



2022 Wellbeing and Voluntary Benefits Survey

Executive summary



About this report

Buck's third biennial Wellbeing and Voluntary Benefits Survey explores employee wellbeing and how U.S. employers rate the financial, social, physical, and mental health of their workforce. The report also offers insight into how organizations are using voluntary benefits to support employee wellbeing, enhance benefit programs, and attract and retain talent.

For the first time, the research was supplemented with a sample of employees working for large U.S. employers, so it is possible to compare the views of the employee — the ultimate “consumer” of wellbeing and benefit programs — with HR decision-makers.

Survey responses were collected from 683 employees and 218 employer participants in November 2021. Both the employer and employee samples are representative of large U.S. employers. The employer sample is representative of Bureau of Labor Statistics data in terms of number of employees, industry, annual revenue, entity type, global location, and regions of the U.S. The employee sample is representative in terms of gender, race, age, presence of children, marital status, role, and household income.

Executive summary

Employers are in the midst of a protracted war for talent, as workers readjust their expectations, often choosing to seek other opportunities rather than stay in a job that does not meet their needs. The January 5, 2022 Conference Board economic report shows that the most consistent short- and long-term risk to organizations is the shortage of quality labor.

Buck's 2022 Wellbeing and Voluntary Benefits Survey shows that employers continue to prioritize efforts to support employee wellbeing — a trend that started even before the pandemic outbreak — and have added benefits to alleviate worker financial and mental stresses.

Nevertheless, there is a growing gap between how employers think their workforce is coping and what employees really want in terms of support from benefits.

It's also worth noting, there is very strong alignment between the wellbeing goals of employers and their goals in offering voluntary benefits. After expanding the number of voluntary benefits and filling gaps, the third-highest intention among employers is integrating voluntary benefits into their wellbeing strategies.

Key findings highlight the disconnect between employee and employer perceptions

Perception gap

Employers are four times more likely than employees to view their organizations as committed to promoting employee wellbeing

Wellbeing gap

Employees rate their overall wellbeing lower than employers' perceptions of their ratings in nearly all categories: Financial (-23%), social (-23%), physical (-17%), and mental (-14%)

Pandemic gap

Barely half (51%) of employees say that "as a result of the pandemic, my employer is more focused on my total wellbeing." Yet 68% of employers say they have enhanced their wellbeing value proposition



Priority gap

Both employees and employers cite mental wellbeing as a high priority, but employers consistently underrate financial wellbeing stressors, while employees rate this as a top concern

Benefits gap

Fewer than a third of employees view existing employer resources helpful in meeting their top priorities: Saving money (26%), financial wellbeing (28%), and mental health (28%)



35%

of employees are actively considering a job change

A carefully built wellbeing program — that respects diversity — improves retention

In such a volatile talent market, employers need to find ways to continue to attract and retain employees. The company's benefits package is a core component of how employees view an organization's commitment to employee wellbeing and its support and promotion of diversity, equality, and inclusion (DE&I) in the workplace. When those factors are not in place, employee satisfaction with their employer suffers.

Buck's 2022 survey utilized data measuring over 30 attitudes of employees toward their employer, along with responder demographics, to identify top factors predicting or hampering employee retention. As shown below, we found a very strong correlation between employees' positive perception of their benefits package and employers' commitment to wellbeing, with employee retention. Conversely, employers that lack a commitment to DE&I and without a diverse benefits offering, saw a negative correlation with employee retention.

Factors driving or hampering employee retention

Drivers of employee satisfaction	Drivers of employee dissatisfaction
1. Satisfied with benefits package	1. Lower job satisfaction
2. Company shows it cares about wellbeing	2. Younger age
3. Employer is committed to wellbeing	3. Company doesn't create an environment where I can be productive
4. Company shows it cares about wellbeing of family and dependents	4. Diverse backgrounds are not respected
	5. Company doesn't care about DE&I

Although DE&I is viewed as an important factor in employee retention, over a third of employees feel their companies are not committed to DE&I. DE&I is particularly important for younger employees, an employee segment more likely to consider a job change.



