

Insurance Talent

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**REACHING THE NEXT
GENERATION OF
INSURANCE TALENT:
FROM CAMPUS
AND BEYOND**

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By David E. Coons, Senior Vice President

THROUGHOUT THE UNITED STATES, THE GENERAL ECONOMY IS PREPARING FOR A MASS EXODUS OF EXPERIENCED PROFESSIONALS. IT IS ESTIMATED THAT MORE THAN 1 MILLION PROFESSIONALS WILL BE RETIRING WITHIN THE NEXT 10 YEARS. THIS LOSS OF TENURED AND SKILLED EMPLOYEES WILL BE FELT ESPECIALLY HARD WITHIN THE INSURANCE INDUSTRY WHERE THE CURRENT NUMBER OF WORKERS AGED 55 AND OLDER IS NEARLY 30 PERCENT HIGHER THAN THE REST OF THE ECONOMY, HAVING GROWN BY 74 PERCENT IN THE LAST 10 YEARS.¹

According to the Bureau of Labor Statistics (BLS), nearly 50 percent of the industry's workforce is above the age of 45. Even more surprising is that less than 27 percent of industry employees fall under the age of 35. As a result, nearly half of all insurance industry professionals will be retired or on the verge of retirement within 15 years and insurers will be left unable to fill the gap with their current bench of less-tenured employees.

Nearly **50 percent** of the insurance industry workforce is above the age of **45**.

Add in the reported industry unemployment rate of 3.4 percent and the rate of insurance hiring in the U.S. reaching 58 percent—the second highest point in the history of the Semi-Annual U.S. Insurance Labor Outlook Study², conducted by The Jacobson Group and Ward Group—and the recruiting climate in insurance is reaching a critical point.

As the industry continues to “gray,” organizations are searching for a solution to successfully withstand the impending exodus of institutional knowledge and skills. A major influx of talented professionals is needed to help offset the skills gap, and

¹Building a Talent Magnet: How the Property and Casualty Industry Can Solve Its People Needs (2010). McKinsey and Company. <http://www.aamga.org/files/hr/BuildingaTalentMagnet.pdf>.

²2014 Q3 U.S. Insurance Labor Outlook Study Results. <http://content.jacobsononline.com/labor-market-stats-q32014-download-labor-study-webinar>.

organizations are logically turning to Millennials to fill the void. Millennials already make up 25 percent of the U.S. workforce and are expected to form 50 percent of the global workforce by 2020.³

But how can organizations effectively reach out to this potential generation of professionals? When is the best time to introduce insurance as a career option to the Millennial population?

MOVING BEYOND TRADITIONAL RECRUITMENT

Insurance organizations are relying on tried-and-true engagement practices, such as on-site campus recruitment fairs and college job promotions and ads, to establish relationships with the next generation. While these methods have proven to bring some success, the skills gap continues to widen. The pace of on-campus recruitment cannot keep up with the growing demand caused by the impending wave of retirements. In fact, despite job placement rates close to 100 percent, the annual yield of graduates from risk management and insurance programs nationwide currently meets only 10 to 15 percent of industry needs.⁴

Independent studies suggest that traditional, on-campus recruiting is only able to cover just 1 percent of the total market of potential graduates. With more than 4,000 universities located throughout the United States alone, it is no wonder that recruiters are missing a significant portion of the graduating talent pool by relying solely on their on-campus recruiting efforts. In addition to limiting outreach amongst current students, the reliance on on-campus recruitment overlooks the large number of unemployed or underemployed recent graduates who are currently seeking employment. Complimenting organizations' current on-campus activities and promotions with off-campus recruiting is the key to expanding the current levels of insurance outreach and successfully approaching a much larger percentage of today's Millennial population.

