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Employee Benefit News

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DIVERSITY NOW!

National protests are putting a spotlight on racial inequality in the U.S., raising the bar on corporate diversity, equity and inclusion plans

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Employers scrutinize DE&I plans as national protesters demand change

"Silence is not going to work," says Tammy Fennessy, director of benefits for American Eagle Outfitters. "We view silence as an acceptance of racism — it's not helping the cause."

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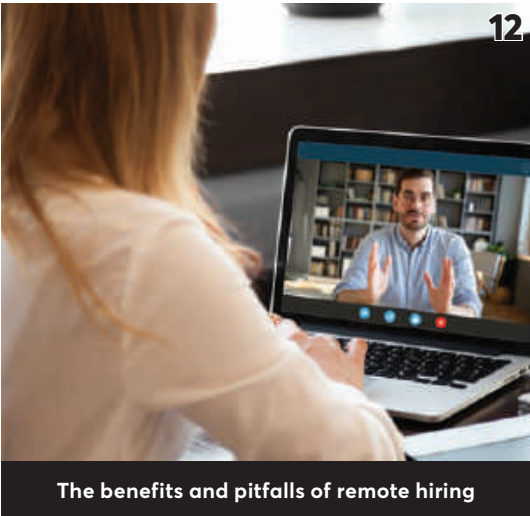
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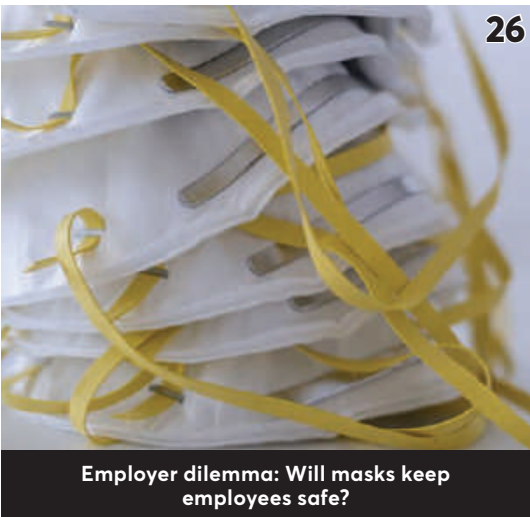
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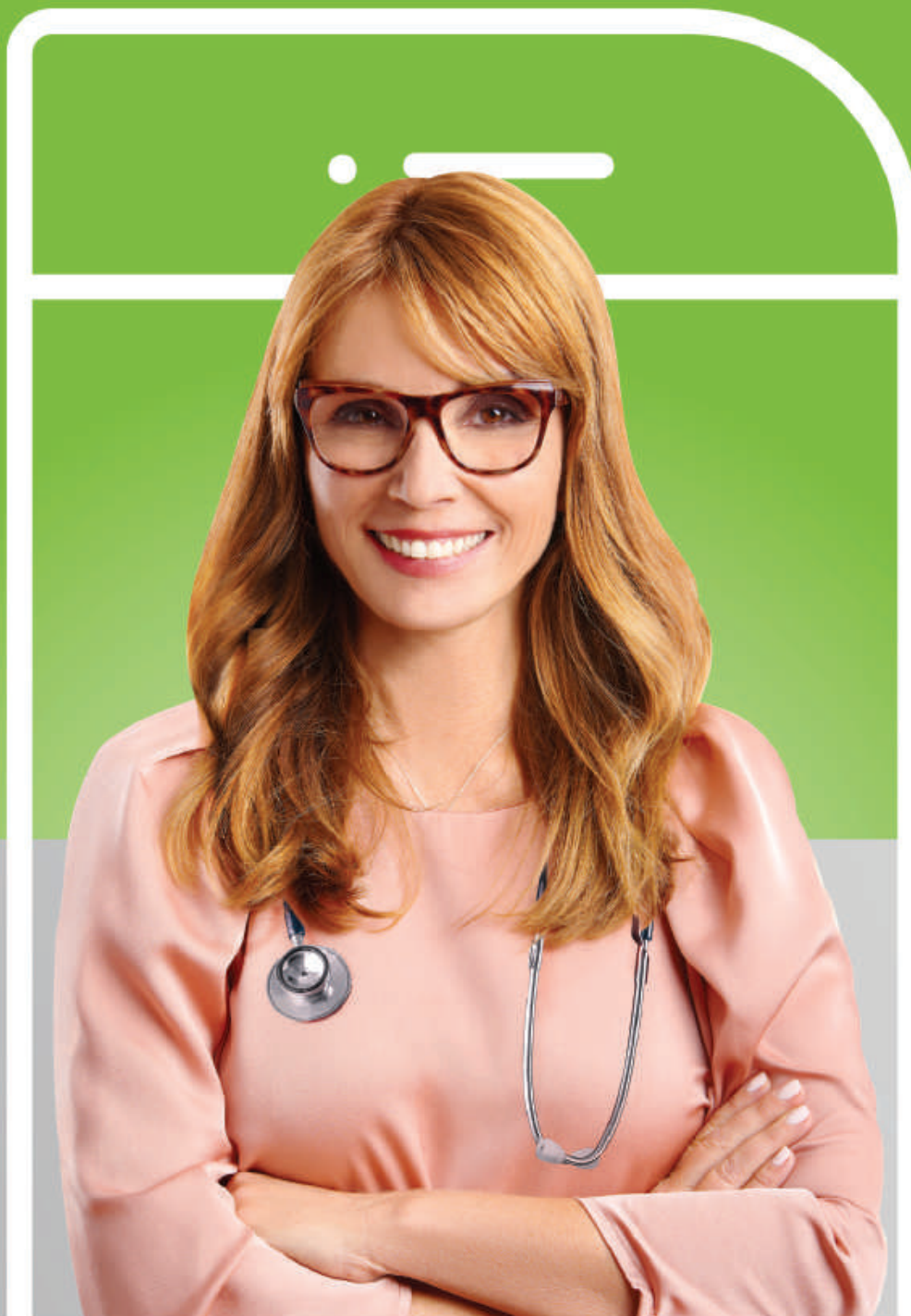
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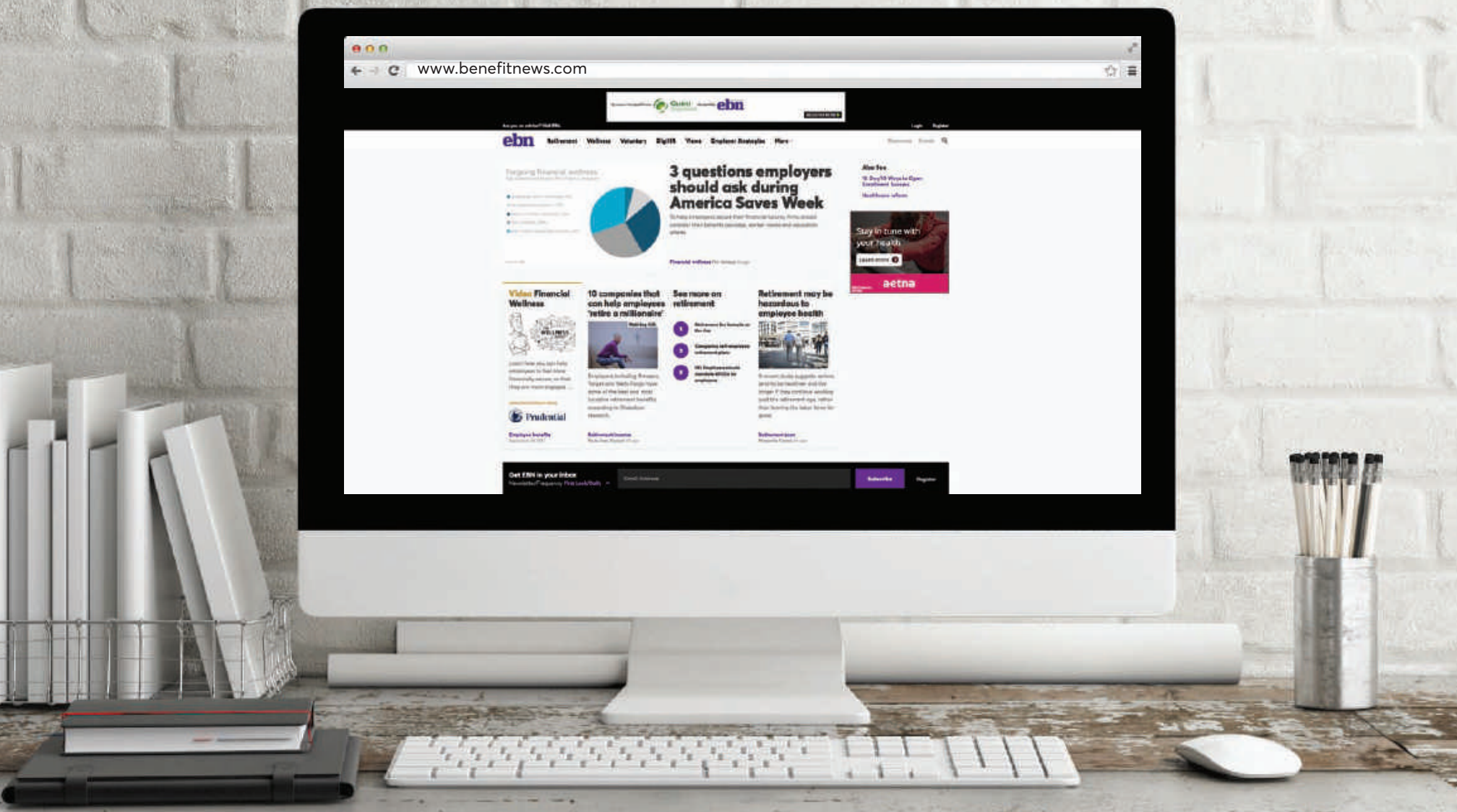
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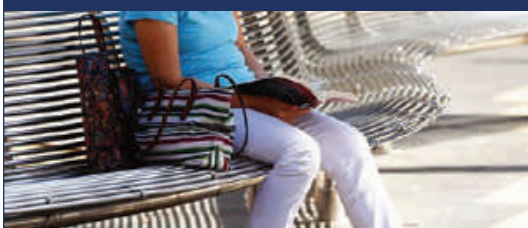
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SLIDESHOW



The best summer reads to survive and thrive during the coronavirus

Whether you're looking to become a more effective manager, make a career change, or improve your financial situation, these books inform on a wide range of topics. <https://bit.ly/3dU6Dy1>

VIEWS



How employee experience will change in the new office model

We will be going back to the office. But not to work as we knew it, says Scott Cawood, president and CEO of WorldatWork. <https://bit.ly/3gpF2X9>

VOLUNTARY



Working from home has improved employees' connections to their pets

Pets have played a huge role in improving a person's physical and mental health, both pre-pandemic and throughout the coronavirus crisis. <https://bit.ly/2NGtH8r>

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Diversity in the time of COVID-19

Amid national calls for change and a prolonged coronavirus crisis, employers must retool their diversity, equity and inclusion strategies.