Key takeaway

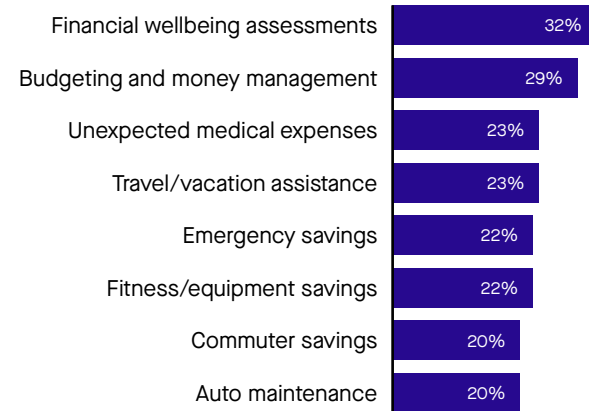
To retain workers, employers must demonstrate a strong commitment to employee wellbeing and DE&I by providing benefits that meet the needs of a diverse workforce. For younger employees, employers should consider boosting their benefits communications using higher-touch education and engagement strategies. For example, 45% of employees wish they had a better grasp of their benefits; the percentage decreases at older ages, likely as understanding rises and needs change.

The disconnect between employer support and employee needs

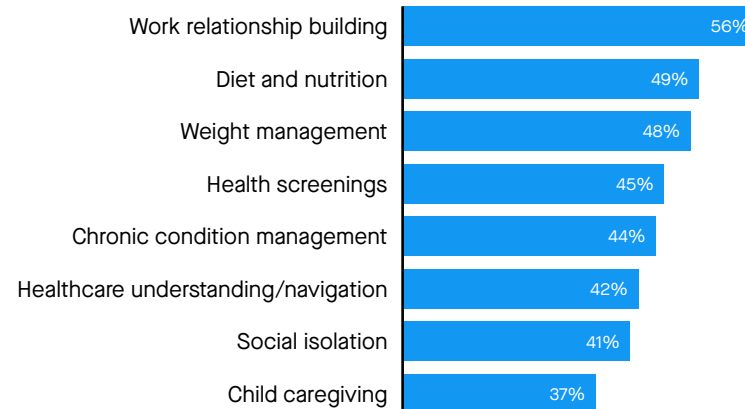
Survey responses show that employer priorities don't always accord with those of their employees beyond mental health. Employees value financial savings resources while employers tend to prioritize physical wellbeing — most likely in an effort to manage healthcare expenses.



The benefits employees value



The benefits employers value



Key takeaway

Employers must better understand the wellbeing needs of their workforce and give stronger consideration to enhancing financial wellbeing benefits.

Overall, employers plan to invest most in physical wellbeing (95%). But what employees told us they need most is more financial support from their organization.

Financial wellbeing

43%

of employees rate themselves as “financially healthy”

54%

of employees feel they live paycheck to paycheck

66%

of employers think their workers are financially okay

32%

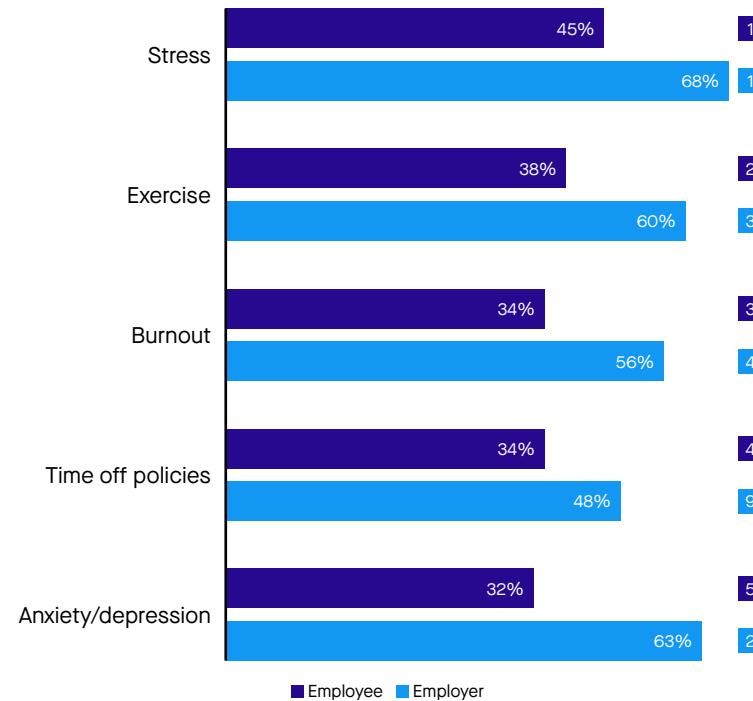
of employees are unsure of how well they're managing their money

Mental health is a priority

When considering expanding specific resources, employers notably “get it” and recognize the need to prioritize programs that address mental health issues, represented by stress, anxiety/depression, time off, and burnout — even if lower percentages of employees request mental health support.

