



KEY CHANNEL PARTNER OF THE MONTH

Arabella Consulting, Inc.
Where Human Meets Resources...

PAYROLL

March Economic Outlook: Things Aren't Always as They Seem.

Quick takeaways

- **Confusing, contradictory economic data might make you think you need to act—now.** But one data point that grabs headlines isn't a reason to change your financial goals or savings strategies.
- **Inflation and supply chain issues will continue to affect everyone's wallets.** Now's the time to ask what financial lessons you've learned over the last two years that can help guide you, such as paying off debt early if you can.
- **Geopolitical conflict may exacerbate underlying global strains.** Even if they occur far from where you live, these events can create volatility and uncertainty in the markets.

There are hints about what's really going on in our markets (and on our grocery store shelves) and how those economic indicators may affect your goals in the future.

Your wallet: Market drops can be hard to stomach, especially the closer you get to paying for college or starting your much-anticipated retirement. But a quick decision can lead to long-term regret; time in the market matters more than timing the market. Want proof? That first week in January, the markets bobbed up a bit, then down a bit, then mostly landed back where they started before the jobs numbers came out. Understanding your approach to investing can help you better tolerate those continued ups and downs.

Inflation is affecting everyone.

"Consumers have decided the things they'll tolerate and the things they won't. Now we are starting to see people understand that their money and how they spend it is a tool." - Heather Winston

Your wallet: The clock is ticking for an interest rate increase which the Federal Reserve believes will help slow or stem inflation. When it comes, what impact might it make on your monthly budget or debts, and what can you do now to prepare and pay off what you can? Read our story on interest rate changes for ideas. Setting your strategy now is one way to ensure you'll still be able to afford what you value in the near term.

KeyHR is the KEY to Your Success

How successful could you be if you could focus on what you do best? It's a question worth asking. And we not only HAVE the answer... We ARE the Key!

KeyHR is aligned with preferred provider companies to offer new and innovative ways to meet our clients' payroll, employee leasing, benefits and insurance needs.

Our relationship with these companies helps business owners reduce costs, save time, optimize their workforce, increase revenue and minimize risk. If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions.

If your company needs to save money, address compliance issues, improve efficiencies and increase productivity, we have the solutions and the key to your success.

Trust Key HR to provide you with...

- Access to more service providers than any other business of our kind
- Specialists in every area of Human Resources
- Solutions for companies at all stages of development – from startups to fully mature
- A firm commitment to stay current on the laws that affect your industry and business
- Savings from 20 to 40 percent off your bottom line

It could be one of the smartest business decisions you ever make!

The supply chain that can't get unstuck

Finding optimism may be the biggest economic challenge of all.

Your wallet: The two-year supply chain woes had a lot of big and small companies questioning where to get what they need to stay resilient. Maybe you've questioned your wallet's resiliency. What's the biggest thing you've learned, and how do you put it into practice (or keep doing it) going forward? Maybe it's as simple as your approach to budgeting: Does a set-it- and-forget-it approach work, or do you reevaluate monthly?

principal.com



Surging Gas Prices Take a Bigger Bite out of Workers' Wages

Some Can No Longer Afford the Drive to Work

As gas prices hit record levels in the U.S., many low- and moderate-income workers are finding that their wages no longer cover basic expenses. Some say they may not be able to afford driving to their worksite much longer. While mass transit or biking may be an option for some, for others commuting by car is the only practical way to get to work.

A Full Tank for a Full Day's Wages

On March 10, gasoline at U.S. pumps hit a record for highest average price, with regular gas costing \$4.32 a gallon and diesel \$5.06 a gallon, according to the American Automobile Association. If a worker earning minimum wage were to fill a 12-gallon tank of gas today, it would cost them almost an entire day's pay. *(Newsweek)*

An Extra \$2,500 per Year for Gas

Assume you live in Fargo, N.D., have a seven-mile commute and your car gets 26 miles per gallon. A week of driving to work would have cost \$3.74 in May of 2020, \$7.50 in May 2021 and \$10.25 with average prices as of March 8. If you live 30 miles away from work, a week of driving would have cost \$16.04 in May 2020, \$32.20 the year after and \$43.97 on March 8.

A typical family in the Fargo area will spend about \$2,500 more on gas this year, based on how the price trends look. *(InForum, Fargo, N.D.)*

Jobs at Risk

Domonic Graham, a cook in New Bern, N.C., is looking at transportation options other than driving, such as an electric scooter, which he said would cost him only \$200. Otherwise, he risks not being able to afford gas to get to work.