Through the prism of the coronavirus crisis and national protests over the death of **George Floyd** in May, it has become clear that most workplace diversity plans don't go far enough.

Although the latest workplace acronym for DE&I plans (Diversity, Equity and Inclusion) represents the wider scope that diversity plans now encompass, strategic diversity goals must expand to an even broader umbrella beyond the traditional narrow focus of hiring representative talent or promoting diverse managers.

In our cover story, associate editors **Amanda Schiavo** and **Kayla Webster** examine the latest workplace challenge as employers scrutinize their diversity efforts amid national protests for change. While Fortune 500 companies ranging from General Motors, Walt Disney and others have boosted diversity training or donations for worthy causes, the raw numbers are still discouraging. Black adults still make up only 0.8% of Fortune 500 CEOs, with only 3.2% rising to senior level managers, according to the Center for Talent Innovation. Nearly one in five Black professionals don't think they can achieve a top ranking

position within their company, and it's hard to dispute the sentiment. Of all the Fortune 500 companies, there are only four Black CEOs — and none of them are women.

As part of our diversity issue, Webster also interviewed **Regina Faul**, labor and employment chair at the law firm Phillips Nizer, to discuss the landmark Supreme Court ruling that gives extended workplace protections to the LGBTQ community under the Civil Rights Act. The ruling in June — coming just five years after the same court ruled in favor of the fundamental right of same-sex couples to marry — ensures LGBTQ employees are protected from wrongful termination based on their sexual orientation.

However, employers must step up to ensure that their workplace embraces diversity, says **Corie Pauling**, vice president and chief inclusion and diversity officer at financial services company TIAA. In a companion piece, senior editor **Alyssa Place** writes about the importance of such diversity training efforts — and how they need to be embedded in workplace culture, as opposed to just being relegated to an annual diversity training event.

In an opinion piece, **Lester Morales**, CEO of Next Impact, a healthcare insurance consultancy for advisers and their clients, writes about his personal experiences with discrimination both

from the white and Latino communities.

"To this day, I still get called 'gringo,' a pejorative term for a white person in the Latino community. Sometimes I feel like an outsider in an area of people with my ethnicity," he writes, noting the lack of diversity and inclusion. "While some underrepresented groups establish professional councils to support one another, the irony is that their push for inclusion creates an organization that excludes others."

How should the industry and individuals respond? Morales concludes:

"As someone who's clearly in the minority among other employee benefit brokers and advisers, I have a responsibility to help pave the way for positive change."

As part of our continuing coverage of the coronavirus crisis and remote work, associate editor **Evelina Nedlund** also examined other useful tools to help your remote workforce.

While free food may become taboo under new social distancing rules, companies such as Stadium, a New York City-based group lunch delivery company, and meal subscription company Freshly are figuring out the new perks for employees working remotely under these abnormal times of COVID-19.

— Walden Siew, Editor-in-Chief

BLOOMBERG NEWS



The new offering will be available in Atlanta, the San Francisco Bay Area and Tennessee.

Cigna, Oscar offer insurance plan to help small businesses

The insurance companies plan to launch a new health plan in Q4 to help employers recuperate from COVID-19 losses.

By Kayla Webster

Small businesses have lost a lot to COVID-19 — including revenue and employees — but two large companies don't want quality health insurance to be another loss for them to bear.

Health insurance companies Cigna and Oscar teamed up to create a new product for small businesses, called Cigna + Oscar. It will be available to small businesses in Atlanta, the San Francisco Bay Area and Tennessee in the fourth quarter of this year.

"Small businesses are the lifeblood of the U.S. economy and have been significantly challenged by the COVID-19 pandemic," says Chelsea Cooper, senior vice president of small group business at Oscar. "Cigna + Oscar was created with the purpose of addressing small businesses' unique challenges through solutions tailored to their budgets and care designed to prioritize their employees' health needs."

Cigna and Oscar conducted a survey of more

than 1,000 small business decision-makers and found 70% of respondents reported that they lost revenue and more than half had to lay off or furlough employees because of the pandemic. But employers still hope to serve the health needs of the employees they still have, with 66% of respondents saying health insurance was a high priority in their budgets. Now, as employers look to return to work and boost their revenues, providing health insurance ensures not just a healthy workforce, but a productive one.

"Companies across the U.S. have long recognized that investment in the health of employees and their families is critical, because they know that a healthy and productive workforce is a key driver of their business success," says Julie McCarter, vice president of product solutions at Cigna.

For small businesses of less than 50 people, the Cigna + Oscar program will offer 24/7 access to

telehealth visits with primary care physicians at no additional cost. Employees who live outside California and are not enrolled in a high-deductible health plan are also eligible for \$3 drug co-pays on common prescriptions. But all Cigna + Oscar members will have access to Cigna's network of doctors, specialists and hospitals.

The offerings go beyond traditional health insurance by including access to Cigna's Behavioral Health programs, which include coaching and access to a 24/7 crisis helpline. Since 45% of American adults report increased anxiety and depression due to coronavirus — according to Kaiser Family Foundation data — mental health benefits can also help maintain employee productivity.



Julie McCarter, vice president of product solutions at Cigna



Chelsea Cooper, senior vice president of small group business at Oscar

"Through our partnership, we are providing more choices for affordable, predictable and simple health coverage to small businesses at a time when they need it most," McCarter says. [EBN](#)

Kayla Webster is an associate editor of Employee Benefit News. Follow her on Twitter at @KaylaAnnWebster.



ADOBESTOCK

Since the pandemic started, 64% of employees have seen an increase in depression, a survey says.

Mental health stigma still a barrier during coronavirus

Employees are cautious about discussing mental health at work, but addressing these challenges can lower healthcare costs.

By Alyssa Place

The disruptions caused by coronavirus have now dragged on for months, and despite some efforts to reopen and resume pre-pandemic life, a true return to normalcy is still far in the future.

These challenges have continued to place immense strain on mental health. Employees have seen a 64% increase in feelings of depression and a 47% increase in anxiety levels since February, according to a May mental health index developed by Total Brain that is being shared to employers by the National Alliance of Healthcare Purchaser Coalitions and One Mind at Work.

Dealing with mental health issues in isolation is especially challenging because of the stigma that surrounds speaking openly about it, says Nancy Reardon, chief strategy and product officer at Maestro Health. In a study conducted by the healthcare benefits company, more than half of

employees do not feel comfortable talking to their manager about their mental health.

"We have to work together to remove the stigma," Reardon says. "Stress is natural and at some point in their life, everyone will have an anxiety attack. So let's be open about that and stop hiding in the shadows."

Reardon discussed why mental health needs to be addressed in the same way as other preventative care, and how the coronavirus has changed the discussion about employee well-being in the workplace.

Many people are struggling with their mental health as coronavirus continues. What are the top sources of stress that you're hearing about?

The top causes that we're seeing are anxiety

and stress about job security, because of the unemployment rate and because businesses are not able to work at capacity. Then there's the additional stress of trying to be a worker at home and be productive, but also be a teacher to your children or taking care of extended family members. You're not only trying to manage doing your job, but you're also trying to take care of a household.

How can employers create a safe environment for people to express their mental health needs?

It's about confidentiality. Do you really feel like you can openly talk about it, or do you think that confidentiality will come back to haunt you if there's decisions being made about your job? We have to work together to remove the stigma, and take the same care and attention we have for preventative care and apply that to mental health. We talk about all of the preventive care that one needs to take — when you're over 50, you need a colonoscopy, or that women 40 and over should get a mammogram once every 12 months. But we never talk about the care and attention that you need to pay to your mind.

We have to bring it out into the spotlight. Be very transparent in your communication. Take marketing principles and the way you communicate about your benefits to say, It's OK, we all have stress, but there's things that we're providing to you to help you with that stress. If employees see that support enough, we start removing that stigma and it becomes natural.

How should an employer's health benefits reflect this openness to discuss mental health?

It has to be covered just like any other medical benefit. You can also create lower or zero cost sharing for mental health, to send people to get care because you're willing to pay more out of pocket as an employer to make that access easier for the employee. Employers can also make covering out-of-network providers for mental health at the same level of in-network providers and remove that barrier. Even if you have an EAP program, if people aren't aware of what's out there, they won't connect to that.

