



The 2024 Employee Benefits Report

Commissioned by



Table of Contents

1. Introduction.....	02
2. Employees Place a Premium on Insurance Benefits	03
3. Employer Benefits Are Falling Short	04
4. The Hidden Cost of Curtailing Benefits	07
5. Open Enrollment is Wrought with Confusion	09
6. The Value of Individual Insurance Policies	12
7. Closing Thoughts	14
8. About Jazmarc Services	15
9. About the Research	16

A Word from Joshua S. Marcus

Founder of Jazmarc Services

We are nearly four years out from the onset of the COVID-19 pandemic, yet there is still plenty we are learning about its far-reaching impact. The employment landscape is just one area that has undergone a profound metamorphosis in its wake, and we continue to see shifting priorities among both employers and employees.

As an insurance planning brokerage partnering with businesses across the country, Jazmarc Services wanted to better understand the evolving dynamics of employee benefits in this new world. We commissioned Wired Research to conduct a custom study among 2,000 U.S. employees to dig deeply into their opinions and perceptions of the benefits offered by their employer.

The data from the survey underscores a shifting tide where benefits like life insurance and disability insurance have risen to the forefront of employee aspirations. What once may have been an overwhelming focus on the flexibility of remote work and financial assistance for loan repayment and higher education has given way to a fervent desire for more health-related benefits.

Yet, amid this paradigm shift, a disconcerting trend emerges – a disconnect between what employers are offering their workforce and what employees are clamoring for. And as employers navigate the complex task of adapting to the changing needs of their employees, there seems to be a gap in understanding the profound impact these benefits can have on employee satisfaction, productivity and retention.

This report should serve as a crucial guide for employers, not only shedding light on the shifts we are seeing but also encouraging a reevaluation of corporate benefit structures. To meet the new expectations of employees, employers will need to take the time to understand that their workforce is not looking for just a paycheck, but an employer who is doing their part to support their physical and financial well-being.

