



The 2025 Employee Benefits Report

Commissioned by



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A Word from Joshua S. Marcus

Founder of Jazmarc Services

The employment landscape is continuously evolving, shaped by shifting priorities among both employers and employees. As organizations navigate the complexities of talent attraction and retention, employee benefits have become a focal point in influencing workplace satisfaction and engagement.

As an insurance planning brokerage partnering with businesses across the country, Jazmarc Services sought to gain deeper insight into the evolving dynamics of employee benefits. For the second year in a row, we commissioned Wired Research to dig deeply into the landscape. Together, we conducted a custom study among 2,000 U.S. employees and a separate survey to 200 HR leaders from across the country, to better understand how benefits are perceived and prioritized on both sides of the employment equation.

The findings from this research highlight a clear shift in employee expectations, with benefits like life insurance and disability insurance rising in importance. Today's workforce is increasingly focused on comprehensive benefits.

However, a critical gap persists. Many employers may not yet fully recognize the extent of this shift, leading to a disconnect between the benefits they offer and what employees value most.

As HR leaders work to align their benefits strategies with the needs of a modern workforce, it is crucial to bridge this divide. This report serves as a vital resource for employers, providing data-driven insights that encourage a reevaluation of corporate benefit structures. Employees today seek more than just a paycheck; they are looking for employers who actively support their physical and financial well-being. Businesses that rise to meet these expectations will not only enhance employee satisfaction but also strengthen retention and productivity in an increasingly competitive job market.

Josh Marcus
Founder
Jazmarc Services



Benefits Matter Just as Much as Ever

In today's rapidly evolving workforce, benefits are no longer just an add-on to compensation. Instead, they are a core component of an employer's value proposition. With economic uncertainty, shifting employee priorities, and increasing competition for top talent, benefits play a more critical role than ever in workforce decision-making.

Employees overwhelmingly report that benefits influence their decision to stay at a job (88%), accept a job offer (84%), and consider other opportunities (77%). And HR leaders agree, as close to 9 in 10 (88%) believe benefits significantly impact employee retention while 79% acknowledge that benefits influence employees to seek out other jobs.

Employees are placing unprecedented value on benefits, so much so that benefits are quickly becoming a critical factor in recruitment negotiations. In fact, 96% of HR leaders report that candidates consider benefits either just as important (50%) or more important (47%) than salary. It's no wonder that about 9 in 10 (87%) HR leaders acknowledge that benefits impact whether a candidate accepts a job.

And candidates are not afraid to use benefits as a bargaining chip. In fact, 37% of HR leaders say candidates actively try to negotiate better benefits before accepting a job.

