

2023 Employee Benefits Market Pulse Report

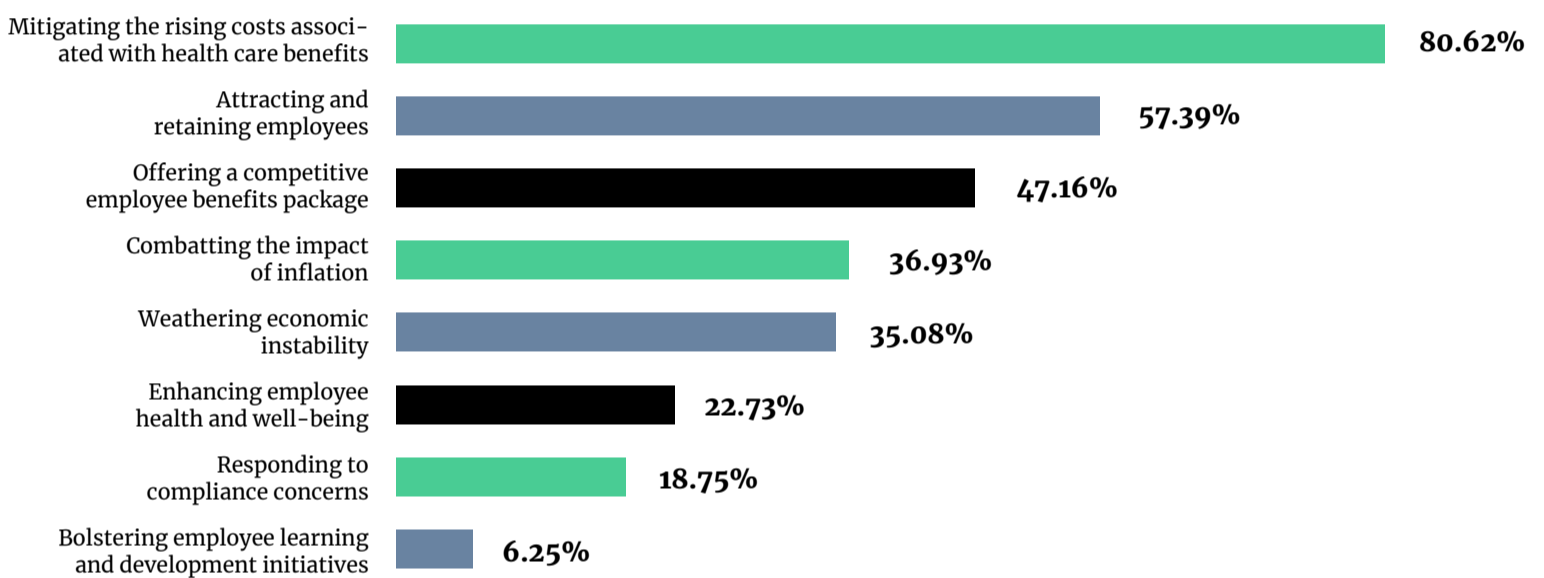
Employer Challenges

The 2023 Employee Benefits Market Pulse Survey asked more than 200 North American brokers for their views on their clients' most pressing challenges to gather thoughts on the current state of the employee benefits market. This infographic highlights market challenges for employers this year.



9 in 10 respondents believe it's likely that a recession will occur within the next 12 months. Also, most expect a recession to disrupt business operations, exacerbating organizational challenges.

Brokers selected the most pressing challenges facing their clients in 2023. Here's what they said:



Employers' Top 3 Challenges in 2023



1 Mitigating rising health care costs

Health care costs continue to increase as utilization rebounds to pre-pandemic levels, outpacing the consumer price index. Inflation is also causing health care costs to rise, which will likely drive up costs.

Employers are urgently searching for solutions to manage their growing costs and address the long-term impacts of these increases on their organizations. Planning and embracing bold strategies may be the only way to help employers control these costs and keep employees healthy.



2 Attracting and retaining employees

Employees have had leverage in negotiations to demand higher pay, competitive benefits and more flexibility—but this may change due to a potential recession. Many employers have slowed or frozen hiring, with some even conducting layoffs. Attraction and retention remain major challenges for employers and are likely to continue through 2023.

Employers that offer competitive compensation and benefits, flexibility and meaningful opportunities for career growth and development are likely to gain a leg up on the competition.



3 Offering competitive benefits packages

Offering competitive benefits packages emerged as a top challenge for employers for the first time, displacing compliance challenges. Last year, employers responded in various ways to lessen inflation's impact on employees, such as reevaluating employee benefits, offering remote and hybrid work schedules, and increasing employee compensation.

With a recession looming, employers are likely struggling to design and offer competitive benefits packages that meet employees' needs and wants while remaining affordable. In 2023, organizations can benefit by evaluating their benefits packages to focus on the long term and what matters most to employees.

The report suggests that the pandemic worsened existing employee benefits challenges employers have faced for years instead of creating new and unique ones.