

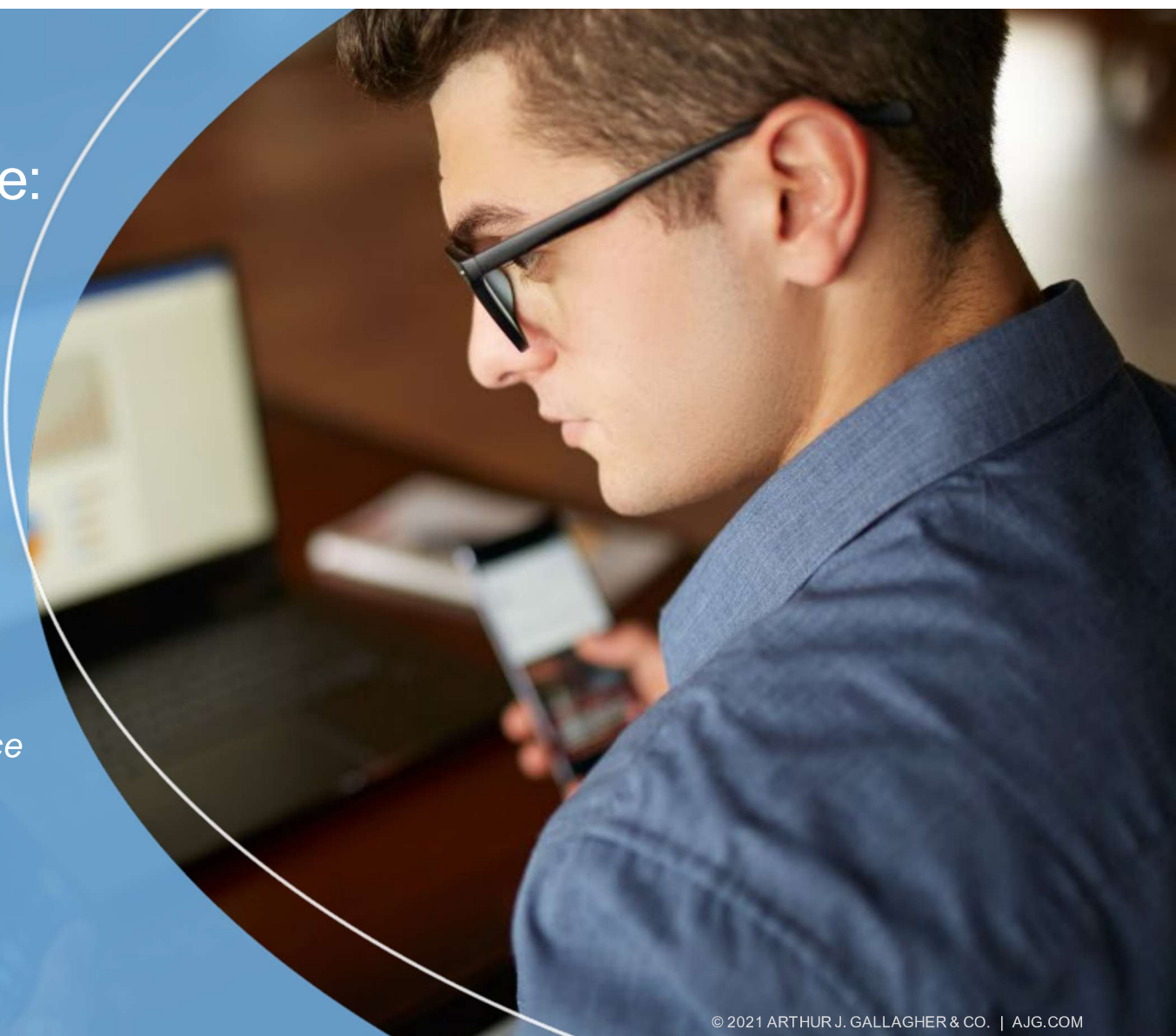
The Generational Puzzle: Updating Your People Strategy for Today's Changing Workplace

ICCCFO Conference
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Speaker: Nichole Johnson
Area Vice President, Higher Ed Practice



