



Gallagher

Insurance | Risk Management | Consulting

Total rewards strategies for an evolving workforce.

SOCIAL SERVICES

Findings and insights from the 2022 Benefits Strategy & Benchmarking Survey

U.S. Edition

— 2022 —
WORKFORCE
TRENDS
REPORT
SERIES



TABLE OF CONTENTS

- 3** INTRODUCTION
- 5** KEY TAKEAWAYS FOR SOCIAL SERVICES EMPLOYERS
- 6** PEOPLE & ORGANIZATIONAL WELLBEING STRATEGY
- 8** PHYSICAL & EMOTIONAL WELLBEING
- 10** CAREER WELLBEING
- 12** FINANCIAL WELLBEING
- 14** ORGANIZATIONAL WELLBEING
- 16** FINAL REMARKS
- 17** ABOUT GALLAGHER

Introduction

Employees remain at the core of all social services organizations. As their expectations continue to change, thinking differently about total rewards is required to meet attraction and retention goals.

Compensation constraints, uniform benefits and other challenges in the sector can be addressed. Successful social services employers are fortifying an employee-centric strategy with greater health plan choice, quality mental health services and financial wellbeing resources. They're also integrating HR technology and connecting employees more strongly to their mission.

A stronger focus on wellbeing will optimize these investments in total rewards and the employee experience. That's why it's at the center of [Gallagher Better WorksSM](#), our comprehensive approach that aligns your people strategy with your overall business goals. It focuses on the full spectrum of organizational wellbeing—taking a strategic approach to investing in employee wellbeing at the right cost structures to support diverse workforce needs.

Part of our Workforce Trends Report Series, this addendum highlights key findings and implications based on the responses of 267 social services organizations that participated in our 2022 Benefits Strategy & Benchmarking Survey. From broad insights to specific findings, you'll gain a practical perspective on trends and best practices to help you face your future with confidence.



Phil Bushnell

Managing Director, Religious & Nonprofit Practice
Phil_Bushnell@ajg.com

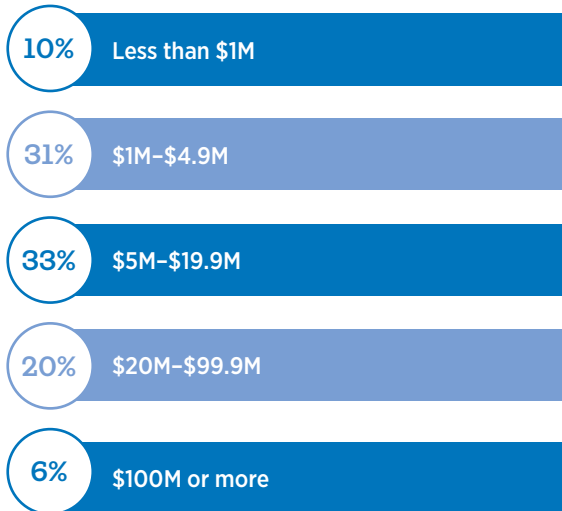
Benefits Strategy & Benchmarking Survey Social Services Participant Profile



