Benefits Insights

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Promoting Life Insurance to Millennials

Many organizations invest substantial resources in putting together attractive benefits packages for employees. With its enticing promise of financial security for loved ones, life insurance has traditionally been a popular benefit option.

However, the generational shift taking place in the workforce has led to some younger workers questioning the need for life insurance. A recent Princeton survey found that 65% of millennials don't have life insurance.

Some of the factors behind these statistics may be shifts in income and lifestyles. Large numbers of millennials are entering the workforce with a significant amount of student loan debt, and many are delaying traditional adult milestones like getting married, having children and purchasing a house.

Yet while these attitudes may seem to lessen the immediate need for life insurance for millennials, they are not entirely turning millennials away from the idea of life insurance.

Reasons to Buy Life Insurance

These numbers suggest that millennial workers are not averse to life insurance, they just need to be sure of its value before signing up. With that in mind, here are some reasons that employers can use to encourage millennial employees to purchase life insurance.

Cost

In general, life insurance gets more expensive as a person ages. A 25-year-old person in good health can find a sizable six-figure term life policy for just a few hundred dollars a year. For a senior citizen, that same coverage can cost thousands more.

While there is no hard reference point for the start of Gen Y, the oldest millennials are now approaching their mid-30s, and the window may be closing on the time for them to get the best rates.

Dependent Protection

Although some millennials are delaying getting married and having children, that doesn't mean all of them are, nor does it mean they are delaying these events forever. Life insurance should be attractive for anyone with dependents regardless of his or her age. The reality is that few people have savings that their dependents could live off should they die unexpectedly.

Financial Protection

It's no secret that today's college graduates are burdened with record-breaking amounts of student loan debt. If something were to happen to employees that included their parents as financial cosigners, their parents would be responsible for the outstanding balances. Similarly, a newlywed spouse of an employee who has joint credit card debt or mortgage debt would be responsible for the entire sum should the employee die. Moreover, the average funeral costs between $6,000 and $10,000.

Buying enough life insurance can help take care of these financial issues. A relatively small life insurance policy can help employees mitigate these concerns and keep them invested in your company for years to come.

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