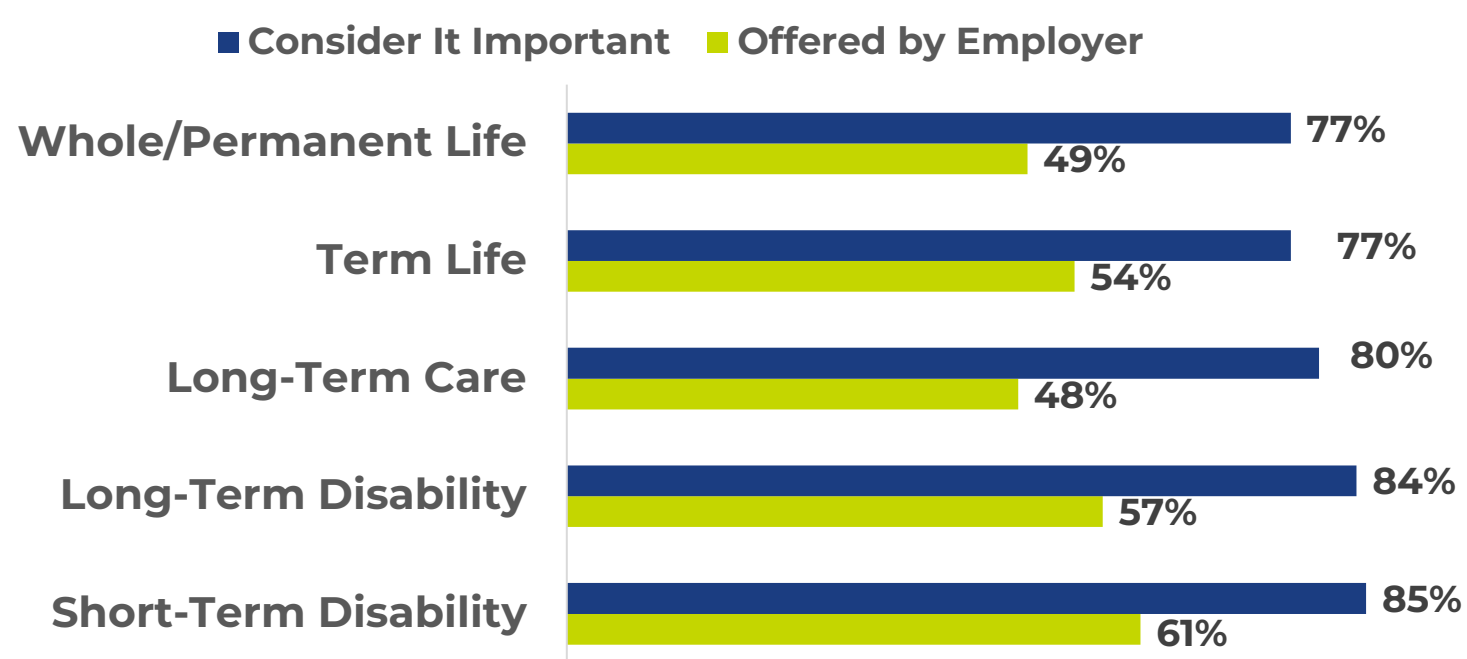
These findings suggest that companies offering strong benefits packages may have an edge in hiring without necessarily increasing base salaries.



