



The primary importance
of voluntary benefits for
***mid-level healthcare
professionals***

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Executive Summary

In an atmosphere of high demand and short supply, healthcare organizations are struggling to recruit and retain lower to middle wage skilled workers, such as nurses and medical staff. Since pay for these positions is similar across the industry, benefits are a key differentiator for human resource professionals looking to attract (and keep) top talent. However, when those benefits fail to address the financial constraints of the already limited talent pool, everything from recruitment to job satisfaction, workplace productivity and employee retention suffers. Voluntary benefits programs can help alleviate employee financial stressors, attracting the best candidates and improving workplace culture.

This white paper details the challenges and motivators of mid-level healthcare professionals when selecting an employer. Based on the results of a recent study by Purchasing Power that surveyed U.S. healthcare workers with salaries in the range of \$30,000-\$70,000, it also highlights the positive impact of voluntary benefits programs on recruitment and retainment of this segment.

Challenge

Human resource professionals are all too familiar with the challenge of recruiting mid-level healthcare workers, such as nurses. The talent pool is slim, and the problem only stands to worsen with time.

According to the Bureau of Labor Statistics, the current shortage of nurses will reach 203,700 by 2026.¹ It's the candidate's playing field—and the competition among recruiters has never been fiercer.

The gap in mid-level workers stems from a combination of factors. As the national population ages, more people need more healthcare—and more healthcare workers are retiring. In fact, an estimated one million registered nurses (RNs) will retire by 2030. And as those healthcare workers retire, there's also fewer newly minted graduates to replace them due to a decline in university resources. Colleges and universities, including nursing schools, turned away 75,000 qualified applicants in 2018.²

Not only is it increasingly difficult to find qualified hires, it's more challenging to retain them once they're on board.

Retention problems are at a peak, with hospital turnover rate for bedside RNs reaching 17.2% in 2018, tying 2015 as the highest record in a decade.³

Now more than ever, recruiting and retaining nurses and other mid-level providers demands a targeted strategy built from a foundational understanding of employee needs and wants. In short, to successfully attract and retain top talent, it's crucial to understand what matters most to them and why.

Purchasing Power conducted a study of 101 healthcare professionals in the U.S. with an income between \$30,000-70,000.⁴ Our goal was to understand how they select an employer—and what makes them stay.

Findings

Financial constraints are at the top of mid-level providers' minds. Middle-wage healthcare employees are struggling to pay bills and contribute to savings plans. While middle wages range from \$30,000 to \$75,000 per year, even earners at the top of the bracket are struggling. 35% of employees making less than \$75,000 per year are concerned about monthly expenses.⁵ 54% are concerned with not having enough emergency savings for large purchases. Without steady cash flow or access to savings, the weight of student loans, childcare expenses and unexpected emergencies make it difficult for mid-level employee to get ahead financially.

Those concerns have a negative impact on the workplace in more ways than one. 48% of employees who stress about finances are distracted at work. This can lessen both productivity and overall job satisfaction.⁶ And in the healthcare context, employee distraction negatively impacts patient care, with potentially fatal consequences.





Benefits can make the competitive difference

Addressing these financial concerns is key to building a successful recruitment strategy and a productive work environment. Since healthcare jobs—and salaries—are similar across different organizations, benefits are an important differentiator for healthcare recruiters. In fact, they can be the deciding factor for candidates when choosing a job. Employees are highly aware of benefits packages and cite them as a major consideration during the job search. 57% of healthcare workers responded that company benefits are the second most important attribute in a job search, after pay.

Almost three of four respondents cited benefits as essential to staying at their current jobs.

Benefits play an even bigger role when it comes to employee retention. Specifically, almost 75% of respondents ranked benefits as vital to job satisfaction. More than half said they would consider a job change for a better benefits package.



Voluntary benefits build a win-win workplace

For HR professionals, however, using benefits to attract and retain employees presents its own set of challenges. Benefits packages tend to suffer the same uniformity as pay and job responsibilities throughout the industry. Furthermore, standard items like insurance and 401(k) plans fail to fully address the financial needs identified by study participants, especially as related to cash flow.

For instance, a parent with one car driving their children to daycare can't use those benefits to fix a flat tire. How will they get to and from work while transporting their children if they don't have savings or cash available? Given the pressing reality of financial issues among middle-wage healthcare workers, primary benefits alone cannot clinch a winning recruitment and retention strategy.

