



RISE OF THE EMPLOYEE:

STRATEGIC
CONVERGENCE OF
WORKPLACE BENEFITS

EXPLORING A HOLISTIC APPROACH

With the growing complexity and expansion of benefits beyond basic health, retirement, and insurance protections, it's more important than ever that employers understand employees' unique needs and deliver relevant and meaningful solutions.

Patrick T. Leary, LIMRA and LOMA Corporate Vice President, Workplace Benefits Research, led a discussion with colleagues Anita Potter and Deb Dupont to discuss the drivers that are converging in workplace benefits, the evolution of employee needs, and the implications for organizational strategies.



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A graphic showing two hands placing puzzle pieces into a larger assembly, symbolizing a holistic approach. The background is a gradient of blue and yellow.

“Workplace benefits and retirement companies are becoming more employee-centric, and focusing on the worker as the end customer, seeking to understand the needs of workers in a more holistic way, and connecting solutions almost like pieces of a puzzle.”

Patrick Leary

WHAT IS DRIVING CONVERGENCE?



PANDEMIC

The Wellness Approach



During the pandemic we saw a heightened awareness of the need for insurance and related protection products. [It also] surfaced new needs around financial, physical, and emotional wellness. The **wellness approach** came to the forefront.”

Patrick Leary



ECONOMIC

Overcoming Participation Roadblocks

57%

of employees’ benefits decision were greatly or somewhat impacted by inflation.

These concerns could make employees hesitant to spend additional money on benefits, opting instead to hold onto their money in case of economic hardship.²



DEMOGRAPHIC

Navigating the Generational Shift

Generation Z and Millennials collectively make up **over**

50%

of the workforce.

Nearly 50% of this group are pursuing **nontraditional employment** (in place of or in addition to traditional, full-time or part-time work), and 69% of employers are considering offering some insurance benefits to contract and freelance workers.³



COMPLETING THE WORKPLACE BENEFITS PUZZLE

All generations value financial wellness benefits, but the underlying needs and most relevant solutions vary, as evidenced by younger workers' interest in **student loan assistance and debt management counseling**, and older employees' prioritization of **income protection**.⁴

MEDICAL

RETIREMENT

PTO

LIFE
INSURANCE

WELLNESS

RETIREMENT READINESS TO FINANCIAL WELLNESS

Confidence in the ability to retire when one wants is very low for financially distressed workers. While confidence does increase as workers move along the financial wellness spectrum (from stressed to managing and comfortable), few feel strongly that they will be able to retire when they want. These workers may stay in the workforce longer than they had intended, which could lead to engagement and productivity concerns for employers.⁵



Retirement is not a line in the sand. People are more likely to exit and re-enter the workplace, they work differently, they phase their retirement, adopt gig work. Solutions are going to have to adapt to these new working arrangements.”

Deb Dupont



THE GROWING COMPLEXITY OF BENEFITS: IMPLICATIONS FOR ORGANIZATIONS

Workplace benefits are especially important for those who are financially distressed and stressed. Distressed individuals tend to value **health insurance and workplace retirement savings less than other workers.**

Employers and benefits providers have an opportunity to better help these workers understand the **long-term value** of their benefits and perhaps take a **more holistic view** of their own financial situations to overcome potential roadblocks to participation.⁶



In the 1990s there were about 60 benefits to offer. Fast forward to now, [and] that number has grown to over 350.”

Anita Potter

6 in 10 employers

(and 7 in 10 large employers) feel that it is somewhat or very likely that employees at their company will expect a wider variety of benefits options in the future.⁷



