

Transcript – Episode 86 – Offering Employee Benefits Your Team Will Love with Liz Frayer

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg with another great conversation that will help your nonprofit thrive in a competitive environment. Today, we're going to be talking about employee benefits, and as you undoubtedly know, if you are an executive director, if you are a board member or even if you're an entry-level career professional, what you undoubtedly know has an employee benefits go beyond just healthcare and maybe life insurance or something like that. We are going to be having a conversation with Liz Frayer who is CEO of Intrepid, and that's an employee benefits advisory firm. First, I've got to tell you how I know Liz and how I know of Intrepid. The last time I was a permanent executive director somewhere, I stepped into a shop that honestly did not have great employee benefits, and I just had this strong sense that we could do better.

But like a lot of executive directors, I didn't know how to do better in employee benefits, but I just had a strong sense that we could offer a more robust benefits package. Although of course, like all nonprofits, we had a limited number of shekels in our hand, and I kind of had to look around. Chesley at Intrepid recommended them, and, oh my gosh, I was blown away from the very first meeting. My experience of them as they went so far above and beyond every other broker that we talked to because they were more than brokers. They're really benefits advisors. Let me share with you why Liz is amazing. First of all, not only is she the CEO of Intrepid, but she worked her way up. Over 20 years ago, she started as a temp at the Strategic Employee Benefits Services firm. That was its name, and over a 20-year period, she worked her way up and she became president. In 2008, she purchased the agency. And in 2013 she rebranded it as Intrepid. Just to brag on her a little bit more, her company is consistently ranked among Atlanta's best places to work and also has been ranked among America's 5,000 fastest-growing private companies by [INC] Magazine. Without further ado, let's play the music and welcome Liz Frayer.

Hey Liz, welcome to the podcast.

Liz Frayer: Hey, Dolph. Thank you so much for those kind words. That's really nice of you.

Dolph Goldenburg: I have a feeling that your answer to my first question is going to go beyond just healthcare, but what benefits do employees value the most?

Liz Frayer: Obviously, I have to talk about healthcare a little bit just because it's on everybody's mind about how expensive healthcare is. That's definitely a big item, not only for the employee but also for the employer. The definition of benefits is really changing. As millennials continue to take over the workforce, we're seeing things like flexibility and working from home, PTO, being able to volunteer and take work hours for volunteer, which would I think would be interesting and helpful for your listeners and things that are a little bit outside of the box. Here at Intrepid, I offer a concierge virtual assistant service as part of our benefits package just because I know that sometimes you have to dispute your water bill. Sometimes, you have to be on hold with Comcast, and if I can outsource our employees time to have a resource to take care of that, that maximizes their time here, and they're more efficient and can stay focused on helping our clients

Dolph Goldenburg: I am not familiar with this. What is the personal concierge service?

Liz Frayer: So, we right now use a service called Fancy Hands, but there are tons of services out there that act like a virtual concierge. If I need to order a Mother's Day gift for this weekend or could text somebody to tell my client that I'm running late because I'm stuck on a different call. Really just anything that is quick, or it could be staying on hold for 45 minutes and then patching you in when the person gets on the line.

Dolph Goldenburg: That's pretty awesome. That's actually a service you're able to offer to all of your employees.

Liz Frayer: Yes.

Now there are different rates of adoption. Some people were like, yes, I get it, and they will, you know, totally maximize it. Then some people, you know, it's a challenge with benefits. It's also keeping what you're offering top of mind. Along with what benefits employees value most, a lot of that goes to an employer and making sure you're communicating the benefits so that employees do appreciate those.

Dolph Goldenburg: When I think about that concierge service, and it's probably this way with a lot of different benefits, but it's also probably a huge benefit to you because it means instead of having a team member who is on the phone for 45 minutes with their health insurance provider or with the power company, that person's now productive at their desk and gets a call patched in for the five minutes, they actually need to pay attention to the power company or their insurer.

Liz Frayer: Exactly. That's the total idea.

Dolph Goldenburg: That is super cool. Now, what are some of the other more interesting benefits that nonprofit should be thinking about offering their employees?