An employer has to communicate and educate what's available. Meet people where they are. Some people may want to talk to someone in person, and some people want to interact over texts and chats and that works for them. **EBN**

Alyssa Place is a senior editor at Employee Benefit News. Follow her on Twitter @alyssaplace1.

Strategy Session

IZABELA HABUR/GETTY IMAGES



A recent Aon survey found that 12% of surveyed firms said they would freeze merit increases.

How remote work will change your compensation strategy

As employers shift from an office-centric to a remote-based approach to work, it may be time to reevaluate your compensation strategy

By Maddy Simpson

The country may be reopening, but some employers are putting permanent work-from-home policies in place, giving them an opportunity to reconsider a compensation strategy that cuts costs and addresses their long-term goals.

Some 62% of American workers are working remotely, according to a recent Gallup survey, and companies including Twitter, Facebook and Slack have all announced they will allow employees to work from home permanently. The move to remote work gives companies an opportunity to consider how they compensate workers and what is involved in their total rewards packages.

"Organizations should look not only at their compensation and total reward strategies, but their human resources strategy," says Stacy Strauser, director of compensation consulting at OneDigital, a strategic advisory consulting firm.

"There are lots of benefits as well as drawbacks, for both employers and employees."

Adjusted salaries are just one piece of the puzzle when it comes to rethinking compensation, says John Bremen, a managing director at consulting firm Willis Towers Watson.

"For the companies that reduce pay, it is often a nominal amount, not a significant amount," Bremen says. "But that really is the exception."

Both Slack and Facebook recently announced plans to adjust salaries based on updated geographic location for their workers, and Facebook's employees may see salary decreases if they decide to move out of Silicon Valley and go fully remote, Zuckerberg said.

"Our policy here has been for years that [compensation] varies by location," Zuckerberg said. "We pay a market rate, and that varies by

location. We're going to continue that principle here." This market-rate approach means that if an employee moved from Facebook's headquarters in Silicon Valley to rural Nebraska, they'd likely see a pay cut due to the vastly different cost-of-labor, or the "going-rate" for compensation in a specific geography, in the two locations.

Bremen says firms have several compensation trends to consider when it comes to how employers are approaching a permanent remote work model. While salary reduction is one method, Bremen says it's more likely that firms will shift to a national average compensation structure, where compensation is based on national averages rather than averages for one geography, or choose to simply freeze compensation for employees for a set timeframe to let the market catch up with them.

A recent Aon survey found that, for firms who planned to make changes to compensation for virtual workers, 15% said they would leave the salary level unchanged, 12% said they would adjust the salary right away, and 12% said they would freeze merit increases until compensation aligned more with local pay rates.

Employers must also consider their total rewards packages and what they plan to keep or adjust in their transition to a remote work model, says Strauser. Things like commuting costs or other voluntary benefits that may have been necessary before the transition might prove unnecessary to a remote workforce.

"When you're giving your employees a scenario of moving from an office location to a remote location, [remember] that not only do they have a base salary or incentives, but they also have other benefits," Strauser says. "You can eliminate certain allowances that are no longer beneficial to them, like a parking allowance. It's not just a salary. We are talking about a package."

This is also an opportunity for companies to consider how this will affect their hiring decisions. In his livestream, Zuckerberg noted that remote hiring will diversify Facebook's workforce.

"When you limit hiring to people who either live in a small number of big cities or are willing to move there, that cuts out a lot of people who live in different communities, different backgrounds or may have different perspectives," he said.

"Certainly being able to recruit more broadly, especially across the U.S. and Canada to start, is going to open up a lot of new talent that previously wouldn't have considered moving to a big city." **EBN**

Maddy Simpson is a reporter for Employee Benefit News. Follow her on Twitter at @maddysimpson9.



TIAA and Savi completed a pilot program of a new student loan benefit in March 2020.

TIAA teams with tech startup on student loan benefit

TIAA is offering technology firm Savi's solution to client institutions to help them expand financial wellness benefits.

By Amanda Schiavo

Financial services provider TIAA has teamed up with social impact technology startup Savi, to provide nonprofit organizations with a student loan benefit solution for their employees.

The benefit is designed to help employees of nonprofit organizations reduce their monthly student loan payments immediately, and to qualify over time for relief from the balance of their federal student loans by enrolling in the federal Public Service Loan Forgiveness program. Employees can sign up for the benefit by answering questions about their financial status and then the Savi software determines potential savings with an income-driven repayment plan and whether the person may qualify for a forgiveness program.

"TIAA decided to partner with Savi with the goal of helping with the burden of student loan

debt for employees and their family members," says Snezana Zlatar, senior managing director of financial wellness and innovation at TIAA. "The goal is, by addressing this issue, to help employees achieve greater financial security and financial wellness."

The Savi algorithm takes into account an employee's specific circumstances, including their family and tax situation, and suggests a solution that best fits their needs. The service helps employees stay in compliance with the recurring paperwork requirements of the PSLF program and reduce errors. Savi also has a team that is available to answer questions and act as an advocate if needed.

The PSLF program was designed more than 10 years ago as a way to help employees who wanted to educate the public on personal

finances. However, the complexity of the program has presented challenges for some borrowers due to difficulty in understanding the rules and managing the paperwork. Indeed, 98% of PSLF program applicants have been rejected for not meeting program requirements or due to missing or incomplete information on a form.

"Even the most diligent student loan borrowers face challenges navigating the confusing maze of federal student loan repayment and forgiveness options," says Savi co-founder Aaron Smith.

Pilot program

TIAA and Savi conducted a pilot program of the benefit from July 2019 through March 2020 with seven nonprofit institutions, four in higher education and three in healthcare. Within that period, employees who signed up for the solution were on track to save an average of \$1,700 a year in student debt payments. Some employees' payments were cut in half and some employees had an average projected forgiveness of more than \$50,000 upon successful completion of 120 months in the PSLF program. The program is now available to all TIAA employer clients.

Healthcare workers are facing pressures they've never expected as the coronavirus pandemic continues to persist and even worsen in some regions, with several U.S. states reporting an increase in cases. This benefit was designed with healthcare workers in mind, even prior to the outbreak, because of the higher than average student debt these individuals take on.

"More than 78% of healthcare workers reported over \$100,000 in student loans," Zlatar says. "According to some recent data, over 90% of healthcare workers expect that they will struggle to make their student loan payments in the next six months."

Over 44 million Americans are struggling with student loan debt, which has ballooned to more than \$1.5 trillion total and is one of the country's biggest consumer debt categories. An increasing number of employers have made offering student loan debt benefits a key way to recruit and retain young talent. Indeed, 8% of employers offer their staff a student loan benefit, which can alleviate employee stress and create staff loyalty.

Other employers offering student loan debt benefits include ServiceMaster, the parent company of pest control and termite exterminator business Terminix, VRI, a hospital and healthcare patient monitoring technology provider, and AI company GumGum. **EBN**

Amanda Schiavo is an associate editor at Employee Benefit News. Follow her on Twitter @schiavoamanda.

Technology

IN THIS SECTION: RECRUITING / WORK FROM HOME



ADOBESTOCK

Virtual hiring is on the rise due to safety concerns and the need to socially distance.

The benefits and pitfalls of remote hiring

Video interviews can make the job recruiting process more efficient and effective, but it can bring on added stress for candidates.

By Evelina Nedlund

Companies operating remotely over the past few months have found that hiring, onboarding and training can be done virtually, in a way that's effective and efficient, thanks to today's technology.

Since stay-at-home orders went into effect, 51% of respondents have interviewed a candidate remotely, and 42% have extended an offer remotely, according to a report from Addison Group, a national staffing and recruiting firm.

And remote hiring could be here to stay, as 21% of hiring managers believe virtual interviewing will be a permanent benefit moving forward.

This can help expand a company's candidate pool, as people who can't get time off from work or have problems with childcare can still interview for the available position, says Peg Buchenroth, SVP of human resources at Addison Group.

"For larger teams with several interview rounds, it's not uncommon for candidates to have more

than three interviews ahead of an offer," she says. "The widespread use of virtual interviews in initial interviewing rounds accelerates the process, saves the hiring organization excess expense and shows respect toward a candidate's time."

But the technology can also be the reason an interview goes wrong.

"A technical error could reduce face-to-face time or reflect poorly on the party responsible for the technical difficulties," Buchenroth says. "Ensure any tools you need, such as Skype or Zoom, are properly set up and working well before the interview."

The rapid transition to remote hiring routines isn't always easy — for 56% of hiring managers, this is the first time they performed hiring activities remotely, the Addison Group report finds.

For job candidates and employers who are used to, and more comfortable with, in-person interviews, adapting to the new normal of remote

hiring can be both stressful and frustrating.

"I think there are some positions where an in-person interview can be hard to replicate, especially if that position is going to require a lot of in-person interaction at some point," says Candace Nicolls, SVP of people and workplace at Snagajob, a staffing firm for hourly and essential workers. "Sometimes that can be hard to assess remotely unless you have a clearly thought out process."

Technical difficulties

With many candidates having kids at home, or not having reliable internet access, it's also important that employers are compassionate and understanding of potential issues that the work-from-home environment can impose, Nicolls says. Managers should take time to explain the process, and leave room for technical difficulties.

"I think the advantages [of remote hiring] far outweigh the disadvantages," she says. "But when there are circumstances that people just aren't able to control, that's actually a real opportunity for hiring managers to show empathy, and it can be a really powerful way to show your brand through all of this."

"We almost made a 10-year leap in 90 days in terms of the way we think about work, remote work and hiring and access to talent," says Kevin Parker, CEO of HireVue, a software company that provides video interview tools.

