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First Day of Spring March 20, 2025



from your friends @ PAYROLL

Key HR 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!

Key HR 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.

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KEY CHANNEL PARTNER OF THE MONTH



February Inflation Rate Comes in Lower Than Expected

Inflation moderated slightly in February, new data finds, but the numbers likely do not yet reflect President Donald Trump's tariffs, which economists say may impact inflation in the coming months.

The consumer price index for February increased 0.2% on a monthly basis and rose 2.8% for the 12 months ending in February, the U.S. Bureau of Labor Statistics (BLS) reported March 12. That's down from the 3% year-over-year increase notched in January and is also lower than economists' expectations of a 2.9% year-over-year rise.

Core CPI accelerated 0.2% for the month — after increasing 0.4% in January — and 3.1% annually. The annual rate is also down from the month prior. The index for shelter rose 0.3% in February, accounting for roughly half of the monthly all items increase, the BLS reported. The shelter increase was partially offset by a 4% decrease in the index for airline fares and a 1% decline in the index for gasoline. Food prices were also a factor, rising 0.2% as the index for food away from home increased 0.4%.

Given that inflation is higher than the Federal Reserve's 2% goal, the bank is not expected to reduce interest rates when it meets next week. "The Fed is likely to maintain an extremely cautious attitude toward any policy adjustments until uncertainty falls significantly," Ross said. The inflation data out from the BLS shows some cooling, but things could worsen in the coming months, Ross cautioned.

Real Earnings Tick Up Real average hourly earnings for all employees increased slightly from January to February, rising 0.1%, seasonally adjusted, the BLS reported separately March 12. This result stems from an increase of 0.3% in average hourly earnings combined with an increase of 0.2% in the CPI for all items. Real average weekly earnings increased 0.1% over the month due to the change in real average hourly earnings combined with no change in the average

workweek. Meanwhile, real average hourly earnings increased 1.2%, seasonally adjusted, from February 2024 to February 2025.

The change in real average hourly earnings combined with a 0.6% decrease in the average workweek resulted in a 0.6% increase in real average weekly earnings over this period.

The earnings report was released the same day as Payscale's annual compensation report, which found that employers are eyeing smaller raises this year: On average, organizations are reducing pay increases by 0.3 percentage points, planning for 3.5% pay raises in 2025, compared to the 3.8% given in 2024, Payscale found.

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LA Fires Highlight Need for Employer Support During Disasters

The recent wildfires that have ravaged the Los Angeles area have killed at least 29 people, displaced tens of thousands of residents, burned down almost 17,000 homes and other buildings, and caused anguish and distress for millions. They also highlight the importance of help that employers could and should offer to employees during times of natural disasters and other crises. “Employer support for employees impacted by wildfires and other natural disasters is critical,” said Dr. Joel Axler, a psychiatrist and national behavioral health leader for Brown & Brown Insurance in Daytona Beach, Fla. “Offering support not only helps employees as they recover and rebuild, but it fosters loyalty and trust within the organization.”

Whether by providing flexible work arrangements, financial support, or mental health benefits, employers play a key role in alleviating the astounding losses employees and their families can experience in a natural disaster, he said. Nicholette Leanza, a therapist at LifeStance Health in North Royalton, Ohio, agreed, saying that employer support is vital because “it shows employees that the company cares about them not just as workers, but as people, too. Showing support to the employees indirectly impacted also validates their feelings of anxiety and uncertainty during difficult times,” she said. “The compassion a company shows their employees can make all the difference between a revolving door and a loyal team.”

Ensure Safety and Keep People Informed

Ensuring physical safety is the first and most immediate step employers can take to prioritize the well-being of their employees, Axler said. That includes communicating emergency plans and verifying employee safety during and after the natural disaster.

Adjusting leave policies or granting additional or emergency paid time off to accommodate recovery efforts is another obvious step. Offering financial assistance, providing shelter and supplies, and helping with transportation are also important components of employer support. Employers also need to consider long-term recovery, Axler said. This involves reassessing workloads, offering resources for managing trauma and building resilience, and creating a disaster recovery team.



Mental Health Support Is Crucial

In particular, mental health support plays a vital role after natural disasters that can rock a community, experts said. “Disasters like these can have a huge impact on people’s mental health,” Leanza said. “Feeling overwhelmed by stress, anxiety, and sadness is a completely appropriate response, especially if they have lost loved ones, their homes, or their belongings.” Roughly one-third of people affected by a natural disaster may experience a negative mental health consequence such as post-traumatic stress disorder, anxiety, or depression, according to a University of Alberta study.

