

Talkin' Bout my Generation

12/18/17

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Let's Talk About the Generations

1. How they've been shaped
2. Communications Preferences
3. Benefits Knowledge

2017 Generations in Workforce

1. Baby Boomers
2. Gen Xers
3. Millennials

BY THE NUMBERS

Millennials

BORN
1981 to 1997

AGE IN 2015
18 to 34

POP. IN 2015
75.4 million

Generation X

BORN
1965 to 1980

AGE IN 2015
35 to 50

POP. IN 2015
66 million


Baby Boomers

BORN
1946 to 1964

AGE IN 2015
51 to 69

POP. IN 2015
74.9 million

Pew Research Center: Millennials overtake Baby Boomers as America's largest generation; April 25, 2016.

A woman with short, wavy brown hair is sitting in a meditative lotus position on a blue mat. She is wearing a bright pink tank top and dark grey leggings. Her eyes are closed, and she has a peaceful expression. Her hands are resting on her knees in a mudra. In the background, there is a large window with a wooden frame, through which bright sunlight is streaming, creating a warm, golden glow. To the right, a portion of a brown armchair with a black and white patterned throw pillow is visible. On the floor to the left of the woman, there are two small blue dumbbells.

Baby Boomers

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Baby Boomers

- 1946 – 1964¹
- 74.9 million strong
- Second largest generation in the US
- Longer attention spans²

¹Pew Research Center: *Millennials overtake Baby Boomers as America's largest generation*; April 25, 2016.
²Networking Times: *How Baby Boomers, Gen Xers, and Millennials Respond to Technology and Style*; November 29, 2016.

- First Man on the Moon
- Music with a Message
- Desktop Computers



Buying Trends & Predictions

- Healthcare costs anticipated to be the largest annual expense¹
- Spend \$59,646 a year²

¹Medicare Supplement: Where are Boomers Spending Their Money?; accessed July 13, 2017 from medicaresupplement.com.

²U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

Spending Breakdown

Boomers spend **\$59,646** per year:



\$18,320
on housing



\$4,243
on groceries



\$3,286
on entertainment



\$2,900
on dining out



\$1,937
on clothing



\$28,960 on all
other spending

U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

Buying Trends & Predictions

- Healthcare costs anticipated to be the largest annual expense¹
- Spend \$59,646 a year²
- Largest share of disposable income³
- Travel and entertainment²

¹Medicare Supplement: Where are Boomers Spending Their Money?; accessed July 13, 2017 from medicaresupplement.com.

²U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

³Fox Business: Where Baby Boomers Spend Their Money and How to Profit From It; September 13, 2016.