Having a standardized remote interviewing process, where all candidates are given the same set of questions, can also help improve diversity and decrease adverse impact and bias, Nicolls says.

"Asking objective questions will help you assess candidates based on a criteria that everybody's already decided on," she says. "When people are interviewing face-to-face, those initial first impressions can override some of the candidate answers. We know that relying on that gut instinct when someone walks through the door isn't the best way to make hiring decisions."

Additionally, remote hiring can be a solution to the safety concerns brought on by COVID-19 and the need to socially distance and a reimagining of office design. Candidates do not have to worry about taking physical safety precautions while entering an office, and employers can keep themselves and their employees safe too, says Kevin Parker, CEO of HireVue, a software company that provides pre-employment assessment and video interview tools.

Technology

IN THIS SECTION: RECRUITING / WORK FROM HOME

"As you think about all the challenges that we face, whether in the office or not, having long lines of people coming to the office for interviews — with all those risks associated to both the candidate and the hiring company — has jumped up pretty high on the list of concerns," Parker says. "Companies are having to re-imagine that in a

more virtual way."

With all the benefits of remote hiring, there's reason to believe it will be the new normal after the pandemic settles, he says.

"We almost made a 10-year leap in 90 days in terms of the way we think about work, remote work and hiring and access to talent," Hirevue's

Parker says. "The employers are looking more broadly than they ever had before, and recognize that they can find good people almost anywhere. And candidates are recognizing that if they can work from home 20 miles from the office, they can work from home 200 or 500 miles away from the office." **EBN**

Evelina Nedlund is an associate editor of Employee Benefit News. Follow her on Twitter at @EvelinaNedlund.

Hiring? ZipRecruiter and CareerPlug team up to help small businesses find high-caliber talent

As businesses start to reopen, the two recruiting platforms are working to help employers find great talent.

By **Maddy Simpson**

As the United States unemployment rate continues to drop and states around the country reopen, firms are readying themselves for a post-coronavirus hiring rebound. A new partnership between CareerPlug and ZipRecruiter makes finding quality candidates easier.

The partnership between the recruiting platforms promotes CareerPlug's clients' job postings on the ZipRecruiter site. Promoted postings receive 10 times as many applicants as non-promoted postings, according to ZipRecruiter.

The partnership will allow small businesses and franchises free use of CareerPlug's software for two months, and free sponsored job postings on ZipRecruiter for 30 days, in an effort to "give back," says Chris Igou, CareerPlug's senior director of sales.

"In late 2019, we were looking for a way to increase applicants for our clients during the tightest job market the U.S. has ever seen," Igou says. "However, the collaboration evolved quickly during the COVID-19 pandemic, and we pivoted. Our new goal became trying to figure out how we could best help small business

owners hire up and rebuild their business."

Since the beginning of the pandemic, employment has been in a freefall. More than 44 million people have filed for state unemployment benefits, according to the

Department of Labor. Small businesses have been hit the hardest, with many forced to stop operations and lay off or furlough their employees during the lockdown.

A recent survey by MetLife and

the U.S. Chamber of Commerce found that almost 80% of small businesses surveyed plan to hire back nearly all employees they laid off or furloughed. The number increases to 86% for businesses with over 20 employees. **EBN**

Maddy Simpson is a reporter for Employee Benefit News. Follow her on Twitter at @maddysimpson9.



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Technology

IN THIS SECTION: RECRUITING / WORK FROM HOME

ADOBESTOCK



Remote work has helped boost productivity and morale, Stanford University research shows.

Is WFH forever the new reality? It is for these companies

Tech companies are leading the way on allowing employees to work from home permanently. The model is starting to take hold elsewhere.

By Sam Del Rowe

Since the onset of coronavirus, companies have been forced to adapt to a remote work model, changing how work is done across the world. Now, as restrictions begin to lift and workplaces start introducing plans for returning to work, some companies are choosing to work from home forever instead.

Twitter and Slack, among others, have found that allowing employees to work from home is beneficial to productivity and morale. Research from Stanford University showed a 13% increase in performance from remote employees, while a study from Mental Health America in conjunction with FlexJobs found that 97% of people believe that flexible work would improve their quality of life.

Here's a quick look at some of the nation's top employers that are leading the way when it comes

to expanding their work-from-home policies, along with other recent adopters in both the tech and finance worlds.

Twitter

In early May, CEO Jack Dorsey told employees via email that they could work from home permanently. The company initially moved to a remote model in March. Currently, all of its offices are closed and the social media giant has banned business travel until September.

Square

Jack Dorsey is also the CEO of mobile payment company Square. A week after telling Twitter employees that they could work from home forever, he announced that Square employees could do the same.

Danske

In June, Danske, the largest bank in Denmark, rolled out an option for employees to continue working from home a few times a week. The company found that allowing employees to work from home boosted metrics such as employee engagement and productivity as well as customer satisfaction.

ING

Dutch bank ING announced in June that employees in Spain would be allowed to choose whether or not to return to the office. The coronavirus has delayed the company's plans to relocate its headquarters from Amsterdam to Madrid.

Shopify

Canadian e-commerce company Shopify announced in May that employees would be allowed to work from home indefinitely. It plans to redesign its 16 offices worldwide to adhere to social distancing and support this new model.

Coinbase

Cryptocurrency platform Coinbase announced in May that it will become a "remote-first" company, allowing its employees to choose whether they work in an office or from home. The company said that the shift to a work-from-home model was easier than expected and that employees have liked the change of pace.

Facebook

CEO Mark Zuckerberg said in a livestream in May that he expects up to 50% of the company's employees will be working remotely in the next 5 to 10 years. Employees can ask to work from home forever, with senior staff being the first ones allowed to make such requests.

Box

Cloud storage company Box announced in May that employees can work from home through January 31, 2021, even as offices reopen. The company will also continue to have virtual all-hands meetings.

Slack

Business communication and collaboration platform Slack announced in June that it will "become a much more distributed company." To that end, employees can elect to work from home permanently. The company also made a commitment to hire more remote employees. **EBN**

Sam Del Rowe is a reporter for Employee Benefit News. Follow him on Twitter at @sdelrowe.



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A large, diverse crowd of people at a protest, many wearing face masks and holding signs. A rainbow flag is visible in the lower right corner.

Diversity Now

Employers scrutinize DE&I plans as national protesters demand change

By Amanda Schiavo and Kayla Webster

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By Amanda Schiavo and Kayla Webster

Special Report: Diversity, Equity and Inclusion

For employers, a private and public reckoning is now taking place over their responsibility in changing systemic racism at work.

The public death of George Floyd — video-taped live on May 25 on a Minneapolis street corner for the world to witness — and the killing of Breonna Taylor two months earlier at the hands of law enforcement, who burst into her private apartment and fatally shot her, have sparked global outrage over systemic racism and police



"Other employers don't know how to react, but silence is not going to work," says Tammy Fennessy, director of benefits for American Eagle Outfitters. "We view silence as an acceptance of racism — it's not helping the cause."

brutality against people of color.

The protests have put a sharp spotlight on racial inequality in the U.S. and have highlighted the responsibility employers have to evolve their diversity initiatives.

Companies have blanketed social media with statements condemning the actions of the officers who took Taylor and Floyd's lives and have pledged to evaluate how they can improve. Fortune 500 companies such as General Motors, Walt Disney and others also have weighed in.

In a letter to employees, dealers and suppliers, automaker GM's CEO Mary Barra announced that the company will be launching an inclusion advisory board, which she will head, aimed at making GM a more inclusive workplace.

"Collectively, and in time, we will be part of the change," Barra said. "For now, my personal commitment is to ensure that the leadership of GM, and the entire GM family, consistently remains aware of our responsibility to bring awareness to injustice. Because awareness leads to dialogue, dialogue leads to understanding and understanding leads to change."

Veteran workplace leaders say these are good early steps, but they say making actionable changes to an employer's diversity plan requires sustained parsing impact, it can't just be an HR initiative or on the leaders" says Sarah Stevens, people team senior director at Limeade, an employee well-being and engagement platform. "It's really critical that everyone takes ownership."

Commitment to change

Facing pressure from employees and society as a whole, some companies have started to put these initiatives into action. Fashion retailer American Eagle Outfitters immediately started diversity training with associates and had sessions with the company's black employees to gauge what kind of support American Eagle should be offering.

"Our workforce is our community. We want to understand what's happening so we can all learn from it and become better people," says Tammy Fennessy, director of benefits for American Eagle Outfitters.

Wanting to do more, Fennessy consulted the company's EAP provider to see what resources were available to help black employees dealing with trauma. She was disappointed to learn they offered nothing. Undeterred, she approached Jessica Brooks, a colleague and the CEO of the Pittsburgh Business Group on Health, to ask for guidance on appropriate resources.

"The fact that she's asking these questions and challenging herself and [American Eagle's] leadership shows how much she cares and is committed to change," Brooks says. "They've been willing to be uncomfortable and do what it takes to make a difference."

After consulting Brooks, American Eagle added training videos to AEO Academy that use techniques from mental health professionals to help diverse employees process their feelings and fight discrimination in their workplace. There's also a selection of trainings to help non-diverse allies promote anti-racist values, and champion the advancement of their diverse colleagues.

To give the program a more personal touch, Fennessy created a diversity group at the corporate office, where colleagues are encouraged to

openly talk about their experiences with discrimination. Guest speakers are also invited to educate their entire workforce about implicit bias.

"Other employers don't know how to react, but silence is not going to work," Fennessy says. "We view silence as an acceptance of racism — it's not helping the cause."