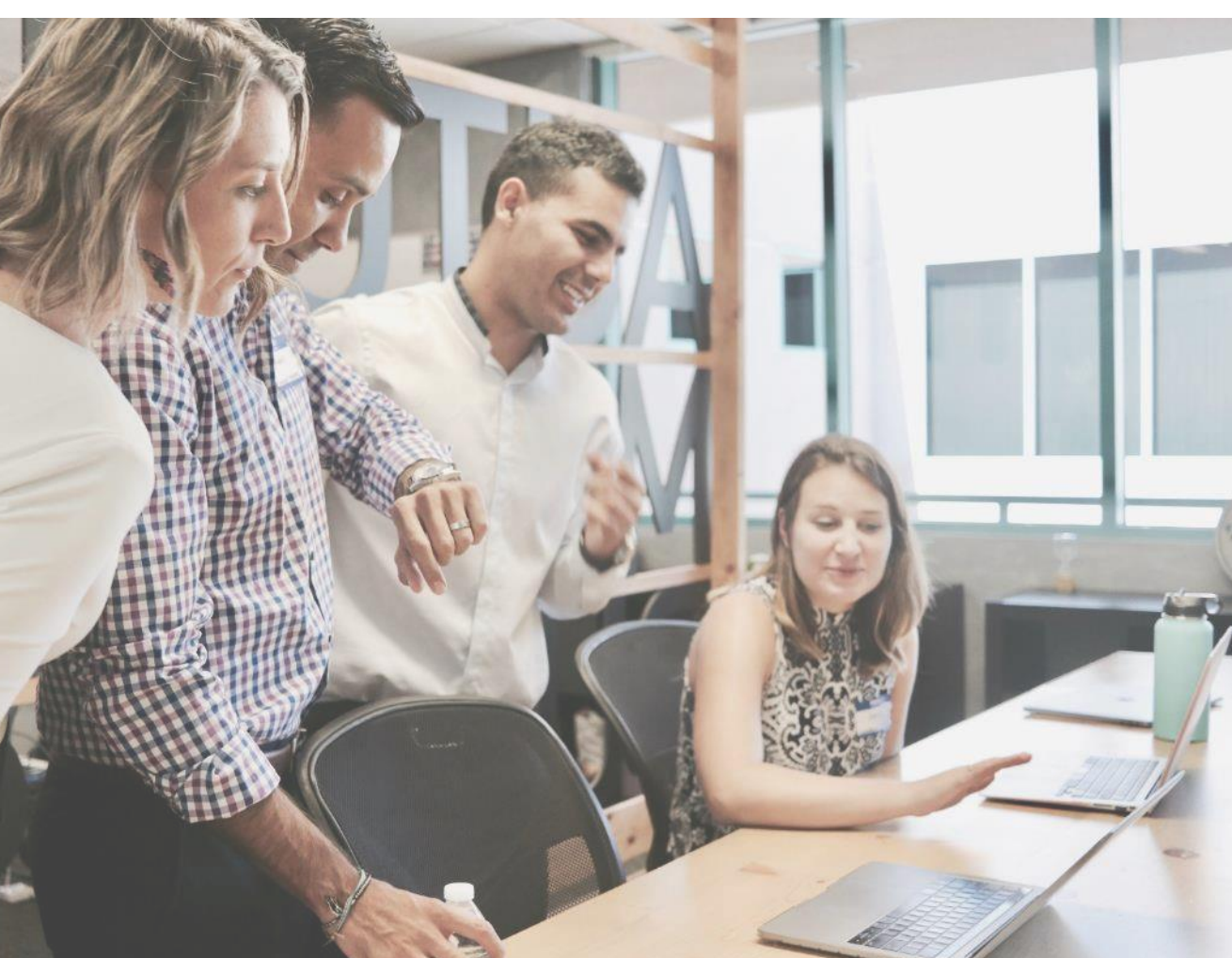
Josh Marcus
Founder
Jazmarc Services



Employees Place a Premium on Insurance Benefits

Most employees think it's important that their employer offers them standard benefits like health insurance (95%), retirement plans, such as a 401(k) or pension (94%), and dental insurance (89%). But there are plenty of other benefits on which a majority of employees place a premium. In fact, about 4 in 5 consider it critical that their employer offer them other insurance benefits including short-term disability (84%), long-term disability (82%) and long-term care (78%). And 3 in 4 think it is important that they are provided term (75%) and whole/permanent (75%) life insurance.

Even in a time where more and more employees are now required to go into a physical office for work, far fewer (67%) place the same level of importance on remote work flexibility as these other benefits. Similarly, despite the uncertain economic landscape facing our country, less than half (46%) of employees think it is important that their employer offer them student loan repayment. This is significantly less than those who place the same amount of importance on the insurance benefits.

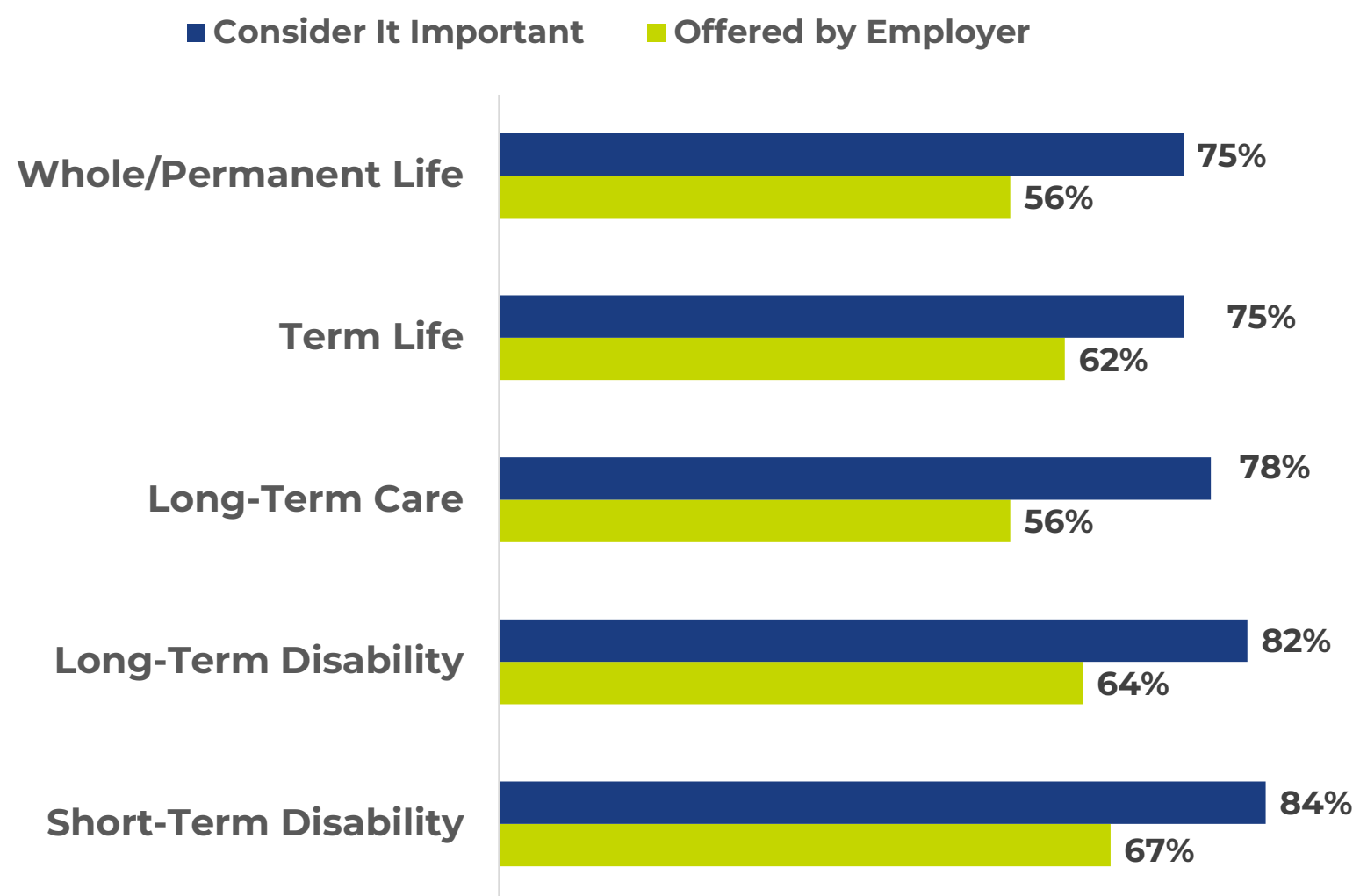


Younger employees are hungry for life insurance options from their employer.