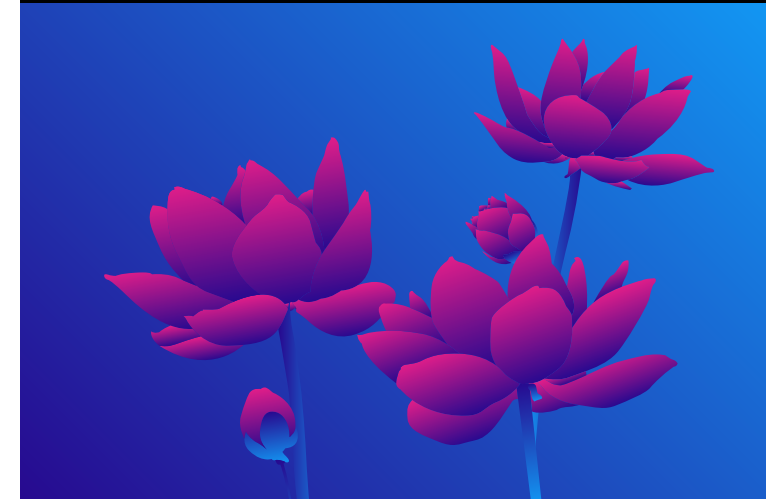
Twenty one percent of employees feel their mental health has worsened since a year ago. To make matters worse, only 28% of employees view existing employer mental health resources helpful.

Employee and employer perceptions of wellbeing priorities



Key takeaway

Employers are increasingly focused on the need to address mental health issues but must ensure communications and programs hit the mark.



Offering diverse wellbeing benefits for a diverse workforce

The survey shows employers should consider offering wellbeing support based on employee life stage and other demographics. For example:

- Younger employees want more support overall (millennials the highest) and the diversity of needs tends to decrease with age
- Workers under the age of 40 place higher priority on day-to-day savings and family building benefits
- Employees under age 25 are more likely to want assistance with mental health issues, including coping with unstable home environment, negative emotions, and addiction/substance abuse
- Lower income employees (<\$50K) want more support with budgeting, debt reduction/improving credit, and emergency savings
- Those ages 41-56 are 39% more likely to value long-term care readiness



Millennials seek family planning benefits

- Pregnancy or fertility
- New baby support
- College coaching
- Child education and/or home tutoring
- Student loans
- Home ownership/mortgage

Key takeaway

Employees place an increased emphasis on the desire for holistic wellbeing programs that address broad life stages. For employers, incorporating data and analytics into an organization's strategy is imperative to ensuring diverse benefits align with diverse populations.



The pandemic has increased employer commitment to wellbeing

Witnessing the many struggles facing employees, exacerbated by the COVID-19 pandemic, scores of employers boosted their wellbeing support over the last year. They understand employees can't be asked to do more if they're burned out, sick, stressed about childcare or personal finances. As a result:

- 68% of employers say they revised their employee value proposition regarding wellbeing
- 52% have expanded voluntary benefits to address emerging wellbeing needs

The pandemic has also significantly changed the way organizations are communicating to reach a diverse, and more commonly remote, workforce:

- 84% have increased communications overall
- 66% of employers say they've implemented new communication technology tools

The problem for many employees is that these investments are missing the mark. Only 51% of employees believe their employer has increased its commitment to wellbeing. Furthermore, less than a third of employees view existing employer resources as helpful for meeting their top priorities: Saving money, financial wellbeing, and mental health. It is clear there is a disconnect.

Employer responses to the pandemic

68%

have revised their employee value proposition regarding wellbeing

52%

have expanded voluntary benefits to address emerging wellbeing needs

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have increased communications overall

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have implemented new communication technology tools



Key takeaway

Management must substantively address the disconnect between its perceptions and the realities of what employees need, and create wellbeing initiatives built around employees' actual wants, needs, and everyday challenges. This starts by going beyond wellbeing programs that focus disproportionately on physical health, historically rooted in trying to forestall unnecessary healthcare claims costs and related disability. Those are laudable goals but employers are realizing the need for workplace wellbeing built around whole-person health, especially addressing employee financial stress (affecting over half of Americans even before the pandemic), and mental stress.