Liz Frayer: When nonprofits are considering this, a lot of times the headline is health insurance, and it stops there. What I see is sometimes nonprofits offer services or benefits that they don't even consider a benefit because it's just what they've always done. I had a nonprofit I was working with or still work within downtown Atlanta, and they had an employee leave to go work somewhere else and stayed in touch with her old coworkers and said, man, I didn't think to ask about if my new employer would cover parking. I'm out paying \$75 a month for parking. I didn't even ask that question when I was interviewing at the new job. A lot of it is marketing. If you offer uniforms, that's not a guarantee that all companies or all nonprofits pay for uniforms. You need to be comfortable tooting your own horn and letting employees know that this is something you're doing for them, for their wellbeing.

Dolph Goldenburg: It's interesting you say that, Liz. Back when I was an executive director, one of the things that I used to do every year, and I would do it with them all team members have

the same time, is I would draft a letter to thank them for being a part of the team and to let them know what their total compensation package was valued at. So it'd be a little chart inside that letter. And first is their gross salary and then the portion that we pay in their payroll taxes, you know because a lot of employees don't know that just like they pay FICA and Medicare, we pay FICA and Medicare and then what we pay on their health insurance and other insurance products and other benefits. I'm often surprised that team members will look at that and say, "Wow, I thought I only made \$50,000, but my compensation package is \$68,000."

Liz Frayer: Right. We had an employee here years ago. And her husband worked for a big hospital system and she came in. She took a call from her husband, and he was disappointed because his employer gave him a \$50 Kroger gift card for Christmas. Like a lot of employees, he decided the grass was greener and left and got his COBRA notice in the mail. COBRA, as your listeners probably know, is really the ability to continue your employer-sponsored healthcare at your own expense. Well, this hospital system was paying \$1,500 a month for him and his wife's coverage. He was sitting there feeling not appreciated because he got a \$50 Kroger gift card when they were making an investment in him and his family's healthcare. This was about ten years ago.

Dolph Goldenburg: Wow. This hospital system was paying a 100 percent of both his and his wife's health insurance premium?

Liz Frayer: Exactly.

Dolph Goldenburg: That's almost unheard of.

Liz Frayer: It was 10 years ago. Your listeners know that it is pretty unusual that a company would subsidize that much of the healthcare costs.

Dolph Goldenburg: While we're talking about healthcare, what are some of the wellness benefits that nonprofits might be able to offer to their employees?

Liz Frayer: I'm going to take your question a couple of different ways. First is that part of ACA included a preventive care mandate. That means if any of your listeners offer an employer-sponsored benefit plan, then preventive care is covered at a hundred percent with no expense to the employee. Preventive care includes birth control pills, routine physicals, immunizations and checkups for kids, mammograms, colonoscopies. A whole list of services is already built into the health plan if they're offering employer-sponsored plan.

On the other side of the coin, what a lot of employers are offering is also employee assistance programs. Talking more about mental health counseling, situational occurrences where you may need some short-term counseling, like maybe there was a death in your family. Maybe you are relocating and need to find a new daycare and a new everything. Maybe you got a letter from your neighbor to cut down a tree, and you don't know what your legal responsibility is to do that.

So, employee assistance programs are really big and really inexpensive and can really round out a benefits package and communicate to your employees that you truly care about them.

Dolph Goldenburg: Obviously, you work directly with employers, so I think you're also probably well-positioned to share with us the most common myths about benefits that employers have.

Liz Frayer: I can't remember who the quote is from. It might be Bill Gates, but says employers are in the healthcare business and being proactive about their employee's wellbeing.

If you're not, then you're going to pay for it anyway and not just on the healthcare side, but in lost productivity and things like that. I totally get with our employers, the last thing they want to do is sit down with us and hear that their rates on the health insurance are going up 10 percent and think about if they're going to raise a copay because they are focused on their mission if they're a nonprofit and serving their clients. I would say the biggest myth is thinking that planning is a one-time event and not something that you reinforce throughout the year or communicate very well.

Dolph Goldenburg: How do you communicate that throughout the year?

Liz Frayer: I think a big part of it is transparency. I just left a client this morning, and they've had a tough year in healthcare claims. Their contributions are going to go up, and the HR person asked the CFO, "What am I supposed to say when the employee asks, why is my healthcare going up 30 percent when I only got a two and a half percent raise?"

And the CFO had a great answer to that talking about all of the other services and things that they do for employees and that it's kind of time for us to be candid with employees about the decisions that we have to make that are not always easy. In fact, most of the time they're really challenging, and it really resonated with the HR person. Just feeling this, you know, wash of transparency, builds trust. I think that's a big part of it.

