

State Employee Benefits

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Challenge Statement

Virginia, like many states, has to balance its desire to offer attractive and affordable benefits and wellness incentives for its state workers with the rising costs of healthcare.

Using external benchmarks and employee data, what do you recommend for affordable and attractive options for state benefits?



Current Virginia Demographics

- 105,000 salaried
- 23,000 temporary employees

	Virginia	U.S.
Boomers	54%	29%
Generation X	35%	34%
Millennials	8%	34%
Female	54%	47%
Average Age	47	42
Average Tenure	11.8	4.2
Minority	35%	34%



Workforce Challenges = Opportunities

- **Turnover:**

- Voluntary turnover is increasing, and $\frac{2}{3}$ have < 5 years of service
- As turnover \uparrow , offer acceptance has \downarrow and time to hire has \uparrow
- High retirement eligibility (25% over 5 years) may result in brain drain
- Millennials are the largest and fastest growing cohort of new hires

- **Compensation:**

- Salary compression and deferred raises negatively impacts morale
- 47th & 32nd ranked in public-to-private pay and avg. comp
- 23.4% below market



Competitor Landscape

Review of private sector, other state benefits

Family

- Leave
- Other Family

Community Involvement

- Volunteer Opportunities
- Gift Matching

Personal Wellness

- Health
- Entertainment
- Personal Growth

Financial

- College Expenses
- Other Financial Benefits



Insights from Focus Group and Survey

Traditional Benefits

- Competitive salaries
- Healthcare
- Life insurance
- Retirement
- Leave time

Non-traditional Benefits

- Teleworking
- Defined career paths
- Tuition discounts
- Childcare assistance
- Collaborative environment



Observations About State Benefits

- *Current suite is fairly competitive but dated*
- *Historically they've mitigated the compensation gap*
- *They are preventing us from effectively competing for talent*
- *Changes in our workforce require a broader and more modern view of benefits*



Recommendations

- Flexible work schedules
- Telecommuting
- Casual dress



Additional Ideas for Consideration

- Subsidized higher education for dependent children
- Free admission to state parks, museums
- Free hunting/fishing licenses for state employees
- Formalized mentoring program
- Defined career path/advancement opportunities



QUESTIONS?

