

Talkin' Bout my Generation

12/27/2018

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Let's Talk About the Generations

1. Common traits
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 wavy brown hair, wearing a bright pink tank top and dark grey leggings, is sitting in a meditative lotus position on a blue mat. Her eyes are closed, and she has a peaceful expression. She is in a bright, sunlit living room with large windows in the background. To her left, a pair of blue dumbbells sits on the floor. To her right, a brown armchair with a black and white patterned blanket is visible.

Baby Boomers

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Baby Boomers

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

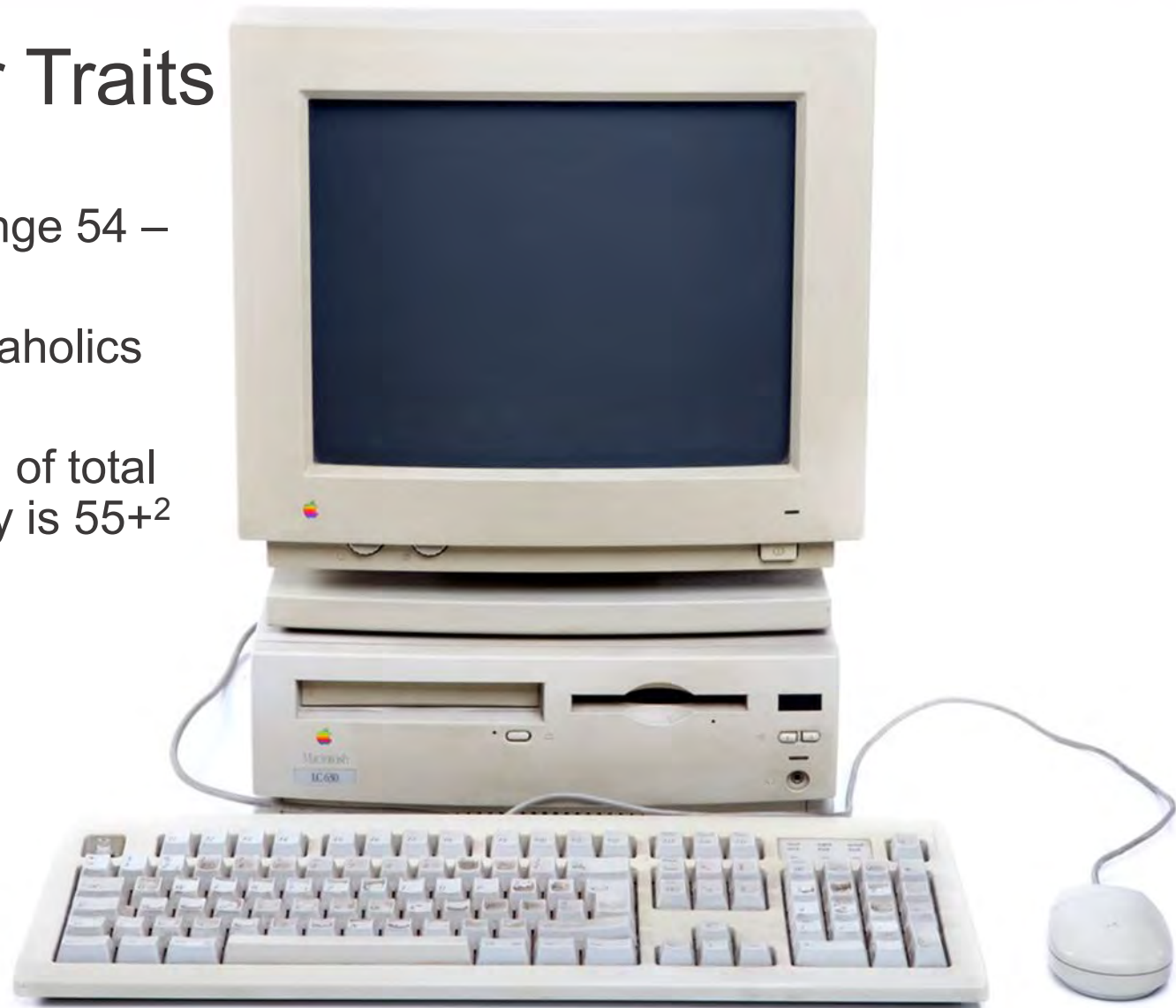
¹Pew Research Center: *Millennials overtake Baby Boomers as America's largest generation*; April 25, 2016.

