

U.S.

Perceptions on protection

Surveying workers to build
new agile solutions





Setting the scene

New technologies, globalization and demographic shifts are driving wholesale changes in today's workforce. The traditional career model is eroding, self-employment and 'gig' working is becoming more commonplace and mobility across industries and geographies is increasing. Workers have more flexibility in how they work but less security in their employment and income. The need to continuously hone and develop new skills is increasing. Meanwhile, traditional social protection systems are yet adapt to the evolving realities of work.

Together, this means that responsibility for financial choices about insurance, savings, and pensions are increasingly falling on workers themselves.

But we believe that workers cannot – and should not – shoulder this responsibility for themselves. No one stakeholder – employers, government or insurers, can do so. Protecting workers in this new environment needs a collaborative approach.

Zurich and the Smith School of Enterprise and the Environment at the University of Oxford believe the solution to this problem is to create agile workforce protection: flexible insurance and associated worker protection which is provided by multiple stakeholders and tailored to individual career trajectories, addressing various transition points in working lives.

As a first step, we need detailed empirical research that helps us better understand how people understand the changing world of work and might respond over the longer term.

This publication shows the findings of a large online survey of the working-age population in 15 countries across Europe, Asia Pacific, North America, and Latin America, with around 16,500 respondents.

The study broke down workers into categories of age, gender and job category (manual vs knowledge based work). It then investigated the themes of: status in the labor market, anxiety around the effect of technology, willingness to flex to improve their situation, financial planning and knowledge of/ownership of income interruption-related insurance.

Top-line global results include:

- Women are more vulnerable to the changing world of work. Manual workers are also vulnerable.
- The youngest and oldest tiers of the workforce are the ones most affected by labor market changes so far.
- Having a comfortable retirement emerges is the top global financial worry.
- Younger millennials show strong signs of financial conservatism – but have yet to buy protection.
- Intergenerational attitudes towards technology's effects on national labour markets are remarkably consistent.
- Job instability is as likely to be voluntary as involuntary.

Crucially, the survey highlights the importance of country context – even those in the same region or with similar social protection systems. To understand the challenges and possible action areas on agile protection on a meaningful level, a case-by-case consideration is therefore needed per country.

This is what we have aimed to achieve by producing profiles for each of the surveyed countries.

To view and download the full report, [click here](#) or scan the QR code below:





U.S.

Although by many measures the U.S. economy has recovered from the ‘Great Recession,’ supply and demand in the labor market are currently working against each other. While unemployment is back to pre-crisis levels, long-term unemployment remains high (although recent reductions in unemployment insurance have pushed more people into the job market). There is a greater number of available jobs than employable workers in the U.S. A strong economy has coincided with a wave of retirement by the baby boomer generation.

Youth unemployment is also high. Yet younger workers have a proclivity to change jobs, particularly if they are not ‘fulfilled’ in their roles and feel they can find more ‘meaningful’ work elsewhere. As this attitude becomes increasingly prevalent, retaining employees for the long term poses great challenges for employers. New employees need to be trained quickly to perform their jobs effectively, but if people expect to change jobs every few years, then employers’ investment in them will become moot (as the skills they’ve just acquired may be as well).

Perhaps in spite of its reputation for entrepreneurialism and individual

self-advancement, the U.S. has the lowest rate of self-employment among developed countries, at just 6 percent of the workforce. Furthermore, even though the sharing economy in the U.S. is perhaps the most advanced in the world, only about 1 percent of workers participate meaningfully in it. From a protection standpoint this is understandable: for those who are self-employed as well as for casual workers, access to benefits such as disability coverage is difficult. Access to healthcare in particular, which tends to be expensive, comes through one’s employer. On the other hand, Social Security provides a universal pension benefit.

Rising inequality in earnings is a persistent problem, and it is likely to be exacerbated by automation. Advances in technology associated with the Fourth Industrial Revolution pose a risk to nearly half of jobs, and lower income workers would bear the brunt of these losses. Although government-sponsored job training programs are politically popular, their effectiveness has historically been limited.





