

# Solving the Retention Gap

## Key Takeaways:

- New parents are asking for practical assistance from their employer and are less interested in the classic solution set (even the enhanced version of benefit program classics).
- Pregnancy is a "we" event and needs to be inclusive of all family types and both birth and non-birth parents.
- Employers should invest in helping employees reduce stress by solving root cause issues, such as the logistical challenges working parents face in balancing work and life.





It's no secret that The Great Resignation is upon us, but the reality is that companies were struggling with retention of working moms and working parents well before the COVID pandemic. Recent studies and articles in the press have cited multiple reasons for this exodus, such as poor manager support, employee burnout, childcare challenges, and a shuffling of family and career priorities. Many of these items are addressable, which is why we started BenefitBump. We believe that the key to higher retention is to improve the “employee experience” and to help employees solve logistical challenges that get in the way of return-to-work.



## A Look Ahead

In this white paper, we'll unpack how focused maternal mental health services, benefit education and logistical support, and return-to-work assistance are essential for growing families and working parents to successfully balance parenthood and their careers.

# Mental Health

## Addressing the Sources of Stress

The depth and breadth of employee needs have proven to be more substantial than even we imagined.

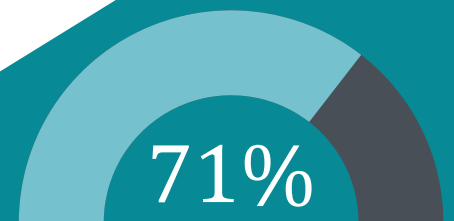
Financial challenges, loss anxiety and miscarriage, and overlapping life events are just a few of the complexities that increase the strain on growing families.

The magnitude of these sources of stress should not have been surprising, since studies dating back to the 1950s have analyzed prenatal stress and anxiety and its impact on birth outcomes. The most common sources of stress are financial factors, discrimination, and the logistical challenges of being a working parent, such as childcare and breastfeeding. Interestingly, despite what we've known for decades about the link between poor birth outcomes and poor maternal mental health, employer benefits in this area have primarily focused on maternal physical health. In addition, we continue to lean on the employee assistance program (EAP) to address the other stress factors, despite their much broader application and historically low utilization levels, granted some EAPs perform better than others.

In June of 2021, BenefitBump surveyed over 600 working moms across the country and income spectrum. The results painted a bleak picture for families and employers alike. 87% of working mothers reported high stress levels during pregnancy and the post-delivery period.

Despite high levels of stress, only 25% of the working moms we surveyed sought any type of clinical assistance. This tells us that working moms are struggling with stress and anxiety and are not aware of, or comfortable using, the emotional wellbeing resources available to them.

In most cases, the standard of care for postpartum mothers is just one mental health screening with their OBGYN six weeks after delivery, then no further touchpoints until the mom's annual well-woman checkup a full year after birth. Many complications, including perinatal mood disorders, present themselves after the first 6 weeks postpartum. Moreover, OBGYNs are not tasked with having mental health check-ins with their patients during the pregnancy period. This dynamic may help explain our country's poor maternal health outcomes relative to other industrialized countries.



71% of BenefitBump participants reported lower stress throughout their pregnancy and post-partum period

This challenge/reality is especially dire for lower income and non-white birth parents. Access to care and affordability are major challenges, which are further complicated by the struggles these families have in meeting their daily financial needs. In a review of approximately 500 employed new and expectant parents, Emvitals found that 17% of these parents were struggling to meet day-to-day financial needs and 46% were living month-to-month financially.

We also sought to understand how employers are responding to these challenges, so in September 2021 BenefitBump surveyed 125 employers of all sizes, industries, and geographies. Employers told us that they are investing in mental health resources, but not in family and financial supports that address the underlying stressors that lead to poor mental health among working parents. Current solutions are treating the symptoms, but not necessarily the root cause.

Although improving stress and anxiety for employees sounds like the right thing to do, what's in it for the employer? Addressing the root causes of perinatal mood disorders (maternal mental health, financial challenges, and logistical stress) could save companies \$47,000+ per avoided preemie baby and \$30,000+ per mom who gets needed support for her postpartum depression. With the premature birth frequency at nearly 8 per 100 births and perinatal mood disorders occurring in over 33% of pregnancies, and stress being a major contributor to fertility challenges, assisting with key stressors can result in a remarkable return on investment. Proudly, 71% of BenefitBump participants reported lower stress throughout their pregnancy and postpartum period. As a result, our participants with high-risk pregnancies or those having trouble conceiving are experiencing better health outcomes, with no reported early deliveries and multiple members successfully becoming pregnant without treatment after prior challenges conceiving.





