

Addressing a Changing Part-Time Workforce with Fixed Indemnity Medical

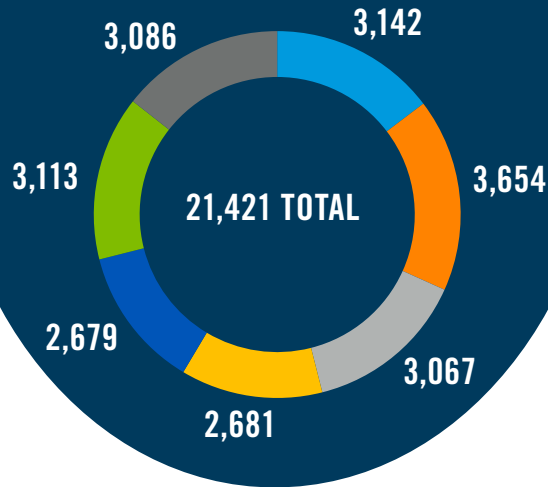


Between the gig economy, the COVID-19 pandemic, “The Great Resignation” and the influx of Gen Z workers, the part-time and hourly workforce has seen a dramatic shift in recent years. A competitive labor market and evolving workplace expectations have caused employers to rethink their benefit strategies, but administrative challenges and budget constraints have limited options available for many. **In this whitepaper, we’ll explore the changing labor market, and ways companies have tailored their benefits to attract and retain part-time and hourly talent.**

VOLUNTARY PART-TIME WORKERS BY AGE AND GENDER 2016 ANNUAL AVERAGES (IN THOUSANDS)



- 16 to 19 years
- 20 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 years and older



A Changing Workforce

In August 2023, around 26 million people were employed on a part-time basis in the United States¹. While teenagers and retirees remain more likely to hold part-time jobs, workers in their prime working years (ages 20 to 55 years old) are still the majority of part-time workers in the U.S.².

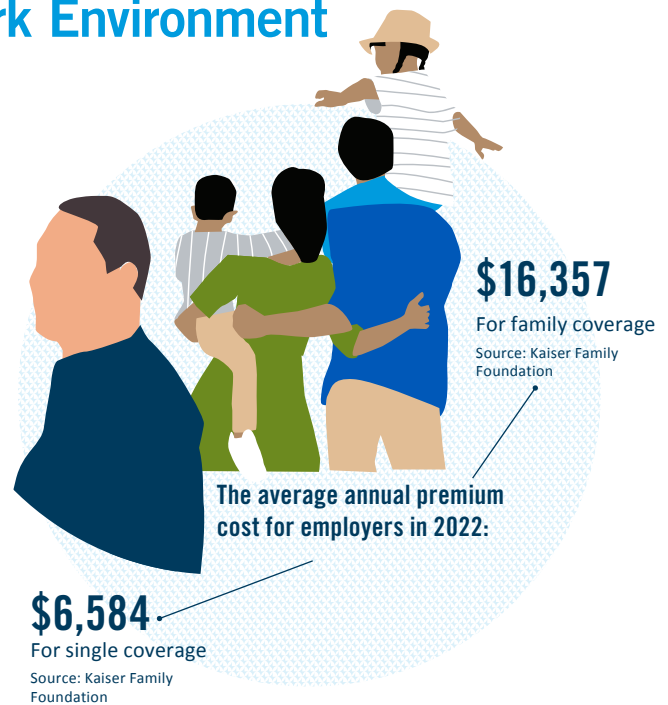
The majority of these employees are voluntarily choosing part-time work³, and as demand for their labor continues to exceed supply, they are expecting more from their employers in terms of pay, benefits, work environment, and other perks.

Meanwhile, an influx of Gen Z workers is joining the labor market, with very different expectations as well. A Great Place to Work study of 32,000 Gen Z workers showed a heavy interest in a “psychologically and emotionally healthy workplace⁴,” with many prioritizing things like lifestyle benefits⁵, mental health⁶, and environment that makes them feel valued⁵. If these needs aren’t being met, they aren’t likely to stick around—75% of Gen Z is likely to look for a job in the next 12 months⁷.