Survey highlights

Labor market status

36 percent of American workers supervise other employees. Women are not only much less likely than men to have responsibility for supervising others at work; they are also less likely than women in other English-speaking countries to do so. Only a quarter (26 percent) of the American women in our sample have a managerial position, compared to 45 percent of American men.

17 percent of U.S. workers have more than one job. This is highest for baby boomers (21 percent) followed by younger millennials (19 percent); it is lowest for Generation X (12 percent).

Three quarters (74 percent) of American workers have a full-time job. One third (33 percent) of the U.S. workforce works more than 40 hours a week. Knowledge workers are much more likely to work full time (82 percent compared with about 68 percent of manual workers) and also to work overtime (39 percent compared to about 29 percent).

Anxiety

Just over half (52 percent) of U.S. workers are techno-optimists, while one-fifth (19 percent) believe technology has made life worse and 29 percent are neutral. Men are a bit more often favorably disposed toward technology (55 percent vs. 49 percent).

38 percent of U.S. respondents say that having enough money for retirement is their biggest financial concern, and this is the top financial concern for U.S. respondents. Fewer of those under 40 share this worry (29 percent) while just over half (53 percent) of baby boomers do.

One fifth (21 percent) of American workers fear losing their job to technology in the next five years. Manual-creatives are most worried (27 percent) while knowledge-routine workers are least worried (16 percent).

Flexibility

14 percent of U.S. workers say they would leave their current job voluntarily to go freelance. Women are clearly less likely (10 percent) than men (17 percent) to have such plans.

Almost a quarter (23 percent) of U.S. workers say they will likely leave their current job voluntarily in the next year. Not surprisingly, this percentage is highest among younger millennials (33 percent) and declines steadily across age cohorts, with only 15 percent of baby boomers planning to do so.

59 percent of American respondents say they would be willing to undertake retraining in exchange for an evening of leisure time each week for six months. Two-thirds (about 67 percent) of creative types would be willing to do so compared to just over half (53 percent) of manual-routine workers.



Survey highlights

Protection

Knowledge of term life insurance in the U.S. a bit higher than average, although there is a gender gap: 30 percent of women express familiarity with this product next to 45 percent of men. On the

other hand, knowledge of income protection for women is a very low 10 percent, and here the gap with men (28 percent) is even larger.

59 percent of U.S. workers say they were able to save at least some income in the past year, in line with the global average.

Least able to save was Generation X (54 percent), while 64 percent baby boomers were net savers.

U.S. respondents were a bit more likely to have positive expectations of their financial situation for the coming year.

54 percent anticipate an improvement, a figure that is not strongly different across task types.

Insurance ownership

33 percent of U.S. respondents own term life, income protection, or both types of insurance. 30 percent own term life insurance; 8 percent own income protection.

28 percent of women have insurance compared with 38 percent of men.

- 26 percent of women own term life insurance compared with 33 percent of men.
- 4 percent of women own income protection compared with 11 percent of men.

Just under a quarter (24 percent) of younger millennials have insurance, while just over a third of the rest of the workforce has it (34-37 percent, rising by age cohort).

A quarter of manual-routine workers (25 percent) have insurance versus 44 percent of knowledge-creatives. (38 percent for the other two groups)

37 percent of primary wage earners have it compared to 27 percent of others.