Insurance | Risk Management | Consulting





How Key Drivers of Engagement Are Changing

2018

- Growth & Development
- Quality/Service
- Teamwork
- Dignity/Respect
- Sr. Leadership Ethics

2019

- Growth & Development
- Quality/Service
- Teamwork
- Dignity/Respect
- Innovation

2020

- Recognition
- Confidence in Org. & Sr. Leaders
- Work-life Balance
- Physical/Emotional Wellbeing
- Resiliency

2021 – 2022

- Resiliency
- Confidence in Org. & Sr. Leaders
- Growth & Development
- Quality/Service
- Innovation

Reframing How We Think About Traditional Benefit Offerings

Needs vary based on:

- Race
- Age
- Gender
- Religion
- Identity/Orientation
- Physical & Intellectual Disabilities



Understanding Your Workforce



Four General Stages in an Employee's Career

| Established | Mid-Career | Late Career | Pre-Retiree |
|-----------------------------|---------------------------------|-----------------------------|-------------|
| Under age 34 | Ages 35 – 44 | Ages 45 – 54 | Ages 55+ |
| GenZ or iGen to Millennials | Late-stage Millennials to Gen X | Late-stage Gen X to Boomers | Boomers |



Gallagher People Insights Report

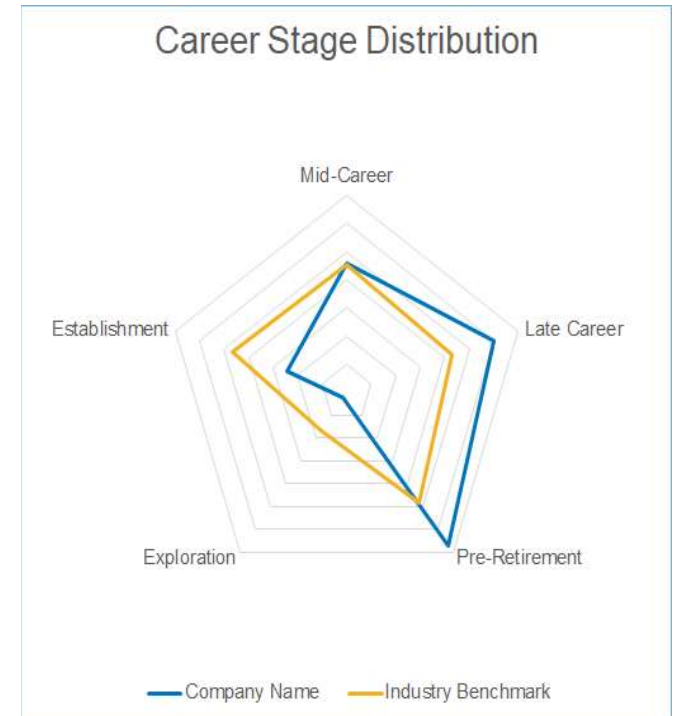


Career Stages

Gallagher's proprietary People Insights Report
 Data from Gallagher's Illinois Community College book of business

