

Employee benefits survey analysis: Part 1

Addressing the misalignment between
small and midsize employers
and their employees on benefits





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Introduction

If the last couple of years—which have included the COVID-19 pandemic, a turbulent economy, and a global onset of uncertainty—have taught us anything, it's that today's employees have so much more to their lives than their work.

When the workplace shifted from a company office to kitchen tables and living rooms, employers suddenly saw a window into their employees' lives beyond the office—children popping in for help with their schoolwork, spouses passing off cups of coffee, and pets traipsing in the background.

This heightened a demand for flexibility, better work-life balance, and more inclusive employee benefits, and inspired many employees who weren't getting those elements from their current employers to leave—a phenomenon now known as the Great Resignation.

In today's employee-centric market, with increased competition for top talent, it's critical for small and midsize employers to do everything in their power to keep their current employees happy, as well as redouble their recruiting efforts to entice new employees to join their organization.

One of the best ways for small and midsize businesses (SMBs) to show they care about their employees' overall wellbeing is by offering a quality benefits package. The challenge for small employers is in ensuring the benefits their organization is offering are in alignment with what employees really value.

To better understand what today's SMBs prioritize when it comes to building a benefits package, and how that compares to what employees really want from their employers, we surveyed PeopleKeep customers and their employees about their benefits. What we found is that employers and employees are largely not in alignment when it comes to what's important in a benefits package.



In this report, we explore key comparisons in employers' and employees' views on benefits and unveil discrepancies between the benefits offered by employers and the benefits employees actually value.

Methodology

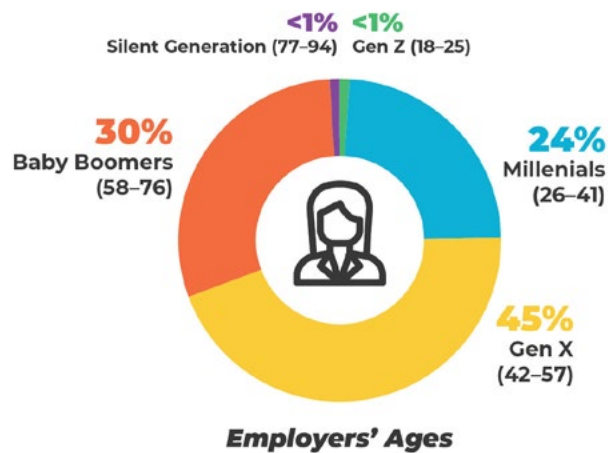
The data from this report was gathered through an online survey that was open from May 2 to May 11, 2022. We received responses from 305 employers and 925 employees across a range of industries, including technology, health, dental, food and beverage, veterinary, and religious and nonprofit organizations.



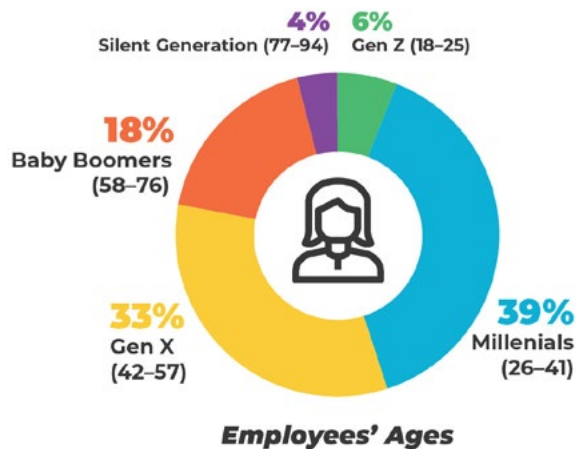
Among the employers, 65% of the respondents were female, and 32% were male. A similar breakdown of gender existed among the employees, with 61% female respondents and 36% male. A small percentage of both employers and employees preferred not to share their gender.



Looking at the age breakdown, many of the employers fell in the 42–57 age group (Generation X), with 45% of respondents in this category. The next highest age group was the 58–76 range (Baby Boomers) with 30%, followed by the 26–41 range (Millennials) with 24%. Less than one percent of employers fell in the youngest working generation, Gen Z, and the oldest working generation, the Silent Generation, ages 18–25 and 77–94 respectively.



The highest percentage of employee respondents were Millennials, (39%) closely followed by Gen Xers (33%). 18% of employees were Baby Boomers, while 6% were Gen Zers. The remaining 4% were from the Silent Generation.



Key comparisons

When looking at the employee and employer survey responses, the data revealed a number of discrepancies in how employees value benefits compared to their employers, a benefits package's impact on the job market, and who really gets a say in what's included in a benefits package.

How benefits influence job candidates' decisions

We asked both employers and employees whether they felt the benefits package an employer offers is an important factor in whether or not an applicant accepts a job with an organization.

