

The Benefit Retention Connection

One-third of your employees want to change jobs during the next 12 months. Enhance your employee benefit packages with a vision plan, and retain your best resource—workplace talent.

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The Benefit-Retention Connection

Benefits are a critical component of worker loyalty, particularly during challenging economic times. Employees who are satisfied with their benefits are more likely to be satisfied with their jobs and loyal to their employers.¹

Companies can sometimes underestimate the importance of benefits to their employees in the workplace. The number of benefits that employers believe are necessary to attract and retain workers has declined dramatically over the past four years.²

Employer Disconnect:

- In a 2011 MetLife study, for example, only 37% of companies named non-medical benefits (such as vision) as loyalty drivers, compared with 59% of workers.³ LIMRA reports that 79% of employees ranked vision coverage as 4 or 5 on a 5-point scale of benefits importance.⁴

What happened to worker loyalty?

In the past, workers have been hesitant to seek other job opportunities because of the tight job market. But a new wind is blowing.

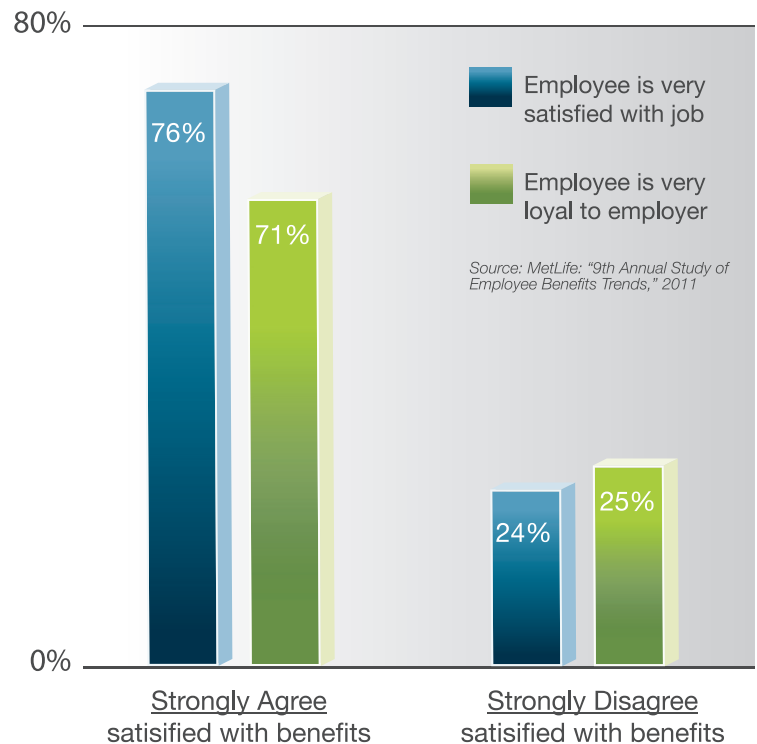
Employees have grown dissatisfied and restless. Now that the job market is loosening, 36 percent of workers at companies of all sizes have expressed a desire to leave their current jobs during the coming year, according to the MetLife study.⁵

Employee loyalty has taken a dive, and employers seem largely oblivious to it. **A steady decline in worker loyalty has now hit a three-year low:⁶**

- The percentage of workers polled by MetLife who feel very strong loyalty toward their employer shrank to 47% in 2010 from 59% in 2007. At their peril, employers continue to believe that loyalty levels are strong.

Companies say that retaining workers has not been a high priority.⁷ They could pay a high price for that choice—literally. Replacing even one employee is expensive. When you add the costs of time spent searching for candidates, conducting

Employees satisfied with their benefits are more likely to be loyal and satisfied with their jobs.



Who Is Most Likely to Leave?

- **Gen Y (age 21-29)** has been hit hardest by the job freeze. They are more anxious to leave and more dissatisfied with their current job than older workers. They are satisfied with their benefits, but do not feel as strongly as others that benefits are a reason to stay with the company.
- **Gen X (age 30-45)** values workplace benefits and sees them as a strong reason to stay with their current employer. However, they are not as satisfied with their benefits as Gen Y and Older Boomers.
- **Younger Boomers (age 46-54)** do not appear to be a serious flight risk, but job dissatisfaction could lead them to be less engaged and a potential threat to productivity. Younger Boomers tend to be less satisfied with their benefits.
- **Older Boomers (age 55-65)** are satisfied with their jobs and benefits and are unlikely to leave.

Source: MetLife: "9th Annual Study of Employee Benefits Trends," 2011

interviews and additional bookkeeping as well as possible travel and relocation expenses, the total is about \$4,000 overall per worker:

- \$2,000 on average for blue collar employees.
- \$7,000 on average for professional employees.^{/8}

Meaningful benefits that include a vision plan are a very important tool in rebuilding worker loyalty and increasing employee retention.

Employee answers to the MetLife survey reveal the best ways to strengthen their loyalty, which include:

- Adopt a wellness benefit.
- Don't allow cost concerns to limit your array of benefits; make them voluntary.
- Sharpen benefits communication.

