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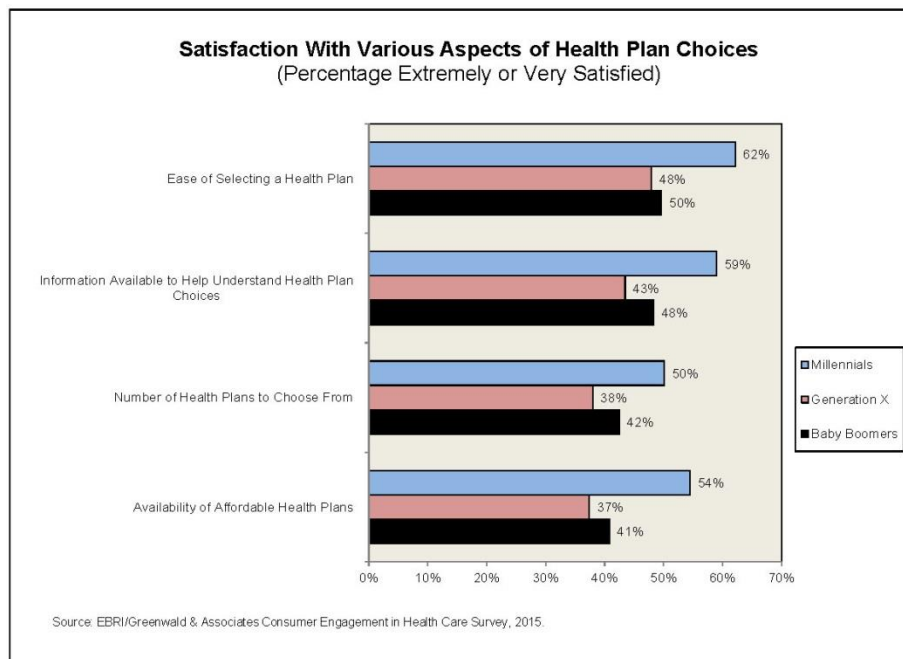
New Research from EBRI:

Generational Split on Health Benefits Led by Millennials

WASHINGTON—There are major differences between younger Millennial workers and their older Gen X and Baby Boomer colleagues when it comes to how they view and use health benefits, according to a new analysis by the nonpartisan Employee Benefit Research Institute (EBRI).

The Consumer Engagement in Health Care Survey (CEHCS) by EBRI and Greenwald & Associates finds that Millennials are much more satisfied than Baby Boomers and Gen Xers with health plan choices and financial aspects of their health plans; are more actively engaged in picking a plan and making cost-conscious health care decisions; and are more likely to engage in healthy behaviors (except smoking).

“We find profound differences in how Millennials deal with health issues and health coverage than their older colleagues at work,” said Paul Fronstin, director of EBRI’s Health Education and Research program, and co-author of the report. “It’s no surprise that employers are interested in the role of Millennials in the labor force. It’s important for employers to understand differences in generational cohorts to better adapt to a changing workforce.”



For instance, Fronstin said employers may need to engage Millennials differently than older generations because of different expectations and experiences regarding health care and health coverage as an employee benefit. Employers should better understand how different workers may react to different plan design features and other efforts to engage workers in their health, and use of health care services, he said.

The Millennial Generation (also known as Millennials or Generation Y), is the demographic cohort with birth years ranging from 1977 to 2000 (currently ages 17–40); it numbers over 75 million people, which is currently larger than the Baby Boom generation (individuals born 1946–1965, currently ages 52–71) of about 74.9 million. In addition, Generation X (those born 1966–1976, currently ages 41–51) is projected to pass the Baby Boom generation in population by 2028.

Among the report’s key findings:

- **Millennials value and are more satisfied than other generational cohorts with aspects of plan management that are directly within a plan sponsor’s control.** More than other generational cohorts, Millennials are satisfied with the process of enrollment, including the information available to help understand health plan choices. Further, Millennials are more satisfied with the availability of affordable health plans at enrollment and their personal financial experience of out-of-pocket costs. Millennials are slightly less satisfied with health system features that plan sponsors have less control over, including quality of health care received and doctor choice. This is an issue plan sponsors may engage their insurance partners to address.
- **Millennials are more engaged than other generational cohorts in health care choices, including some costly for plan sponsors.** At enrollment and when engaged with the health system, Millennials report higher rates of specific behaviors that contributed to more engaged health care consumers. However, they are also more likely to request a brand name drug over a generic. Plan sponsors may want to experiment with targeted ways to lower plan costs among this subset of their participant population, the report notes. Millennials report greater engagement with cost-conscious behaviors (e.g. seeking the cost of a procedure before receiving services) that many plan sponsors encourage through their health plan design and participant education.
- **Plan sponsors may have more leverage to encourage Millennials to stop smoking.** The EBRI research shows that Millennials have the highest rates of regular exercise and normal weight, yet paradoxically are more likely to smoke. Given the higher overall engagement rates summarized above, plan sponsors may want to experiment with plan design and education to decrease the rates of smoking among the youngest generational cohort.

The EBRI/Greenwald & Consumer Engagement in Health Care Survey (CEHCS) is an online survey that examines issues surrounding consumer-driven health care, including the cost of insurance, the cost of care, satisfaction with health care, satisfaction with health care plans, reasons for choosing a plan, and sources of health information. It is co-sponsored by EBRI and Greenwald & Associates, Inc., with the support from seven private organizations.

The full report, “Consumer Engagement in Health Care and Choice of Health Plan: Differences Among Millennials, Baby Boomers, and Generation X Have Implications for Plan Sponsors,” is published in the April 27, 2017, *EBRI Notes*, available online at www.ebri.org

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