# Leave/Return to Work

## Increasing Retention and Associate Loyalty

In BenefitBump's Mom Survey, 69% of respondents found the leave/pay replacement process difficult. Employees are confused about what time off programs are available to them, how much they will get paid while on leave, and what paperwork needs to be completed. Parents also struggle with how to talk to their manager about going on leave and how to transition work prior to their absence. Many employers are not aware there is a support gap until after an employee leaves the company, which occurs with more than one-third of new parents, which we'll discuss below.

Leave administration has historically focused on facilitating the delivery of leave benefits, compliance, and return-to-work accommodations for individuals with physical disabilities. Sadly, return-to-work assistance is not a core focus area of most leave programs, beyond the limited examples cited before. Further, most pregnancy events are "streamlined", meaning that participants have few requirements for getting their leave/claim approved and very little contact with leave administrators throughout the process. This sounds like a good thing, except employees are often frustrated that their exciting and complicated life event is often met with automated voice response systems, letters, and robotic intake, not the care and excitement they were expecting or need in order to successfully navigate growing their family and returning to work.

The Mom Survey also showed that 36% of responding moms chose to leave their employer for reasons such as poor support from managers and poor work/life balance, resulting in labor shortages and talent gaps across the workforce.

Among this group, 26% of the survey respondents shared that they returned to work, but subsequently switched employers within 12 months of childbirth due to lack of support and resources. This is sobering... a majority of the moms in the survey left their employer, but remained in the workforce. There could be many reasons for these job changes, but the evidence suggests that employers can materially impact their turnover of new moms by addressing their needs as they grow their families. As one of our client's employees shared with us about her own experience, "they had someone doing my job for 12 weeks and I rarely heard from anyone at the company, so I started to question whether they really wanted me back."

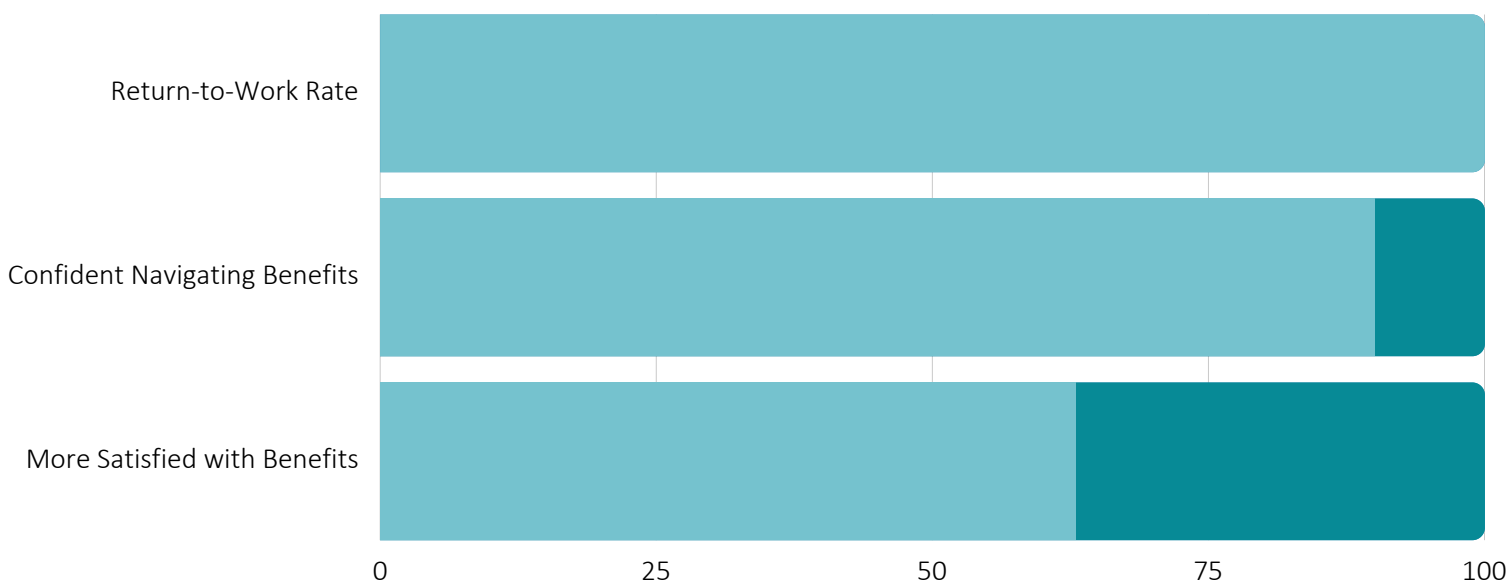
Why does leave administration and return-to-work support need addressing now? Solving return-to-work challenges for jobs at all levels is extremely valuable to employers. SHRM reports that the average cost to recruit and onboard an employee exceeds \$4,000. That doesn't account for the opportunity cost, training time, customer impact, etc. When factoring in all variables, Gallup reported that the cost of attrition of just one working parent is equal to 0.5-2X their annual salary, averaging \$75,000-100,000 per lost employee.