Generation X

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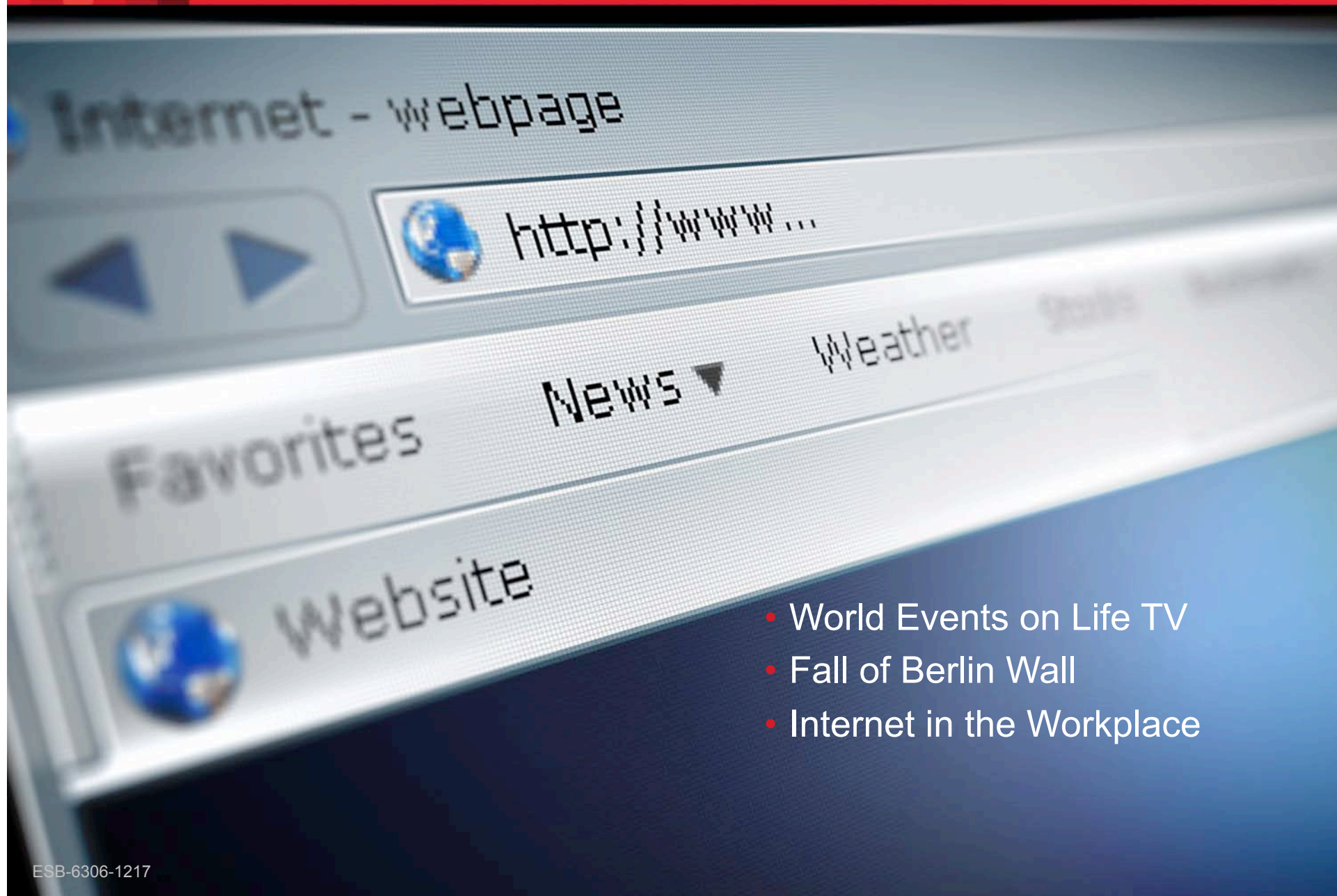
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Generation X

- 1965 to 1980¹
- 66 million¹
- Most buying power²

¹Pew Research Center: Millennials overtake Baby Boomers as America's largest generation; April 25, 2016.

²US Department of Labor: Spending Habits by Generation; November 3, 2016.



- World Events on Life TV
- Fall of Berlin Wall
- Internet in the Workplace

Buying Trends & Predictions

- Starting families
- Buying more insurance products

BenefitsPro: Why Gen X is the bullseye generation for non-medical benefits; November 19, 2015.

Buying Trends & Predictions

- 82% Auto Insurance
- 78% Homeowners or Renters Insurance
- 48% Life Insurance

V12 Data: Insurance for the Generations: Marketing to Boomers and the Millennials; accessed from v12data.com on August 11, 2017.

Buying Trends & Predictions

- Starting families¹
- Buying more insurance products¹
- 82% are homeowners²
- Spend \$66,981 a year³

¹*BenefitsPro: Why Gen X is the bullseye generation for non-medical benefits; November 19, 2015.*

²*Dan Schawbel: 44 Of The Most Interesting Facts About Generation X; July 26, 2015.*

³*US Department of Labor: Spending Habits by Generation; November 3, 2016.*

Spending Breakdown

Gen Xers spend **\$66,981** per year:



\$21,954
on housing



\$4,882
on groceries



\$3,231
on entertainment



\$3,864
on dining out



\$2,442
on clothing



\$30,608 on all
other spending

U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

Buying Trends & Predictions


- Starting families¹
- Buying more insurance products¹
- 82% are homeowners²
- Spend \$66,981 a year³
- Loyal to brands⁴

¹*BenefitsPro: Why Gen X is the bullseye generation for non-medical benefits; November 19, 2015.*