No more 'empty rhetoric'

The United States has a long history of workplace racism and discrimination against people of color. The subject of race is often avoided in the workplace, resulting in systems of privilege remaining in place and a lag in the representation of black leadership, according to the Center for Talent Innovation, an organization that uses research to leverage talent across the divides of gender, generation, geography and culture. Issues of race and discrimination are rampant in the workplace, as African Americans are woefully underrepresented in white collar organizations.

Black adults make up only 0.8% of Fortune 500 CEOs, 3.2% of senior level managers, 8% of all professionals and 10% of college degree holders, according to the Center for Talent Innovation. Nearly one in five black professionals feel that someone of their race won't achieve a top ranking position within their company.



"A boardroom of white men making unilateral decisions isn't going to solve the problem," says Jessica Brooks, CEO of the Pittsburgh Business Group on Health.

Special Report: Diversity, Equity and Inclusion

While 65% of black professionals feel they have to work harder to advance, just 16% of white professionals feel the same way, according to the report. These deep disparities must be changed by championing the professional advancements of black employees, employer groups say.

Still, racism and the U.S.'s violent past is such an uncomfortable subject that many look to ignore it.

Indeed, according to the Center for Talent Innovation study, half of white Americans believe that there is "too much attention paid to race and racial issues." Additionally, hate crimes targeting individuals of color accounted for 65.5% of all hate crimes in 2018, according to data from the Justice Department.

Speaking out against these injustices and adopting more effective DE&I strategies, means employers must address the topic of race at every level of their organization and take action to change, according to Laura Hamill, chief people officer at Limeade, and other workplace leaders.

"Real progress on these issues requires real work," says Kristin Johnson, the chief human resources officer at financial services company Edward Jones. "Employers should listen and learn to understand where they are today and where they want to be in the future when it comes to important topics such as equitable hiring, training, promotional practices and policies."

To that end, Edward Jones has announced a plan to address racism and help develop career opportunities for people of color, which includes making a \$1.2 million investment in the National

Urban League and St. Louis Urban League.

As part of the plan the firm will conduct an analysis of how employees in its home offices are paid in order to close any unnecessary gaps. Edward Jones will also expand its racial-equity training and anti-racism personnel policies.

"This is a vital step toward change and recognizing which actions can be implemented to achieve, foster and maintain a culture of diversity and inclusion" Johnson says.

Another strategy employers can utilize to increase their diversity and inclusion efforts is to start by looking at their hiring practices, and bring in more people with diverse backgrounds, Limeade's Hamill says. "We want seats and voices at the table," Brooks says. "Transparency and metrics are going to be crucial moving forward. We can't allow for boxes to be checked, and the culture not to be shifted."

Employer response

Nearly two years ago, American Eagle recognized that its workforce wasn't very diverse. To provide more opportunities to people of color, American Eagle partnered with historically black colleges — like North Carolina Central University, Delaware State University and Howard University — to offer students jobs and internships. This year, American Eagle's internship program is being conducted online so students don't miss out on work experiences because of the quarantine.

"We have to keep doing the work to provide opportunities for diverse employees — we can't let COVID-19 get in the way," Fennessy says.

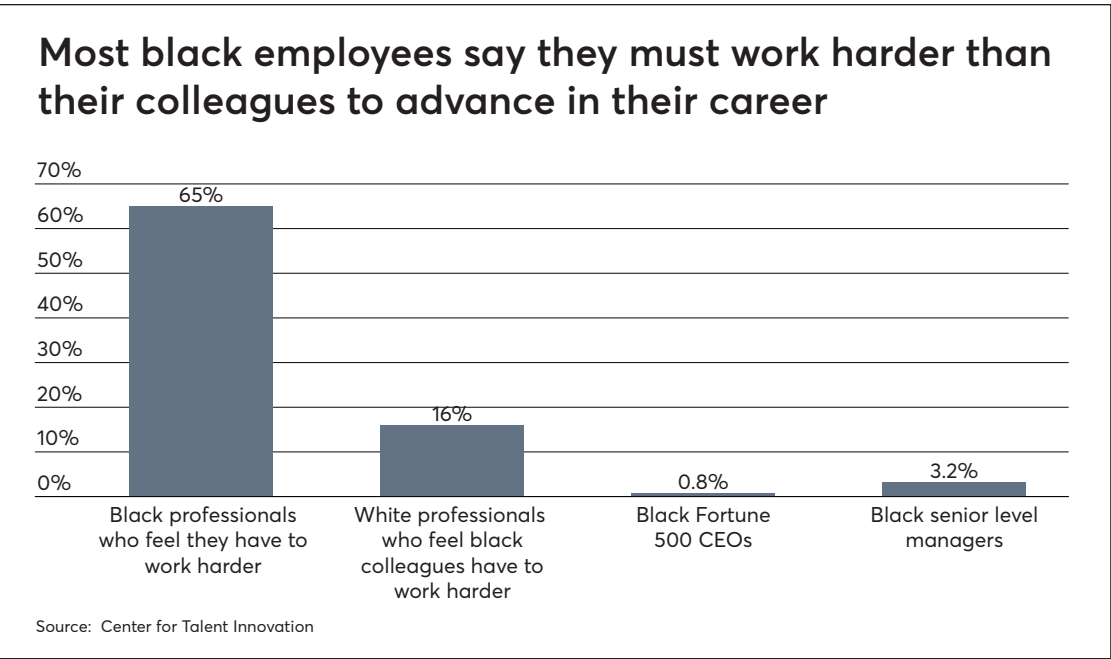


"This can't be just empty rhetoric," says Limeade Chief People Officer Laura Hamill. "The message is important but it has to be about the hard work."

For companies that want to deepen their commitment to inclusivity, Brooks says that it's incumbent upon employers to take action to voice and show support for their black employees, but also respect their personal boundaries. She reminds employers that what happened to Floyd and countless others is deeply upsetting; asking black colleagues to chime in on diversity policies while they're mourning attacks on their community will come across as insensitive.

"A boardroom of white men making unilateral decisions isn't going to solve the problem. But at the same time, expecting people who are on the front lines, grieving and living in fear to participate in thought leadership in a small time frame is too much," Brooks says. "Being part of the solution means being committed to the journey."

Allowing black employees to take time off, like the benefit American Eagle offered, to process their grief is one way employers can show their support. Brooks says colleagues in her network who were offered that time tended to feel more positive about their employer. She says a good rule of thumb is to be as accommodating to black employees as you would be to someone dealing with the challenges posed by quarantine. Employers who are genuinely committed to change won't be deterred by their diverse employees taking a few days off, she says, because they know it's a long-term, conscious effort.



"Although the pandemic of racism isn't new, these recent events are on the back of COVID-19 and that same culture and willingness to modify policies for people going through pain is definitely a best practice," Brooks says. "Encourage the mantra of 'we are in this together' to address this pandemic as well."

While legislation is vital to combat these issues, employers have to recognize their responsibility to influence change within and outside of their organizations.

"What's changed is really a recognition that

this isn't about caring about most of your employees. It's about caring about all of your employees," says Michael Thompson, president and CEO of the National Alliance of Healthcare Purchaser Coalitions, an employer group representing the healthcare industry. "Averages don't matter if people are being left behind."

To drive sustainable change, employers must be ready to do more than make speeches and donations, Brooks says. While those are important factors in creating a transformation, it is actions, not words that will have the greatest impact.

"Donations are great, but you can't pay your way out of the reality and quality of life that people have," Brooks says. "The workforce wants true partnership and change — this time has to be different." **EBN**

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Supreme Court rules for more LGBTQ protections at work

TIAA updates their corporate policies after the Supreme Court ruled LGBTQ people are protected under the Civil Rights Act.

By Kayla Webster

Jobs held by members of the LGBTQ community are now protected by the Civil Rights Act after a historic ruling by the Supreme Court, but employers have a responsibility to create an atmosphere that embraces — rather than tolerates — diversity.

"It is recommended that employers review their policies and training protocols to ensure that they

adequately address the extended protections," says Regina Faul, labor and employment chair at Phillips Nizer, a law firm specializing in labor issues.

More than 11 million people in the United States identify as LGBTQ, and the vast majority are employed (88%), according to a study by the National LGBTQ Worker's Center.

Despite their representation in the workplace, a quarter of LGBTQ employees report experiencing workplace discrimination.

"[The Supreme Court's] vote is a great step for the LGBTQ community and offers a strong message of hope that no one should ever face discrimination for being who they are," said Scott Cawood, CEO of WorldatWork, an HR association. "It is a welcome step toward equality."

The vote ensures LGBTQ employees are protected from wrongful termination based on their sexual orientation.

But ultimately, it's up to employers to ensure that their workplace embraces diversity, says Corie Pauling, vice president and chief inclusion and diversity officer at financial services company TIAA.

"It's so important for a company to take a stand and support LGBTQ employees," Pauling says. "Whenever a company makes a policy change, it's a strong statement of commitment."

TIAA says they've been adding LGBTQ friendly programs and policies over the years, but in light of the Supreme Court's historic decision, they decided to update their policies to be inclusive of transgender employees.

The new policy says employees are entitled to choose their own pronouns, use their preferred restroom and dress in a way that feels genuine to their identity.

"The Supreme Court's latest ruling seemed like the perfect opportunity to unveil our newest policies for the year," Pauling says.

TIAA has been supporting transgender employees since 2012, when the company added gender reassignment surgery to their benefits plan. **EBN**

Kayla Webster is an associate editor of Employee Benefit News. Follow her on Twitter at @KaylaAnnWebster.



The landmark ruling will impact more than 11 million people in the United States who identify as LGBTQ.

Special Report: Diversity, Equity and Inclusion



ADOBESTOCK

Why annual diversity training isn't enough to combat racism

While 98% of companies offer diversity initiatives, training cannot be the only tool in a company's arsenal to combat bias in the workplace.