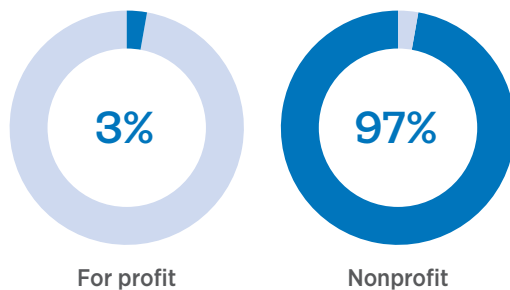
267

Social services organizations

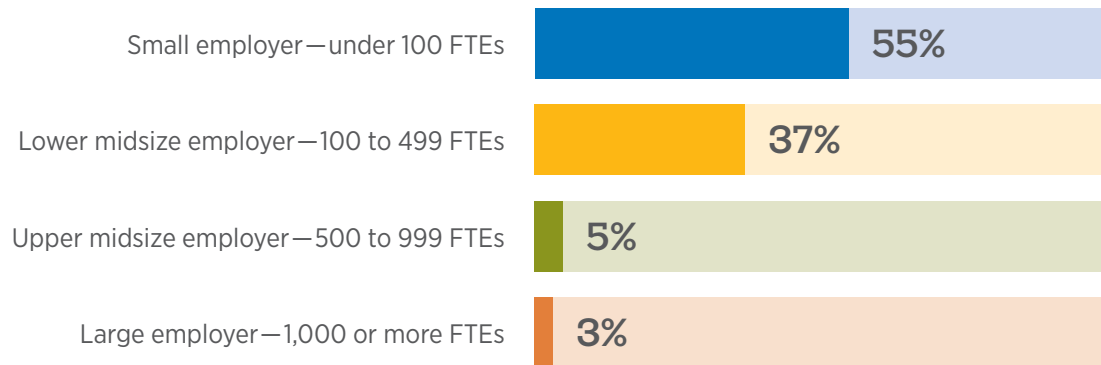
Annual operating revenue



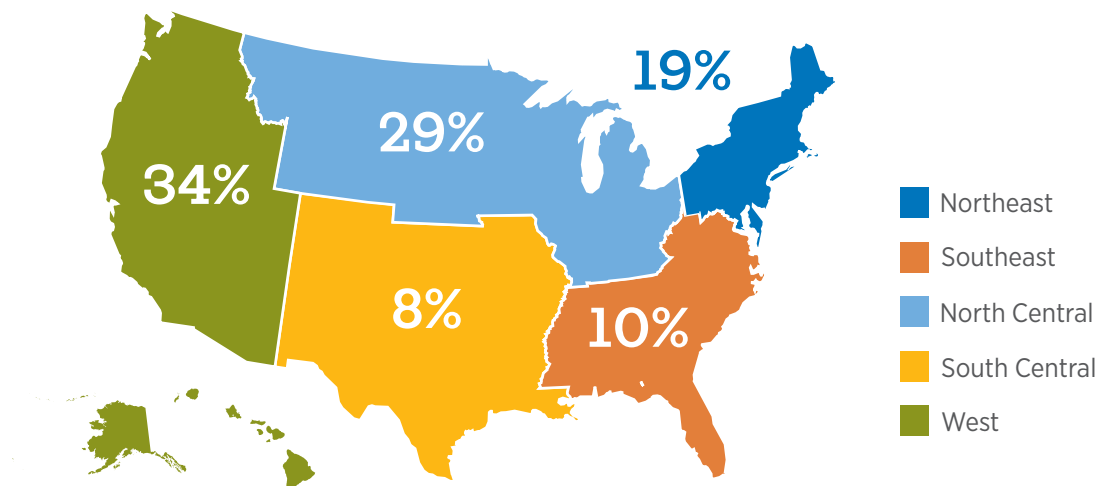
Ownership structure



Workforce size—full-time equivalents (FTEs)



Geography



Key Takeaways for Social Services Employers

People & Organizational Wellbeing Strategy



A better understanding of workforce priorities can improve resource allocation, so limited budgets can be redirected toward recruitment and retention objectives.

Physical & Emotional Wellbeing



Optimal total rewards design includes greater employee choice and affordable health benefits.

Career Wellbeing



Job enthusiasm and satisfaction increase when compensation strategies and career growth opportunities are clear.

Financial Wellbeing



Developing a strategy to effectively relieve employee financial anxiety often boosts other aspects of wellbeing.

Organizational Wellbeing



Efforts that connect employees to the purpose behind the paycheck enhance organizational wellbeing.

People & Organizational Wellbeing Strategy

A better understanding of workforce needs can improve resource allocation.