So, what kind of support can employers offer to help reduce attrition? Moms told us what they needed from their employer in the Mom Survey results. Moms stated that they left their employer due to work/life balance issues, poor manager interactions, and lack of support. In terms of support, they told us that finding childcare, navigating leaves, understanding benefits, and managing their wellbeing were all difficult while expecting or post-partum. Most telling in the survey was the open-ended question we posed to survey participants where we asked them what their employers could have done differently to improve their experience. Interestingly, none of the responses included the typical tactics among healthy pregnancy and mental health solutions. Instead, moms want someone to help them navigate the process, they want their employer to demonstrate sincere concern and excitement, and they expect parent-friendly HR policies.

This may also have been the most validating set of responses for the BenefitBump business model, since these are our key areas of focus.



By meeting these previously unspoken needs, our return-to-work rate for our participants is 100% (which will inevitably drop to some degree, but this level of success with both male and female participants is a great source of pride at BenefitBump). By proactively supporting employees, helping them be planful about logistics, and navigating them through their leave options, companies can reduce stress, which will lead to improved health outcomes for both mom and baby and higher return-to-work rates. 90% of BenefitBump participants feel more confident navigating their benefits and 63% are more satisfied with their employer's benefit offering. These data points taken together demonstrate that BenefitBump increases employee satisfaction and loyalty.



# Childcare

## Reduce Turnover and Increase Productivity of Parents

Sourcing quality, affordable childcare (both primary and backup care) can be a nightmare and take countless hours, especially when expectant parents start looking for care late in the process. Wait lists are long and parents need to take action early in the pregnancy/adoption journey in order to successfully secure childcare. Most parents don't realize they need backup childcare until it is too late. The result is missed work time with 45% of parents missing an average of 4.3 days every six months, according to a Bright Horizons study.

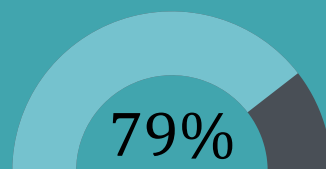
Whitney Pesek, the director of federal childcare policy at the NWLC, said, "Even before the pandemic, the childcare system was not working for families, or for the providers." 79% of our Mom Survey respondents had a difficult time sourcing and paying for childcare. Contrastingly, in our recent survey of employers, we found that zero large and mid-size companies and only 4% of small companies are adding childcare subsidies in 2022.

A recent EBN New York Metro Child Care Accessibility Report found that offering childcare relief reduces turnover by 35-60% and reduces absenteeism by 20-30%, while increasing productivity for 85% of parents. Which makes sense. Childcare subsidies reduce the financial burden for parents related to childcare expenses, thus reducing an employee's stress levels and ultimately leading to better mental health outcomes. Recently, BenefitBump assisted a father who identified childcare as his top area of concern. His Care Navigator spent a large portion of their initial call talking about ways to identify providers and how to mitigate costs. He was not aware that he was eligible for a Dependent Care FSA

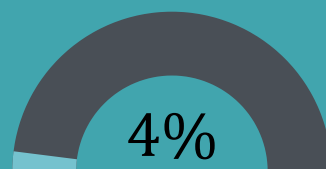
(he thought that having a HDHP with an HSA disqualified him for a DC-FSA, demonstrating the complexity of understanding the myriad of benefits most employers offer). BenefitBump was able to help him take a proactive approach to finding childcare and relieve his financial stress by educating him on available resources. This is part of our routine curriculum, where BenefitBump Care Navigators talk with all participants about their childcare plans and 100% of those who have been offered our childcare planning tools have taken advantage of them.