By Alyssa Place

As companies grapple with how to address issues of diversity and bias in the workplace, diversity training should be the first — but not only — step in affecting real change.

"Any step is a step in the right direction, but it can't begin and end with doing a one time diversity training and saying, OK, we did it, we all understand, and now everything's better," says Denise Dennis, a leadership coach and trainer. "That has to be the start of the conversation and the start of the work."

Since the beginning of June, protests around racial inequality have been roiling the nation, in response to continued police killings and brutality against African Americans. The protests have exposed deep-seated issues around race and representation in the workplace, and how to best address these topics within an organization.

"Most employers are very interested in building more respectful, more inclusive, more cooperative relationships with all of their employees, but they don't have the skill set to do so," says Catherine

Popowits, founder of Diversity Training and Consulting, a workplace training firm. "But employees are saying, 'What are we doing about this? How are we responding?' And senior leadership is feeling held accountable."

Of companies with more than 1,000 employees, 98% offer diversity training, and 67% of employees say diversity is an important factor when considering an employer, according to Glassdoor.

However, these attitudes have previously done little to move the needle. At the management level, 61% of executives are white men, and African Americans make up just 12% of the workforce, according to data from the U.S. Bureau of Labor Statistics. Just this week, Marilyn Booker, the global head of diversity at Morgan Stanley, filed a lawsuit alleging the bank discriminated against her and other African American women at the firm and did nothing to address racial bias.

"It's a system problem, not a people problem, so if you're not going to do anything to change the system, then this is lip service," Dennis says. "It's so

crucial for the decision makers to recognize the importance of not just diversity, but inclusion in the organization and the role of unconscious bias."

Management especially can play a large role in ensuring a company actually changes its practices and policies, Popowits says. But that requires a longer dedication to training and coaching that employers are not always interested in, she says.

"We go into many places that have been focusing on creating a culture that does include relatively frank discussions about race and other topics," she says. "But many organizations don't understand that this is really making a culture change and that changing of culture requires sustained intentional action."

"Most employers are very interested in building more respectful, more inclusive, more cooperative relationships with all of their employees, but they don't have the skill set to do so," says Catherine Popowits, founder of Diversity Training and Consulting.

When companies bring in a diversity trainer, some assume they can check off items on a list regarding their training initiatives, Dennis says. But once employees start talking about race and inclusion, deeper issues within the organization are often exposed.

"Participants often bring up things that happen and management doesn't really recognize the problem," she says. "In those instances, me coming in and talking to them one time might satisfy a workplace requirement, but nothing is changing if you don't change the systems that cause problems in the first place."

Companies must be engaged in a much longer process of taking what they learn in a diversity training program and applying it to their practices at work, Popowits says. She often tries to highlight the benefits to a company's bottom line as a good incentive to tackle deeply ingrained habits.

"The companies that have very extensive diversity programs, they do it because they understand that it's good for their business," she says. Companies with diverse hiring practices report higher engagement and retention among employees, and a study by McKinsey found companies with diverse executive boards reported 53% higher returns on equity than those with a less diverse board.

While diversity training programs serve as the gateway to addressing the topic, additional management training and one-on-one coaching

can help make an impact on a company's culture and future strategies, Dennis says.

"A full-day training is more about raising awareness and giving people options for how to interact in certain situations. But if there's no follow-up training, there won't be behavioral change," she says. "It can start with diversity and inclusion and then move on to strategic planning, to put actionable plans in place to create change within the organization."

Employers need to address an entire range of policies, from how and where they recruit from, to the way they interview people, Popowits says. Once the employees are through the door, it's now about creating "collaborative relationships with employees that are very different from them," she says. "Managers need to learn a set of skills and then that set of skills has to be built into the system."

Popowits hopes companies see these current

events as the momentum they need to make meaningful changes.

"What I hope is that just as there have been sustained protests in the street, that there will be sustained requests on the part of employees to intentionally create welcoming and inclusive workplaces," she says. "This is an area where senior leaders are responsive — it's the employees' continued requests that will keep this going." **EBN**

Alyssa Place is a senior editor at Employee Benefit News. Follow her on Twitter @alyssaplace1.

Equity by personal accountability has never been more important

It's always important to walk in someone else's shoes or assume their circumstances. We must be open-minded and empathetic to people of different backgrounds.

By Lester Morales

In recent Weeks, we've all borne witness to yet another unnecessary and tragic death. George Floyd's May 25 death was followed by both peaceful and violent demonstrations calling for change. These divisive and troubled times demand a certain heightened understanding, gentleness and attention to detail that is sorely lacking in our industry. But the lessons for our industry are simple and require a recommitment to humanity.

Racial discrimination comes in many different forms and rounds of severity. As someone who was born in Puerto Rico, but raised in the United States, I have been subject to racial discrimination from both sides.

My Puerto Rican mother's white skin meant she did fine in "white neighborhoods," but would be beaten up in the Puerto Rican part of Brooklyn, where she grew up. I had similar experiences during middle school and was targeted because of my skin tone.

To this day, I still get called "gringo," a pejorative term for a white person in the Latino community. Sometimes I feel like an outsider in an area of people with my ethnicity.

The same thinking applies to my chosen profession, which lacks diversity and inclusion. But

as someone who's clearly in the minority among other employee benefit brokers and advisers, I have a responsibility to help pave the way for positive change. While some underrepresented groups establish professional councils to support one another, the irony is that their push for inclusion creates an organization that excludes others.

To this day, I still get called 'gringo,' a pejorative term for a white person in the Latino community. Sometimes I feel like an outsider in an area of people with my ethnicity.

It's clear that we all need to do more to promote inclusion, diversity and equity. Personal responsibility and accountability for one's decisions and actions are hugely important. If we were more curious to learn about people who are different from us, then the world would be such a much better place to work and live in. The question then becomes, what are you prepared to do differently to make a positive impact during these negative times and help be an agent of change?

It's always important to walk in someone else's shoes or assume their circumstances. We must be



Lester Morales

open-minded and empathetic to people of different backgrounds. Just because someone looks, acts or dresses a certain way, doesn't mean they're who you think they are at their core. None of us knows what another person has gone through in life or what's truly in their heart. **EBN**

Lester Morales is founder and CEO of Next Impact



Working from home is creating new challenges for mental and physical well-being.

Best tools for supporting your remote workforce

From virtual classes, snack boxes and tech gadgets, here are some of the best tools companies can provide to support remote workers.

By Evelina Nedlund

The remote workplace comes with a lot of benefits — including increased productivity and better focus. But it's also causing challenges for both employees' mental and physical well-being.

Disruptions from the coronavirus have infiltrated the daily lives of employees. Everything from proper nutrition to child care and financial concerns are major focus points to many. In response, many companies are stepping up efforts to adapt their benefit offerings. Employers are considering options like work-from-home office policies and stipends, ergonomic workplaces at home or mental health and telemedicine checks.

From virtual fitness memberships and snack boxes to tech tools and online wellness resources, here are some of the best tools employers can provide to support their remote workforce.

Free food at home

While almost everyone is working from

home, many employees have lost a popular office perk — free food. That's why **Stadium**, a New York City-based lunch delivery company, introduced a new service in June where employers can have snacks delivered nationwide to any home office. The service, called SnackMagic, lets employees choose individual snacks and beverages that they like within a gift budget.

The coronavirus also has exacerbated the challenge of accessing healthy food and proper nutrition. To address that those concerns, meal subscription company **Freshly** created a new service called Freshly for Business to provide healthy and affordable meals for employees working remotely. The program allows employers to offer free or subsidized meal plans consisting of up to 12 meals per week. Employers including PwC and KPMG, among others, are partnering with Freshly, which costs an

average of \$8 per meal per employee.

Mindfulness and stress management

To help employees cope during the pandemic and national protests, companies are seeking out mindfulness tools to support their struggling workforces.

As a result of these circumstances, **Unplug Meditation**, a Los Angeles-based drop-in meditation studio and app, is seeing a surge in corporate programs, and has partnered with companies including Disney, Mattel and Google. The app offers everything from virtual meditation and sound bath sessions, to team building, stress management and customized wellness programs.

Many companies are now stepping up their efforts to adapt their benefit offerings to support employees who work from home. Employers are considering options like work-from-home office policies and stipends, ergonomic workplaces at home or mental health and telemedicine checks.

Chill Anywhere, a mindfulness and meditation app, is built specifically for the workforce, and provides live mindfulness video practices. It can be offered as an employee benefit or part of an organization's Employee Assistance Program. App users can track their mood before and after each session to see how their mindfulness practice impacts their day-to-day lives.

Financial wellness

As the pandemic sends shockwaves through the U.S. labor market with layoffs, pay cuts and furloughs, employers are making efforts to support the financial security and resiliency of their employees.

SmartPath, a financial counseling platform, launched a free online resource called the Money Moves Quiz to help employees build confidence and a secure financial plan by answering 15 questions about their current situation. The questions cover topics such as levels of emergency savings, home ownership and employment status. Based on the answers, SmartPath will provide a clear financial plan tailored to the employee's needs.

In March, **Alegeus**, a consumer-directed healthcare solutions company, introduced a new offering called the Employee Care Card, a debit card that enables employers to offer targeted financial support for employees to address their most immediate needs during the pandemic.

Employers determine the amount they wish to contribute per employee, as well as the type of eligible expenses they want to allow — from groceries and home office supplies to educational supplies. Unlike cash or gift cards, employers control how the dollars can be spent, preserve unspent dollars and gain real-time insight into employee spending trends.

Support for working parents

With forced school and camp closures this summer, many working parents are struggling to balance caring for their children while working.