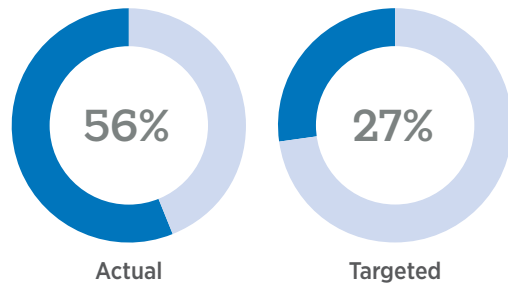
High turnover has focused the top priorities of both HR and operations squarely on talent retention. Operational continuity is also a primary concern as smaller nonprofits join larger organizations, and mergers and acquisitions increase overall.

The challenges of protecting the wellbeing of others has led many dedicated social services professionals to reevaluate their current situations. And in record numbers, they're leaving the field to retire or pursue opportunities in the for-profit sector. Deciding factors often include ample remote and gig work, more pay transparency and inflation's impact on compensation.

Social services positions are vastly underpaid in certain markets and for specific roles. To meet their recruitment and retention objectives, many employers now invest more in pay, especially base salary. There's also a decreased emphasis on benefits cost control despite rising expenses.



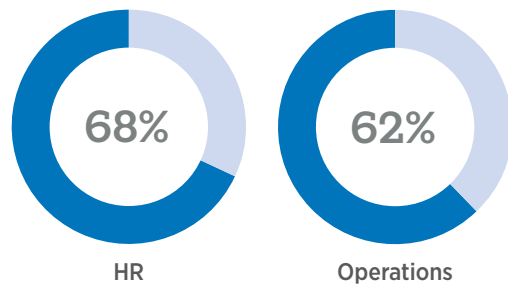
Turnover rate of 20% or more in 2021



Top total rewards aspects enhanced to meet recruitment and retention objectives



Rank retaining talent as the No. 1 priority

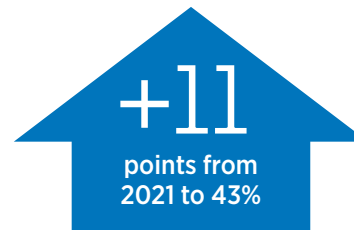


3 in 4

Expect higher healthcare costs for 2022 compared to 2021

42%

Agree their organization effectively manages healthcare costs



Consider ensuring business continuity a top operational priority

Physical & Emotional Wellbeing

Focusing on plan choice and affordability strengthens the appeal of health benefits.

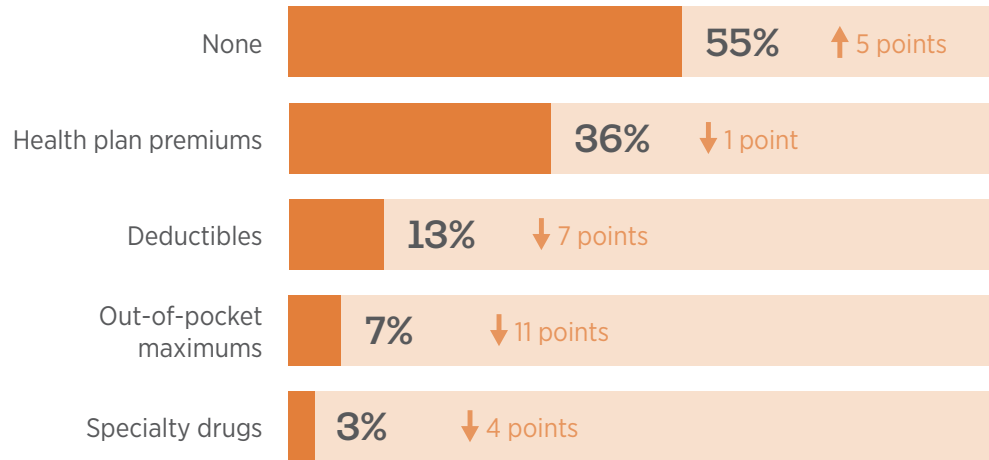
Easy fixes for unfilled jobs are hard to find. Overtime can provide a solution, but workers frequently risk exhaustion, especially when they take on the roles and responsibilities of others who are absent. Concerns about the faltering relationship between absence and productivity, and its affect on wellbeing, are growing.