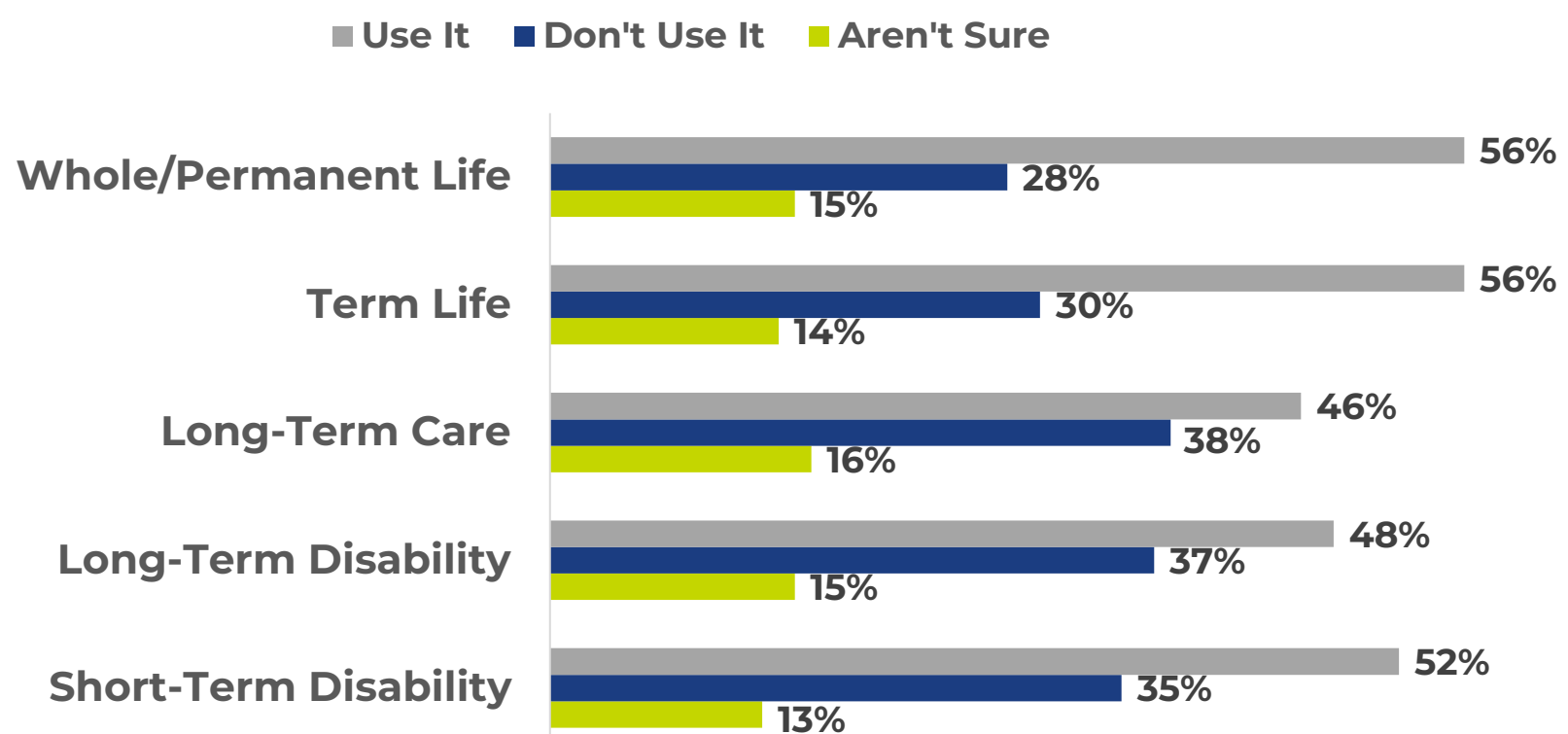
The Benefits Disconnect

Employees consistently rank life, disability and long-term care insurance as some of the most essential workplace benefits. Last year's 2024 Employee Benefits Report highlighted that there was a significant gap between what employees value and what they say their employer offers. And while employees have continued to place a high value on insurance in the last 12 months, this year's research reveals that the gap has only widened as even fewer employers are offering the benefits employees see as critical:

- Only 61% of employees say their employer offers short-term disability insurance, even though 85% consider it important (2024: 84% important; 67% offered)
- Just 57% report access to long-term disability insurance, compared to 84% who value it (2024: 82% important, 64% offered)
- Only 48% say their employer provides long-term care insurance, despite 80% believing it's crucial (2024: 78% important, 56% offered)

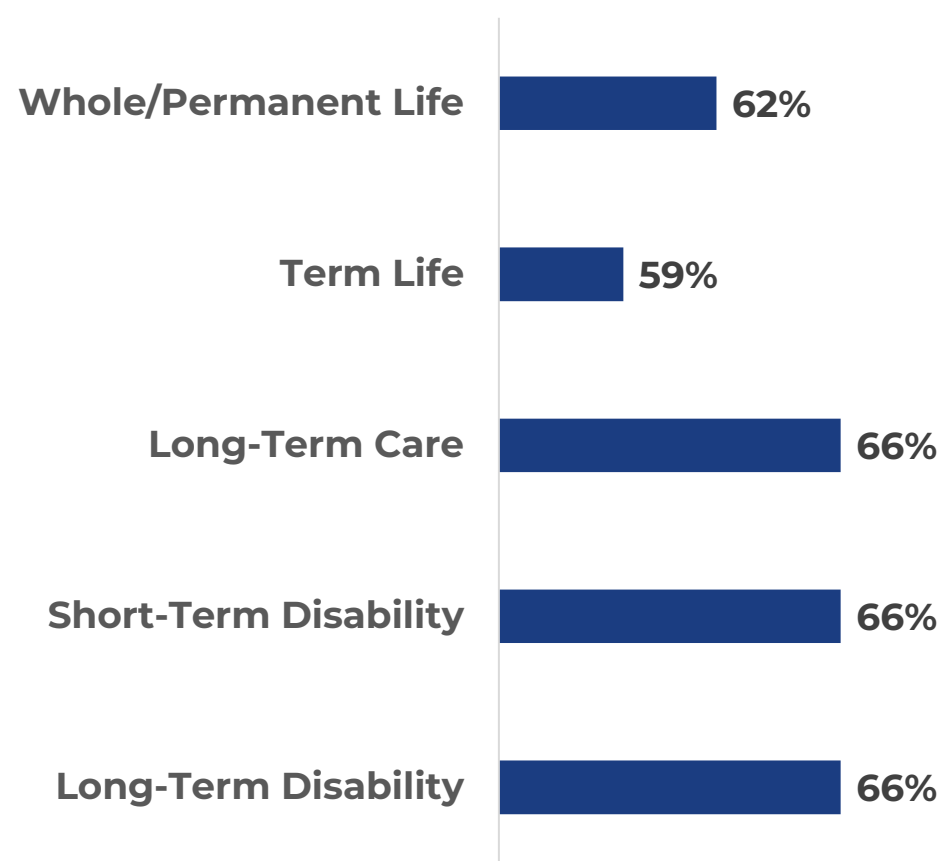


Despite many employees being unsure whether they currently use the benefits offered by their employer, what is noteworthy is that far more take advantage* of the benefits than those who don't:



