CASE STUDY

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MORTGAGE BROKER LEVERAGES EMPLOYEE BENEFITS TO WIN TALENT WAR

Now more than ever, employers are leveraging the power of their benefits package as a recruitment and retention tool. That is exactly what one of our clients, a national mortgage brokerage, did to gain a competitive edge.

Headquartered in Maryland with about 150 employees, the firm was focused on attracting and retaining mortgage brokers. The formula they had envisioned was that the more solid talent they could onboard and retain, the more revenue they would generate along the road to higher profits.

But in order for that to happen, they needed to improve their employee benefit package. The office model that had been in place was very disjointed, with pockets of employees spread across 20 states. The majority of their locations only had a handful of staff members. Only their headquarters had more than 10 employees, which included their accounting and marketing staff. Having numerous small offices throughout many states caused confusion. For example, the fully insured health plan option someone from Pennsylvania was offered was different from the health plan option offered to a colleague who lived just five minutes away in New Jersey. Payroll deductions were also different depending on the location, which caused employee friction among employees who compared their plans.

For their renewal, we were able to place all office locations onto the same benefit structure, with the same carrier offering the same benefit options to all employees, regardless of their location. Additionally, we added more options to pick from. In the past, employees were offered only one plan option. With the new structure, employees were allowed to choose from several different plan options, allowing them to pick the option which best suited their needs. For those that elected the basic plan, the employer would cover 100% of the employee only option. This made sense for young and healthy employees. Other employees, typically those with more expendable income or preexisting health concerns, selected richer plan options. By giving employees the options to choose their level of coverage, we were able to ease employee friction because employees now had a choice instead of a take it or leave it option. Shortly after implementation of the new structure, we surveyed employees to determine their level of satisfaction with the new structure. Their level of satisfaction increased over 22% compared to the prior year's survey.

In addition to the health benefits, we also looked at their ancillary benefit package. In the past, they had only provided dental and vision benefits. We suggested that they offer both group term life insurance, at one-and-a half times salary with a $250,000 maximum in the death benefit, as well as voluntary term life insurance. The cost to the employer for the group term life insurance was less than $5,000 a year, and there was no cost to the employer for the voluntary term life insurance. By adding group term life insurance and voluntary term life insurance, the employer was able to provide a meaningful benefit to employees, at a minimal cost.

→ In seeking to leverage employee benefits as a tool to attract – not just retain – talent, the company designed a new employee benefits handbook, detailing all of its expanded coverage options. The employee benefits handbook was shared with prospective new hires as a way to illustrate the newly enhanced benefits. As a result of the new employee handbook, the employer has been able to attract more talent than it has been able to in the past.

Between the pandemic and challenging labor market, both of which have dramatically reshaped the employment contract, there has never been a better time for employers to be more strategic about their employee benefit plan design.

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