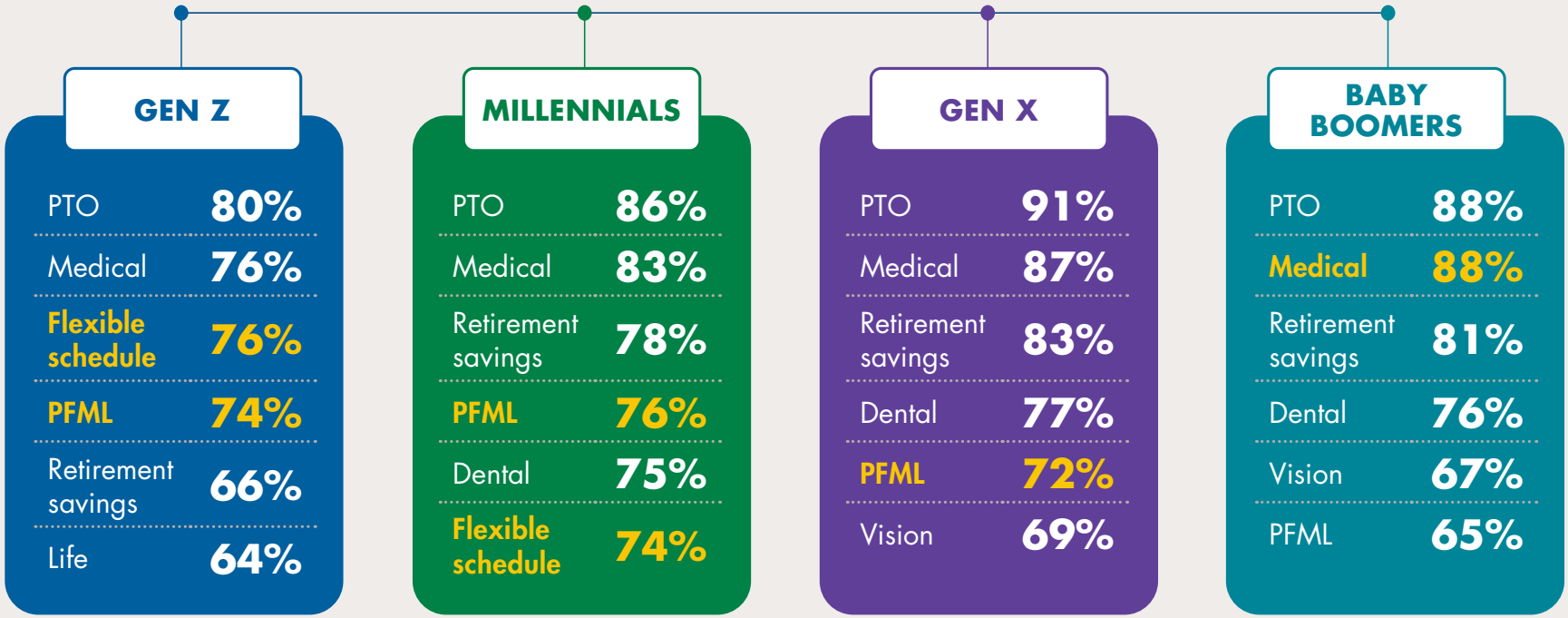
GENERATIONAL
SHIFTS:
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THE RIGHT
SOLUTIONS



Employers’ views of benefits are changing. What we have seen historically is that employers offer benefits geared more toward the Baby Boomers. So now, if the majority of workers are younger, are they going to see different needs? Are they going to look for different solutions?”

Anita Potter

THE IMPORTANCE OF BENEFITS BY GENERATION



Source: 2023 BEAT Study: Benefits and Employee Attitude Tracker, LIMRA.

Baby Boomers place much more value on physical wellness benefits than the younger generations do. In contrast, the younger generations — and Generation Z in particular — place relatively more value on mental, professional, and societal wellness benefits.⁸



A background image showing two men in business suits shaking hands in front of a modern building with large windows. The image is partially covered by a teal gradient on the right side.

WHO BEARS RESPONSIBILITY? REGULATIONS & LEGISLATION

Nearly **90% of large employers** believed that the cost of providing healthcare to their employees will be unsustainable in 5–10 years.

85%
are saying that they need the government to step in to help.¹⁰



Secure 2.0 has more than 90 provisions designed to increase access to and participation in workplace enabled retirement savings. There's a lot for providers to untangle, and a lot of decisions employers will have to make about their retirement program."

Deb Dupont



Employees often express the desire for more personalized guidance when it comes to their employee benefits.

THE VALUE OF CONTINUOUS, DIGITAL EDUCATION

Looking forward, it's imperative to continuously educate employees on the value of the benefits provided by their employers throughout the year, not only during open enrollment.



The new world of work provides opportunities for employers to reimagine their value proposition — it's not just about work and cash compensation. Let's make it about holistic wellness, and make it a year-round, ongoing effort. Technology helps to personalize and customize the delivery of solutions, and utilizing analytics can help you better understand employees and their needs."

Patrick Leary

9 in 10 employers

say digital recommendation tools are either "somewhat" or "very" important during open enrollment.¹¹



ENDNOTES

¹ *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

² *2023 BEAT Study: Benefits and Employee Attitude Tracker*, LIMRA.

³ *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

⁴ Ibid.

⁵ *LIMRA Financial Wellness Spectrum*, 2023.

⁶ Ibid.

⁷ *Harnessing Growth and Seizing Opportunity: 2023 Workforce Benefits Study*, LIMRA and EY.

⁸ Ibid.

⁹ *2023 BEAT Study: Benefits and Employee Attitude Tracker*, LIMRA.

¹⁰ *How Corporate Executives View Rising Health Care Cost and the Role of Government*, KFF, 2021.

¹¹ *Think Fast: Behavioral Economics and Benefits Messaging*, LIMRA, 2023.

View *The Rise of the Employee: Strategic Convergence of Workplace Benefits* webinar on [LIMRA.com](#).