"My fear is losing my job from not being able to make it to work because of the high gas prices," Graham said. *(ABC News Channel 12, Bern, N.C.)*

Reimbursing Fuel Costs for Personal Vehicles' Business Use

Some employers use a Fixed and Variable Rate (FAVR) allowance plan, in which employees who drive their own vehicles to conduct business can receive tax-free reimbursements from their employers for fixed vehicle costs (such as insurance) and variable vehicle expenses (such as fuel), instead of the standard mileage rate.

Under a FAVR plan, the cost of the vehicle may not exceed a maximum amount set by the IRS each year. For 2022, vehicle costs may not exceed \$56,100 for automobiles, trucks and vans, up from \$51,100 in 2021.

Another way for employers to reimburse employees for their business-driving expenses is a flat car allowance, which is a set amount provided to employees over a given period to cover the costs of using their own car for business purposes—such as \$400 per month for the cost of fuel and other expenses. *(SHRM Online)*

Another Reason to Keep Working from Home

Sticker shock at the pump for Americans is sharpening already uneasy feelings about the impact of inflation. Why, then, are we in such a hurry to end pandemic-era work-from-home policies and force employees to commute to offices again? *(Bloomberg Opinion)*

Promoting Mass Transit

New York City is trying to convince workers to return to the office as gas prices are going through the roof, and some believe that could lead to a change in commuting habits. Subway ridership is at about 55 percent of pre-pandemic levels. Metro-North Railroad and the Long Island Rail Road are at about 45 percent. With gas prices hitting record levels, this could be an opportunity for the Metropolitan Transit Authority to bring people back to transit. "The subway fare is not going up, the railroads are not going up," said traffic consultant Samuel Schwartz. *(WCBS NewsRadio 880, New York, N.Y.)*

Bikes and Buses

Climate Smart Missoula (Montana) says investing in a bike, or maybe even an electric car, not only can save you some cash but also can help save the planet.

Amy Cilimburg, the group's executive director, said there are many options for transportation in Missoula, so it should be easy to find what works for you. "There's a lot of creative ways to get around that combine walking, biking and busing," she advised. *(Channel 8 KPAX, Missoula, Mont.)*

A Two-Hour Bus Commute

Five days a week, David Gifford drives to work at an automotive-interior-parts manufacturer in metro Detroit, about 20 miles from his home. He most recently filled his gas tank for \$4 a gallon.

"To add another \$60 a week to our gas tanks suddenly starts eating into other things," he said.

If gasoline prices continue to climb, Gifford said he would consider taking buses to work rather than driving, despite a bus commute taking about two hours each way, compared with about 30 minutes by car.

"If I had to add on extra hours of commuting to my day, that would be a big loss for family time," he said. *(The Wall Street Journal)*

Gig Drivers May Suffer Most

Rising prices are hitting gig workers particularly hard as fuel makes up a large part of their daily costs. Lyft drivers say they have to spend more time driving in order to achieve the same level of pay. Some say that without increased wages or other support from ride-hailing companies to help alleviate the burden of fuel costs, driving will no longer be worthwhile.

When asked if Lyft would offer additional support to drivers as fuel costs increase, a spokesperson said it had taken concrete steps to help, including a fuel cash-back program. The company's website says drivers can get 1 percent cashback on gas purchases through Mastercard Easy Savings at qualifying gas stations in their area. *(The Guardian and Lyft Direct Rewards)*

4 Ways to Use Technology to Enhance the Benefits Experience

When it comes to benefits communication, we need to be creative in helping employers best determine how and when benefits are conveyed to their employees.

This can be a head-spinning task: Today, there are so many amazing service providers with unique solutions, that as advisers, analysis paralysis can easily occur. But the key to overcoming inertia is by starting with the actual problem before starting the hunt for a solution. Here are a few basic questions to ask: How did employees access info before COVID-19, and what has changed? Is it easy, or can we make it easier? What is the budget to enhance technological resources to drive a better outcome and reduce inefficiencies in delivering information?