BENEFITS OF OFF-CAMPUS RECRUITMENT

Off-campus recruitment opens up insurance organizations to a nearly untapped world of job candidates. Once today's college students have graduated and returned home, their career network diminishes rapidly. They are no longer connected to the career coaches, college counselors and professors who brought them into contact with employers. Many of these

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³ Millennials at work: Reshaping the workplace (2011). pwc. Retrieved June 23, 2014, from http://www.pwc.com/en_M1/m1/services/consulting/documents/millennials-at-work.pdf.

⁴Building a Talent Magnet: How the Property and Casualty Industry Can Solve Its People Needs (2010). McKinsey and Company. <http://www.aamga.org/files/hr/BuildingaTalentMagnet.pdf>.

young graduates are unsure of how to launch a successful job search and are relying solely on online and traditional job ad forums. Their networking is limited to contacts of their friends and family. Within two to three months after leaving school, many of these recent graduates will have exhausted their job hunts.

This is where off-campus recruiting comes into play. At this point, graduates are much more open to opportunities outside of their planned career paths. This does not mean that they have to give up on their dream careers. Rather, they are now open to finding their dream job in an industry that they may not have considered before—insurance. Utilizing online forums, job listings and social media, insurance organizations are able to reach out to these interested individuals.

Key Millennial Statistics

Millennials currently make up more than **25 percent** of the U.S. workforce.

By **2020**, Millennials are expected to form nearly **50 percent** of the global workforce.

8 out of 10 Millennials report having limited knowledge and understanding of the employment opportunities available within the insurance industry.

Most young professionals are completely unaware of the wide variety of positions available within insurance. Just 2 percent of students surveyed in a study conducted by The Griffith Insurance Education Foundation and The Institutes say that they are familiar with the insurance industry.⁵ In fact, many Millennials mistakenly view an insurance career as limited to working as an agent or in claims, as they have not been exposed to the wealth of other job opportunities available.

Today's recent graduates and young professionals are not well-informed of the wide-range of jobs that the industry offers—that their degrees in computer science, marketing or mathematics are transferrable to a number of exciting positions within the industry. This lack of understanding becomes clear when one considers that more than 60 percent of Millennials report that they personally would like a job that includes analyzing risk and recommending solutions—a main component of many industry roles—yet they are not interested in working in insurance before or immediately after graduation.⁶ Insurance offers great opportunities to work in corporate communications, marketing, finance, data analytics, information technology and more—and at the job search exhaustion point, recent graduates are engaged and excited to learn more.

Insurance organizations should use this opportunity to educate Millennials about the myriad career opportunities that insurance offers. It is important to remember that most recent graduates have very limited knowledge of the insurance field in general.

⁵Millennial Generation Attitudes About Work and The Insurance Industry (2012). The Institutes. Retrieved June 26, 2014, from <https://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>.

⁶Millennial Generation Attitudes About Work and The Insurance Industry (2012). The Institutes. Retrieved June 26, 2014, from <https://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>.



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In fact, eight out of 10 Millennials have no understanding of it.⁷ Before an insurer can sell them on working for their organization, they must invest time in educating potential young professionals at an industry level.

Questions such as “tell me more about the insurance industry” and “how will my degree fit into a job in insurance,” are common and should be expected. However, once these young professionals have a better grasp of the many opportunities and experiences available in insurance, they are enthusiastic to learn more. As insurers reach this point in the engagement cycle, it becomes much easier to recruit these Millennial employees into the organization.

Millennials present a fantastic opportunity for insurance organizations to both fend against the growing skills gap, as well as to bring in fresh, new talent to the industry. In today’s increasingly challenging recruitment climate, a balanced strategy of on-campus and off-campus recruiting promises to provide the best opportunity to effectively recruit and engage this dynamic and talented generation. ▲

⁷Millennial Generation Attitudes About Work and The Insurance Industry (2012). The Institutes. Retrieved June 26, 2014, from <https://www.theinstitutes.org/doc/Millennial-Generation-Survey-Report.pdf>.

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To further discuss this topic or if we can serve as a thought leader in your talent-related endeavors, don’t hesitate to contact Dave at +1 (800) 466-1578 or dcoons@jacobsononline.com.

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