

Long-Term Benefits Plans Safeguard Companies from Turbulent Times

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As Warren Buffet said, “Someone is sitting in the shade today because someone planted a tree a long time ago.” Planning your employee benefits is no different—and the pandemic over the last nearly two years showed us just that. Just like that tree planted long ago, a long-term benefits plan can help you get through uncertain or turbulent times.

What a Long-Term Benefits Plan Looks Like

To develop a long-term benefits strategy, focus on benchmarking your current benefits offerings, setting a goal based on industry insights and data, and building a plan to get there.

For example, a nonprofit organization wants to attract and retain top talent more competitively, and their benefits strategy is a key component. According to a benchmark report, their current plan ranks in the 75th percentile, or above 75% of others. While good, that would not allow them to compete against other nonprofits in an increasingly tight labor market. A three-year plan can help them level-up their benefits and become more competitive. Here’s what it could look like:

- In year one, they survey employees to learn what benefits they value. This allows them to make small changes to enhance valued benefits and reallocate funds from underutilized benefits to pay for those enhancements.
- In year two, based on the survey, they eliminate gaps in financial protection for disability by adding to their voluntary benefit platform. They also add a student debt program to help them attract a younger demographic.
- In year three, they implement fertility benefits and carve out prescription benefits. They also invest in a central hub for communicating and engaging employees in mental, physical and financial wellness programs offered through the organization and their carrier partners.

By the end of year three, they expect their benefits would be benchmarked in the 90th percentile, be one of the richest plans among their competition, and that their current employees would respond positively. Sounds easy, right?

Responding to the Unexpected

Of course, as the old Yiddish saying goes, “Man plans, and God laughs.” Over the past couple years, many of us may have felt this frustration. This pandemic has left many organizations, and especially nonprofits, coping with reduced budgets, increased costs and competition for talent, and many of our clients across industries were working toward their long-term strategic goals but pivoted to survival mode when COVID-19 hit.

Long-term benefits plans help organizations recover from disruption.

Organizations that had a plan had an advantage when they needed to pivot because they knew where they were on the path and why they had chosen that path. The value isn't necessarily just the "plan" itself, but rather the act of planning and what that reveals about an organization's goals, priorities and resources.

Long-Term Planning Despite Disruption

Even if disruption delayed our example organization achieving that 90th percentile benchmark until year four or five, that original plan was still essential. It provides goals to work toward, if perhaps in smaller steps. The organization identified the demographic they aimed to attract and retain. They defined their mission-driven values and culture and set their benefits plan on a path to reflect that.

As we continue to face challenges, it is more important than ever for nonprofits, or any organization, to reevaluate their long- and short-term strategy and map out a more informed, data-driven path that will lead to success for both the organization and its workforce.

With the right planning, a storm may shake some leaves or branches from the tree, but the limbs continue to grow and provide shade for years to come. ■

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