

# 7 Must-Haves That Employers (and Employees!) Want in Workplace Benefits in 2025

Employers of all sizes have turned strengthening their benefits strategy into an annual exercise, but far too many are failing to close the gap between what they think employees want in workplace benefits and their actual needs and expectations. And without closing that gap, they risk falling short of goals in areas like enrollment participation, job satisfaction, and retention.

Here are seven trends your clients should consider when modernizing their benefit offerings to provide the supportive workplace benefits employees want.



## 1 Get Personal

Forget one-size-fits-all benefits. Today's workers need more personalized options to meet their diverse needs. And their needs are changing as demographics change: there are five generations in the workforce, with Millennials and Gen Z now representing the majority - and their share of the workforce is expected to grow to more than 60% by 2031. More employers are taking an employee-first approach to benefits to better understand what their workers want and offer a broad range of benefits with more personalization.

### EMPLOYEE PERSPECTIVE

Each generation has unique benefit preferences and they expect a more modern approach to workplace benefits with flexibility and personalization. Millennials have the broadest range of needs and more workers overall are looking for benefits related to physical, financial, and mental wellness.

## 2 Holistic Well-being Benefits for Right Now

Today's employees want to work for organizations that support their holistic well-being - think benefits that span across their physical, financial, and mental health. And many employers are embracing this modern approach, as nearly three-fourths of organizations have increased their commitment to well-being programs. Their top goals for shifting their strategy? Attracting and retaining talent and increasing job satisfaction.



### EMPLOYEE PERSPECTIVE

With generational differences and needs, employees expect flexible well-being offerings plans that can meet them in their current stage of life. For example, there's greater overall interest in products that can address their financial concerns and risks today, and less about future-focused issues like retirement savings.

## 3 Financial Protection via Supplemental Health Solutions

Employers continue turning to supplemental health offerings to help solve the demand for benefits that support financial wellness and income protection for the near term. Accident, critical illness and hospital indemnity insurance ranked as the top three voluntary supplemental health benefits added by employers in 2023. Meanwhile, 2023 worksite sales by policy increased over 2022 totals for all three products: 3% for accident, and 12% for both critical illness and hospital indemnity.



### EMPLOYEE PERSPECTIVE

Despite recent product growth at the worksite, many employees are experiencing an unmet demand. Critical illness (No. 2), hospital indemnity (No. 6) and accident (No. 8) are all among the top-ranked benefits that employees want but aren't offered by their employers.

## 4 Supporting Gig Workers

The gig economy - which is preferred by younger generations - will continue to grow and employers don't want to leave gig workers behind: about seven in 10 employers are considering offering insurance benefits to nontraditional workers in the future. Product flexibility and portability are among the key considerations when updating workplace benefits to include gig and part-time workers.



### EMPLOYEE PERSPECTIVE

When asked to rank the downside of gig work, workers put not having access to workplace benefits at the top of the list.

## 5 Digital is a Difference Maker

An overwhelming majority of employers of all sizes - including two-thirds of small organizations and 70% of midsize employers - expect to rely more heavily on carrier-provided technology in the next five years. This continues to raise the bar for carriers to provide a personal digital experience touching services like quoting and enrollment, education, and benefit administration, which saves valuable time and resources for employers.

**90%** of employees want a personal digital experience

### EMPLOYEE PERSPECTIVE

Roughly 90% of employees want a personal digital experience as they choose and use their workplace benefits, with online enrollment and claims submission being the most important online services.

## 6 Clear Communication

Employers need to provide effective benefits education and communication, as the payoff is a strong return on their investment - meaning a better understanding of benefits leads to higher enrollment, more satisfied workers, and improved retention. But this task often falls to understaffed and overstretched human resources departments, especially at smaller organizations. Employers value carriers and producers who can strengthen this area with things like turnkey communication strategies, customizable multi-channel educational resources that resonate with different demographics, and their overall expertise.



**80%**

of employees expressed a preference to talk to a professional for additional guidance.

### EMPLOYEE PERSPECTIVE

More than a quarter of employees say their employers communicate about workplace benefits poorly; they want a better understanding of their benefits and regular communication throughout the year. And while utilizing a variety of resources and communication methods is vital to meet the preferences of different generations, 80% of employees expressed a preference to talk to a professional for additional guidance.

## 7 Do More with More

Here's the bottom line: one of the best ways to strengthen benefit programs and drive employee satisfaction is by adding benefits that employees want - and more employers understand this. About half of small businesses and 60% of midsize businesses say they're considering expanding their voluntary benefit offerings. This is where your expertise can help seize an opportunity. Even though a benefit may not be on an employer's radar, don't hesitate to recommend the right solutions with potential to improve their employees' daily lives, reshape their offerings and support their business outcomes.

### WHAT EMPLOYEES THINK

High-quality benefits directly impact the employee experience, as employees who are highly satisfied with their benefits are much more likely to be happy with their jobs overall.

**3/10**

of employees don't have access to benefits that they consider very or extremely important.