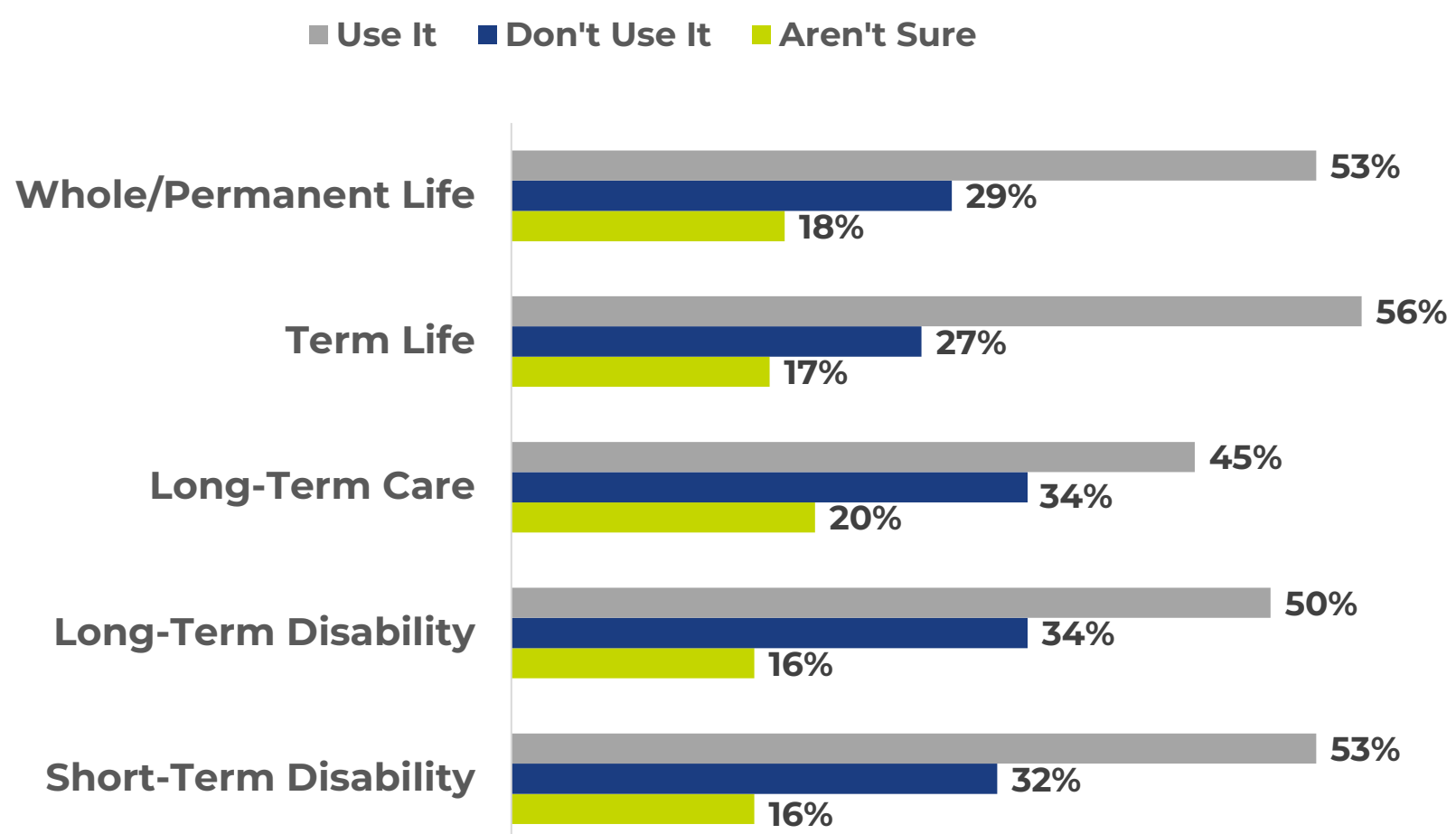
Gen Z & Millennials are more likely than Gen X & Boomers+ to feel it is important that their employer offer them **term** (80% vs. 71%) and **whole** (81% vs. 70%) **life insurance**.

