

# Promoting Employee Retention in the Great Resignation



## STAFFING ISN'T BUSINESS AS USUAL TODAY, IT'S STAYING IN BUSINESS TOMORROW.

As a business owner, you know there's a thin line between open and closed. So you work hard to keep the doors to your business open and stay profitable. Your responsibilities likely change every day, ranging from customer service to business operations to finance. And because you can't do it all, you've hired and staffed your business with talented individuals you trust to care for different elements of your business. You've spent time, energy, and resources to not only recruit top-tier candidates, but train and work with them until they were successful in their roles. You can't picture your business without your hard-working staff.

With the seemingly worst of the pandemic lockdowns hopefully behind us, you had been feeling optimistic about the future of your business. That is, until you realized you're now faced with another challenge: **the Great Resignation**.



**47.8 MILLION**

In 2021, 47.8 million workers quit their jobs, an average of nearly 4 million each month, the highest average on record.<sup>1</sup>



**50%**

In 2022, almost half of employees are looking for a new job or plan to soon.<sup>2</sup>



**58%**

58% of workers said pay is a top reason they'd look for a job with a different employer.<sup>2</sup>

**With this much activity in the labor market, if you were to lose an employee, would you have the time and resources to recruit new talent in this increasingly competitive environment?**

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## LET'S FACE IT: TO USE REAL ESTATE PARLANCE, IT'S AN EMPLOYEE'S MARKET.

But that doesn't have to be bad for business. You can protect your business from the threat of employees resigning from their roles by putting in place a strategy that will make it undesirable for your key employees to leave you and your business. There are several powerful strategies that you can consider, each with different advantages and considerations. These strategies include:

### Executive Bonus

An executive bonus strategy is a way for a business to provide necessary life insurance to a key employee. By giving a bonus to the employee to pay the premiums on a life insurance policy, you can enable your employee enjoy the protection life insurance offers their family with the option to use policy cash values to supplement their income. Meanwhile, your business benefits from an easy-to-implement solution in which the bonus paid may be deductible as a payroll expense.

### Split Dollar

A split dollar strategy is an arrangement where the costs and benefits of a life insurance policy are shared between you and your key employee. The employee's family receives most of the policy death benefit, while you are paid the difference to recover your costs. Should cost recovery be necessary during the key employee's life, part or all of the policy's cash value is secured by your business for this purpose.

### One-Way Buy/Sell

A one-way buy-sell agreement is a strategy that serves not only to retain a key employee, but also to ensure the legacy of your business. This strategy is used when you have a key employee in mind whom you'd like to take over your business. You and your employee enter into a binding contract to provide for the transfer of your business interest to the employee under specific conditions and terms. By funding the purchase with life insurance, you enable the employee to have the cash needed to buy your business interest. This employee will be assured that their future is with this business, and you'll be assured knowing your family will receive cash for your business interest at a time when it may be needed most.

Don't let your business become another Great Resignation statistic. Together with your team of advisors that includes your financial professional, you can review potential strategies that will show your business-critical employees how much they mean to you. **To get started, contact your financial professional today.**

<sup>1</sup> *Interactive Chart: How Historic Has the Great Resignation Been?*, March 9, 2022, [Society for Human Resource Management](#).

<sup>2</sup> *The Great Resignation continues, as 44% of workers look for a new job*, March 22, 2022, [CNBC.com](#).

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