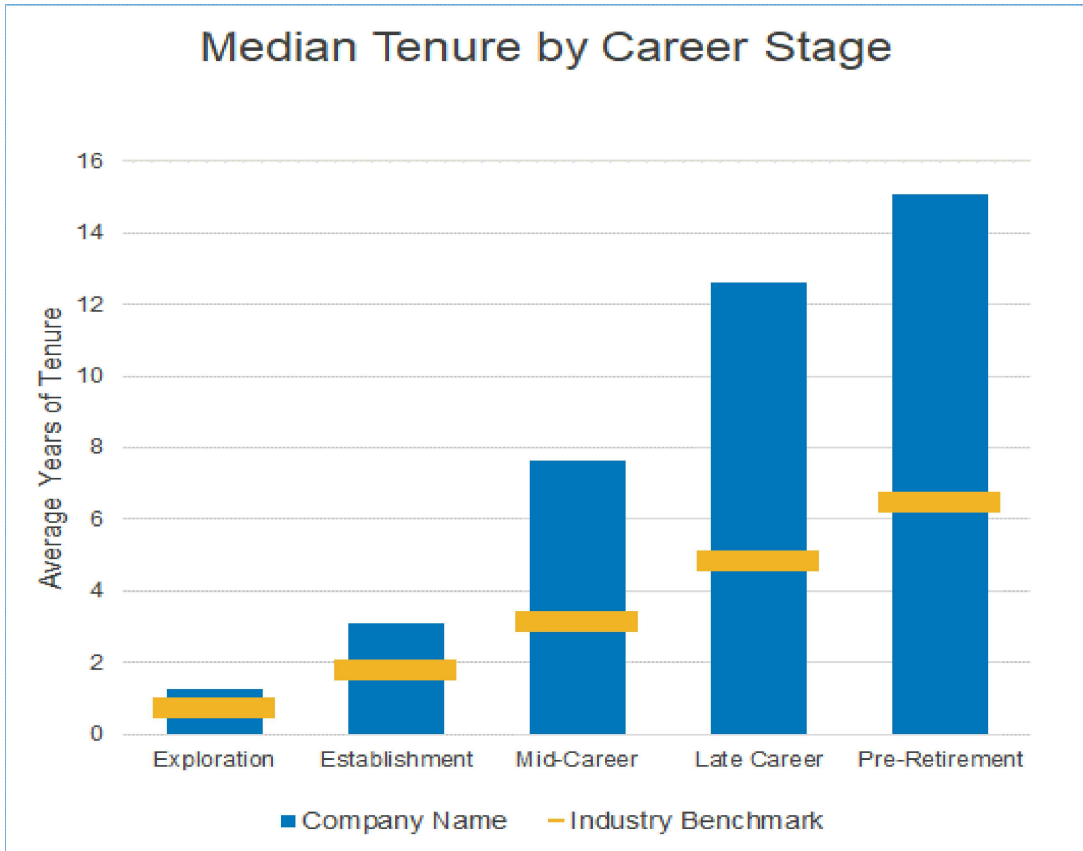


| Career Stages | Established (Under 34) | Mid-Career (35-44) | Late Career (45-54) | Pre-Retirement (55+) |
|--------------------|------------------------|--------------------|---------------------|----------------------|
| # of Employees | 815 | 1406 | 1844 | 2066 |
| % of Employees | 13% | 23% | 30% | 34% |
| Industry Benchmark | 32% | 23% | 21% | 24% |



Median Length of Employment

Gallagher's proprietary People Insights Report
 Data from Gallagher's Illinois Community College book of business



3.9%
 Current employees at retirement age

12.9%
 Employees at retirement age in 5 years



BLS Industry Benchmark: Education and health services

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Compensation



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BLS Industry Benchmark: Education and health services

| Career Stage | Age Range | Male | Female | IL Community College Data | Benchmark |
|----------------|-----------|-----------|-----------|---------------------------|-----------|
| Exploration | <25 | \$ 39,659 | \$ 35,317 | \$ 37,186 | \$ 30,746 |
| Establishment | 25-34 | \$ 48,061 | \$ 48,104 | \$ 48,088 | \$ 45,996 |
| Mid-Career | 35-44 | \$ 67,038 | \$ 63,813 | \$ 65,160 | \$ 56,524 |
| Late Career | 45-54 | \$ 79,864 | \$ 72,008 | \$ 75,152 | \$ 57,507 |
| Pre-Retirement | 55+ | \$ 85,220 | \$ 72,025 | \$ 77,026 | \$ 54,605 |