²*Dan Schawbel: 44 Of The Most Interesting Facts About Generation X; July 26, 2015.*

³*US Department of Labor: Spending Habits by Generation; November 3, 2016.*

⁴*AZ Central: Generation X Consumer Behavior; accessed August 11, 2017 from azcentral.com.*

A photograph of three young adults hiking in a field at sunset. A man on the left is smiling and holding a camera. A woman in the center is also smiling and wearing a red jacket. A woman on the right is wearing sunglasses and a light blue jacket. They are all wearing backpacks and hiking gear. The background shows a forested hill under a warm, golden sky.

Millennials

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Millennials

- 1981 to 1997¹
- 75 million¹
- Largest generation¹
- By 2015, 1 in 4 had earned a bachelor's degree²

¹Pew Research Center: Millennials overtake Baby Boomers as America's largest generation; April 25, 2016.

²Agency Nation: How to Sell Insurance to Millennials; September 27, 2016.

- 
- Computer and Technology
 - Emphasis on Child-Rearing
 - Environmental Impact Awareness
 - Social Networking

Buying Trends & Predictions

- 89% increase in student borrowers¹
- Average student loan balance grew 77%¹
- Spend \$47,113 a year²

¹Agency Nation: How to Sell Insurance to Millennials; September 27, 2016.

²U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

Spending Breakdown

Millennials spend **\$47,113** per year:



\$16,505
on housing



\$3,264
on groceries



\$2,186
on entertainment



\$2,891
on dining out



\$1,708
on clothing



\$20,559 on all
other spending

U.S. Department of Labor: Spending Habits by Generation; November 3, 2016.

Buying Trends & Predictions

- 81% Auto Insurance
- 63% Homeowners or Renters Insurance
- 33% Life Insurance

V12Data: Insurance for the Generations: Marketing to Boomers and the Millennials; accessed from v12data.com on September 12, 2017.

Buying Trends & Predictions

Millennials are the generation most likely to live at home

*% of 25- to 35-year-olds living
in parent(s)' home*



Note: "Living in parent(s)' home" means residing in a household headed by a parent.

Source: Pew Research Center analysis of 1964, 1981, 1990, 2000 and 2016 Current Population Survey, Annual Social and Economic Supplements.

Benefits Breakdown

BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.