Dolph Goldenburg: Now, would you ever recommend that that HR person also essentially say to that employee, "We would love to give larger raises, but we really prioritize providing healthcare. When healthcare goes up 30 percent in one year, we just don't have the funds left to do anything more than two percent."

Liz Frayer: I think that they need to communicate that, and I think it's refreshing if more leaders do that. This is a sales organization and so they tend to focus on the positives...

We've made a lot of sales, but they haven't focused on, you know, what it takes to run the business. Younger generations really want to know more about what they are contributing to and how their presence makes an impact in the organization that they're part of.

Dolph Goldenburg: You also mentioned [inaudible] premiums go up the cost share that employees pay go up as well. I want to ask you a few questions about cost-sharing benefits with employees. First, how do you feel about it?

Liz Frayer: In the private segment, I think that's kind of expected. You know, the private employers tend to say we're kind of in this together. On the nonprofit side, I find those employers more interested in taking care of their employees, trying to keep everybody focused on the bigger mission, or trying to balance out that maybe a salary is less than it would be in the private world.

They want to compensate that with more benefits.

Dolph Goldenburg: And for a nonprofit that makes the decision to ask employees to share part of that cost, what do you feel is a good percentage?

Liz Frayer: I think it should be something. I've seen studies that employees appreciate their benefits more when they have a little bit of skin in the game. You also don't want employees to be on your plan if their spouse works for the school system or works for Delta or Coke or some huge benefits that are easy. You don't want employees to be on your plan because it's quote "free." It's not "free." You want to target that amount around what's the amount that somebody won't take it if it's not free. So, you know, usually, that's around \$20 a pay period. That's not a lot, but if you charge me \$20 a pay period, and my spouse works for the school system, and I get it for free, I probably won't pay \$20 a pay period.

Dolph Goldenburg: It's interesting because my philosophy, again, back when I was at permanently ED, I always felt like people should pay about five or 10 percent of the premium cost. Part of that is also so that when renewal time comes and we're looking at that 30 percent increase, and we've got to make the tough choice of okay, are we going to take a 30 percent increase or are we going to maybe not offer quite as generous of a health insurance plan but only have a 10 percent increase? When I go to employees, they're asking themselves, "Hey, you know, I'm currently paying 50 bucks a month, am I willing to pay \$65 a month?"

Liz Frayer: It's always the hardest to go from nothing to something.

Dolph Goldenburg: Agreed. I've done that. That's unpopular.

Liz Frayer: Yes. That will, uh, not when you, a lot of points.

Dolph Goldenburg: So, we've talked a little bit now about obviously about healthcare and about wellness benefits. What are some of the other benefits that nonprofits should be thinking about providing to their team?

Liz Frayer: I think that probably most nonprofits after healthcare would go to dental and vision because that is what employees want or ask for. Instead of going to dental or vision, look at life

insurance and disability insurance and a couple of reasons for that. The primary one being that sometimes employees will not make the best decisions, meaning you know, if you have to get a crown, that's a thousand dollars. That is a lot to pay for and a lot to stomach, but if you're not able to work and earn a paycheck, you could lose your house. Prioritizing benefits to the way that it's going to support employees even if they don't necessarily see it that way... that's how I would recommend you structure your benefit plan around *How do we ensure the biggest risk?*

Because if you do have an employee pass away, and you don't have group life insurance, I promise you their spouse or their child will call and say, I want to know what kind of benefits my dad had before he passed away. We've had that situation where an employer said, I'm sorry we didn't offer life insurance, and it's not just about getting out of difficult situations, but with disability and life insurance, you're underwritten. You can be declined. If you are an employer, and you offer disability insurance, you may be offering something that somebody couldn't have bought themselves because of a medical condition. Finally, it's really inexpensive. It's going to cost you less than the dental insurance to offer disability and life insurance. That what would be my next recommendation after the health insurance.

Dolph Goldenburg: If I can share just a quick, disability insurance story with you. When I was 28 years old, I changed jobs. I was going from an employer that offered an LTD (inaudible) from one that did not. And I've always been very security minded. I decided to get a long-term disability policy. Since I was 28, it was relatively cheap. It was like \$85 a month, and three years later I had a life-threatening condition that would essentially make me ineligible to get long-term disability at any price for the rest of my life. I only know that because you know, that there were times that I would, you know, for case kind of be like, Hey, let me see if I can get something and I could not. It's interesting because like from that age until now, I have carried that LTD policy with me, and what I love about it is it's not employer-based, and it's portable. I take it with me from job to job, and I worked for myself now. I still have that LTD policy now. Over about a 20-year period, I've spent close to \$20,000 on that policy. But to me, that's \$20,000 really well spent.