Although they expect health benefit costs to rise, social services employers are focused on keeping them affordable for employees. Fewer cost-sharing increases were implemented at the most recent renewal, and when they did apply to deductibles and out-of-pocket maximums, the amounts were lower.

Offering multiple plans is one way to balance cost control and affordability while providing choice. High-deductible health plans, paired with a savings or spending account, can support the interests of both employers and employees, which accounts for their gradual growth.



Cost-sharing increases implemented at the most recent renewal—2022 vs. 2021



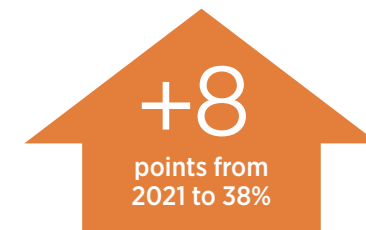
39% Have an absence management strategy for administering leaves and both occupational and non-occupational disabilities

85% Say leaders are concerned about the impact of stress and burnout on the organization

More than
1 in 2

Cite productivity impact as the top absence management concern

Number of medical plans offered



Offer a CDHP with an HSA

Career Wellbeing

Clear compensation strategies and career growth opportunities are key to engagement.

Competitive pressures on pay in an active labor market, especially during an inflationary period, make compensation matters difficult for the social services sector. Baseline salary increases led to wage compression, and distribution to mid-level employees was lower in comparison. Social services organizations are now working to retain staff salaries at higher thresholds, as the government aid which helped to keep them afloat during the pandemic dwindles.

To address these issues, employers are conducting salary studies and developing pay matrices. Some are realigning positions, job expectations and pay structures as they reevaluate their organization's career ladder. What's also important is considering how employees are able to grow within their current roles. Some employees may require education or training to move to the next level, which calls for an increased focus on rewards and recognition.



Have an engagement strategy



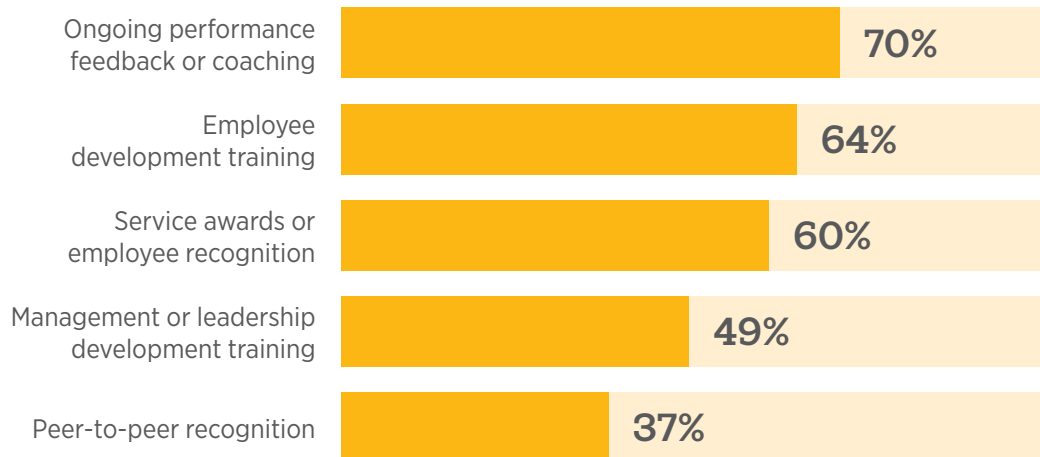
45% Yes
38% Expect to by 2024
17% No

More than **2 in 5**

Indicate career wellbeing has become more important over the last two years

65% Believe their workforce is highly engaged

Common career wellbeing initiatives



49% Conducted a survey to measure workforce engagement in 2020 or 2021

Top tactics used to improve employee engagement

- 1 Communicate in a way that fosters trust and confidence
- 2 Define clear performance goals
- 3 Connect employees' efforts to positive impacts on strategy, mission, vision or values
- 4 Give timely and constructive feedback
- 5 Support employees in developing and pursuing a career path

Financial Wellbeing

An effective wellbeing strategy can strengthen financial security by addressing different needs.