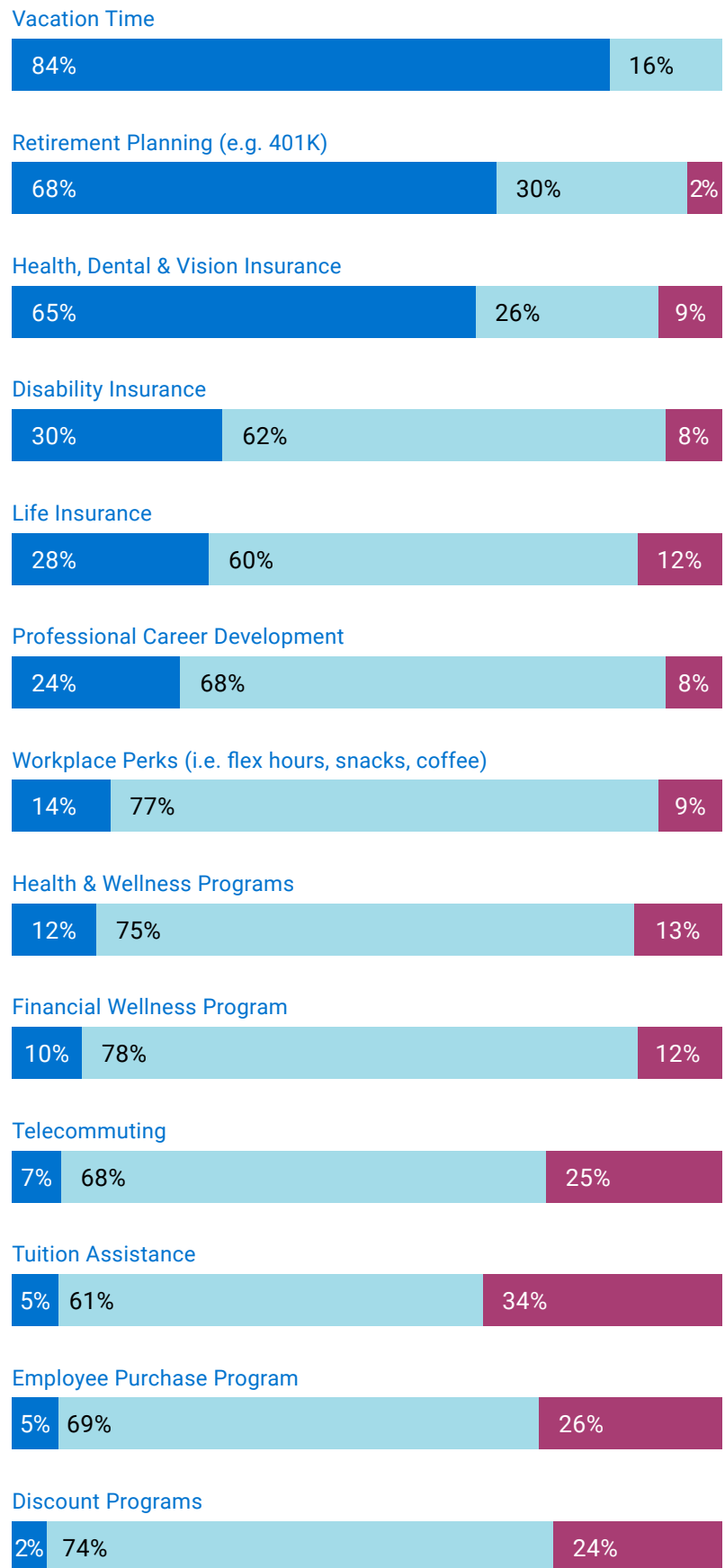
Voluntary benefits, on the other hand, supplement standard-issue packages to give an organization the competitive edge. And employees are interested.

Two-thirds of those surveyed ranked voluntary benefits as “nice to have”—the fifth highest of the 13 incentive options provided.

Non-traditional voluntary benefits like employee-purchase programs have the added advantage of relieving the immediate financial stressors that can drain employee productivity. Many employers offer discount programs for employees, but without available funds, employees will struggle to fully take advantage of them. Purchase programs help to resolve that issue, making them a great supplement to traditional discount programs. Purchase programs allow employees to pay for purchases over time through automatic payroll deduction at no interest. And the result is transformative for employee retention: 78% of employees who have access to a voluntary financial flexibility benefit say they are more likely to stay with their employer.