Voluntary benefits improve wellbeing

Voluntary benefits are an essential part of a comprehensive benefits package and a key lever for improving wellbeing and providing diverse benefits for a diverse workforce. And employers are not just dabbling — they are interested in adding an average of six additional options to the current average of 12 options. Just over half of employers have expanded their voluntary benefits since the start of the pandemic.

Yet employer voluntary benefit offerings are still somewhat at odds with what employees want. For instance, the top program employers are looking to add is caregiving (childcare/eldercare) but in aggregate, this does not appear on employees' top 10 list. (Of course, providing that support remains a praiseworthy employer goal as the workforce exodus of parents — if not also adult children caring for elders rather than risk long-term care facilities — is all well known.) However, employees rate auto and home insurance as their top interest, followed by vacation discounts, car maintenance, and other benefits like supplemental medical, personal loans, and fitness savings.

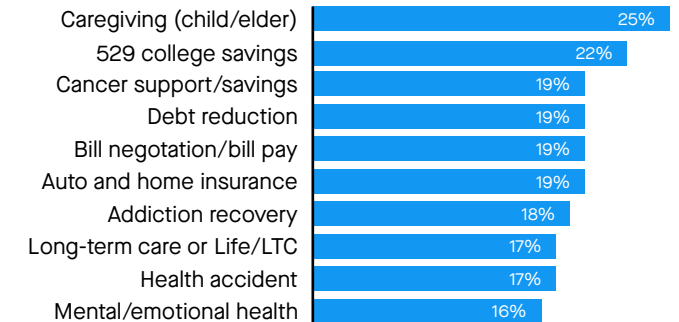
Key takeaway

Seventy-two percent of employers plan to expand their voluntary benefit offerings. This concurs with the views of employees: 68% agree or strongly agree that voluntary benefits are an essential part of a comprehensive benefits package.

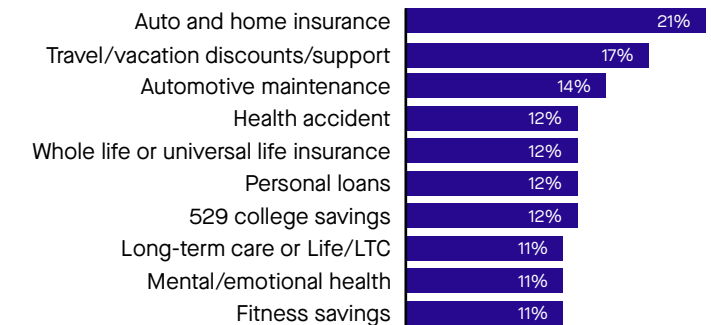
Top 10 voluntary benefits currently offered, in declining order of frequency

1. Supplemental life/AD&D
2. Critical illness
3. Legal services / legal discounts
4. Health accident
5. Employee discounts/discount marketplace
6. Hospital indemnity
7. Pet insurance
8. Education reimbursement
9. Mental/emotional health
10. Financial coaching/planning

Voluntary benefits employers value



Voluntary benefits employees value



Employers and employees agree about prioritizing auto/home insurance, health accident, long-term care, and 529 college savings.

Voluntary benefits viewed as key attraction and retention tool

Employers' goals for voluntary benefits — an affordable way to reward employees and promote and sustain the wellbeing of the workforce — have expanded dramatically since our last survey released in 2020. Nearly two-thirds (63%) of employers are seeking to foster increased job satisfaction, engagement, and the ability to attract and retain talent.

There is very strong alignment between the wellbeing goals of employers and their goals in offering voluntary benefits. After expanding the number of voluntary benefits and filling gaps, the third-highest intention among employers is integrating voluntary benefits into wellbeing strategies.

The survey findings, encompassing employee responses as well as their employers, affords us the ability to compare the views of the ultimate “consumer” of voluntary benefits with those making decisions about them. It is clear employees have an equally favorable opinion of voluntary benefits:

- 68% of employees believe voluntary benefits are an essential part of a comprehensive benefits package
- 61% believe voluntary benefits through their employer provide a better value than buying on their own

The fastest growing voluntary benefits between 2020 and 2022

1. Hospital indemnity (+20%)
2. Personal loans (+19%)
3. Financial coaching/planning (+19%)
4. Child/elder caregiving (+12%)
5. Critical illness (+11%)
6. Discount marketplace (+9%)
7. Pet insurance (+9%)
8. Health accident (+7%)
9. Auto/home insurance (+7%)
10. Long-term care (+5%)



Designing a voluntary benefits strategy that adds value

It is clear that employers are placing higher value on strategic consulting and engagement to ensure their investments in voluntary benefits payoff. When choosing a voluntary benefits partner, employers have significantly increased their reliance on the following top decision criteria compared to 2020 survey data.