²Networking Times: *How Baby Boomers, Gen Xers, and Millennials Respond to Technology and Style*; November 29, 2016.



Baby Boomer Traits

- Average age range 54 – 72
- Tend to be workaholics and ambitious¹
- More than a fifth of total labor force today is 55+²



¹*How to Thrive in a Multi-Generational Workplace*; accessed February 9, 2018 from mindtools.com.

²*Pew Research Center: 5 Ways the U.S. workforce has changed, a decade since the Great Recession began*; November 30, 2017.

Buying Trends & Predictions

- Largest share of disposable income¹
- Spend \$59,646 a year²
- Healthcare costs anticipated to be the largest annual expense³

¹*Fox Business: Where Baby Boomers Spend Their Money and How to Profit From It; September 13, 2016.*

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

³*Medicare Supplement: Where are Boomers Spending Their Money?; accessed July 13, 2017 from medicaresupplement.com.*

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

- Largest share of disposable income¹
- Spend \$59,646 a year²
- Healthcare costs anticipated to be the largest annual expense³
- Travel and entertainment²

¹Fox Business: *Where Baby Boomers Spend Their Money and How to Profit From It*; September 13, 2016.

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

³Medicare Supplement: *Where are Boomers Spending Their Money?*; accessed July 13, 2017 from medicaresupplement.com.



Generation X

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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.

Generation X Traits

- Average age range 38 – 53
- Peak earning years
- Task-oriented and self-reliant, but big emphasis on work-life balance¹
- 25% of the population, 31% of total U.S. income²
- As the “middle child” between Boomers and Millennials, consumes “analog” media along with social media and mobile channels
 - 62% read newspapers and 48% listen to the radio³
- Caretakers of two generations
 - Suggested product emphasis: Life Insurance

¹How to Thrive in a Multi-Generational Workplace; accessed February 9, 2018 from mindtools.com.

²San Diego SCORE: Marketing to the Forgotten Generation; <https://sandiego.score.org/blog/marketing-forgotten-generation>

³5 Reasons Marketers Have Largely Overlooked Generation X; accessed February 22, 2018 from adweek.com

Buying Trends & Predictions

- Many Gen Xers share traits like independence, resourcefulness, and self-sufficiency.¹
- Starting families
- Buying more insurance products²

¹*The Balance: The Common Characteristics of Generation X Professionals; October 15, 2017*

²*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 homeowners with an average home value of \$238,000²
- 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.*



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.

Millennial Traits

- Not kids anymore!
Average Age Range
21 - 37
- Multitaskers, goal-focused and like working with purpose¹
- Grew up with evolving technology and social networking
- 89% increase in student borrowers and the average balance per borrower grew by 77%²

¹How to Thrive in a Multi-Generational Workplace; accessed February 9, 2018 from mindtools.com.

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

Buying Trends & Predictions

- Entered workforce after recession
- 16% of Millennials have \$100,000 in savings, and 47% have \$15,000 or more. Despite this, one in three Millennials list not saving enough money as top financial stressor, more than health costs.¹
- Spend \$47,113 a year²

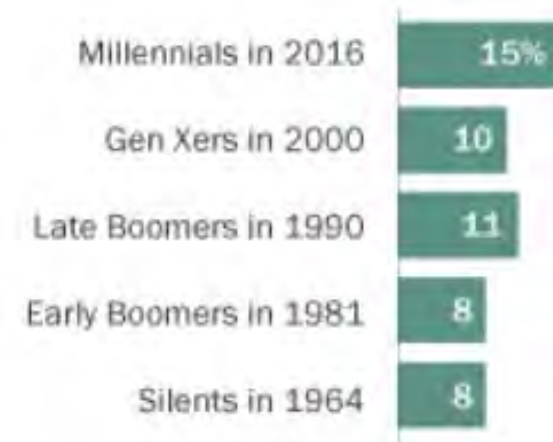
¹Bank of America: 2018 Better Money Habits Millennial Report; January, 2018

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

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.

¹Pew Research Center: Millennials are the generation most likely to live at home; May 5, 2017; http://www.pewresearch.org/fact-tank/2017/05/05/its-becoming-more-common-for-young-adults-to-live-at-home-and-for-longer-stretches/ft_17-05-03_livingathome_bygen2/

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.