Offer a Wellness Benefit

Workers who participate in wellness programs are more likely to be loyal to their employer and feel that their employer is loyal to them. They are also more likely to name benefits as a reason they stay in their current job.^{/9}

Companies that offer wellness programs say they work.

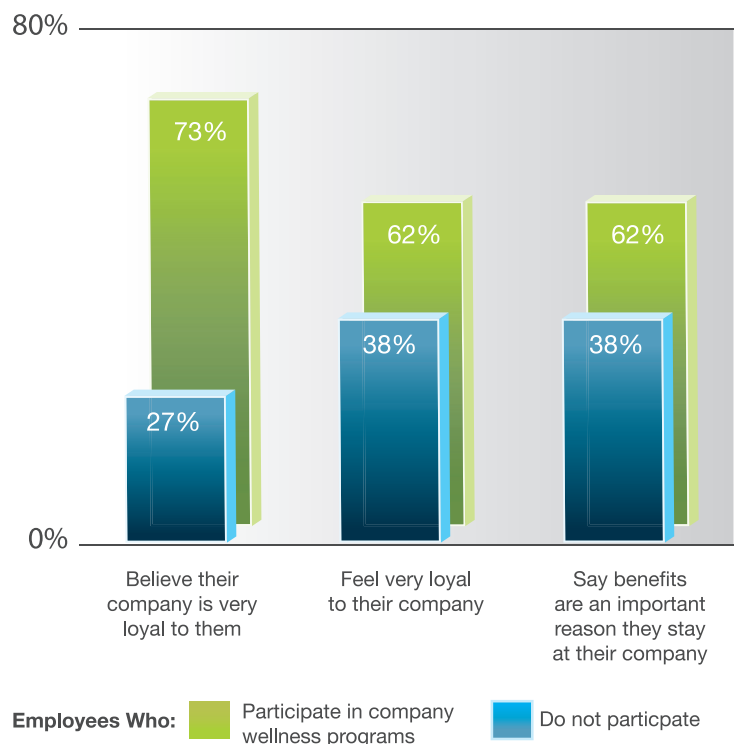
72% of MetLife study respondents reported that wellness programs reduce medical costs. 76% said they improve productivity by reducing absences.^{/10}

A wellness benefit such as Davis Vision's Eye Health ConnectionSM Program, embedded in our new idealChoiceSM plan, is an excellent way to boost employee loyalty and cut health care costs.

The Eye Health Connection Program focuses on the four main causes of vision loss: diabetes, glaucoma, cataracts and age-related macular degeneration, offering additional eye exams and eyewear per benefit cycle for those diagnosed. Early detection and treatment are critical to stop disease progression before it advances to the stage that treatment costs skyrocket.



Employees who participate in wellness programs are more likely to be loyal to employers.



Source: MetLife: "9th Annual Study of Employee Benefits Trends," 2011

Go Voluntary

If health care costs continue to rise at their current rate, 40% of employers plan to cut benefits, according to LIMRA.¹¹ Instead of cutting benefits, offer them on a voluntary basis. **52% of workers polled by MetLife would value having a wide choice of highly personalized benefits such as vision, and are willing to pay the entire cost if necessary.**¹²

Sharpen Benefits Communication

Effective communication is the cornerstone of Davis Vision's Eye Health Connection Program.

We reach out to members diagnosed with sight-threatening diseases, prompting them to obtain two eye exams and, if necessary, extra eyewear per benefit cycle.

Davis Vision also offers to all members free online resources that include articles about how to protect eye health. Be sure to remind your employees to make use of these free resources!

Finally, take advantage of Davis Vision's customized benefit tools so that together, we can communicate benefits most effectively to your employees. Davis Vision has developed an Open Enrollment Client Toolkit available on the Davis Vision website that allows you to choose your own communication materials.

Our marketing department will customize them to your plan benefits so that better communication in your workplace can start today!

Employees who believe their company communicates effectively about benefits are more than twice as likely to say they are loyal to their employer. They are also more likely to be satisfied with their benefits and jobs.¹³ When you set your sights on improving benefits, your workers will be looking forward to a long relationship with your company!

For more information about Davis Vision's idealChoice plan and its embedded Eye Health Connection Program, e-mail idealchoice@davisvision.com.

Sources:

- ^{1/} MetLife: "9th Annual Study of Employee Benefits Trends," 2011
- ^{2/} William Atkinson: "2010 Employer Survey," Benefits Selling Magazine, Sept. 1, 2010
- ^{3/} MetLife
- ^{4/} Patricia Cronin, LLIF: "Vision Care Benefits in a Changing Environment," National Association of Vision Care Plans 7th Annual Conference, April 29, 2010
- ^{5/} MetLife

^{6/} Ibid.

^{7/} Cronin

^{8/} Dube, Freeman & Reich: "Employee Replacement Costs," Institute for Research on Labor and Employment, UC Berkeley, March 4, 2010

^{9/} MetLife

¹⁰ Ibid.

¹¹ Cronin

¹² MetLife

¹³ Ibid.

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