Employer Benefits Are Falling Short

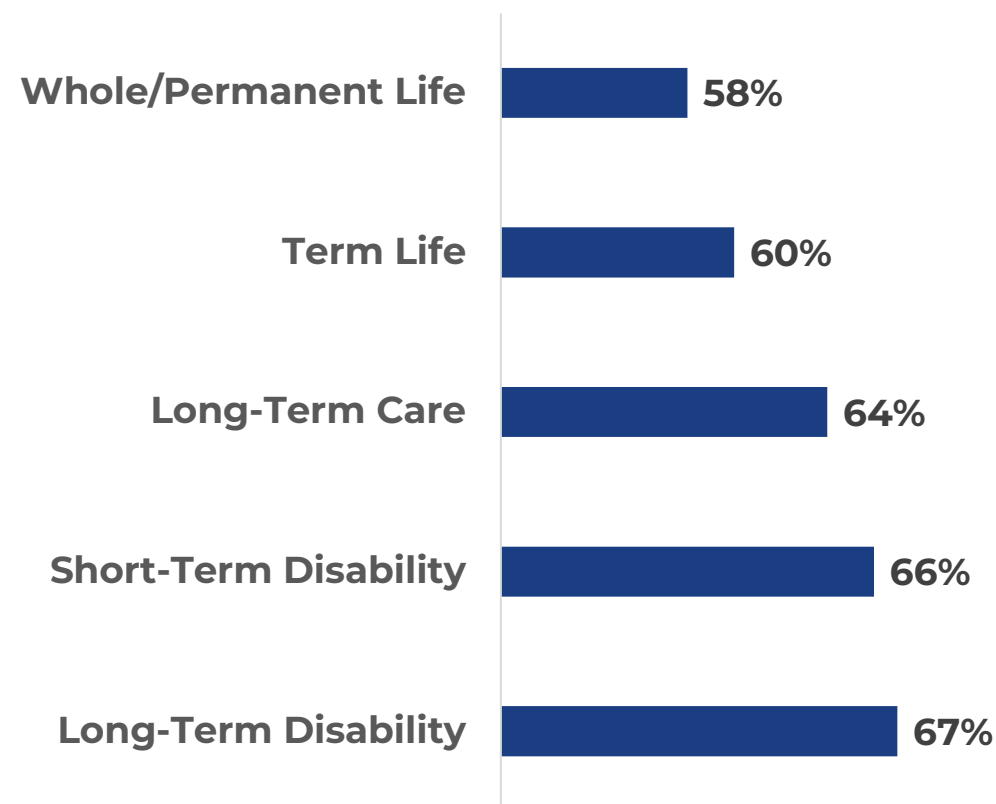
Although employees have a hunger for insurance benefits, the research reveals that employers are not delivering against their expectations. There is a significant disconnect between the insurance benefits employees feel are important and those that their employer currently offers:



Despite many employees being unsure whether they currently use the benefits offered by their employer, what is noteworthy is that far more take advantage of the benefits than those who don't:



What is abundantly clear is that employees want more benefits. A majority of those who are not offered various types of insurance report that they would use them if their employer made them available:



Employees who are offered Life, Long-Term Care and Disability Insurance have a more positive outlook on the benefits their employer offers.

They are significantly more likely than those who aren't offered these benefits (47% vs. 35%) to think their benefits are better than what other employers offer.

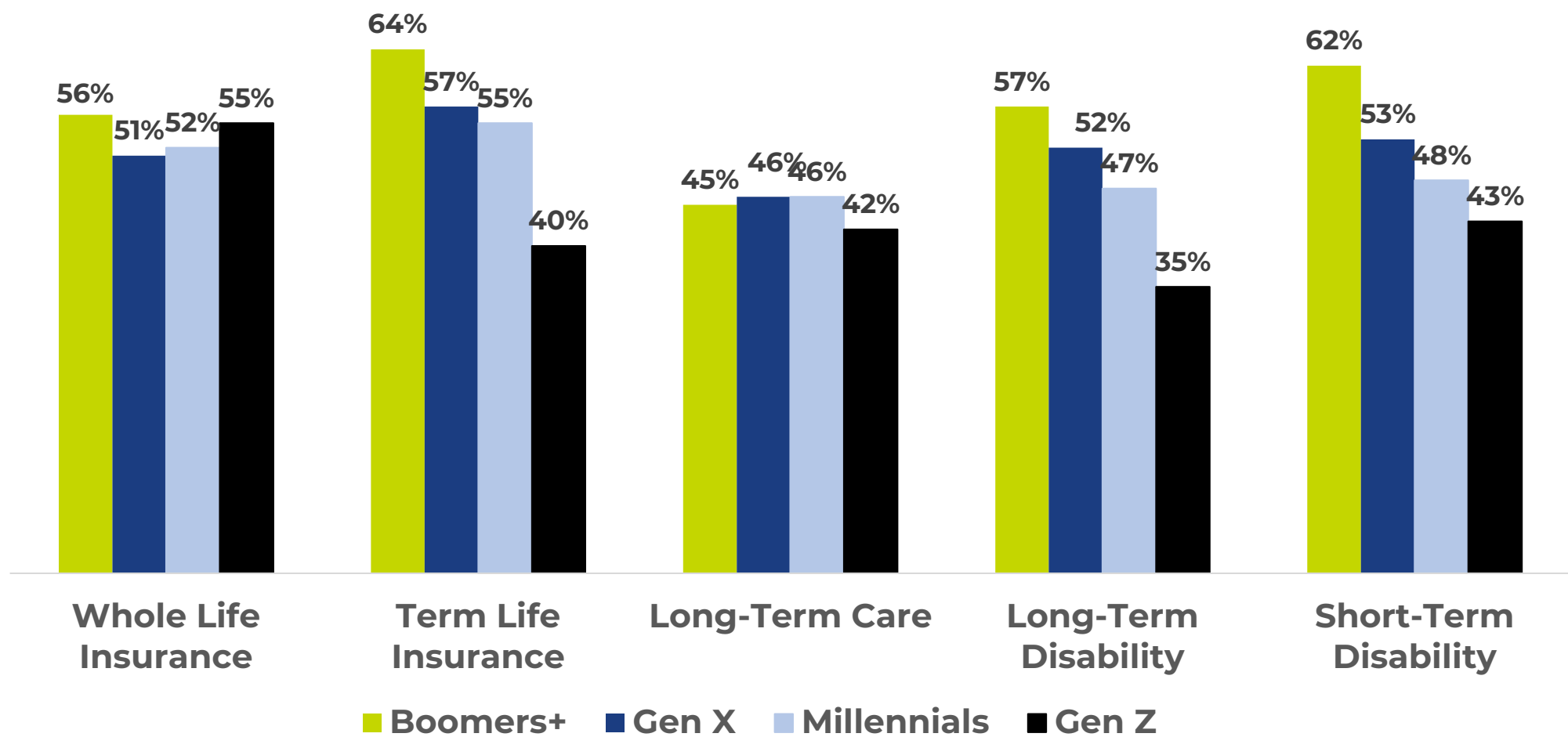
Given this disconnect perhaps it isn't surprising that employees wouldn't give a glowing review to the benefits their employer makes available. In fact, about 3 in 5 (59%) don't think the benefits they are offered are better than other organizations; they are on-par at best.