Liz Frayer: Well, I mean, do you know how unique you are to be a 28-year-old seeking out your own disability coverage? I've had is pretty incredible.

Dolph Goldenburg: The year before I changed jobs, I had also bought a house. I asked myself, hey, if something happened to me and I became disabled, how would I pay my mortgage? And the only answer I had was I guess I have to get long-term disability, so I did.

Liz Frayer: Good for you. That's excellent. Good for you. You are the exception, I will tell you that for sure.

Dolph Goldenburg: You know, most long-term disability policies, you know, stop at age 65. So to a great extent, I'm often like, okay, you know, probably somewhere about 62 or 63 I'm going to drop it because I'd be like okay, the chances now of me being disabled for the next two years are pretty low.

Liz Frayer: Right, right. Yeah, sure, sure.

Dolph Goldenburg: How do you feel about employers offering short-term disability?

Liz Frayer: I think short-term disability is a great benefit. I think it's fine to have that one be employee paid and have the long-term disability be employer paid because people can envision themselves not working for a short amount of time, you know? Oh, my uncle, he had back surgery, and he couldn't work for two months, or maybe it's a young female who's interested in starting a family and knows they're likely going to have a short-term disability claim. I think short-term disability is an absolute great benefit, but I think it's also okay for that to be employee paid.

Dolph Goldenburg: I think nonprofits actually self-insure on short-term disability because so many employee manuals for nonprofits will say you could accrue up to six or 12 weeks of sick leave, and you can use it. At that point, you're just self-insuring.

Liz Frayer: I think you're correct. They do. You might want to buy a very small amount of a short-term disability policy, meaning that if you're self-insuring it, I think that's fine, and I think there's a great chance you'll come ahead financially. The hard part of self-insuring is who decides if your employee is disabled. You might have an employee who's been with you 20 years, and they're in a car accident. You want to pay the benefit that was communicated to them, but you may have a different employee who has been there a month and is having carpal tunnel syndrome, and they can't do data entry. It gets very gray. I think having a strategy to decide how that person is disabled either through hiring an insurance company to do that or just in advance I think is an important part of deciding to self-insure your short-term disability

Dolph Goldenburg: What percentage of nonprofits that you work with offer some kind of retirement plan?

Liz Frayer: I would say probably 80 percent.

Dolph Goldenburg: Really? Wow.

Liz Frayer: A lot of our nonprofits we work with are private schools too. They might have a, TIA Craft policy or something like that. But a good many of them, if they've kind of gone down the benefits road, they have some sort of full benefits. If it's a 401k or a group IRA, things like that.

Dolph Goldenburg: What are your thoughts about employer matching?

Liz Frayer: I think employee matching is fantastic. It's kind of in the same category as long-term disability, which is your employees may not appreciate everything you're doing for them at the time you're doing it for them. Down the road, they would appreciate, and younger people like to talk about investments more than they do even healthcare. They didn't know they have to have healthcare, but being able to have some control and learn about finances is kind of naturally more interesting.

Dolph Goldenburg: Let's move the conversation just for a quick minute about the benefits of really bringing on a benefits advisory firm. As you know, we've got listeners from all over the country and even outside of the United States. I'm aware that a lot of listeners aren't going to be contacting and Intrepid because you know, they're not in markets that you work in. What is the benefit of a nonprofit reaching out to affirm that can advise them?

Liz Frayer: I think the first thing is benchmarking. What do other nonprofits do? What do we need to do to be competitive? So, benchmarking is helpful to know where you stack up. The second thing is most of our clients and most of your listeners are small to midsized nonprofits. So, in that type of environment, everybody's wearing a lot of different hats. Having a consulting partner to help you put the plans in place is important to make sure you are meeting all your compliance obligations. You're giving everybody required notices and things like that, but also making sure that we haven't just created a need for the nonprofit to have a new position on staff to administer the benefits plan. When selecting a partner or consultant, you need to make sure that that consultant will not only help you put that plan in place or help you find the best rate but also hold your hand throughout the years as new employees come on, as new as employees leave. What do I need to know about ACA? What world am I in at that I need to comply with now?