*Among those who are offered these benefits

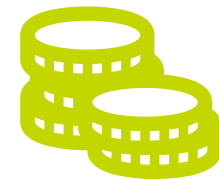
What is abundantly clear is that employees want more benefits, a desire that remains relatively unchanged since last year. A majority of those who are not offered various types of insurance report that they would use them if their employer made them available:



And there's plenty of reasons why life, disability, and long-term care insurance are so important to them. About 1 in 2 employees report that having them through their employer would:



48% give them peace of mind



47% contribute to their sense of financial security



45% protect their family's financial future



HR and Employees See Benefits Differently

While employees are often critical of their benefits, HR leaders tend to see things in a more positive light. For example, nearly all (99%) HR leaders believe employees are satisfied with their benefits, a stark contrast to 7 in 10 (70%) employees who grade their benefits lower than an “A”. This aligns with the employees (72%) who graded their benefits lower than an “A” in the 2024 Employee Benefits Report.

Further, close to 4 in 5 (79%) HR leaders believe their benefits are better than competitors’ offerings, but 57% of employees think their benefits are worse than (or at best, “on par”) with what other companies offer, nearly identical to what we saw in the 2024 survey (59%).

This disconnect suggests two possible realities: either employees are unaware of the benefits available to them or employers are overestimating how well their offerings align with employee expectations.

Either way, the result is the same: a workforce that feels underserved and a benefits strategy that may not be as effective as employers believe.

To truly meet employee needs, employers must move beyond the status quo. While offering benefits in high-demand categories like life insurance, disability insurance, and long-term care insurance is critical, simply checking those boxes isn’t enough. Employees want coverage that reflects their financial realities, provides real security, and offers flexibility to fit their unique circumstances.

Less than half (43%) of employees think their benefits are better than those offered by other companies in their field.

Instead, employees are more likely to have a negative opinion of their benefits, which is strikingly different than the 99% of HR Leaders who feel their employees are satisfied with their benefits.

Customization and Personalization are Key

Employees are increasingly seeking customizable benefits that reflect their personal needs. In fact, when considering a job offer::

- 45% want flexible benefits packages
- 41% would turn down the offer if the benefits they need aren't provided
- 35% expect to be offered a mix of traditional and non-traditional benefits, such as wellness programs

Nearly all HR leaders confirm that they are attempting to address the demand for personalized benefits that cater to diverse employee needs. Specifically:



39% offer flexible benefits



39% provide a broad range of benefits so employees can choose what suits them



36% offer inclusive benefits for generational and cultural needs



And they're addressing evolving employee expectations that impact benefits design. Many report that they are increasing their focus on mental health and well-being benefits (38%), exploring new benefits that support financial wellness (38%) and enhancing technology tools to improve personalization and accessibility of benefits (36%). Others are introducing benefits that support work-life balance, such as caregiving assistance (34%) and leveraging data and employee feedback to better align benefits with their evolving needs and expectations. (33%).

The Cost of Cutting Benefits

The 2024 Employee Benefits Report urged employers to think twice before cutting benefits and to prioritize offerings employees truly value. That warning remains just as relevant this year, if not more so especially given how many fewer employers are offering vital benefits like life, disability and long-term care insurance.

As economic pressures persist in 2025, many organizations are once again weighing difficult decisions about where to reduce spending. Benefits often land on the chopping block, seen as a quick way to trim budgets. But today, the stakes are even higher.

Employees who consider it vital to receive Life, Long-Term Care and Disability Insurance are more likely to say benefits influence their employment decisions.

