

INFLATION-FIGHTING BENEFITS TO HELP YOUR EMPLOYEES MANAGE CHALLENGING TIMES

According to the recent Stress in America™ survey from the American Psychological Association, almost nine out of ten (87%) Americans currently feel stressed about money. It's easy to see why.

- *Food-at-home prices were 3.6% higher in July 2023 compared to July 2022.*
- *The average price of a gallon of gas rose to \$3.81 over the last 12 months.*
- *The average rent for a two-bedroom apartment in the U.S. is now \$1,320 up from \$1,282 per month last year.*

Higher prices mean paychecks no longer go as far as they once did. Often, financial stress can negatively affect employee work productivity and lead to revenue loss.

SO, HOW CAN EMPLOYERS MINIMIZE THE RISING COST OF LIVING AND MAXIMIZE EMPLOYEES' TAKE-HOME PAY?



Pay raises, cost of living increases, and bonuses can all help counteract the impact of inflation on employees' pay, manage rising prices for basic staples, such as housing, gas, and groceries, and ease feelings of financial stress.

However, operational expenses are also rising for employers, (e.g., health insurance, heating fuel, etc.) limiting how much they can realistically boost salaries across the board.

U.S. employers are budgeting for 3.8% pay increases next year, just slightly above the current U.S. inflation rate of 3.2%.

Fortunately, many employers already offer several benefits that can help employees financially. The key is to make sure employees know what they are and how to make the most of them.



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THE ANSWER: REFOCUS COMMUNICATIONS AROUND ALL BENEFIT OFFERINGS.

In this challenging economic environment, HR leaders and benefits teams can help workers save money and alleviate some of the pressure they may be feeling to make ends meet. Among some of the benefits to re-promote:

EMPLOYER CONTRIBUTIONS TO HSAS

For employees in a high deductible health plan (HDHP), these contributions can offset the amount they have to pay out-of-pocket for healthcare, one of the highest costs they have today. This year, the average annual employer contribution for Health Savings Accounts (HSA) is around [\\$600 for individual employees \(\\$1,250 for employee family plans\)](#).

Plus, if employees also make contributions to these accounts, they can gain a triple tax advantage of tax-deductible contributions, tax-deferred growth on savings in the account, and tax-free spending on medical expenses – all of which can enhance their financial position over the long term.

NO- OR LOW-COST MENTAL HEALTH SUPPORT

Employee assistance programs (EAP) can be an affordable way for employers to provide employees with access to highly valued stress management and mental health services. Some even include free counseling sessions and/or access to financial coaches, which can help manage employees' mental and financial health.

FINANCIAL BENEFITS

Not only are benefits like student loan assistance, childcare subsidies, and contributions to dependent care accounts – just to name a few – important for many employees today, but they are also the ones that can help lessen the impact of inflation on an employee's wallet.

FITNESS BENEFITS

Gym memberships, exercise classes, and access to personal trainers can motivate employees to take part in physical activities that can keep them in good overall health – helping to keep healthcare costs down if, and when, they do get sick.

DIGITAL WELLNESS APPS

Encouraging healthy lifestyles for employees and monitoring wellness activities, can allow employees to earn financial rewards which, in some cases, can be added to their paychecks throughout the year.



GREATER ACCESS TO NO-COST, HIGH-VALUE BENEFITS.

These can have an immediate impact on employees. Perks like flexible work schedules, remote work, and even discount programs can go a long way to help lower the rising cost of living and demonstrate that employers are sensitive to employee needs.

Work-from-home arrangements, for example, can cut down on commuting expenses, like gas, tolls, and other transportation fees, which have experienced sharp price hikes recently and impacted employee paychecks last year. By eliminating, or even reducing, these costs from the equation, employees can end up with more in their pockets.

EDUCATIONAL TOOLS AND RESOURCES.

Financial planning calculators, interactive worksheets, and free online webinars available from retirement plan providers or third-party administrators (TPA) can help employees better understand how to save, allocate, and budget their money during challenging financial times.

RELEVANT EMPLOYMENT POLICIES.

Allowing employees to take time off to work out their financial issues can help lessen the stress workers may be facing.

Now more than ever, employees want greater financial stability in their lives. Let's assess your benefits program together and make sure your offerings are relevant for your employees at this time.

Talk with us to learn more about how
we can work together.



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