The responses show that employees see a quality benefits package as a more important deciding factor for job candidates than employers do, with 82% of employees citing its importance, while only 66% of



82% of employees say that the benefits package an employer offers is an important factor in whether or not applicants accept a job with an organization while only 66% of employers think it's important.

employers saying the same.

Views on mental health

Mental health is one of the top benefits employees value, yet one of the least offered benefits by employers. While 63% of employees value mental health benefits, only 5% of employers actually offer any.

We drilled down on mental health further by directly asking employers if they value their employees' mental health, and then compared those responses to that of their employees' feelings.

While the vast majority of employers say they value their employees' mental health (96%), only 64% of employees reported that they feel



96% of employers say they value their employees' mental health, but only 64% of employees feel their employer values their mental health.

"Many companies don't care much about their employees' mental health, overall wellbeing, and work-life balance. But they're important because they provide higher retention rates, lower burnout rates, more satisfied employees, and in turn, more satisfied clients and customers and the overall business benefits as well."

—Employee, Gen X, female



their employer cares about their mental health.

Employee influence on benefits

Traditionally, employers have been the ones to decide which benefits to offer. However, our survey responses reveal that today's employees want more say on what's included in their benefits package.

"Choice is optimal in the benefits arena. There is no one-size-fits-all policy for anyone, or any family, as all our circumstances are different."

—Employee, Gen Z, female

When asked if they would value being able to choose their own benefits, 65% of employees said they would. However, only 36% of employees feel they have a say at their company. A higher percentage of employers (50%) feel their employees have a say in the benefits the company offers.

65%

of employees say they value being able to choose their own benefits.



50%

of employers feel their employees have a say in the benefits the company offers.



36%

of employees feel they have a say.

Wage increase vs. separate benefits

Offering a pay raise is often the go-to choice for many employers looking to retain their best employees and reward them for a job well done. However, not all employees want to see that money spent toward their paycheck.

In fact, when asked if the company had an extra \$200 a month to offer employees, 42% of employees say they'd rather have a separate benefit than a wage increase.



While most employers prioritize pay raises, 42% of employees say they'd rather have a separate benefit than a wage increase if the company had an extra \$200 a month to offer employees.

Education and understanding

One silver lining for employers is that their efforts to educate employees are directly correlated with employee understanding of their benefits.

We asked employers if they make a dedicated effort to educate their employees on the benefits they are offered, and 83% of them say they do. The responses from employees show that those efforts are paying off, as 87% of employees say they understand the benefits their employer offers.

Employers' efforts to educate employees is paying off



83% of employers say they have made a dedicated effort to educate their employees on their benefits and 87% of employees say they understand the benefits their employer offers.

By educating employees on their benefits, employers can increase the chances of employees fully appreciating and taking advantage of what is being offered to them.

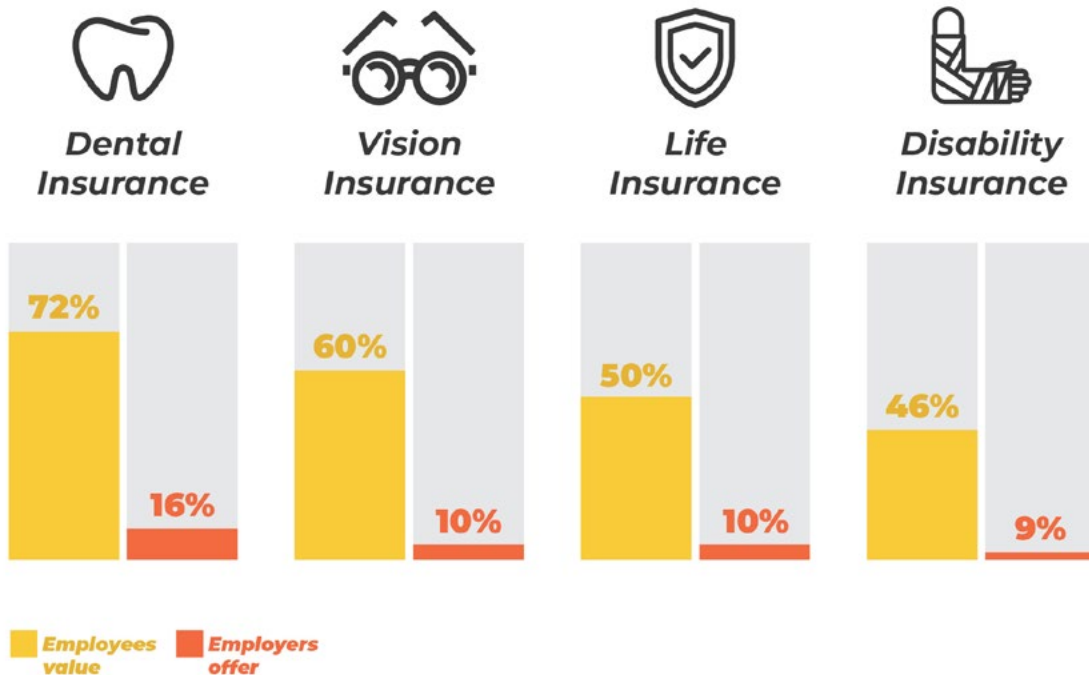
What employees value vs. what employers offer