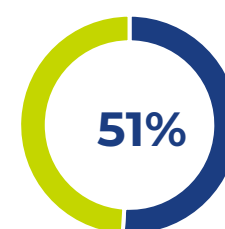
They are significantly more likely than those don't consider it important to report that benefits impact whether they accept a job (94% vs. 84%) stay at their current job (97% vs. 86%) or look for other job opportunities (91% vs. 78%).

Scaling back benefits not only risks short-term dissatisfaction but can cause long-term harm to employer reputation, erode trust, and push top talent out the door. Benefits are so important to employees that:

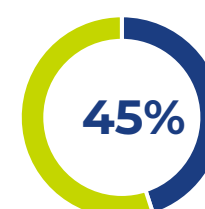
- 93% say benefits impact whether they accept a job
- 96% say benefits influence whether they stay at their current job
- 90% say benefits affect their decision to explore other job opportunities

Put plainly, employees would interpret the absence of certain key benefits as a sign that their needs weren't top of mind. If the benefits they view as essential aren't offered, many would assume their employer:

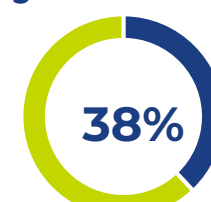
Didn't Value Its Employees



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



Prioritized the Bottom Line Over Employee Satisfaction



Employee Confusion Persists in Open Enrollment

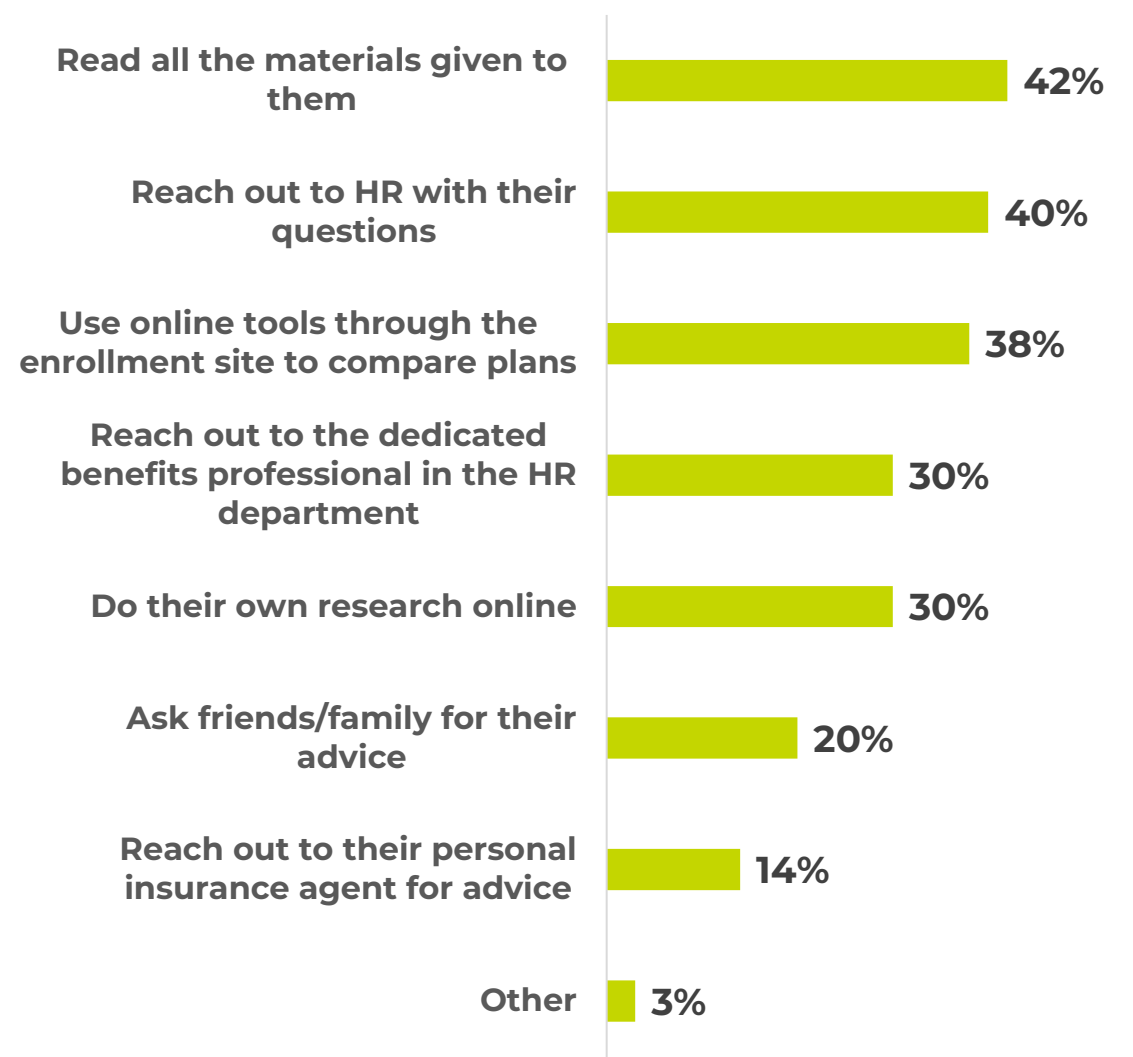
Despite growing interest in better benefits, many employees still don't take full advantage of the options their employers provide. Why? A big part of the answer appears to be a simple lack of clarity.