Similarly, about 3 in 4 (72%) employees would give a letter grade lower than an "A" to the benefits they are offered by their employer. Among this more discerning group, 40% of them would give a "C" grade or worse.

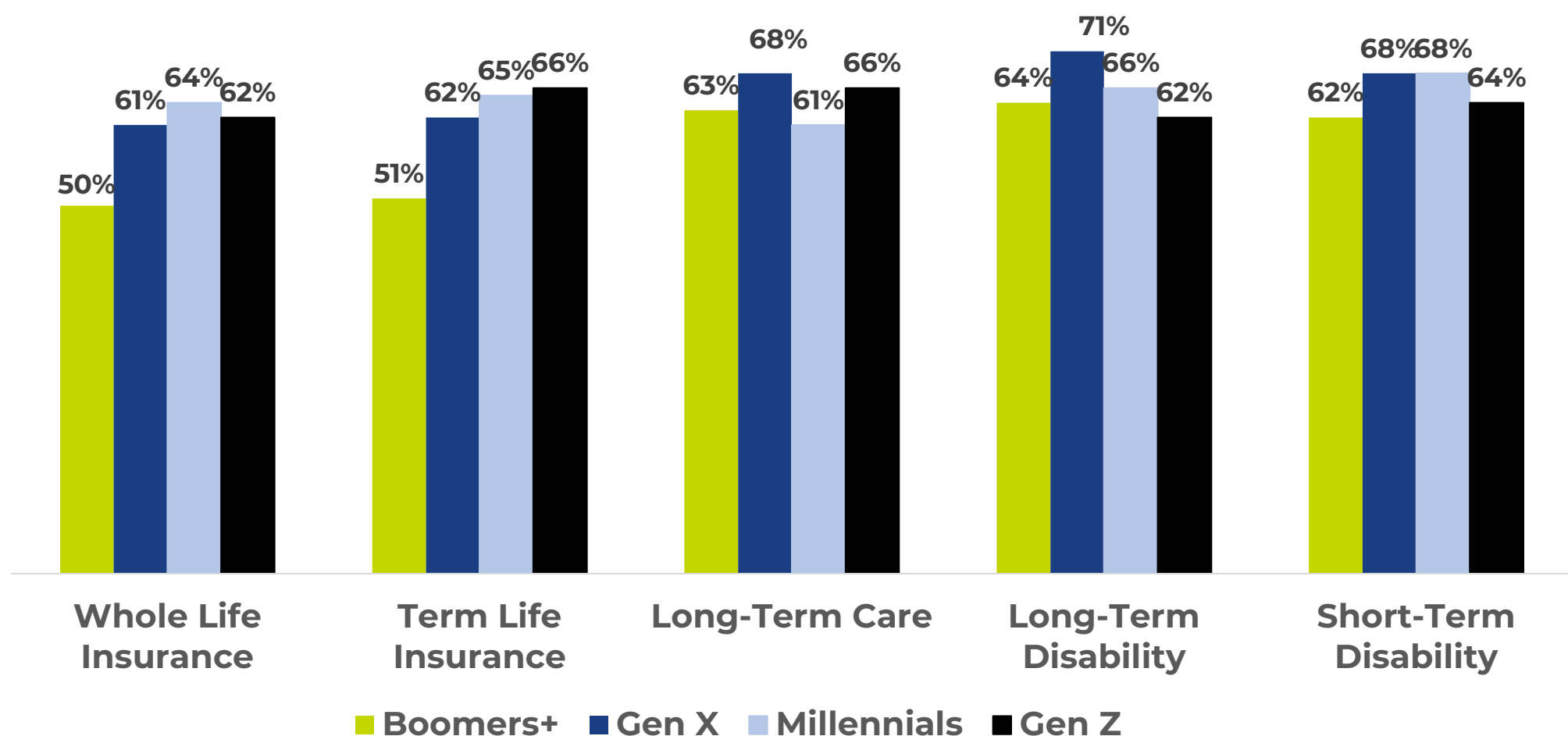


As employers regularly evaluate the benefits they offer and consider their long-term strategy, it's important for them to understand how the usage and potential usage of benefits looks across generations. Offering such vital benefits like life insurance, disability insurance and long-term care insurance would insure millions more employees across the U.S. The result? A workforce chock-full of emerging talent that would be more likely to stay with their employer for the long-term.