8% 

Rent disadvantaged employees negatively impacted by SDoH

11% 

(654 employees) Employees with rent disadvantage

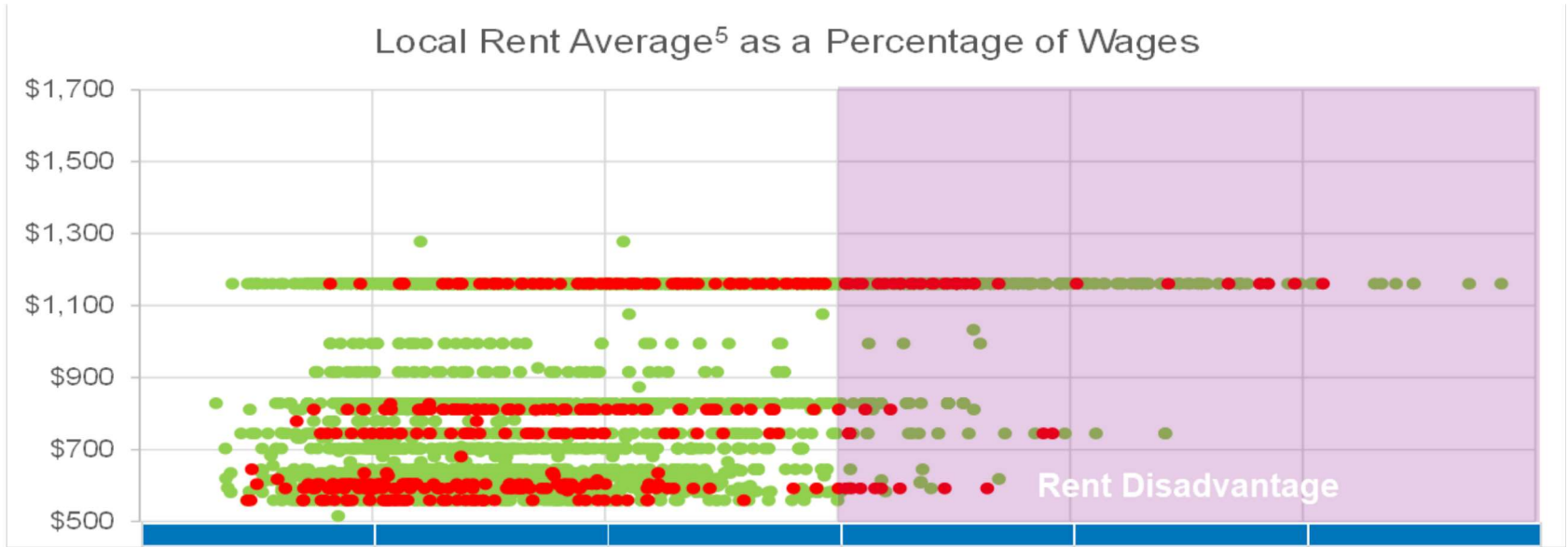
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BLS Industry Benchmark: Education and health services

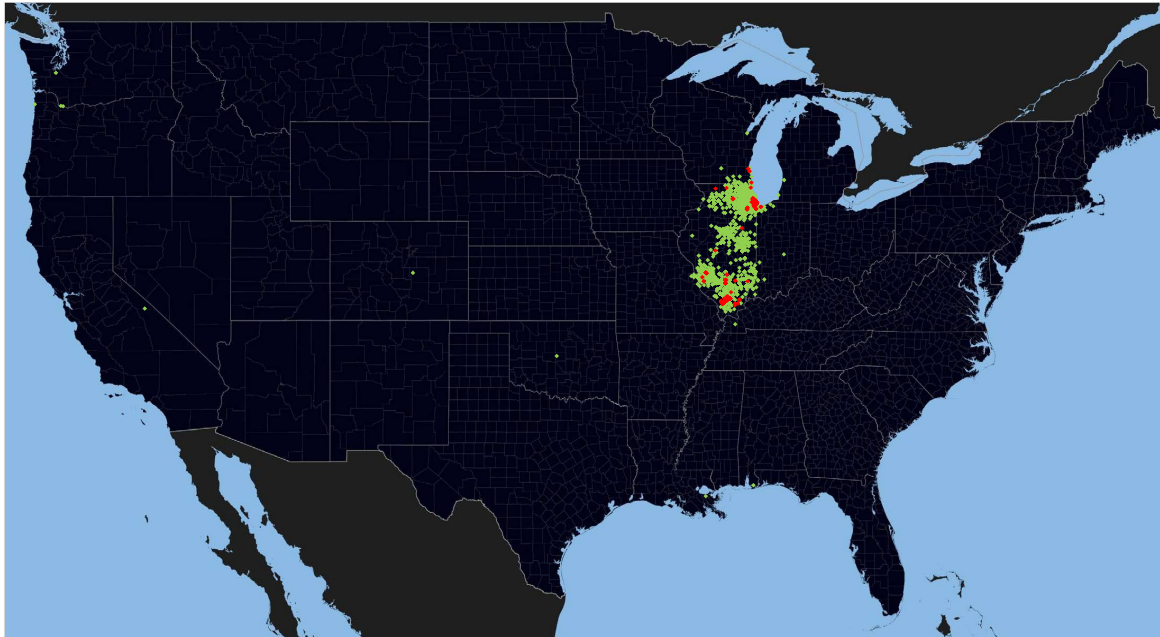
Local Rent Average⁵ as a Percentage of Wages