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

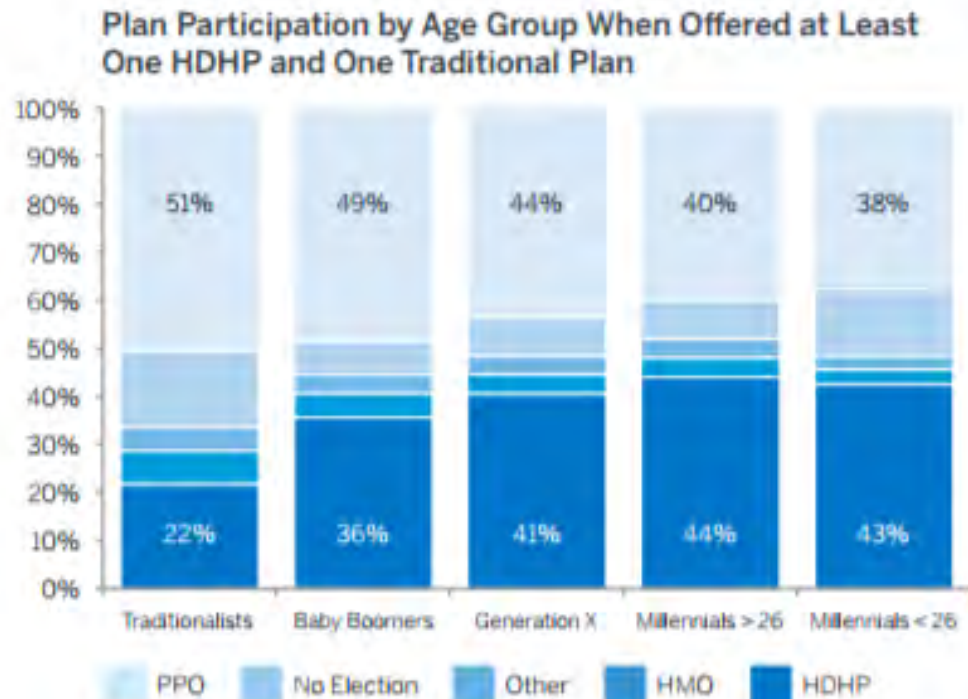


Figure 2.2: HDHP adoption rates were highest among millennials (see Appendix Table 1).

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

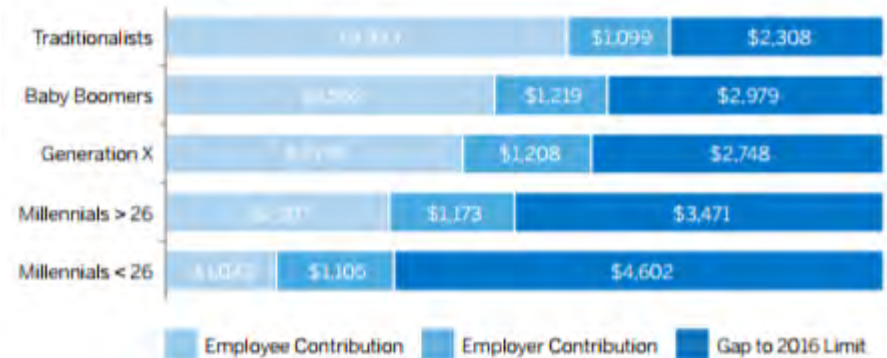


Figure 4.2: Families are missing an opportunity to save thousands in tax-free dollars for current or future medical expenses (see Appendix Table 6).

