

Cost-Effective Benefits Strategies For Small Businesses

(NAPSA)—It's said by many that small businesses—those with payrolls under 500—may provide the engine that will lead us out of an economic downturn. And while the headwinds may be stiffer than during past downturns, the key to success hasn't changed much. It's still about motivating employees and finding creative ways to retain top talent.

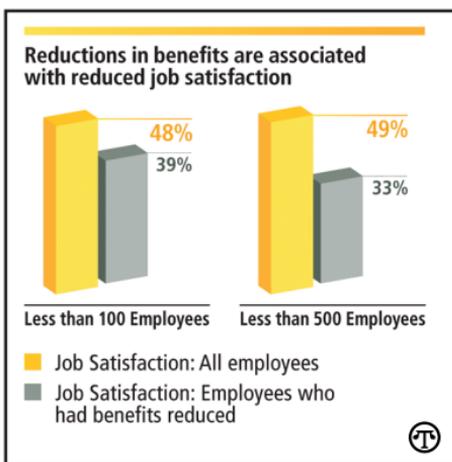
How to do that and still closely manage costs, of course, is the question many are looking to answer.

As for the answer, there's new evidence that even tweaking the nonmedical insurance benefits offered workers can provide small businesses a lot of bang for their buck. In a new report titled "Building a Better Benefits Program Without Breaking the Budget: Five Practical Steps Every Small Business Should Consider," its authors cite two revealing findings. First, the recession has made employees appreciate workplace benefits more than ever (43 percent "strongly" cite them as a reason for staying put). And second, small businesses forced to trim benefits saw a drop in "job satisfaction," which could adversely impact productivity.

"Given the tough economic challenges, small companies need to be creative if they're to build a competitive program and still manage bottom-line realities," said Scott Beck, a vice president at MetLife, a leading provider of employee benefits.

Small-business owners may want to discuss the report's tips with their benefits brokers, including:

- **Don't underestimate the value workers place on non-medical benefits like dental, disability and life insurance.** While 59 percent of small-business employees say these foster a sense of "loyalty," only 34 percent



of employers realize that. With a clear correlation between benefits satisfaction, job satisfaction and employee loyalty, frugal bosses can still be heroes by identifying cost-saving opportunities to offer employees ways to obtain the financial protection they need.

- **Think wellness programs.** Tucked inside health care reform legislation are tax credits for small businesses with less than 100 employees that establish such programs. Currently, even though 67 percent of small businesses think wellness benefits are effective at reducing medical costs, only 22 percent offer them.

- **Leverage natural advantages.** "Smaller companies may be better positioned," said Beck, "to provide work-life balance that makes for happier, healthier employees." Think reasonable flex time or time-saving, on-site dry cleaning pickup.

- **Help employees become financially secure.** A worker who's stressed out over money issues could be less productive. Worksite access to reputable retirement and financial advisers may help.

- **Simplify benefits communications.** The most lavish benefits don't help if they're not clearly defined.

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