

# CavMac CHRONICLE

CavMacConsulting.com



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## Long-Term Care – Challenges and Solutions

As life expectancies increase, so will the need for long-term care (LTC) services. This will be an emerging issue for future retirees, but we are already seeing impacts on the active workforce, with informal caregiving becoming a more significant issue as employees' parents and grandparents are living longer, but not necessarily healthier, and are requiring help with daily living. Since formal LTC arrangements are expensive and most people want to stay in their homes, the default option so far has been informal caregiving provided by spouses, children, and other relatives, up to the point the caregiving needs become too much to handle.

The Society of Actuaries published a research paper in 2023 called *Informal Caregiving: Measuring the Cost and Reducing the Burden*, which examines some of these issues. The impact of informal caregiving on the workforce includes increased absenteeism and presenteeism (where the worker is physically present at the job but is unable to fully perform duties due to worry and stress about caregiving responsibilities). The need for LTC insurance for employees and retirees themselves and the need for support such as caregiver referral services for informal caregivers both provide an opportunity for employers to offer voluntary benefits to members, potentially at no cost to the employer as employee-pay-all. Interest in purchasing LTC insurance is still relatively low for younger employees, but adding additional features, such as wellness benefits that can be used early on to avoid or delay the need for long-term care facilities, can make these benefits more attractive.

LTC will be an ongoing issue for individual families and society as the baby boomers continue to retire and as all age groups experience increased longevity. It is vital to begin recognizing these challenges and considering possible solutions sooner rather than later.

[Check out the full article from the Society of Actuaries LTC >](#)

## Risks of a Declining Workforce



By nature, most pension plans are already mature, meaning the ratio of actives to retirees is already declining. A higher proportion of liability attributable to retirees means that asset gains or losses are more significant as a percentage of payroll, making it harder to recoup losses through payroll-based employer contributions. We are already seeing labor shortages in some areas, but is there a potential for an even further decrease in active membership due to Artificial Intelligence (AI)? Although AI could solve some labor shortage and efficiency issues, a declining active workforce would result in a lower payroll base for pension and OPEB contributions and could impact projected funding ratios by up to 10%.

Please contact one of our consultants to discuss the potential risk to your plan of a declining active workforce.





## Employee Engagement at CavMac

CavMac is delighted to unveil our new employee committee structure utilizing our broad range of expertise across all experience levels and departments. We have formed several firm-wide and cross-discipline committees to bring in various perspectives and keep employees engaged at all career stages. We would like to highlight our Peer Review Group (PRG), which adds an additional layer to our existing robust peer review requirements while encouraging collaboration among all practice areas to ensure internal consistency, effective communication, and a commitment to excellence for all of our work products.

## Congratulations, Bryan!



CavMac is honored to announce that Bryan Hoge was recently named a Principal and Consulting Actuary of CavMac. Bryan joined CavMac's Omaha office in 2014 and now has over 20 years of actuarial consulting experience with state and municipal public sector retirement plans. Bryan graduated from Drake University with a degree in actuarial science. He has been married to his wife, Molly, for 12 years. Together, they have three children: Carter (9), Owen (7), and Maren (5), and a dog named Lexi.

- Bryan is a huge football fan; his favorite team is the University of Nebraska Cornhuskers.
- Bryan loves games and puzzles; his favorite board game is Great Western Trail.
- Bryan enjoys traveling, having been to many countries, including Germany, New Zealand, Argentina, and the Netherlands, and he plans to travel to Thailand later this year.
- Bryan ran track and field in college, where he was a 2-time Missouri Valley All-Conference athlete.

Bryan has become a frequent speaker at the National Council on Teacher Retirement (NCTR) conference and the Missouri MAPERS conference, as well as being a co-lead actuary for many statewide and municipal clients in the Midwest. We have no doubt that Bryan will inspire even greater achievements for CavMac and will lead us to new heights.



## But Did You Know?

### 1 New Hires at CavMac

Join us in welcoming our three recent hires!

- Gabe Masek – Berkley, MI, Actuary
- Kerry Eiberger – Kennesaw, GA, Actuarial Analyst
- Robert Faulkner II – Kennesaw, GA, Actuarial Analyst

### 2 Look for CavMac at these upcoming conferences

- Youveak Yeng, Jessica Fain, and Brandon Lu at the South Carolina ORBET conference on February 5th
- Alisa Bennett and Larry Langer at the NASRA and NIRS Winter Conference from March 1-4 in Washington D.C.
- Ed Koebel at the GAPPT Annual Conference from March 24 – 27 in Braselton, Georgia



## CavMac Comedy

What do you get when you put root beer in a square glass? Beer.

I used to think math was useless, but then one day, I realized that decimals had a point.