As head of an HR tech company and mother of two, Rachel Lyubovitzky, CEO of EverythingBenefits, felt the effects of this firsthand. That's why she decided to offer **Outschool.com**, an online education platform for children ages 3 to 18, as a benefit to her employees. Outschool offers classes on subjects ranging from life skills, arts and music, to math, coding and science.

Screen Sitters, a virtual child care service connecting sitters with families to entertain children via live 1:1 video, is another service offering overextended working parents some relief. Employers can get flexible packages that integrate into their existing benefits programs. All of the company's sitters are vetted through a 5-point screening process to ensure safety and a hassle-free transaction for the parents. Children get a personalized experience, as the sitter plans sessions ahead of time based on each child's personal interests.

This summer, a virtual camp experience is what many facilities and families are choosing to keep their kids safe. Anna Birch, a 23-year summer camp veteran has replaced her usual summer adventure camp programs with an online alternative.

The new resource, called **The Camp Cloud**, provides children ages 6 to 17 with the opportunity to make new friends and engage in guided activities led by institutions like science centers, museums, zoos and aquariums, schools and theaters, without need for significant parental assistance.

Team building

Summer is typically a time when companies plan team outings, parties and activities to give employees an opportunity to bond outside the office. But with COVID-19 taking a toll on group activities, many of those events are now cancelled.

HealthKick, a corporate wellness program, provides a personal well-being hub for companies and their employees to participate from home. From using in-home workout services to taking cooking classes over Skype with meal delivery kits, teams can take advantage of many different activities this summer that they can do together from their new work-from-home offices.

Mental health resources

Employee mental health is a workplace crisis, with many employees experiencing increased anxiety and depression during the pandemic. To address care accessibility issues — including in-person sessions and treatment — imposed by COVID-19, many employers are offering employees access to mental health care online.

Healthstat, a provider of virtual employer-sponsored health centers, is offering a virtual mental health solution, Ment4Me, that helps employers improve access to high quality mental health services for employees who are seeking support for treatable mental health conditions. Ment4Me aims to help reduce the stigma that can often be

associated with mental illness. It's also using artificial intelligence to offer the chatbot "Tess," a provider of on-demand mental health support.

Mental health benefits provider **Happify Health** has designed a new program for employees and health plan members to remotely access mental health resources to meet the recent surge in demand. Happify Connect is a part of the organization's selfcare platform and allows employees to connect with mental health care that is more conducive to the current work-from-home environment. The program directs employees to mental health resources, including self-guided tools within the Happify platform, higher-touch care through integrated partners such as online therapy and a mental health provider directory.

Supportiv, a mental wellness support platform, offers 24/7 chat-based peer support on any emotional well-being topic ranging from depression, anxiety and loneliness to daily life struggles like parenting, relationship conflicts or stress and burnout. Users answer the question "what's your struggle?" for Supportiv to analyze and auto-match them to a small group of peers who relate. Each group has a live moderator to guide the chat, make sure each user's needs are met, and vet the personalized resources that appear as hyperlinks in real-time.

An ergonomic workplace

With employees using everything from their kitchen table to their couch as their workplace, working from home sometimes brings bad ergonomic habits and solutions.

Bad ergonomic habits, if left unaddressed, could mean higher healthcare costs for the employer, lower productivity and the increased potential for an employee to sustain a medical condition.

To be mindful of employees' who don't work out of an office too, some employers are reimbursing them for remote office furniture.

Livongo, a digital health services company, is offering its remote workers reimbursement for ergonomic and job essential furniture. With the whole company being remote during the pandemic, the office furniture reimbursement benefit was extended to all employees to help make their home offices more efficient. Even before the pandemic, Livongo had a strong remote workforce with more than 1/3 of its employees working remotely. The company says taking the time to set up a workplace that is safe, comfortable and limited from distractions is important for employees to help manage their time and well-being. **EBN**

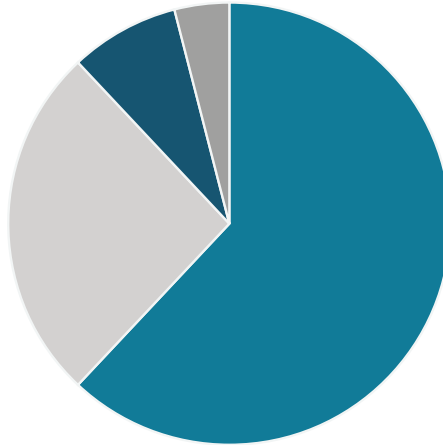


ADOBESTOCK

Evelina Nedlund is an associate editor of Employee Benefit News. Follow her on Twitter at @EvelinaNedlund.

How important 401(k) benefits are to employees

- Very important, 62%
- Somewhat important, 26%
- Not too important, 8%
- Not at all important, 4%



Source: Transamerica Center for Retirement Studies

potential expenses like car maintenance, gas, parking, and mass transit costs.

They also don't need to spend money on work clothes, and they may have reduced miscellaneous expenses. These are some of the things that they sort of want to sit down and figure out. They may be considering moving to different cities or states, and this can have a huge impact on the cost of living going forward.

How can employees be better prepared for retirement, no matter when it comes?

The next step employees will want to take is look at their overall financial situation, and the different account types they have on an individual level. They may have employer plans like 401(k)s and 403(b)s, but they may also have their own individual retirement accounts, like traditional and Roth IRAs. However, they may also have other regular taxable accounts like a savings account.

Individuals should look at their overall financial situation and determine all their different financial accounts. Then from there, you want to make sure it's optimized for taxes and risk.

What are the biggest retirement lessons we're learning from the COVID-19 crisis?

It's really important for employers to be very transparent on the options they offer individuals when it comes to different retirement accounts. Often I will work with employees who just don't know the different options they have when it comes to what they can do with a 401(k) after they leave an employer, and what the tax consequences are for doing so.

Also, if they are still employed, learning more about the different options in terms of loans and hardship withdrawals is key. There just needs to be a lot of transparency around what individual options are with their employer plans.

What is the biggest financial mistake employees make during times of crisis?

Taking withdrawals out of their retirement accounts too soon. This is specific also to early retirees. A lot of times you want to avoid taking money out of a 401(k) or an IRA before age 59 and a half because generally we'll have that 10% penalty from the IRS and also maybe a taxable event. Individuals will want to try and bridge the gap with other savings or short-term investments that they have. That could be either a high yield savings account or another individual taxable account. Taking money out of your 401(k) or an IRA too soon is generally a last resort. **EBN**

Record joblessness reshapes U.S. retirement picture

Early retirement has been a key driver in the decline in labor-force participation due to COVID-19.

By Amanda Schiavo

After the unemployment rate soared to a record 14.7% in April, the highest since the Depression era, the coronavirus crisis may result in an alarming trend: early retirement for thousands of Americans.

The coronavirus is impacting labor markets in three ways. First, there have been significantly larger than anticipated job losses. Second, many laid off workers are no longer actively looking. Third, participation in the labor force has declined by seven percentage points, a fall that overshadows the three percentage point cumulative decline that occurred from 2008 to 2016, according to data from the University of Chicago.

The data shows that there has been a large increase in those who claim to be retired, with the figure rising to 60% from 53%, making early retirement a key driver in the decline in the labor-force participation.

"These people who have been planning to work another five or 10 years are seeing early retire-

ment situations," says Bobby Glotfelty, a senior licensed financial professional at investment company Betterment. "Now they're in a new situation where they have to look at all their different expenses going forward."

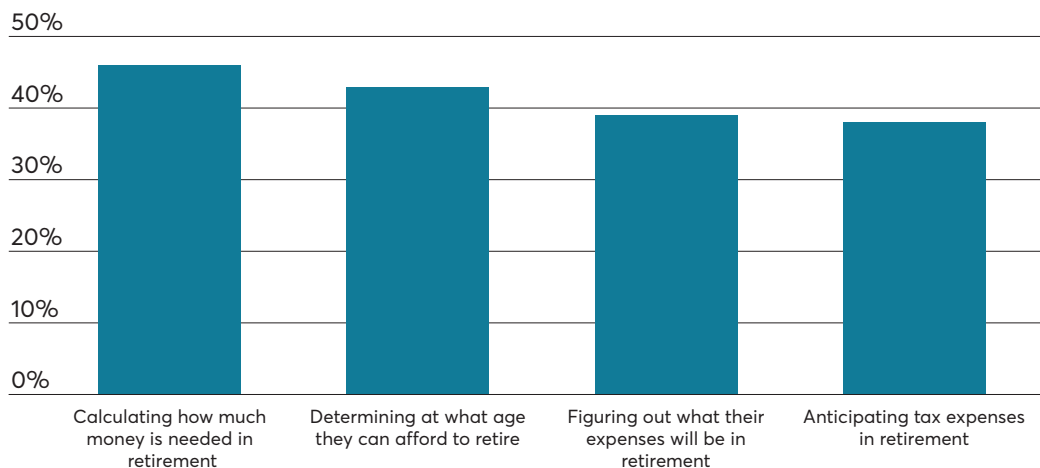
Glotfelty shared his thoughts on how coronavirus is forcing more early retirements — and how employers can help better prepare employees.

What financial impact can early retirement have on an employee?

When people are forced into early retirement, they want to look at their current situation from an expense perspective. With individuals looking at their expenses now that they're not working, they may actually be saving a lot of money. The biggest costs in retirement would be housing, transportation, healthcare and food expenses. If you take it a step further, now that a lot of individuals don't need to commute to work, not only are they saving time but they're saving

Amanda Schiavo is an associate editor at Employee Benefit News. Follow her on Twitter @schiavoamanda.