“The fires definitely do call to mind the need for mental health benefits,” said Julie Stich, vice president of content at the International Foundation of Employee Benefit Plans, a nonprofit organization based in Brookfield, Wis., with 31,000 employer members. “It serves as a reminder for employers to tell workers about their EAPs [employee assistance programs] or other offerings. Whether it’s changes in the administration, the latest shooting, or a natural disaster, people are always going through something, and there’s a continuing need for mental health benefits.” Partnering with virtual telehealth services, promoting online support groups, and providing access to mental health apps are other ways employees can receive mental health resources no matter where they are located, Axler added.

Additionally, efforts to help employees’ mental health in light of a disaster should be ongoing. “It’s essential that employers provide ongoing support, counseling, and access to mental health resources to help affected employees through any mental health struggles following a natural disaster,” he said.

Everyone Can Be Affected

Mental health support is obviously vital for those directly impacted by an event such as the L.A. fires, but it’s important to keep in mind that many people are also indirectly affected.

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To Reduce Healthcare Costs, Address Chronic Conditions

Your company is spending a lot on traditional healthcare coverage — and probably multiple supplemental wellness offerings — to help workers manage chronic conditions. Providing a single-point solution that helps employees manage multiple conditions can improve their health, consolidate benefits and cut down on employer costs. Compared with other high-income countries, the U.S. has the highest rate of adults with more than one chronic condition, according to the Commonwealth Fund. Data from the CDC shows 6 in 10 have at least one chronic illness and that the majority of healthcare costs are connected to patients with these issues. In addition to direct costs, research from multiple sources puts employer financial loss — due to lost productivity and absenteeism — in the hundreds of billions.

Management of chronic conditions means higher prescription drug usage and cost, as well. Sixty percent of the general population report being on at least one prescription medication, according to KFF, but this number skyrockets for people with certain chronic health issues: For instance, data from Georgetown University shows that adults with diabetes typically take four times as many prescriptions as those without it. Many of the people managing chronic conditions do not fall into the super high-claimant category, but they require far more than just basic wellness perks to improve their health, says Kurt Cegielski, chief commercial officer at MOBE, a platform that helps people manage their health, including chronic conditions, lifestyle habits and medications. “The average person we work with has 15 different maintenance medications prescribed by nine different providers,” he says. “You go to the doctor, then they typically write you a script. And you don’t even talk to a pharmacist. You drive through, they ask you your address, maybe your phone number to make sure it’s you. And they say, ‘Do you have any questions?’

Now imagine you’re one of these people with 15 different drugs and three chronic conditions.” Cegielski describes this middle-ground population as one that interacts frequently with the healthcare system, but trying to navigate numerous employer-provided solutions for individual health issues makes things needlessly complicated. By offering a platform that specializes in cross-condition care, employers can make it easier for participants to engage with healthcare experts and information, leading to better outcomes, Cegielski says. MOBE members are paired with a guide — a health professional who can help with areas such as sleep, stress, nutrition and fitness — and a clinical pharmacist. Relevant educational resources are provided through its app, and it has an AI predictive analytics feature which can help identify members at risk for new or worsening conditions based on their connected claims information and personal interactions with the platform.

“[People] need someone to help them through each and every step of this process, because the path to better health and improvement is complicated and long,” he says. “I know I can message [my guide] 24/7, [and they’re] pushing me content relevant to our recent conversation. It just fills a need that our healthcare system, unfortunately, is not filling.” The platform’s average employee engagement within the first year is 30%, their data shows. Additionally, by making it easier for employees with chronic issues to connect the dots to better overall health, employers stand to see a return on investment in the forms of improved health outcomes, happier employees and lower long-term costs, says Cegielski.

“We need to rethink how we serve [these employees], and if we do so, we’re going to create solutions that work better, engage more people, and ultimately impact cost, not only today, but tomorrow, as we hopefully keep some of them from progressing into that large claim bucket.”

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WORKERS' COMP



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

Contact us today!



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Employee Appreciation Day!**

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ALL of our employees
hardwork & dedication!**

**We couldn't do it
without YOU!!**