In addition to securing childcare, BenefitBump also assists participants with planning their return-to-work in a manner that accommodates their childcare arrangement, but also helps address the stress related to leaving their new baby with a daycare provider. Many employees are unaware of their FMLA rights, the concept of intermittent leave, or that their employer may (and usually will) offer flexibility to new parents as they craft their return-to-work plans. We are still seeking statistics to validate whether our planful approach with participants is reducing work disruptions, but we highly suspect that it is.

### Contrasting Survey Results



79% of employees surveyed had a difficult time sourcing and paying for childcare



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# Benefit Navigation

## Financial Support and Resources

Financial concerns and benefit navigation are huge stressors when growing a family. The cost of having a baby with health insurance ranges from \$4,884 to \$14,927, depending on the kind of birth someone has. Those choosing to adopt could see costs upwards of \$45,000. Fertility treatments cost parents around \$12,400 per IVF cycle. Lack of understanding benefits can cause missed cost-saving opportunities.

In addition to the birth costs, new parents also incur expenses related to raising children. The majority of parents (67%) have spent money they didn't have to buy their children essential items or experiences, which parents said included items such as food, shoes, clothes and school supplies

Lack of employer support and subsidies compound financial stress for employees growing their families. In BenefitBump's 2021 Employer Survey, we saw that only 43% of companies currently offer adoption assistance with 5% stating that they are adding adoption assistance in 2022. Only 32% of companies surveyed offer subsidized fertility benefits with 5% stating that they are adding them in 2022. Given the variability of benefit designs and the magnitude of costs, we were not surprised that 60% of moms in our survey wanted help understanding their employer's benefits. Unfortunately, only 10% of companies have or are adding expanded family support programs. This suggests that a huge opportunity exists for early adopters of programs like BenefitBump and other comprehensive benefit navigation programs.

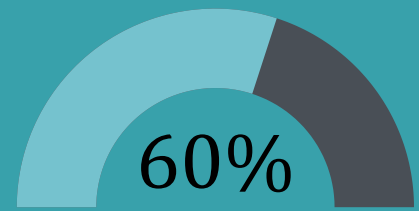
## Conclusion

The time to act is now. The consequences of inaction are negatively impacting employers' bottom line and employees' wellbeing. We have to challenge our historical responses to the issues confronting working parents, especially working moms. The prevailing models and processes for maternal support and mental health have been failing new/expectant parents.

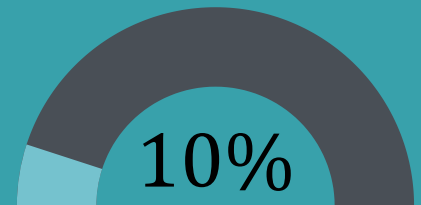
BenefitBump is proving that focusing on the stressors, providing human support, and filling the "leave gap" are the keys to success. Our clients are improving their employees' mental health, increasing their return-to-work rates, and improving health outcomes. A true win-win for them and their employees.

To learn more about BenefitBump, contact us at [info@benefitbump.com](mailto:info@benefitbump.com).

## Survey Results Reflect Discrepancy



of moms in our survey wanted help understanding their employer's benefits



only 10% of companies have or are adding expanded family support programs.





# Meet BenefitBump

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## **Scott Liebman**

FOUNDER AND CEO

Scott has over 25 years of experience advising employers on the design of their employee benefit plans and leave programs. Early in his career, he developed a healthy maternity program for a regional health plan. Scott developed BenefitBump to try to help plan participants navigate an increasing complex or inconsistently resourced benefits ecosystem and the myriad of leave programs and entitlements.

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## **Sarah Moore**

VP, LEGAL AND BUSINESS DEVELOPMENT

Prior to joining BenefitBump, Sarah worked in the corporate practice group at a large St. Louis area law firm and as a corporate lawyer in an in-house setting. Sarah champions and empowers businesses to further family friendly work environments by implementing developed best practices, including low-cost ways employers can support working parents.

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## **April Wagner**

DIRECTOR OF MARKETING & COMMUNICATIONS

April is an experienced insurance industry professional with extensive marketing experience. She develops and implements brand strategies and campaigns to promote the benefits of family-friendly supports to organizations.

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