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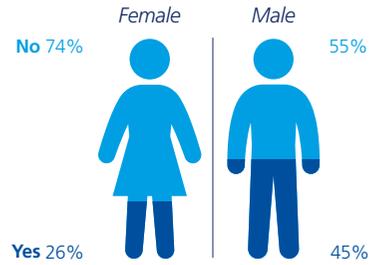
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BY GENDER

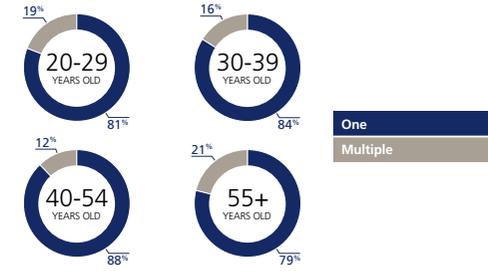
Labour market status

Supervise others



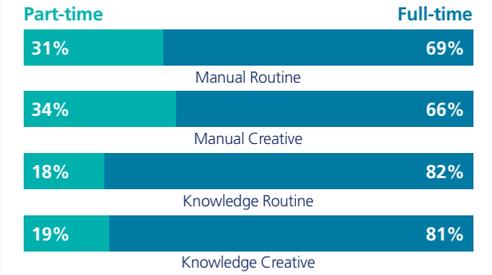
BY AGE

Number of jobs



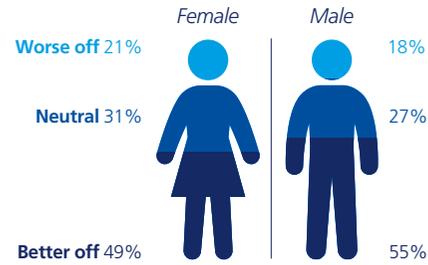
BY TASK TYPE

Hours worked

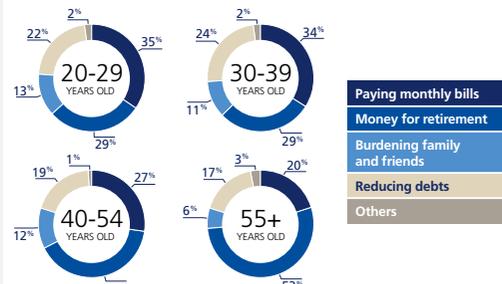


Anxiety

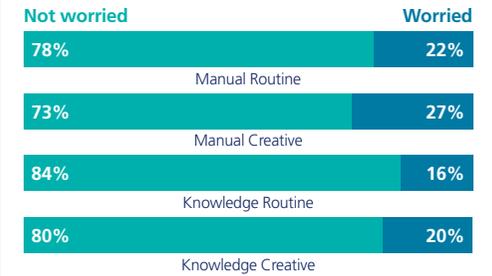
Technology impact on life



Biggest financial concern

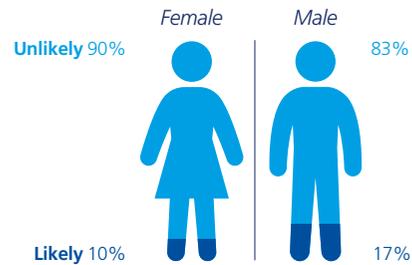


Worried about losing job due to technology

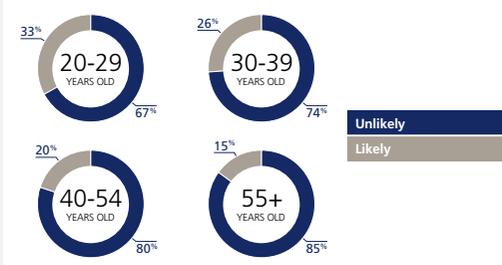


Flexibility

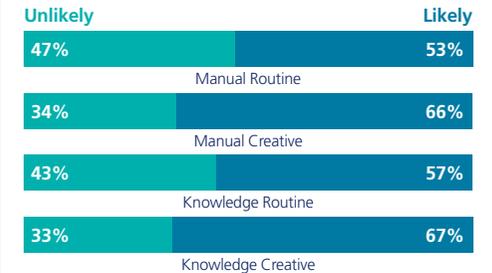
Likelihood of becoming a freelance