For the second year in a row, our research shows that during open enrollment, a large portion of employees don't actively seek out guidance or tools to help them navigate their benefits choices. Many likely feel overwhelmed by the complexity of it all. With limited time and lots of fine print, it's easy to see how even well-intentioned employees can end up missing out on valuable benefits, sometimes without even realizing what they're overlooking.

Our latest findings reveal that about 3 in 5 (58%) employees don't read all the materials provided, and even more skip the tools designed to help them make informed choices, such as using plan comparison tools (62%) or doing their own research online (70%).

On top of that, most don't ask for help as the majority admit they don't reach out to the dedicated benefits professional staffed in their HR department (70%) nor do they call on HR with their questions (60%) during open enrollment.

What Employees Do During Open Enrollment



HR leaders report that they make efforts to try to bridge the gap:

- 37% use online tools and benefits portals to educate employees
- 33% provide detailed benefits guides
- 31% train managers and HR teams to communicate benefits more effectively

Despite these efforts, it's clear that employers must find new ways to simplify and clarify the benefits selection process. Too many employees are flying blind during one of the most important decisions of the year, not from lack of interest, but from a lack of clarity, time, or confidence in where to turn.

Closing Thoughts

The 2025 Employee Benefits Report makes one thing clear: the gap between what employees want and what employers believe they're delivering is growing wider. While HR leaders overwhelmingly feel confident in their offerings, employees paint a more complex picture, one where essential benefits are missing, communication is unclear, and open enrollment still feels overwhelming.

The perception that employers are doing enough may be leading to missed opportunities. Employees continue to prioritize benefits like life insurance, disability insurance, and long-term care insurance, yet many say these are either unavailable or unclear within their current packages. This disconnect doesn't just affect satisfaction; it influences key talent decisions, including whether to accept a job, stay in a role, or start looking elsewhere.

At the same time, many employees are not fully engaging with the resources provided to them, often skipping plan comparison tools, glossing over materials, or avoiding HR outreach altogether. This highlights the need for employers to not only offer the right benefits but also ensure those benefits are clearly communicated, easily understood, and tailored to individual needs.

As employers look ahead, the challenge isn't simply to offer more, it's to offer better. By closing the communication gap, personalizing offerings, and making the selection process more intuitive, organizations can turn their benefits strategy into a true competitive advantage, one that shows employees they're seen, valued, and supported.



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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. The first study surveyed 2,000 full-time employed Americans ages 18+ in the United States. The survey was conducted online in December 2024. The second survey reached 200 HR leaders at US-based companies and was fielded online in February 2025.

The employee survey has a margin of error of +/- 2.2%, and the HR survey has a margin of error of +/- 6.9%. 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 these particular studies, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 2.2 percent (employee survey) or 6.9 percent (HR survey) 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

Wired Research is a leading insights consultancy that exists at the intersection of discovery and storytelling. Partnering with brands big and small, Wired Research creates custom research to uncover human insights used to craft powerful narratives that help spark conversations. For more information about Wired Research, its services, and clients, please visit www.wiredresearch.com.