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Medical Plan Participation

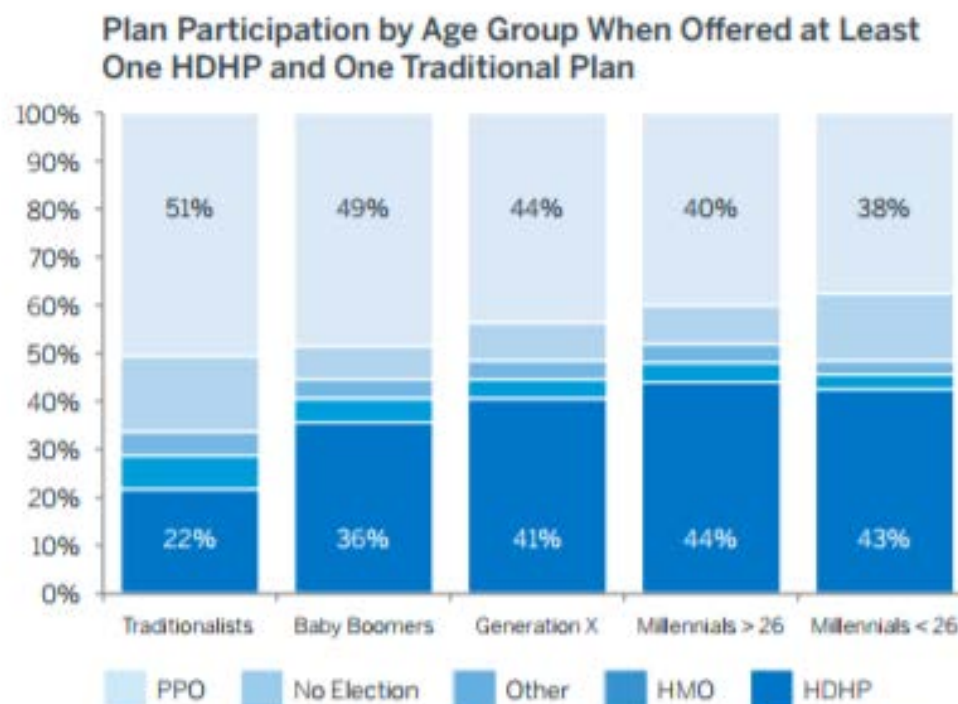


Figure 2.2: HDHP adoption rates were highest among millennials (see Appendix Table I).

BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.

Health Savings Account Contributions

Individual Coverage

Average HSA Contribution vs. 2016 Limit by Age Group - Individual Coverage



Figure 4.1: The average single, 25-year-old employee is contributing only about 22 percent of the maximum to an HSA for 2016 (see Appendix Table 5).

Family Coverage

Average HSA Contribution vs. 2016 Limit by Age Group - Family Coverage

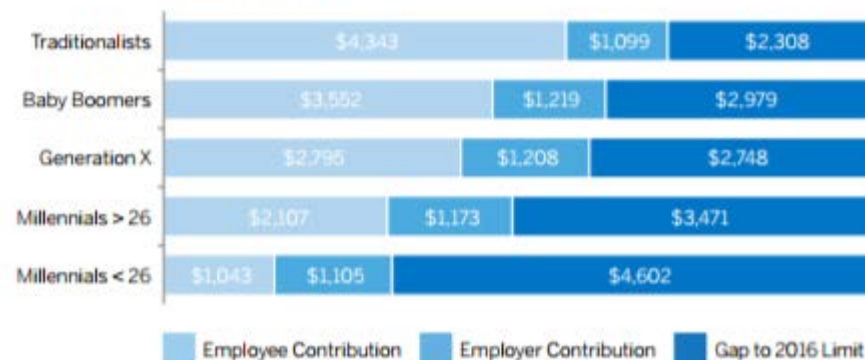


Figure 4.2: Families are missing an opportunity to save thousands in tax-free dollars for current or future medical expenses (see Appendix Table 6).

Flexible Spending Account Contributions

Individual Coverage

Family Coverage

Average FSA Contribution by Plan Type and Age Group - Individual Coverage

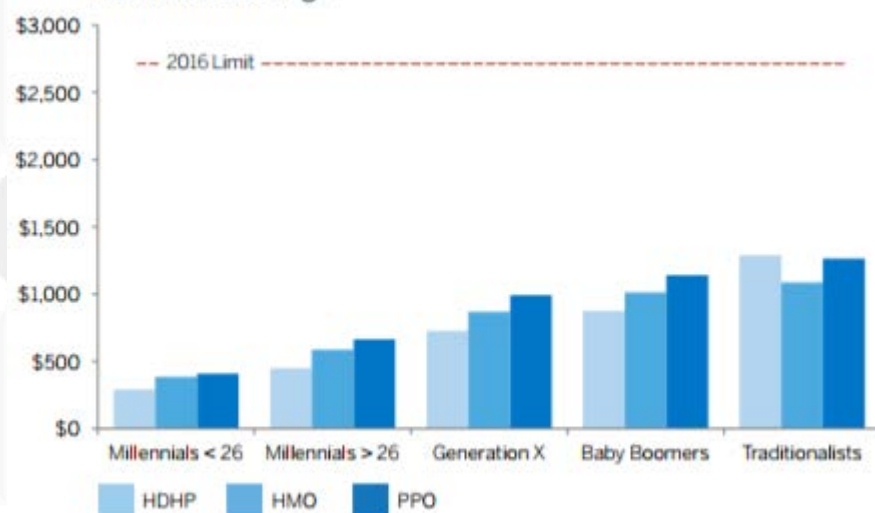


Figure 4.3: Regardless of age, the typical individual is contributing less than half of the maximum allowed to an FSA (see Appendix Table 7).