The next point of comparison we looked into was which benefits employees say they value most compared to how many employers say they offer those benefits. The data reveal that many of the benefits employees value aren't offered by the majority of employers.



Insurance benefits

While health insurance is by far the most popular benefit (87% of employees value it and 92% of employers say they offer it) the data below show there are other forms of insurance that aren't being offered as often as employees would like.

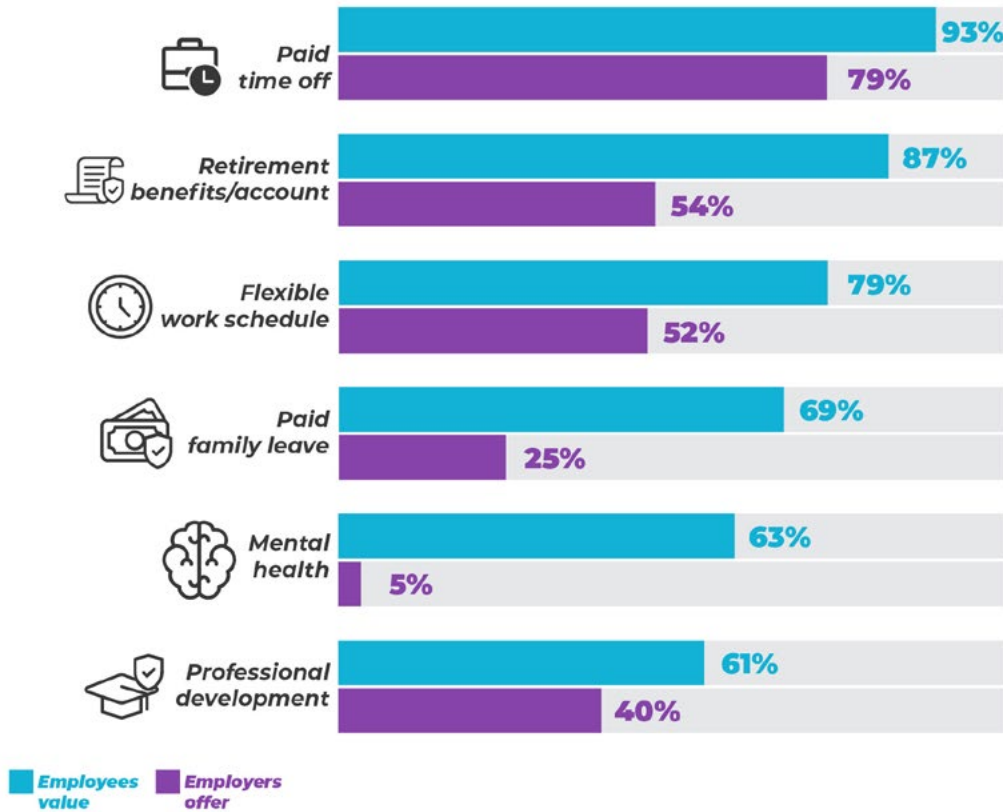


The largest discrepancy between what is valued by employees and what is offered by employers is dental insurance, with 72% of employees saying it's important and only 16% of employers offering it. Gaps in what is valued and what is offered also exist with vision insurance (60% vs. 10%) life insurance (50% vs. 10%) and disability insurance (46% vs. 9%).



Additional benefits

We also surveyed employees and employers about additional benefits beyond traditional insurance benefits, including paid time off, retirement benefits, flexible work schedules, and more. The data below show that across the board, employers aren't matching what they're offering with what employees value.



Conclusion

With the nature of work evolving to benefit employees, and the tight labor market making top talent scarce, employers have to do more to recruit and retain today's employees. By asking employees what they want from their benefits, designing a benefits package that gives employees the power to choose, and educating employees on the benefits offered, employers can show that they don't just "talk the talk" when it comes to benefits, and truly care about their employees' health and wellbeing both in and outside of the workplace.



PeopleKeep helps organizations of all sizes offer competitive benefits at a price they can afford. Our simple benefits administration software combined with our award-winning customer support team allows employers to manage their health and lifestyle benefits in just minutes each month.

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