| Percent of Wages | 10% or less | 10% | 20% | 30% | 40% | 50% or more |
|----------------------|-------------|-------|-------|-----|-----|-------------|
| Total Employees | 612 | 3,080 | 1,785 | 557 | 83 | 14 |
| SDoH Positive Impact | 551 | 2,865 | 1,692 | 510 | 77 | 13 |
| SDoH Negative Impact | 61 | 215 | 94 | 46 | 6 | 1 |

Social Determinants of Health

Gallagher's proprietary People Insights Report
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| SDoH Impact | Employees | Poor Physical Health ³ | | Poor Mental Health ³ | |
|-----------------|-------------|-----------------------------------|---|---------------------------------|---|
| Negative Impact | 423 (7%) | 10% | Living in a zip code with high prevalence of poor physical health | 26% | Living in a zip code with high prevalence of poor mental health |
| Positive Impact | 5,708 (93%) | 0% | | 2% | |

| Top 5 Negatively Impacted Zip Codes | Employees |
|-------------------------------------|-----------|
| 60115-DeKalb, IL | 66 |
| 62801-Centralia, IL | 51 |
| 62002-Alton, IL | 45 |
| 62966-Murphysboro, IL | 28 |
| 62901-Carbondale, IL | 28 |

Social determinants of health impact access to health care, the ability to maintain healthy behaviors and the safety of the physical environments in which we live⁴.

Economically disadvantaged zip codes have a negative impact on the health of people living there, regardless of income or status.

| Top 5 Counties with Negatively Impacted Employees* | Employees |
|--|-----------|
| Cook County, IL | 99 |
| DeKalb County, IL | 66 |
| Jackson County, IL | 60 |
| Marion County, IL | 60 |
| Madison County, IL | 47 |

*Not all zip codes in a county are negatively impacted

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Generational Characteristics & Programs to Meet Their Needs



Established Under Age 34 (13%)

| Values & Career Characteristics | Virtual Work Attributes |
|--|---|
| <ul style="list-style-type: none"> • Career Advancement & Recognition • Mentorship • Equality in the Workplace • Purpose-Based Culture | <ul style="list-style-type: none"> • Communication through Technology • Training and Onboarding • Emails, Texts, Instant Messaging |
| Traditional Programs | Innovative Programs |
| <ul style="list-style-type: none"> • Financial Assistance Programs • Employee Assistance Program (EAP) <ul style="list-style-type: none"> – Mental Health Support Services • Pet Insurance • Online Wellbeing Programs | <ul style="list-style-type: none"> • Purchasing Power • Perks • Self-Care Support • Flexible Career Advancement Stipend |

Mid-Career

Ages 35 – 44 (23%)

| Values & Career Characteristics | Virtual Work Attributes |
|--|--|
| <ul style="list-style-type: none"> • Career Advancement & Professional Development • Mentorship • Flexibility & Time-Off • Purpose-Based Culture | <ul style="list-style-type: none"> • Work/Life Balancing Act • Commuting • Visually Appealing Communications • Phone Calls |
| Traditional Programs | Innovative Programs |
| <ul style="list-style-type: none"> • Employee Assistance Program (EAP) – Childcare Support Services • Short-Term Disability – Maternity Benefits • Supplemental Health Products | <ul style="list-style-type: none"> • Identity Theft • Family Support Benefits • Financial Assistance - Home and Auto |

Late Career

Ages 45 – 54 (30%)

| Values & Career Characteristics | Virtual Work Attributes |
|---|---|
| <ul style="list-style-type: none"> • Leadership Roles • Recognition & Respect • Mentoring • Savings & Income Protection | <ul style="list-style-type: none"> • Missing In-Person Meetings • Practical & Factual Information • Phone Calls and Detailed Messaging |
| Traditional Programs | Innovative Programs |
| <ul style="list-style-type: none"> • Employee Assistance Program (EAP) – Estate Planning, Will Support • Permanent Life Insurance, Long-term Care • Long-Term Disability | <ul style="list-style-type: none"> • Financial Support Programs • Caregiver Support Benefits |