Average FSA Contribution by Plan Type and Age Group - Family Coverage

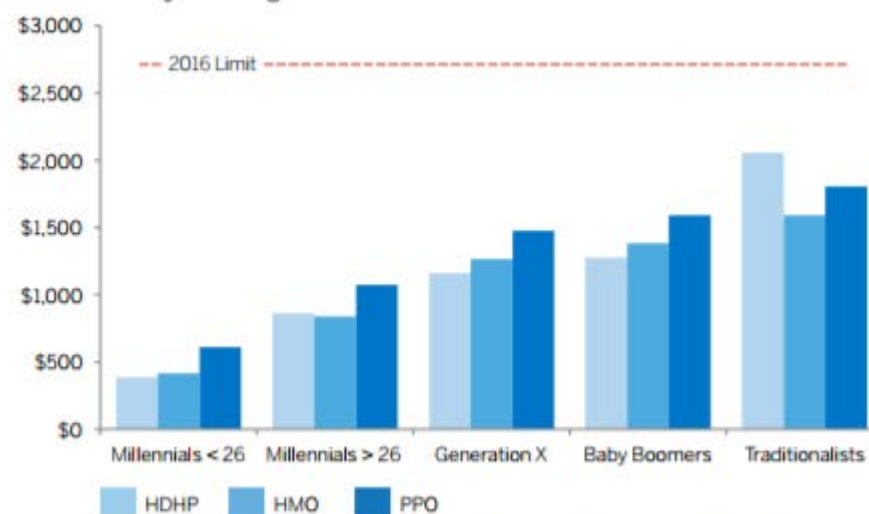


Figure 4.4: Younger families, especially those enrolled in an HDHP, are underutilizing FSAs (see Appendix Table 8).

BenefitFocus: The State of Employee Benefits, Insights and Opportunities Based on Behavioral Data; April 4, 2016.

Generations and Communications Preferences

Benefits account for up to 30% of total employee compensation, yet employers rarely allocate resources to make sure their employees understand and value the benefits they are offered.

Help Employers Connect the Dots – 2016 LIMRA Employer Study

Comprehensive Communication Plan

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ABC Employer

Schedule Appointment

Understanding your employee benefits.

Everyone deserves to have peace of mind, and the employee benefits provided through your employer can help you get there. Here at American Fidelity Assurance Company (American Fidelity), we understand one size does not fit all – that's why we design our insurance plans and benefit programs to fit the different lifestyles and needs of our customers.

Please take a moment to look over these four sections containing important information about the plans and programs available through your employer's benefit portfolio.

Tips on Preparing for Your Upcoming Enrollment

Why You Should Attend a Benefit Review

Triple Tax Savings

High Deductible Health Plan with a Health Savings Account

Does your employer offer a High Deductible Health Plan? Are you worried about paying out-of-pocket costs before meeting your deductible? If so, now's the time to learn more about a Health Savings Account. Selecting the right coverage for you and your family is important, and we want to help you understand your benefit options. [Learn more about HSAs](#)

EMPLOYER BENEFIT SOLUTIONS FOR YOUR INDUSTRY

Enrollment Made Simple

ABC Employer Benefits Enrollment
November 27th - December 22nd

Enrollment Options

We know no two employees are alike. That's why American Fidelity Assurance Company is providing you with multiple enrollment options. Choose which benefits enrollment best suits you: one-on-one, either in person, by phone, or video conferencing or online, at home or at work. Learn more about each option below.

One-on-One: In-Person
November 27th - December 8th

The one-on-one in-person enrollment allows you to meet individually with an American Fidelity account manager at your place of work to get your questions answered as well as enroll in the benefits that best meet your needs. Visit [www.americanfidelity.com/abcemployer](#) to schedule your appointment.

One-on-One: By Phone
November 27th - December 22nd

With the American Fidelity Benefit Enrollment Center option, you can enroll in your benefits at your convenience. Call 888-659-1531 anytime between 7 am to 7 pm CST to discuss your options as well as enroll in your benefits.

One-on-One: Video Conference
December 18 - December 22nd

Much like the one-on-one in-person enrollment, you can meet individually with an American Fidelity account manager. However, instead of meeting in-person, you will meet face to face via video conference. Your account manager will send you a GoToMeeting link once you have signed up for your appointment.