- Strategic consulting guidance (+31 pts)
- Data analytics capabilities (+20 pts)
- For administration, simplified payroll deduction (+16 pts)
- Communication support (+13 pts)

Integration, year-round communication, greater personalization

The 2022 survey findings show employers continue to change the way they deliver and communicate wellbeing benefits as they become a bigger part of the employee value proposition.

The top communication strategies to help employees make informed benefit enrollment decisions include:

- Personalized communications (42%), reflecting understanding of needs-based strategies, for likely relevance
- Ongoing/off-cycle communications (37%), reflecting the prior insight on the need for year-round communications
- 2 ½ times more employers seek to leverage wellbeing benefits and providers to create a budget and/or platform for broader communications — one of the biggest increases since 2020

But again, there is some disparity in communication preferences. Employers' reliance on online platforms, webinars, and videos does not align with how employees would like to receive benefits information.

The practice of integrating voluntary benefits with core benefits enrollment and communications has more than doubled. Survey data also shows an emphasis on integrating voluntary benefits within wellbeing strategies as more than a “one and done” message at enrollment/ time of offer.

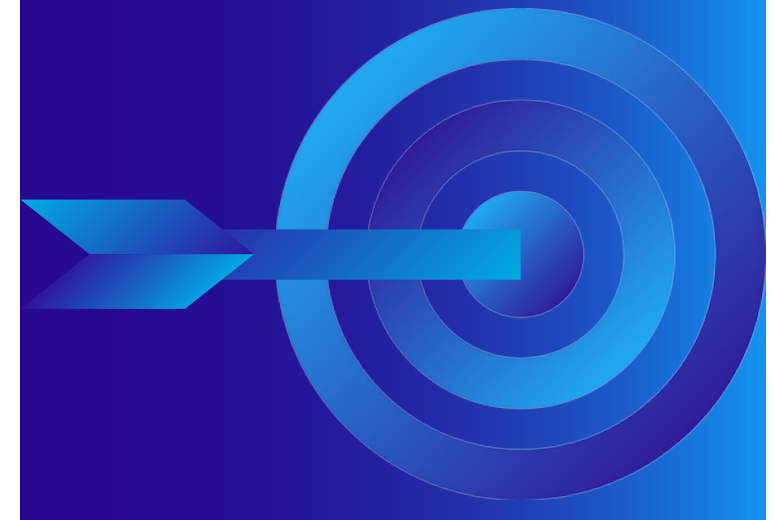
Benefits communications



Although employees acknowledge that, ideally, they would have their benefits questions answered by HR or the benefits service center, their most commonly used source is friends and family — showing the importance of ease of access to trusted, accurate information from the company vs. external social sources.

Key takeaway

As the number of options continue to expand to meet diverse needs, employers should consider more year-round and personalized communications to ensure promotions hit the mark.



Closing the gaps: Commitment to employee needs is vital in today's talent war

There has been a dramatic shift in employer goals for offering wellbeing programs, from their traditional focus on physical wellbeing to more holistic wellbeing as talent wars heat up.