Employees Who Currently Use The Insurance Benefits Offered to Them



Employees Who Would Use The Insurance Benefits If Their Employer Offered Them



The Hidden Cost of Curtailing Benefits

Recent articles have suggested that as businesses look to trim costs during these uncertain economic times, some benefits might be found on the chopping block. Employers may want to rethink their plans to do so. If anything, they should consider adding more of the insurance benefits that employees consider critical. Our research indicates that not offering such benefits has the potential to irreparably damage an employer's reputation, bleed talent, and leave them struggling to attract new hires.

Benefits are so important to employees that a majority report that those that are offered by employers would have an impact on their decision to:



96% Stay at their current job



95% Accept a job offer



93% Look at other job opportunities

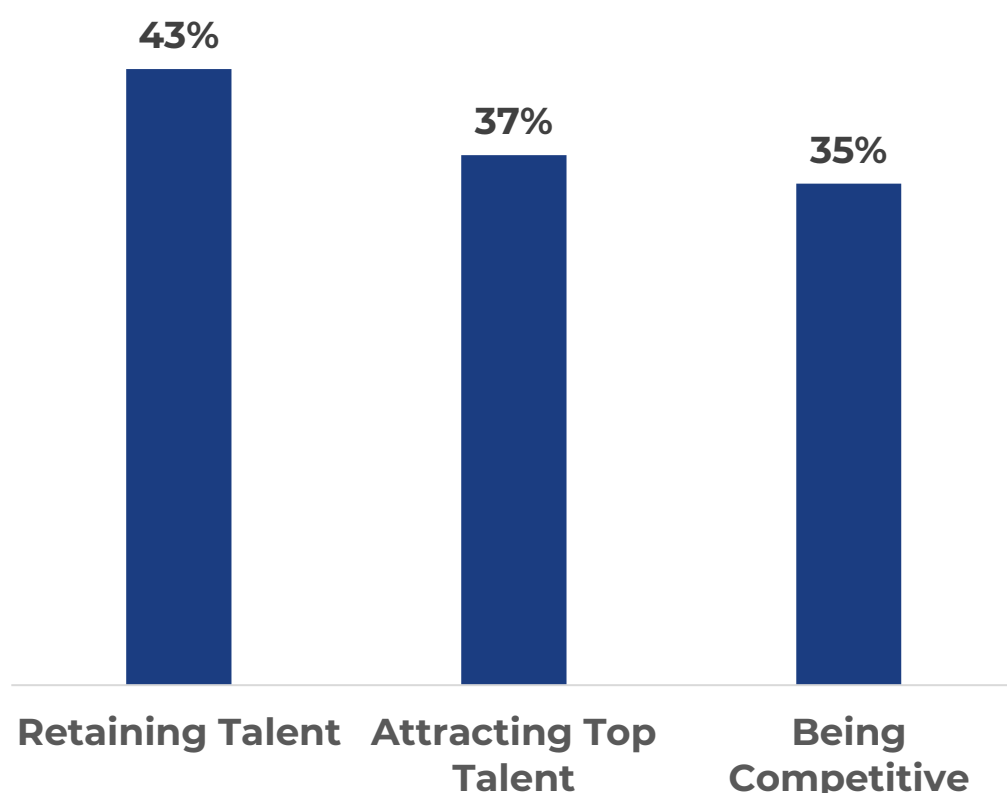


Benefits play an important role in retaining a significant segment of the employee population: parents.

Employees with children are more likely than their peers without kids (58% vs. 51%) to report that the benefits their employer offers would **impact whether they stay at their current job.**

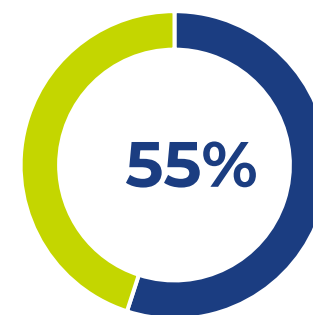
For many employees, such an impact would be substantial. In fact, they report that the benefits that are offered by an employer would have a *significant* impact on their decision to stay at their current job (54%), accept a job offer (49%), and look at other jobs (40%).

Many employees would also have a poor opinion of an employer if they didn't offer the benefits they consider to be essential. They would think that the employer didn't care about:

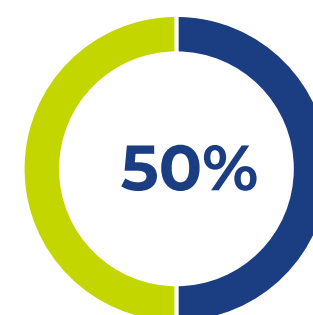


Quite simply, they'd feel as though their employer didn't consider them a priority. In fact, if the benefits they believe to be essential weren't offered, about 1 in 2 employees would think the employer:

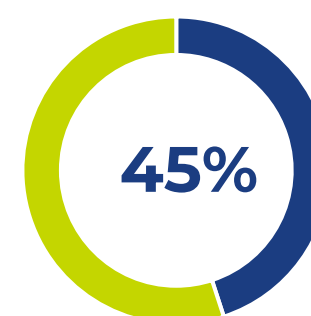
Didn't Value Its Employees



Wanted to Do the Bare Minimum While Getting the Most from Employees



Prioritized the Bottom Line Over Employee Satisfaction



Older, more experienced employees tend to have a more critical view of an employer's lack of benefits.