Financial wellbeing resources can ease life's stresses. When saving and spending challenges compete, as they often do, access to the right support helps guide better decisions. Working in service to the community, social services employees generally have lower pay compared to many other sectors and industries. So benefits that make an immediate difference often have a bigger impact on financial wellbeing compared to future-focused options, such as retirement programs.

Providing employees with access to financial wellbeing programs and resources can be done within reasonable spending. Opportunities such as early wage access directly address financial security. Also, raising awareness about public service loan forgiveness programs offered by the federal government is a no-cost option for helping long-tenured employees.



Top financial wellbeing programs and resources



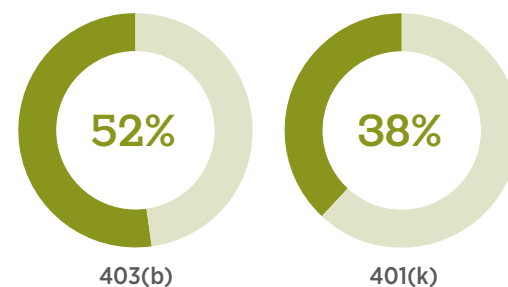
More than **1 in 2** indicate financial wellbeing has become more important over the last two years

Types of supplemental coverage offered for increased protection

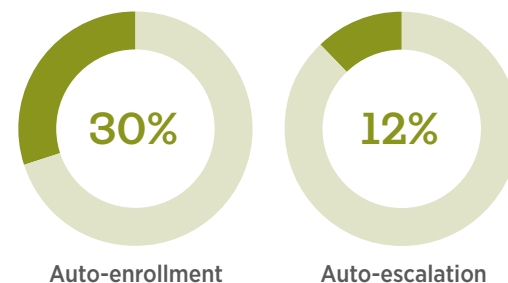


87% Have a retirement program

Most common active retirement plans offered



Methods used to promote better savings habits



Organizational Wellbeing

Connecting employees to the purpose behind the paycheck enhances organizational wellbeing.

Increasingly, social services employers emphasize the organization's vision, mission and values through communications. The intent is to keep employees connected to a common purpose and the value they provide to the community. Technology-enabled, multi-channel methods are often most efficient and effective.

Mental health and emotional wellbeing are top concerns. Social services organizations widely recognize the need to address burnout, and the importance of preparing managers and leaders to offer appropriate mental health guidance to employees, including service referrals.

In response, there's growing interest in an employee assistance program that provides a solid support structure for mental health, including the ability to assess and identify conditions, and recommend support. To the extent possible, more employers are also adopting policies that promote work-life balance and an agile workplace.