There are many different boxes, not just installing the plan that making sure your employees have a resource if they have a question about a claim and need assistance.

Dolph Goldenburg: I certainly remember when I transitioned my organization from one broker over to Intrepid, and I was so impressed because you all would offer, for example, seminars several times a year that we did not just hear from you when it was renewal time. We also did not just hear from you through an email or fax that says your renewal rate is that we really felt like we had a partner with us as we were having to make benefits decisions and also a partner that was educating and guiding us throughout the year. That is so critical because, for most small and medium-sized organizations, they don't have one person that specializes in this. It's often an executive director or a director of finance that really are generalists and benefits and don't know everything they need to know.

Liz Frayer: Absolutely, and I tell my team all the time, you know, we're not in the insurance business; we're in the people business. The best part of what we do is being able to help people when they can't get their prescription filled or being able to help a nonprofit get to the budget but still meet their goals. That's all very meaningful to us and certainly makes it more worthwhile than just sending people an ID card. That's important to make sure that you have somebody that's aligned with what you need help with.

Dolph Goldenburg: Absolutely. Liz, I'm a little red in the face when I say this, but this has been such a great conversation that I completely failed to do the mid-episode break. So, we're going to scrap the mid-episode break because I want time to ask you the Off-the-Map question.

Liz Frayer: Okay. You got it.

Dolph Goldenburg: As I mentioned in the Intro, your company is one of the best places to work in Atlanta. I believe it was named that by the Atlanta Business Chronicle.

Liz Frayer: Yes, that's correct.

Dolph Goldenburg: Other than having a great benefits package, which I'm sure you do, what have you done to make your company one of the best places in Atlanta to work?

Liz Frayer: The hard part of that answer is it all starts with who you hire. One person with a big personality that's negative, can send everybody off the map to use your word. Making sure that you're intentional about culture and that people fit in is the key. Here, we have a lot of fun. We make time to have fun with one another. We have offsite events where we might go rock climbing or go see a braves game or do something unique, and a lot of times people following us on social media might say, "Wow, what a great place to work," but behind the curtain, there's also people who really care about our clients getting what they pay for, being able to meet their business goals, being able to fill a prescription for their child who's sick on a Saturday. You can't really take that service piece out. If I have somebody who I'm hiring, and they want to make their role all about them, they're probably not going to be a great fit here. That doesn't mean they're a bad person. Intrepid is not going to be their career.

Dolph Goldenburg: Liz, thank you so much for coming on the podcast. As I have said multiple times in our conversation and in the intro, you have built a company that is making a big difference in the world. If a nonprofit is in the Atlanta area, I just could not recommend Intrepid enough. I brought a nonprofit over to Intrepid. I was so impressed with the level of service. When you say we're not in the insurance business; we're in the people business, nonprofits see that in the way that Intrepid serves them.

Liz Frayer: Well, thank you so much. That's really kind.

Dolph Goldenburg: Well, you're welcome. I was also impressed with Intrepid's long-term commitment to educating and guiding our organization and not, which really is, as you can probably tell my pet peeve, the fax or the email from your broker that just says, "Hey, here's your insurance rates. Tell me what you want to do."

Liz Frayer: For sure I get that.

Dolph Goldenburg: So, thank you for doing what you were doing. You are making many workplaces in the Atlanta region better places to work. For folks that want to reach out to Liz or Intrepid, their URL is www.intrepid7.com. And you can also check them out on Facebook. You can see them at a Brave's game, rock climbing, etc. at www.facebook.com/intrepid7. Hey Liz, thank you for joining us today.

Liz Frayer: Thanks, Dolph. This has been a blast.

Dolph Goldenburg: Were you unable to write down Intrepid's URL because you were on hold with your insurance company, and your current employer is just too cheap to provide you with a concierge service? Well, I would suggest that you go over to URL you remember www.successfulnonprofits.com, and you can see the show notes, and you will get both their Facebook link as well as their URL. At the end of every episode, I like to have an ask. I would like to ask every listener, if you have not already subscribed to the podcast, go ahead and subscribe. If you have subscribed, then rate and listen to the podcast. That is our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

(Disclaimer) I'm not an accountant or an attorney, and neither I nor the Successful Nonprofits™ provide tax, legal or accounting advice. This material has been provided for informational purposes only and is not intended to provide and should not be relied on for tax, legal or accounting advice. Always consult a qualified licensed professional about such matters.