Retirement goals employees say they want help reaching



Source: Schwab Retirement Plan Services

A step forward on retirement security through benefits

Amid the COVID-19 crisis and following the passage of the SECURE Act, momentum may be building for retirement income in workplace plans.

By Kenneth Corbin

Traditional pensions and other defined-benefit plans might not be coming back, but as employers rethink their benefits mix amid growing concerns about retirement security, many are looking with renewed interest to some form of retirement income offering.

It turns out that many of the features that made defined-benefit plans so appealing — particularly the guarantee of predictable income with no expiration date — are prized by workers dealing with a highly uncertain economic picture amid the fallout from the COVID-19 pandemic.

And employers and policy makers are taking notice, according to Brendan Curran, managing director and head of U.S. DC investment strategy at State Street Global Advisors.

"With clear policy support, with interest from participants, more plan sponsors are pursuing retirement income," Curran said during an online presentation hosted by the Georgetown University Center for Retirement Initiatives. "You're not alone

if you go down this path."

Congress took a significant step toward encouraging retirement-income benefits with last year's passage of the SECURE Act, which among other things provided a fiduciary safe harbor for plan sponsors when selecting an insurer to provide guaranteed retirement income for participants.

Opinions vary on the ultimate impact of the SECURE Act, but it was generally heralded by boosters of annuities as a retirement strategy.

Seth Harris, former acting secretary and deputy secretary of labor, anticipates that the law will lend momentum to employer adoption of retirement income benefits, in the process maturing the market and making it easier for more employers to confidently offer such an option.

"One of the advantages of the SECURE Act opening this space up is we're going to have more experience in the employer plan market, so benchmarking will become a lot easier," Harris said. "Asset managers and employer plan sponsors and

others will be able to provide better information about what's being offered in the market, and that will make the role of fiduciary easier as the market grows."

Harris also expects that process to see a gradual evolution of the retirement income products that are available, anticipating that a typical plan that an employer might offer will differ from the types of annuities that are available to individual investors. In any case, he observes that it won't be an overnight process.

"We need to be honest about what is going to happen in employer plans — it's going to take a while," he said. "Part of that is because the products are going to be different. We're not just going to lift the products from the individual market and import them into the employer plan market. I think they'll be designed differently."

Experts advise employers to begin talking with their staff about their retirement options, and, if they are rolling out a retirement income benefit, to launch an education and outreach program to help employees understand how the plan works.

"With clear policy support, with interest from participants, more plan sponsors are pursuing retirement income," says Brendan Curran of State Street Global Advisors. "You're not alone if you go down this path."

"That's a piece I feel that really needs to go alongside the plan design and some of the technical aspects," said Tamiko Toland, head of annuity research at Cannex USA, a data firm that supports banking and annuity providers.

Harris stresses that any decision a company makes to update its retirement benefits should be informed by the needs of its workforce. Canvassing employees about what they would like to see in a retirement plan can help employers shape their benefits mix, and, in an emerging area like retirement income, employers can use that information to secure a tailored plan.

"I think the best thing a plan sponsor can do is talk to participants about what it is they're looking for," Harris said.

"Help them to understand what's possible, what can be achieved and then try to understand from them what they're looking for, what will help them with their retirement planning most," he added. "My sense is that there's a lot of flexibility in the provider market and there's a willingness to try to adopt and adapt products to fit the demand that's going to grow up, so let's have a demand-driven process and let's hear what participants have to say." **EBN**

Kenneth Corbin is an Employee Benefit News contributing writer in Boston and Washington. Follow him on Twitter at @kecorb.



N95 and surgical masks offer the most protection, but are being reserved for frontline workers.

Employer dilemma: Will masks keep employees safe?

Remind employees that cloth masks are only part of a multi-pronged strategy to keep the workplace safe.

By Dr. Tista Ghosh

As employers plan out their return to work strategies, many are wondering what to do about masks. Will masks truly keep their workplaces safer from COVID-19 transmission? Should employers provide masks to employees and if so, in what settings? What types of masks should they provide? Publicly available information has been confusing and meanwhile the number of mask vendors has proliferated. Questions and concerns about personal protective equipment are mounting each day. Here are some considerations to think through when choosing a mask for your workers.

Mixed messaging on masks

Since the pandemic began, there have been a lot of mixed messages related to masks, with health organizations like the Centers for Disease

Control and Prevention and World Health Organization initially stating they weren't necessary, but then later recommending their widespread use.

That change occurred after studies uncovered that a significant percentage of people with COVID-19 have no symptoms at all. This indicates that the virus can spread between people interacting in close proximity, potentially while just talking to each other — even if they seem perfectly healthy. In light of this new evidence, the CDC has recommended wearing cloth face coverings in settings where physical distancing is difficult to maintain. The mask is meant to act as a barrier to virus particles coming out of your mouth and nose when you talk or exhale — in case you are infected without realizing it.

But it is important to remember that cloth face

masks don't necessarily protect the person wearing the mask; they keep the wearer from infecting others.

In fact, there is a hierarchy when it comes to masks, in their ability to protect the wearer:

- Respirators (like N95 masks) offer the highest level of protection for the person who is actually wearing them; they are specifically fit to the wearer and filter out airborne particles.

- Surgical masks (disposable, not fitted to individuals) are less protective than respirators, but form a physical barrier between the mouth and nose of the wearer to keep out larger respiratory droplets. Both respirator and surgical masks have been shown to protect healthcare workers from respiratory viruses like the flu. That said, respirators and medical-grade surgical masks are currently being reserved for healthcare workers, due to shortages across the country.



Masks act as a barrier to virus particles from your mouth and nose, says Dr. Tista Ghosh.

- Cloth masks are the least protective of the wearer. The FDA has said they should only be used as "source control," meaning as a method of preventing transmission to others. Fortunately, according to OSHA, cloth face masks are sufficient for most workers who can avoid working in close proximity to others.

Given the limited wearer protection, it's extremely important to avoid a false sense of security among employees if providing them with cloth masks. Maintaining at least six feet of distance whenever possible, reducing the number of people in a space at any given time, increasing cleaning of high touch surfaces, improving HVAC systems and increasing hand-sanitizing/washing are all necessary, in addition to wearing masks when working near others.

And it's important to provide training to employees on these infection control measures, prior to their return to work. **EBN**

Dr. Tista Ghosh is the senior director of Impact Evaluation/Regional Medical Director for Grand Rounds.

Communication & Engagement

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Of the 25 million Americans who lost their jobs to coronavirus, the majority (16.2%) were women.

How to support your female employees' return to work

Coronavirus has shone a light on inequalities in the workplace, especially amongst female colleagues. Is your firm equipped to respond?

By Maddy Simpson

The United States hasn't seen unemployment levels this high since the Great Depression, but this time, it's women who are left without many jobs.

In April, 25 million Americans lost their jobs, but women were unemployed at a higher rate than men: the unemployment rate was 16.2% for women, compared to 13.5% for men, according to the Bureau of Labor Statistics.

More than their male or childless peers, women have also taken on a bigger share of childcare and elder care duties. The challenges are adding a burden on women's mental health: anxiety levels for working women have increased 52% since February, compared to 29% for their male counterparts, according to a May mental health index developed by Total Brain that is being shared to employers by the National Alliance of Healthcare Purchaser Coalitions and

One Mind at Work.

"It is no secret that women have been disproportionately impacted by the pandemic," says Tanya Jansen, co-founder of compensation management provider beqom. "Efforts from businesses to create an equal future are needed more than ever."

As the country is reopening, the task of addressing these inequalities falls on employers, as many created a remote work environment without enough support for employees, says Kristen Liesch, co-CEO of strategic consulting company Tidal Equality.

"Organizations shifted to the work-from-home plan, and did it without a whole lot of consultation or mechanisms in place to hear from their staff," Liesch says. "They haven't been able to mitigate the problems. The pandemic has exacerbated

inequities of all kinds."

In order to close these gaps, firms need to identify where they're falling short as they make plans to return to work, Liesch says. She recommends having an outside consultant to speak with employees and advise management. Often, employees feel more comfortable discussing their challenges and needs with a neutral third party.

"The likelihood of [employees] sharing with real candor how difficult their life is right now and their ability to work is really low," Liesch says. "If an organization really does desire to understand how things are going for their people, this may be the time to bring in a third party that can guarantee the anonymity of your staff."

After listening to feedback and concerns from employees, companies should evaluate whether their internal policies support workplace equity. Liesch's company, Tidal Equality, offers a program called Equity Sequence, a series of questions to help firms identify and address inequities in key decision-points like recruiting processes, event planning or product design.

"Unconscious bias training doesn't train the bias out of anyone," Liesch says. "At the end of the day, there's a real opportunity for organizations to mitigate bias in their processes and systems and products and communications. You're able to uncover where bias might exist in that process, but also have the opportunity to understand ways to make it more equitable and more inclusive."

For companies truly dedicated to making a lasting change to their equity practices, doing it publicly can communicate commitment to change. Last year, Citigroup published their gender pay gap, showing that female employees were paid 73% of what men were, at the median. They pledged to make adjustments for future pay cycles. Intel has also publicly disclosed diversity and representation data at their firm, with a goal to increase representation of women in technical roles to 40% and double the number of women in senior leadership, both by 2030.

While the issues caused by coronavirus are far from over, employers should take the opportunity now to advocate for change both within their organizations and at a federal policy level, says Tara Cookson, co-founder and director of feminist research consulting firm Ladysmith.

"[Change] needs to come at the state and at the national level and be applied to everybody if we're actually going to address COVID and have a recovery that leaves no one behind," says Cookson. **EBN**

Maddy Simpson is a reporter for Employee Benefit News. Follow her on Twitter at @maddysimpson9.



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