Self-Enrollment: Online
November 27th - December 22nd

Through AFenroll, you can enroll through our secure online system that is accessible from any desktop browser. The site also contains educational benefit and enrollment preparation videos to answer any questions you may have. To get started on your online enrollment, follow the instructions on the back of this flyer.

Self-Enrollment: Kiosk
November 27th - November 28th

After attending a scheduled group meeting, iPads will be available to navigate through an online self-enrollment. An American Fidelity account manager will be available to answer specific questions related to your available benefits or the enrollment process.

Group Meetings

Educational meetings are designed to save you time by learning about your options in a group setting. During the educational meetings all available benefits will be reviewed and you will have the ability to ask any questions you may have. Directly following the meeting, you may enroll in your benefits with the options provided or you can take the information home to discuss with your family before making your final choices. You may attend a group meeting no matter your preferred enrollment method.

¹BenefitFocus: 5 Employee Benefit Trends to Watch in 2017; December 29, 2016.

²Employee Benefit News: How four employers are getting benefits communications right; May 25, 2017.

Different Communication Preferences

- Baby Boomers – Face to Face



Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016.

Different Communication Preferences

- Baby Boomers – Face to Face¹
- Gen Xers – Multiple Channels²



¹Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016.

²AZ Central: Generation X Consumer Behavior; accessed August 11, 2017 from azcentral.com.

Different Communication Preferences

- Baby Boomers – Face to Face¹
- Gen Xers – Multiple Channels²
- Millennials – Go Digital³



¹Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016.

²AZ Central: Generation X Consumer Behavior; accessed August 11, 2017 from azcentral.com.

³Forbes: Phone Calls, Texts or Email? Here's How Millennials Prefer To Communicate; May 11, 2017

Millennial Preferences

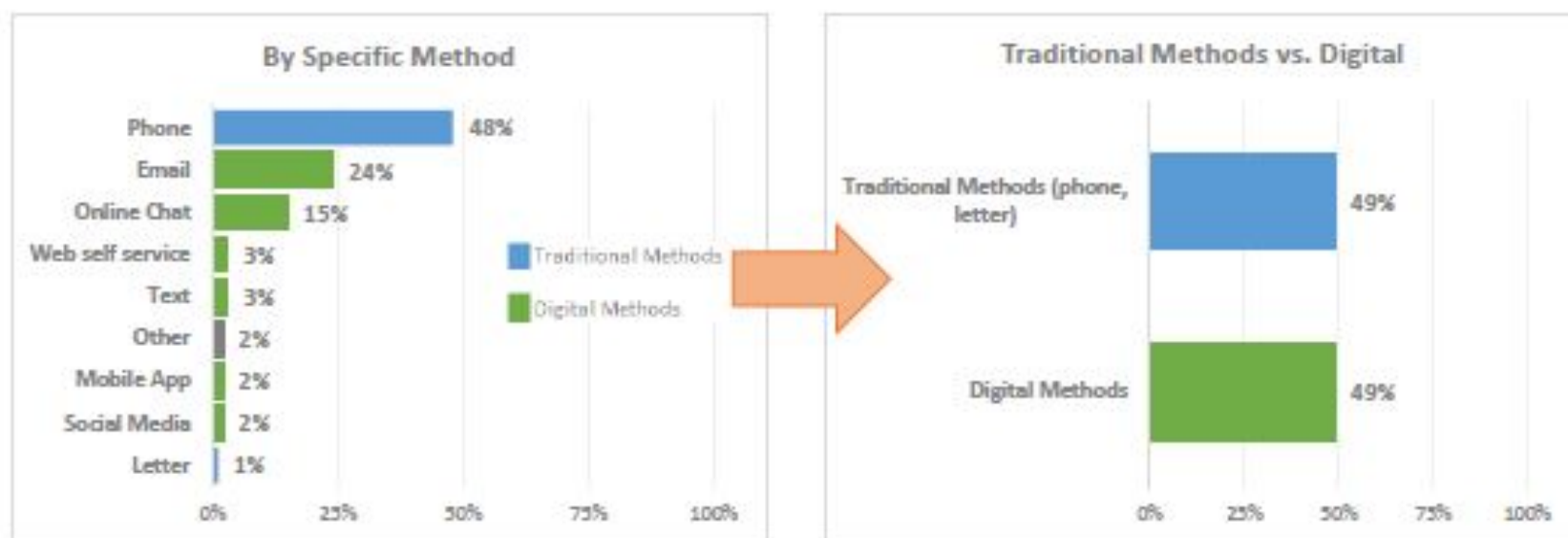
“Spreading communication out all year and using modern – and brief – formats like blogs and videos will improve the effectiveness of communications.”