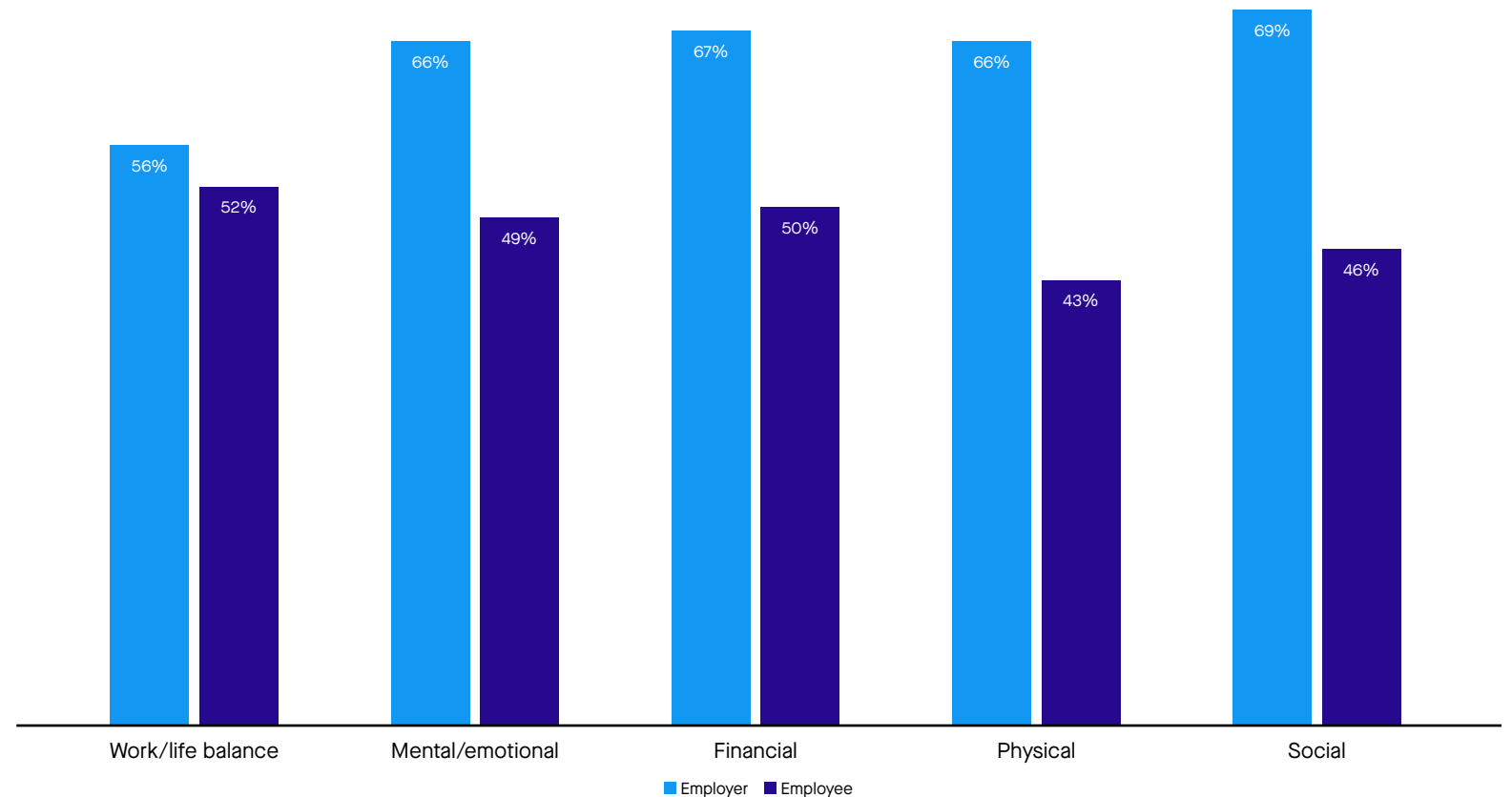
But it's critical for organizations to get this right. The survey shows there are gaps between employer and employee perceptions of wellbeing and priority areas. And data shows that different segments/generations of the workforce have difference needs.

Employer benefits— including voluntary benefits — play a central role in supporting the wellbeing of the workforce, and the perception among employees of their company's commitment to that wellbeing. The important challenge for employers now is to really understand the needs of the workforce, develop a benefits package (with appropriate voluntary benefits) that addresses those diverse needs from the employee's vantage point, and then communicate the programs effectively.

Contact us

If you are looking for additional insight regarding the survey or would like to discuss your specific needs email talktous@buck.com.

Employer estimates of wellbeing vs employee self-ratings



About Buck

Buck is an integrated HR, pensions, and employee benefits consulting, technology, and administration services firm. Founded more than 100 years ago as an actuarial consultancy, we've evolved to serve organizations and trustees across the health, wealth, and career spectrum.

With the ultimate goal of securing the futures of our clients' employees and members, we develop tech-enabled programs that engage individuals and drive organizational performance. Our award-winning engagement solutions and people-first approach empower the world's most forward-thinking organizations to protect the physical and financial wellbeing of their employees and members and improve how their people work and live.

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