Employee Benefits Drive Positive Work Environment

Providing benefits to employees may be an answer. While benefits can be a big piece of the total compensation puzzle, they also have intrinsic value in creating a positive work environment by demonstrating trust and respect. Keeping employees happy and healthy can have a solid return on investment, including increased acquisition, increase in retention, reduction in turnover, and improved engagement and productivity⁸.

While ACA-compliant coverage provides the most comprehensive medical insurance coverage, it can be cost-prohibitive for many companies and part-time workers. According to the Kaiser Family Foundation, the average annual premium cost to employers was \$6,584 for single coverage and \$16,357 for family coverage⁹. Employers who can afford to offer this coverage are finding that many employees are deciding not to purchase this coverage¹⁰, largely because their share premiums (and the accompanying out-of-pocket obligations) is too high.



1 Statista Research Department, September 2023, Monthly number of part-time employees in the United States, <https://www.statista.com/statistics/192342/unadjusted-monthly-number-of-part-time-employees-in-the-us/>

2 2018, U.S. Bureau of Labor Statistics, <https://www.bls.gov/opub/mlr/2018/article/who-chooses-part-time-work-and-why.htm>

3 Kolmar, Chris, Zipia, February 2023, 20+ Essential Part-Time Job Statistics, https://www.zipia.com/advice/part-time-job-statistics/#Reasons_for_Working_Part-time

4 Hatswell, Claire, Forbes, March 2022, What Gen Z Wants From Employers, <https://www.greatplacetowork.com/resources/blog/what-gen-z-wants-from-employers-in-2021>

5 Evans-Reber, Katie, Forbes Human Resources Council, November 2021, How To Meet Gen Z's Workplace Expectations, <https://www.forbes.com/sites/forbeshumanresourcescouncil/2021/11/10/how-to-meet-gen-zs-workplace-expectations/?sh=4461d1ef74ff>

6 Handshake Blog, Accessed September 2023, 6 Things Gen Z wants from their next job, <https://joinhandshake.com/blog/employers/6-things-gen-z-wants-from-their-job/>

7 Legion, April 2022, 2022 State of the Hourly Workforce Survey

8 ADP, Accessed September 2023, Part-Time Benefits, <https://www.adp.com/resources/articles-and-insights/articles/p/part-time-benefits.aspx#:~:text=Paid%20holidays%20and%20vacations%2C%20tuition,more%20loyal%20to%20their%20employer.>

9 Kaiser Family Foundation, October 2022, 2022 Employer Health Benefits Survey

10 Cowley, Stacy, The New York Times, October 2015, Many Low-Income Workers Say 'No' to Health Insurance, <https://www.nytimes.com/2015/10/20/business/many-low-income-workers-say-no-to-health-insurance.html>

11 U.S. Department of Labor, Bureau of Labor Statistics, September 2022, Employee Benefits in the United States – March 2022 press release, <https://www.bls.gov/news.release/pdf/ebs2.pdf>

The Case for Fixed Indemnity

Employers who want to offer insurance to part-time employees but cannot bear the costs of traditional health plans may turn to Fixed Indemnity insurance to help protect their employees.

EssentialCare Fixed Indemnity provides employees with a fixed benefit for day-to-day expenses like physician office visits and a, alongside major medical events like surgical procedures. While these fixed benefits may be less than what is typically seen in a traditional health insurance plan, the coverage is available at a fraction of the price – often with no employer contribution required.

EssentialCare Fixed Indemnity has no deductibles, copays or coinsurance, and includes access to a national discounted medical network. Flexible plan designs allow for customizable programs, with options for medical, dental, vision, life and short-term disability. Ancillary benefits can be added on to provide additional benefits for major events like accidents or critical illness diagnoses. Payroll deductions and easy claims filing makes administration simple for employers and employees. Contact BCS today to learn more!



Ideal targets for Fixed Indemnity:
industries with a large population,
such as retail and hospitality, and
companies increasing their hourly
and intermittent employee population



In a tight labor market, many employer perks that once stood out are now table-stakes for employees. Still, medical benefits are available to only 23% of part-time workers¹¹, and can still be a differentiator for those seeking to attract and retain part-time, hourly workers. When ACA coverage is not an option, finding flexible benefits like Fixed Indemnity can help by delivering on the evolving workplace expectations in today's labor market.

About BCS

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