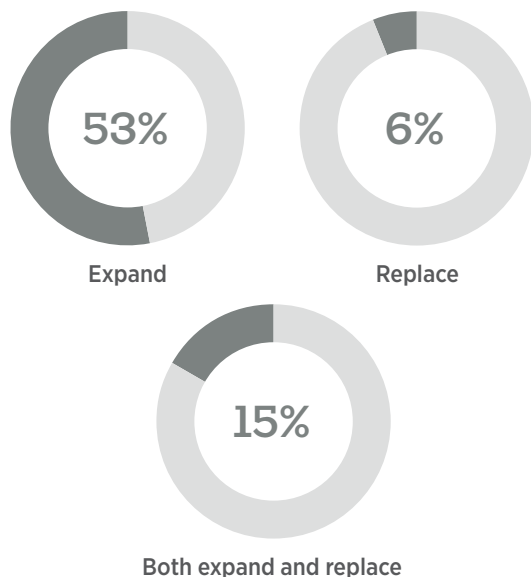


More than
1 in 2

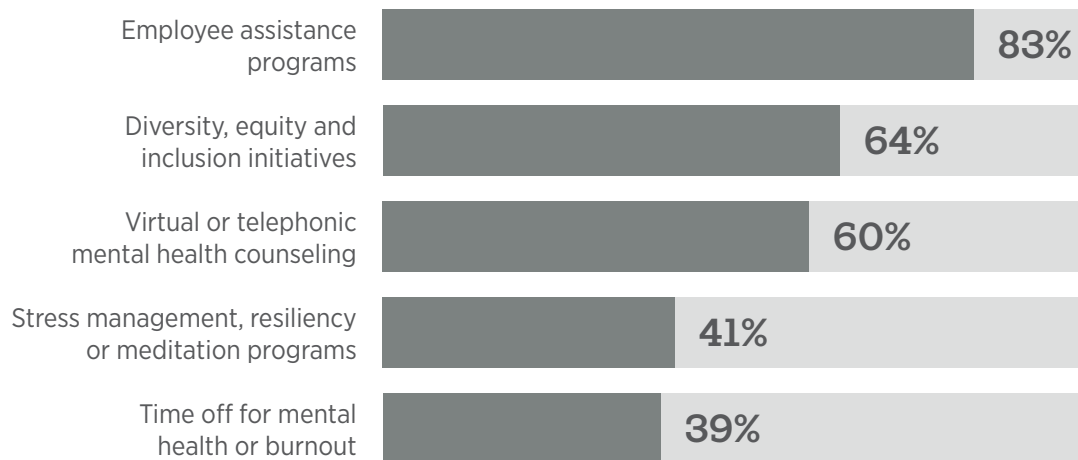
Think managers are well-equipped to refer employees to mental health support services

77% Rank employee understanding of the vision, mission and values of the organization as the top employee communication outcome

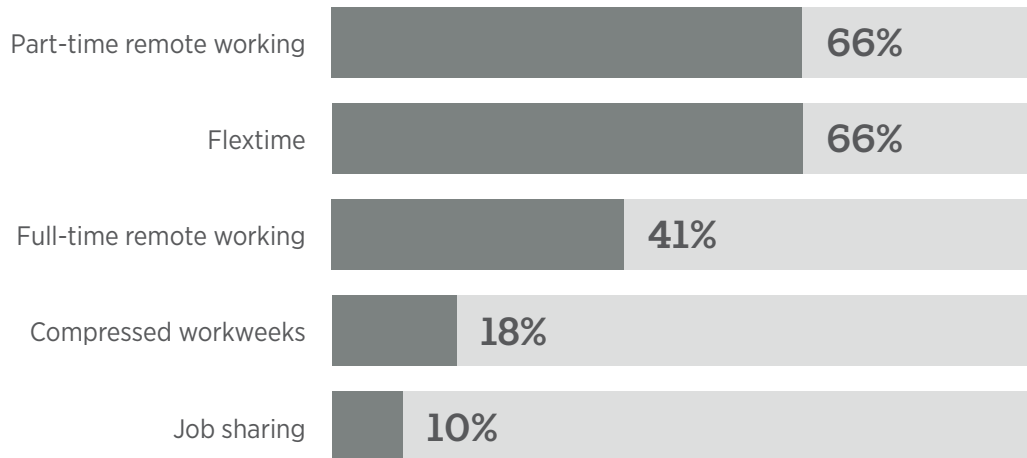
Expected changes to HR technologies by 2024



Common emotional wellbeing initiatives



Tactics used to address workplace flexibility



Final Remarks

New leadership perspectives are bringing a deeper understanding of the need for innovative total rewards to the social services sector. Importantly, efforts to identify population preferences and align them with future strategies are increasing.

Employee surveys guide better investments by gathering data and insights on benefit expectations, which employers can then apply to improve the employee experience. Support for near-term financial wellbeing often addresses some of the most pressing concerns of the workforce.

Looking at utilization data helps minimize spending by revealing opportunities for reallocation of resources. Besides optimizing total rewards within budget constraints, acknowledging the essential value of employees' contributions to the community is essential to job satisfaction and retention.

As part of a stronger focus on promoting emotional wellbeing and mental health, social services employers are providing more seamless and coordinated access to services. Increasingly, they recognize that achieving the full potential of wellbeing requires an integrated approach to physical, emotional, career and financial initiatives, aligned with the organization's goals. An action plan then brings it to life by establishing and maintaining a people-focused culture across all workforce demographics.

