
- The World Health Organization and the International Labour Organization estimated that in 2016, 398,000 people died from stroke and 347,000 from heart disease as a result of having worked at least 55 hours a week.



Today, the Society for Human Resource Management estimates that only 15% of employers offer a four-day workweek. But as companies invest in more technology to make the transition easier, better and safer, maybe the four-day workweek idea will become a reality.

### **A Case Study for the Four-Day Workweek**

Andrew Barnes, founder of Perpetual Guardian (and co-founder of 4 Day Week Global, so he's probably biased to some degree) said he witnessed a 40% increase in productivity and a 15% decrease in employee stress levels when he implemented a four-day week at his own business.

Here is what the Atlantic wrote of Barnes' experiment:

"In 2018, Andrew Barnes approached the employees of his company, a New Zealand firm called Perpetual Guardian that manages wills, estates, and trusts, with an offer: If they could figure out how to get more done in a day, they could work one fewer day per week. In consultation with employees, the company installed lockers in which workers can voluntarily stash their phones for the day, and soundproofed meeting spaces to reduce the sound of ambient chatter. Meetings were shortened; employees started putting little flags in their pencil holders whenever they wanted to signal to coworkers that they didn't want to be disturbed. It worked: Perpetual Guardian's business didn't suffer, and the four-day workweek is still in place three years later."

"Having gathered the first qualitative and quantifiable evidence of how individuals, families, businesses and the climate do better under this model, it is heartening to see it grow into a truly global movement," Barnes said in a release. "Like the transition to a five-day week a century ago, most businesses will implement the change gradually, customizing teams' schedules to fit everyone's needs. It is time to take this next step and build a world that is more balanced, sustainable, and equitable."

We shall see if the four-day workweek takes hold.

### **Your Financial Advisor**

There is no doubt that the next few years will be very different when it comes to employee benefits – more of us will be working from home, our technology will get better and a four-day workweek might even become the norm. Layer on top of those changes our need to save more, manage our money better and ensure our financial plan is personalized to our risk tolerance, and it's easy to become overwhelmed.

Your financial advisor can help you consider all your needs and make decisions tailored to your hopes and dreams – with far less worry than if you go at it alone

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