Likelihood of leaving job voluntarily

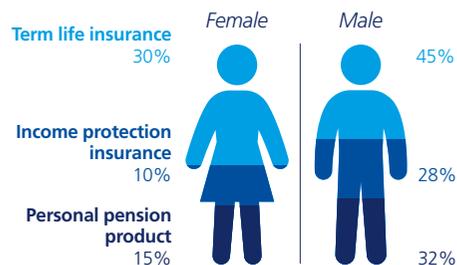


Likelihood of taking further training on the job



Protection

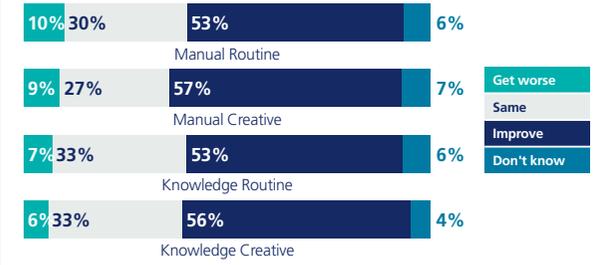
Insurance knowledge



Saved income in 2018



Future financial expectations

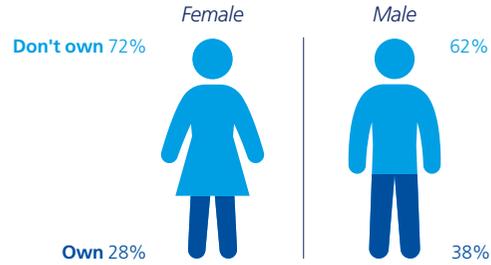




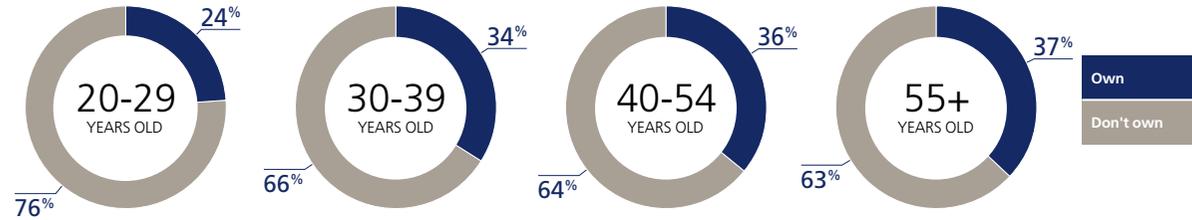
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INSURANCE OWNERSHIP – INCOME PROTECTION AND/OR TERM LIFE INSURANCE

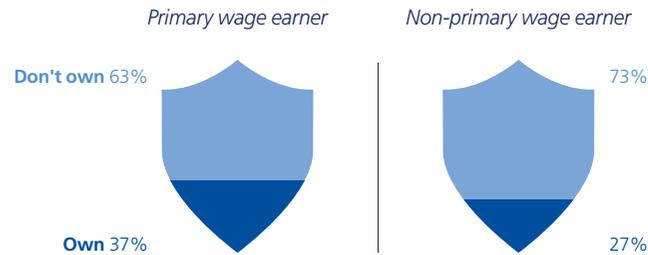
Ownership by gender



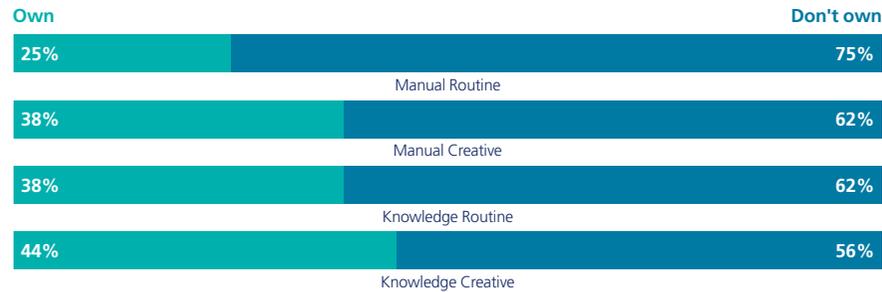
Ownership by age



Ownership by primary wage earner



Ownership by task type



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