For additional insights and custom benchmarking on the latest trends impacting social services employers, contact your local Gallagher consultant.

About Gallagher

People are your organization's greatest asset. But when their daily lives are impacted by major struggles like a global pandemic, economic strife and geopolitical risks, hardship can take its toll—both on your people and your business.

As employees across all geographies, industries and employer types navigate an ever-changing world, organizations must critically evaluate their people experience—finding unique ways to engage teams, establish authentic connections and support employee wellbeing, overall.

Making an intentional connection between your people's wellbeing and your organization's performance is imperative for optimal results. When your people are all in, your business can attract top talent, motivate employees and shift the organizational culture—helping employees to feel differently about their work. As a result, organizations can reduce burnout and increase productivity among their people, and business performance can soar.

This is why employee wellbeing is at the center of Gallagher Better WorksSM—a comprehensive approach for strategically investing in benefits, compensation, retirement and employee communication so you can support the health, financial security and career growth of your people at the right cost structures.

From evaluating the demographics of your workforce, to surveying and analyzing competitor trends, Gallagher offers you data-driven insights—allowing you to make the most of your investment in talent, deliver a better people experience and reduce organizational risk. Even in times of uncertainty, we're here to help you optimize your profitability with a strategy rooted in the wellbeing of your people.



TERMS OF USE

The intent of this Survey is to provide you with general information regarding current practice within the employee benefits environment. The data does not constitute recommendations or other advice regarding employee benefit programs, and the user is in no way obligated to accept or implement any information for use within their organization(s). The decision to utilize any information provided rests solely with the user, and application of the data contained does not guarantee compliance with applicable laws or regulations regarding employee benefits. Information provided by the Survey, even if generally applicable, cannot possibly take into account all of the various factors that may affect a specific individual or situation. Additionally, practices described within the Survey should not be construed as, nor are they intended to provide, legal advice.

The Website and the Content do not constitute accounting, consulting, investment, insurance, legal, tax or any other type of professional advice, and should be used only in conjunction with the services of a Gallagher consultant and any other appropriate professional advisors who have full knowledge of the user's situation.

Gallagher does not represent or warrant that the Content will be correct, accurate, timely or otherwise reliable. Gallagher may make changes to the Content at any time. Gallagher assumes no responsibility of any kind, oral or written, express or implied, including but not limited to fitness for a particular purpose, accuracy, omissions and completeness of information. Gallagher shall in no event whatsoever be liable to licensee or any other party for any indirect, special, consequential, incidental, or similar damages, including damages for lost data or economic loss, even if Gallagher has been notified of the possibility of such loss. For the purposes of this section the term "Gallagher" shall be construed so as to include Gallagher Surveys as a marketing division and/or Gallagher Benefit Services, Inc. and its affiliates.

Gallagher Fiduciary Advisors, LLC ("GFA") is an SEC Registered Investment Advisor that provides retirement, investment advisory, discretionary/named and independent fiduciary services. GFA is a limited liability company with Gallagher Benefit Services, Inc. as its single member. GFA may pay referral fees or other remuneration to employees of AJG or its affiliates or to independent contractors; such payments do not change our fee. Securities may be offered through Triad Advisors, LLC ("Triad"), member FINRA/SIPC. Triad is separately owned and other entities and/or marketing names, products or services referenced here are independent of Triad. Neither Triad, Arthur J. Gallagher & Co., GFA, their affiliates nor representatives provide accounting, legal or tax advice. GFA/Triad CD (4960767)(exp092024).

For institutional use only. Not for public distribution. All rights reserved. No part of this book, including the text, data, graphics, interior design and cover design may be reproduced or transmitted in any form, without explicit consent from Arthur J. Gallagher & Co.



Insurance | Risk Management | Consulting

ajg.com The Gallagher Way. Since 1927.



"World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

© 2022 Arthur J. Gallagher & Co. | GBS42195