Boomer and Gen X employees are more likely than their Millennial and Gen Z counterparts to feel that if the benefits they feel are important weren't offered, they would think the employer didn't value employees (59% vs. 50%) and didn't care about retaining (49% vs. 35%) or attracting (43% vs. 30%) top talent.

Open Enrollment is Wrought with Confusion

With so many employees hungry for more benefits, it's only natural to wonder why so many more of them don't take advantage of the insurance options their employer offers. The research suggests that a lack of information is likely a contributing factor.

Our study reveals that a significant number of employees don't typically seek out resources and advice to learn more about the benefits available to them during their employer's open enrollment season. This is likely because so many find the process to be confusing and overwhelming. With such limited time to select the just-right benefits for themselves and their loved ones, it's no surprise that many remain in the dark even about the benefits they do have.

Close to 3 in 5 (58%) employees report that they don't read all the materials given to them once open enrollment kicks off, while even more opt not to use the online tools available to them through the open enrollment site to compare plans (61%) or do their own research online (69%).

A majority also don't seek out advice and assistance from their trusted circle. In fact, 3 in 5 (61%) don't reach out to HR with their questions while even more don't contact the dedicated benefits professional staffed in their employer's HR department (74%) or go to friends or family for their advice (81%).

Millennials are the most likely to engage HR during open enrollment.

Millennials are more likely than all other generations to reach out to their organization's HR department (44% vs. 36%) or the dedicated HR benefits specialist (29% vs. 25%) to learn about the benefits available to them.



With many employees not seeking the appropriate information needed to make well-informed decisions about their benefits, it's not surprising that many find the open enrollment process overwhelming. This is likely another deterrent to utilizing employer-provided benefits.

If they had to choose at least one description to describe the process, employees report that each year at work open enrollment is like:



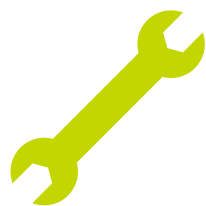
32% A Buffet

(instead of food there are endless options of deductibles and copays)



31% Speed Dating

(limited time to figure out which plan is “the one”)



26% Assembling IKEA Furniture

(totally confusing at first, but eventually comes together)



21% Running a Marathon

(it takes a long time to get to the finish line of choosing the perfect benefits, but when you do, you know it was worth it)



19% Watching Paint Dry

(the process of selecting benefits seemingly takes forever, with no immediate gratification)



And even when they have secured coverage, there is still plenty that employees don't know or don't understand about their policies, highlighting a substantial knowledge gap that exists in the open enrollment process. For example, when it comes to their life insurance, half (51%) of insured employees don't know the term limit of their current plan. And close to a quarter (23%) don't know whether they can keep their insurance policy even if they leave their job and take a role outside of their employer.

Similarly, many insured employees don't know how to qualify to use their benefits. This includes more than 2 in 5 (43%) of those with disability insurance and about the same number (40%) of those with long-term care insurance.

Insured employees are also in the dark about understanding the tax implications of having insurance plans that are paid for by their employer. This encompasses close to 2 in 3 (63%) of those with disability insurance plans and more than half (52%) of those with long-term care insurance.



The Value of Individual Policies

The research shows that while many employees have insurance policies through their employer, a significant number own individual policies they purchased outside of their employment. While there are many reasons for doing so, one of the most common motivators across the board is to have guaranteed protection for the life of their policy that is not contingent on their employment.

LIFE INSURANCE DEEP-DIVE

About half (47%) of employees with employer-provided life insurance also own an individual policy they purchased on their own. While 41% of them owned their policy prior to receiving one from their employer and 37% just think it's important to have a policy that they own separate from their employment, others report that some of their top reasons for doing so were because of the portability and security features of the policy:

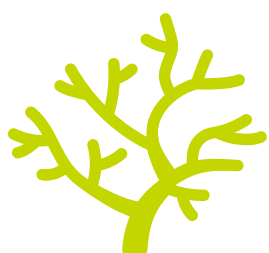


33% need to have guaranteed protection for the life of the policy, not just when employed



19% can't count on the plan with their employer, especially if they leave their job

Others purchased their own policy for the customization that they couldn't find with their employer-provided plan. For many, having a just-right policy was a critical driver in securing coverage outside of their employment:



29% wanted a policy with a longer term/whole life insurance



22% felt the coverage in their employer-provided plan was not enough to meet their financial needs