-Jennifer Benz

Founder and CEO Benz Communications

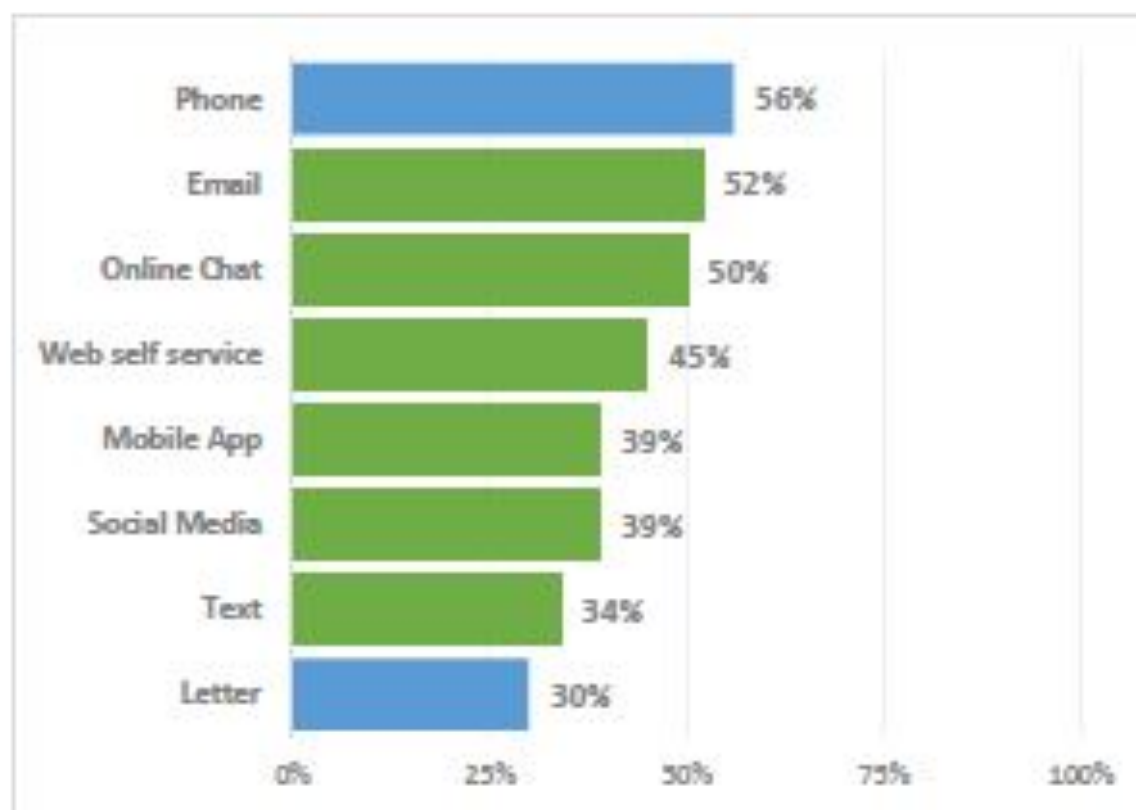
Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016.

Communication Preferences



The Northridge Group: State of Customer Service Experience 2016; August 2016.

Ease of Contacting a Company by Channel



The Northridge Group: State of Customer Service Experience 2016; August 2016.

Measure Success



SUCCESS

LIMRA: 2016 Employer Study; Help Employers Connect the Dots, Benefit Communications.

Discussion





American Fidelity Assurance Company