

Benefits Insights

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Talking to Generation Z About Open Enrollment

Many employees need help with open enrollment. This is particularly true among younger workers, who typically have less experience selecting benefits than older generations who have been in the workforce longer.

Generation Z (Gen Z) accounts for a growing percentage of the workforce. These individuals, born between 1997 and 2012, make up nearly all of the current as well as the next wave of young professionals. A study by insurance and employee benefits provider MetLife found that 60% of Gen Z employees don't fully understand their benefits and thus struggle to navigate the open enrollment process. Additionally, 35% of Gen Zers lack confidence in their elections during open enrollment.

Keep in mind that individuals can stay on their parents' health insurance until they're 26 years old as a dependent on a family plan. Therefore, it's not surprising that once they're navigating the open enrollment process on their own, they may lean on others' advice. A survey by HR software company Justworks found that 57% of Gen Z workers rely on recommendations when participating in open enrollment. More specifically, nearly 3 in 5 Gen Zers turn to their parents for help when selecting a health insurance plan.

Employers who successfully educate young employees about open enrollment are likely to find that workers are more satisfied with their benefits packages and make informed decisions about them. This article highlights several strategies for helping Gen Z employees navigate open enrollment.

Informing and Educating Gen Z

Many Gen Z workers are still adjusting to handling their own health care and financial planning. That's why clear communication is crucial to ensure workers understand the

overall open enrollment process and the specific benefits they're signing up for.

Employers should consider the following strategies for educating Gen Z employees on open enrollment:

- **Tailor internal communications.** Young employees may be unfamiliar with the open enrollment process. Inform employees about the upcoming open enrollment period through multiple channels, ensuring every employee knows when open enrollment begins, the last day to complete enrollment and the consequences of failing to enroll in time. MetLife revealed the following rank of Gen Z's preferences for benefits communication:
 1. Video resources/podcast
 2. Social media (e.g., LinkedIn and Facebook)
 3. In-person conversations
 4. Messaging platform (e.g., Slack and Teams)
 5. Text
- **Provide educational resources.** It's all about giving workers the information they need to make informed benefits decisions. Considering Gen Z's communication preferences, employers can tailor content and messaging by focusing on infographics, FAQs, short videos and similar bite-sized formats.
- **Define acronyms and key terms.** Open enrollment materials are packed with acronyms, such as OOP (which stands for "out of pocket") and PPO (for



“preferred provider organization”), further fueling confusion. Employers can clearly define common acronyms and terms so young workers who are newer to the open enrollment process and perhaps even employees making health care decisions in general can better understand the meanings. Resources that explain common health care terms, like “deductible,” “copayment” and “coinsurance,” can help individuals understand their options better.

- **Explain the available benefits options.** Employees are likely to think primarily of health insurance during open enrollment and may overlook voluntary benefits that could be useful to them later in the year. As such, it’s important to explain employee benefits beyond health care. Financial benefits (e.g., financial planning services, student loan repayment programs), security benefits (e.g., identity theft protection) and lifestyle benefits (e.g., legal services, travel accident insurance and pet insurance) can also close important coverage gaps for Gen Z workers and support their individual needs.
- **Encourage young employees to take their time.** Rushing through open enrollment can cause workers to forgo crucial benefits. This is especially true of young workers, who may feel stressed or unsure of the open enrollment process. Give employees ample time to research and select their benefits and encourage them to ask questions.
- **Focus on more than health insurance.** While many Gen Z workers are still eligible to be dependent on a health care plan under the Affordable Care Act, employers still have an opportunity to highlight other available benefits options. For example, they can focus on voluntary benefits and 401(k) plans and help younger workers understand how they work and the value they provide.
- **Offer self-assessment tools.** Young employees should also be encouraged to reflect on the previous year’s benefits choices and identify potential coverage gaps. Self-assessment tools, such as checklists or surveys, can easily help employees reflect on the benefits they used or could have used in the past year.
- **Communicate year-round.** Benefits education should be more than a flurry of activity during the open enrollment window. Employers should provide employees with the resources they need to understand and maximize their benefits all year round, highlighting the direct financial impact that benefit decisions can have on employees. This can help young workers understand the importance of open enrollment and the consequences that rushing through the process can have on their financial well-being, increasing the likelihood that they’ll make informed benefits decisions when the time comes.

Conclusion

Open enrollment can be a nerve-wracking period for all employees. The stress of selecting benefits is often most keenly felt by younger workers with less experience selecting benefits. Employers can use open enrollment as an opportunity to increase communication and trust with young workers by educating them on the process and their benefit choices. This may increase Gen Z workers’ satisfaction with their benefits packages and jobs, improving organizations’ employee attraction and retention and ultimately their bottom lines.

Contact us today for more open enrollment information.