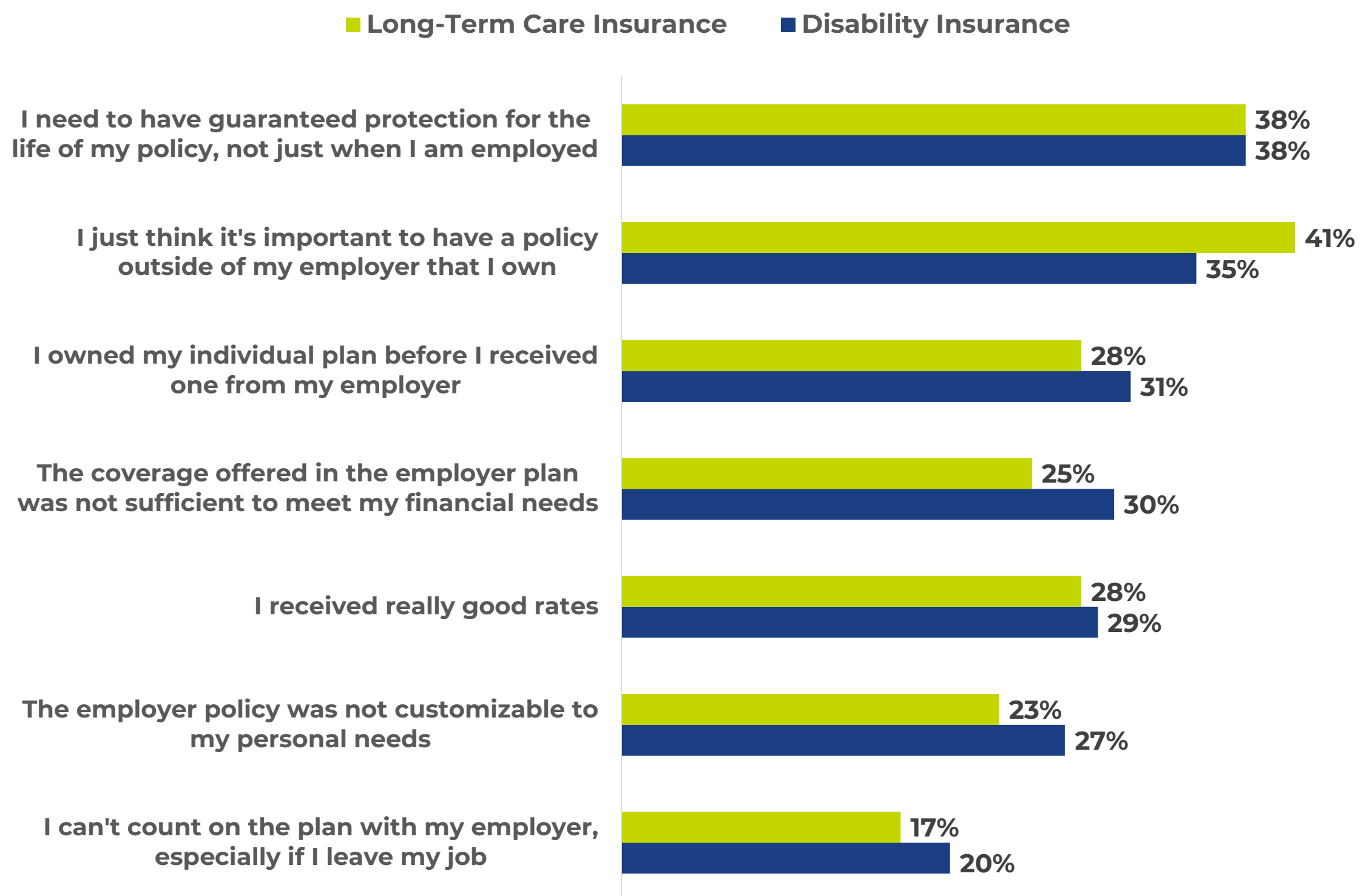


16% felt the employer-provided plan was not customizable to their personal needs.

DISABILITY & LONG-TERM CARE INSURANCE DEEP-DIVE

Close to 2 in 5 (37%) employees with employer-provided long-term care insurance also own an individual policy they purchased on their own. Similarly, 1 in 4 (25%) employees who have disability insurance through their employer also have an individual policy outside of this.

There are many reasons they purchased these individual plans:



Closing Thoughts

Employers should bear in mind that in today's workplace crucial benefits like life insurance, disability insurance, and long-term care insurance carry more weight and significance than popular perks such as remote work and student loan repayment. Our research indicates a considerable majority of employees utilize these very employer-provided benefits. Additionally, a noteworthy number of employees would embrace these benefits if only their employer made them available.

As our research suggests, when employers adapt to the evolving needs of their employees, they witness a profound and positive impact on their business. Employees feel valued and appreciated when their organization offers benefits deemed important, fostering loyalty and reducing the likelihood of seeking employment elsewhere.

Employers failing to meet employee expectations risk being perceived as indifferent to talent retention and neglectful of their hard-working staff. Employees do not want to feel like the organization prioritizes the bottom line over their satisfaction.

However, it's crucial for employers to recognize that it's not merely about offering benefits. Instead, organizations need to make information and resources accessible to employees who often feel overwhelmed and confused during the open enrollment process. Providing more details about the offered benefits, including employee contributions, qualification criteria, and associated tax implications, is essential. When employers do so, employees can fully leverage available benefits, fostering the understanding that they work at an organization that values their health and wellness.



A premier insurance planning brokerage.

Whether you are seeking insurance for yourself or loved ones and want a personal relationship often lost in the insurance marketplace or are an agent seeking back-office support from a trusted partner, Jazmarc Services can help.

Visit us at www.jazmarc LLC.com to learn more and to start a conversation.



About the Research

The Jazmarc Services Employee Benefits Study was conducted by Wired Research and surveyed 2,000 full-time employed Americans ages 18+ in the United States. The survey was conducted online in December 2023.

The study has a margin of error of +/- 2.2%.. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 2.2 percent from the result that would be obtained if interviews had been conducted with all personas in the universe represented by the sample. The margin of error for any subgroups will be slightly higher.

About Wired Research

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