Pre-Retiree

Ages 55+ (34%)

| Values & Career Characteristics | Virtual Work Attributes |
|---|--|
| <ul style="list-style-type: none">• Empty Nesters• Mentoring & Coaching• Medical Plan Users | <ul style="list-style-type: none">• Hardest transition for this group to Remote Work Environments• Print Materials• Classroom-style Learners |
| Traditional Programs | Innovative Programs |
| <ul style="list-style-type: none">• Life Insurance Conversion• Medicare & Social Security• Retirement Readiness | <ul style="list-style-type: none">• Retiree Coverage• Retiree Exchange – call center/advocacy |

Health Risks & Concerns



Gallagher's proprietary People Insights Report
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| Generation | Your Distribution | Industry Benchmark | Top Concerns | Common Concerns | Focus Areas |
|----------------|-------------------|--------------------|---|--|--|
| Pre-Retirement | 34% | 24% | <ul style="list-style-type: none"> Age-related chronic conditions High Pharmacy Utilization | <ul style="list-style-type: none"> Back Disorders Autoimmune Rx Use Depression | <ul style="list-style-type: none"> Condition Management Home Care Based Programs Medicare Education Condition Management Home Care Based Programs Long-Term Care coverages |
| Late Career | 30% | 21% | <ul style="list-style-type: none"> Age-related chronic conditions Cancer High Pharmacy Utilization | | <ul style="list-style-type: none"> Condition Management Prevention Programs |
| Mid-Career | 23% | 23% | <ul style="list-style-type: none"> Chronic conditions Cancer Higher cost care including well visits Accepting of virtual visit delivery models | | <ul style="list-style-type: none"> Quick care access options Robust MHSA Support Programs Maternity Programs & Education VB Accident Programs Condition Management Consumerism education focused on Rx |
| Established | 12% | 23% | <ul style="list-style-type: none"> Pregnancy-related claims Mental Health Conditions At-Risk/Early Diagnosis for Chronic Conditions High Pharmacy Utilization More frequent ER users | | <ul style="list-style-type: none"> Quick care access options Total Rewards Messaging |
| Exploration | 1% | 9% | <ul style="list-style-type: none"> Injuries Highest cost newborns Mental Health | | |

| Disease States | Background Prevalence | National Prevalence |
|-----------------------|-----------------------|---------------------|
| Arthritis | 24.7% | 25.1% |
| Asthma | 9.3% | 9.8% |
| Cancer | 6.7% | 6.5% |
| Chronic Heart Disease | 5.8% | 6.4% |
| COPD | 6.7% | 7.1% |
| Diabetes | 9.1% | 10.9% |
| High Blood Pressure | 30.7% | 31.6% |
| High Cholesterol | 33.1% | 33.1% |
| Poor Mental Health | 12.7% | 14.1% |
| Poor Physical Health | 11.2% | 13.1% |

| Behaviors | Background Prevalence | National Prevalence |
|-----------------------|-----------------------|---------------------|
| Binge Drinking | 21.0% | 17.6% |
| Lack of Sleep | 33.9% | 36.6% |
| Low Physical Activity | 23.7% | 24.9% |
| Obesity | 30.8% | 31.7% |
| Smoking | 17.2% | 17.9% |

Four Steps to Getting Started

Creating your action plan

Acknowledge

- Recognize the difficulty, stress, and unique challenges your employees are facing
- Recognize that there are multiple generations in your employee population that may want different things from their employer

Ask

- Survey your population to better understand your employees and their needs
- Ask your key leaders to participate in a priorities, urgencies and overall efficiencies survey

Assess

- Inventory all existing benefits, resources and policies
- Assess the results of your workforce evaluation
- Assess your next generation of leaders
- Assess benefits benchmarking data

Act

- Develop an inclusive strategy that supports total wellbeing
- Create a formal, proactive and deliberate succession plan to determine the key people who will be most qualified and ready to move into vacated positions

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