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

Flexible Spending Account Contributions

Individual Coverage

Family Coverage

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

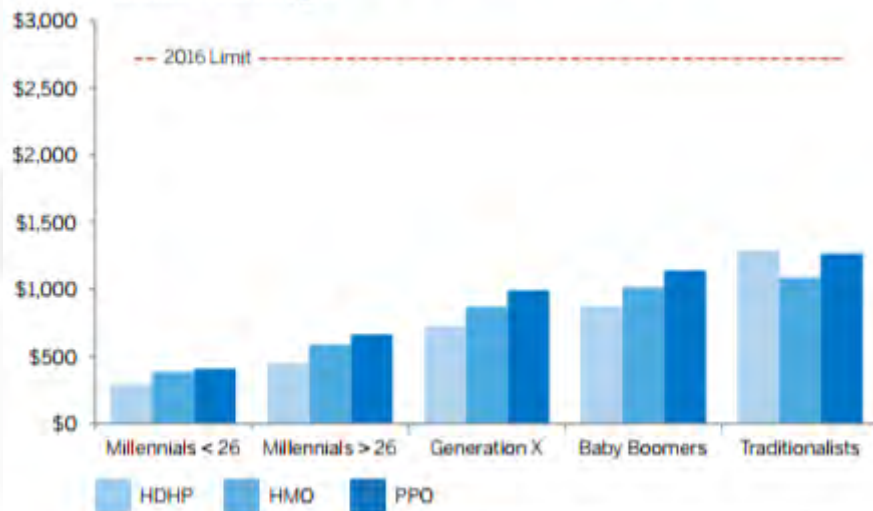


Figure 4.3: Regardless of age, the typical individual is contributing less than half of the maximum allowed to an FSA (see Appendix Table 7).

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

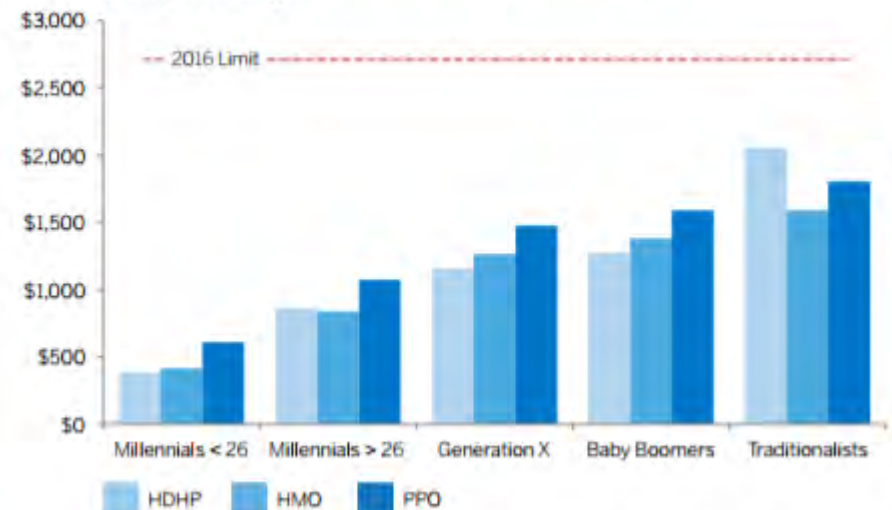


Figure 4.4: Younger families, especially those enrolled in an HDHP, are underutilizing FSAs (see Appendix Table 8).

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

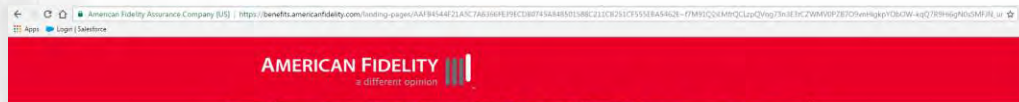
Generations and Communications Preferences



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



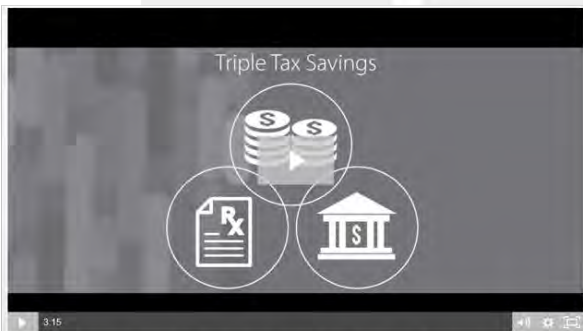
Understanding your employee benefits.

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



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](#)



High Deductible Health Plan with an HSA

A great way to take advantage of a High Deductible Health Plan (HDHP) is by pairing it with a Health Savings Account (HSA). Combined with a qualified HDHP, an HSA can help you save the funds needed to cover healthcare costs before you satisfy your deductible. And, an HSA offers you a triple tax advantage, bringing you additional savings.

To learn more about an HSA, watch this video for answers to these four common questions:

- What is an HSA?
- Who is eligible?
- How much can you contribute?
- What expenses are eligible?