Many times, employers assume or make decisions on behalf of their employees. This is why feedback is key. I challenge us to not assume all employees enjoy receiving information in the same way. The one-time annual open enrollment meeting (now virtual) is just the beginning. We are fortunate to live during this wonderful digital age, because access to information is right at our fingertips. And this industry has plenty of tools to help disseminate information. So what are some methods we can use to educate the workforces we serve? The solution doesn't necessarily mean one form of technology is the answer. It can, and often will, be multifaceted if we're serving a multigenerational or geographically diversified workforce. Consider these steps:

Create a website

This is one way to effectively create a one-stop-shop for all employees to have access to anything and everything related to benefits. It also serves as a branded focal point that always can be referenced as part of your client's communication campaign.

Launch a mobile app

There are several tech firms specifically focused on building custom mobile applications to help employers brand, advocate and deliver effective benefit communication that drives up engagement more than 40%.

Text message

It's worth noting that there's a 98% open rate for texts versus mass emails, which are just in the single digits. Text messaging is an incredible way to deliver bite-size reminders and calls to action. Your dentist office does it, and I'm sure your kids' pediatrician sends texts as well.

Video content

The most effective approach involves short 1-2 minute videos hyper focused on a single subject, animated or not (I'll explain more on that later). Now, here are some key reminders when creating an ongoing technology-based communication campaign:

EMPLOYEE BENEFITS



Create a strategy

Take some time to help plan all aspects of the benefit offerings or corporate culture your client would like to display, then have them communicate these offerings.

Brand the messaging

Continue to use corporate culture terminology in the messaging to reinforce the brand, mission and explain why it's important. It can be easy to copy and paste items from other entities, but words and images will carry so much more weight when they're customized to the organization.

Keep it succinct

Most employees are multi-tasking and, therefore, easily distracted. If they then receive a piece of communication, it needs to be brief but informative enough to create a desired behavior change. Have you been on social media lately? Most videos are less than a minute long. Part of the reason is due to our shrinking average attention span. Bite-size pieces of content are easier to digest than a 20 minute video or essay on how to navigate, say, the next pharmacy visit.

Keep it simple

This is much harder than it seems, and counterintuitive at times. We have to simplify the complex in order for employees to absorb the data and material. It's important to keep that in mind when a new hire is wondering how to access an EAP. And just because someone has been with a company for 7 years doesn't mean they know everything about their benefits, especially since everyone is in a different life stage.

Call to action

Reminders are good, but a call to action can actually yield results. Imagine a text message, email reminder or push alert sent via a custom mobile app with a call to action. Your client is likely to have higher engagement in the actual reminder itself.

Target your message

The key is knowing there's no one-size fits all solution. One of the more advanced communication methods is targeting an actual group.

Not all forms of technology are created equal. When sending out messages to the workforce, remember that short videos from HR or the C-Suite will surely create a more personal touch. Remember that whether your employer client sells a product or a service, the key is to help them ensure that they're building relationships and not a transactional communication with employees.

WORKERS' COMP



The Only Thing That Will Change is Your Bottom Line

Worker's Compensation is a critical business issue. If you haven't thought much about it, chances are it's costing you too much – and if an incident happens, it can cost you a lot more.

KeyHR will work on your behalf in dealing with premiums, claims, regulators and injured workers to ensure the best possible outcomes for your business, your employees, and your bottom line.

Let us help you eliminate surcharges, premium deposits, audits, modifiers and sometimes down payment & lower overall workers' compensation cost in all facets of coverage.

Our PEO Services offered include:

- Payroll
- Benefits
- Workers' Compensation
- Human Resources
- Risk Management

To get more information on a PEO click here:
<http://keyhro.com/peo>



Trust KeyHR to Provide You With...



Access to more service providers than any other business of our kind.



Specialists in every area of Human Resources



Savings from 20 to 40 percent off your bottom line



Solution for companies at all stages of development-from start ups to fully mature



A firm commitment to stay current on the laws that affect your industry and business

WE ARE THE KEY TO YOUR SUCCESS!

Want to learn more about what KeyHR can do for your business?

Contact us today!

 605 E. Robinson Street
Suite 500, 5th Floor
Orlando, FL 32801

 800.922.4133

 info@keyhro.com



Upcoming Events

**Thursday, April 21, 2022
at 06:15 PM at Lake Eola!**

Key HR is sponsoring the Simply IOA Corporate 5K, Thursday, April 21, 2022 at 6:15pm at Lake Eola, Orlando, FL. If you live nearby come join us in the run or by our tent!

[Register now!](https://www.trackshack.com/event/90/registration)

(<https://www.trackshack.com/event/90/registration>)