Factors that sway job seekers when choosing a new job

- Must have
- Nice to have
- Not important





Communication is Crucial

Voluntary benefits positively impact recruitment and workplace culture, but first employees must be aware—and fully understand—these options. Although employees expressed interest in voluntary benefits, the vast majority did not feel sufficiently informed about such programs.

78%

of participants responded that they do not feel informed about their current benefits.

73%

said they could be better informed about voluntary and secondary benefit offerings.

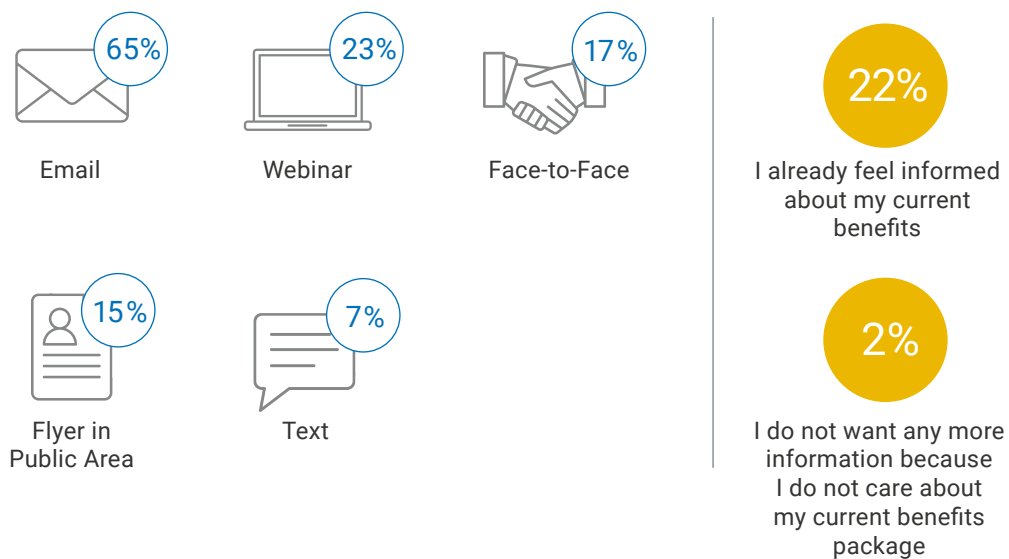
At the heart of the issue is a lack of clear communication between HR professionals and employees, current and future. Respondents noted the general difficulty of communicating with HR departments, claiming they were “not very knowledgeable about benefits.”

“The Human Resources department staff is so overwhelmed that it takes them a long time to reply to emails or return phone calls—sometimes it takes a few days to hear back. When you call HR, you never get to speak with a person; you always have to leave messages.”⁷

A targeted, year-round communications plan that includes employee benefit options is a crucial component to successfully attracting and retaining employees.

That strategy must also include educational messaging so that prospects and employees alike fully understand non-traditional voluntary benefits. For example, only 30% of respondents could correctly define an “employee purchasing program,” with another 27% responding that they were “unsure” of the term’s meaning. Consistent communication through desired channels can help to keep employees in-the-know and feeling positive about their options.

Preferred methods of communication for mid-level healthcare employees





Summary and Key Insights

When pay is similar across the industry, you need a way to set your organization apart. Benefits are critical to attracting and retaining top talent. Employees are actively searching for the best benefits available in the marketplace, and more than half of them would consider a job change for a better package. Make sure you're the most attractive company for top talent by offering the benefit employees truly need—financial flexibility. And just as critical, really focus on communicating your benefits to employees year-round to ensure they are aware of their options.

How Can Purchasing Power Help?

Purchasing Power is a voluntary financial flexibility program that makes everyday life more affordable and helps employees stay on the path to financial wellness. The program gives employees access to thousands of products and services they can pay for over time through payroll deductions without interest. With spending limits based on salary and tenure, as well as no credit checks or hidden fees, it is a safe, convenient and empowering offering for employees to get what they need, when they need it.

The program doesn't just help employees get the products they need—it also creates a more positive, productive workplace culture. 80% of participating employees say the Purchasing Power program increases job satisfaction.⁸ And 93% of employees participating in the Purchasing Power program say that the program reduces financial strain which allows them to better focus on their job.⁹

Purchasing Power even offers continuing education training for medical staff to keep them current on their profession. That way, employees can keep their focus on providing the best care with the latest industry knowledge.

Give employees an extra layer of security with Purchasing Power's voluntary benefit offering and let them know they're truly valued and protected.

For more information, visit Corp.PurchasingPower.com.



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