Watch the Video

To learn more about Health Savings Accounts, visit [AFHSA.com](#)



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Marketed by American Fidelity Assurance Company



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 Face¹
- Have longer attention spans, so longer blog posts and videos work for them too²



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

²The Best Way to Reach Different Generations on Social Media; accessed February 9, 2018 from info.exceleratedigital.com

Different Communication Preferences

- Gen Xers – Multiple Channels¹
- Heavy consumers of online video, and receptive to messaging on social media and via email²



¹AZ Central: Generation X Consumer Behavior; accessed August 11, 2017 from azcentral.com.

²Generational Marketing: Age Appropriate; accessed February 9, 2018 from mytotalretail.com

Different Communication Preferences

- Millennials – Go Digital
- Email and text messages
 - 68% of millennials admit to texting “a lot” on a daily basis, compared to 47% of their Gen X counterparts.¹
 - Despite the immediate availability of text messaging and other messaging apps, email remains popular among millennials as well.¹



Millennial Preferences

Most companies still do the majority of communication during annual enrollment.

“This is especially not going to connect with Millennials, who grew up with real-time mobile communication. 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

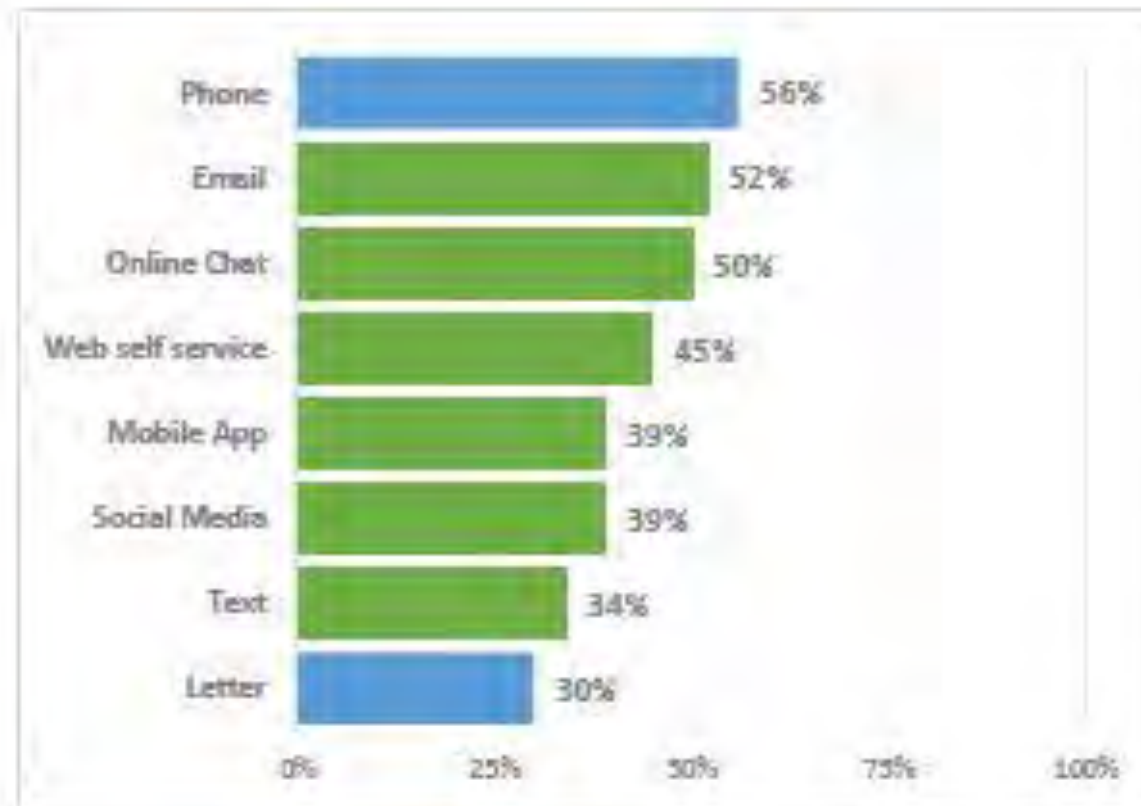
Society for Human Resource Management: Millennials in the Dark About Their Benefits; January 14, 2016.

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



A series of vertical bars of varying heights and shades of red and orange, located on the left side of the page. The bars are of different widths and colors, ranging from light orange to dark red, creating a textured, abstract background element.

American Fidelity Assurance Company