



Targeted Benefit Strategies: Closing the Value Perception Gap and Meeting Employees' Unique Needs

by **April Husted, CEBS** | *OneDigital*

Ask any employer, and they will likely tell you they have strived to provide an exceptional benefits experience, focusing on employees' emotional, financial and physical well-being. However, ask their employees, and you might hear a different story—one that suggests there's still room for improvement.

This discrepancy highlights a significant value perception gap in workplace benefits, a disheartening reality for employers that have invested heavily in competitive benefits programs. Despite benchmarking exercises, employee surveys, and the introduction of high-demand perks such as remote work and mental health support, many employees remain unsatisfied.

So, why aren't these efforts hitting the mark?

A one-size-fits-all approach to benefits often fails to meet the needs of many employees. There continues to be a gap between the perception and the reality of what employers are offering, suggesting room for improvement in communication and education strategies.

Employees may need benefits that cater to their evolving requirements at different life stages. Today's workforce is increasingly made up of people at different life stages, career stages and age groups. Four different generations—Gen Z, Millennials, Gen X and Baby Boomers—are now working together, side by side.

Consider the following scenario: An employee planning to start a family will likely have different priorities compared with an individual nearing retirement. Likewise, the needs of

new entrants to the workforce, managers and executives are distinct and unique. Therefore, an all-purpose approach to employee benefits may not only be outdated but also ineffective in addressing the diverse needs of the workforce. In fact, one could argue that categorizing employees by generation omits distinct differences found within a particular group.

Understanding employees at an intimate level can support an employer's ability to offer benefits packages that truly matter and provide material assistance to their employees. Without an Amazon-size budget for customized offerings, this can feel daunting.

AT A GLANCE

- A one-size-fits-all approach to benefits often fails to meet the varying needs of employees in today's workforce, which is made up of four different generations and people at different life stages, career stages and age groups.
- Three strategies to help address the contrasting requirements of employees include identifying areas of disconnection in employees' perceptions of benefits offered, implementing a strategic communications plan and personalizing benefits.
- Benefits that may address the needs of multiple groups of employees include financial advisory services, enhanced contributions to health savings accounts (HSAs) and health reimbursement arrangements (HRAs), employee assistance programs (EAPs) and more.

Here are three actionable strategies to address the holistic needs of employees at every life stage.

1. Identify the Areas of Disconnection Between Employees and the Benefits That Matter Most

Too often, employers rely on educated guesses for what matters to their employees. To understand what employees value, employers need to go to the source. They should consider leveraging data-driven, insight-generating approaches such as quantitative research to identify areas where employees' perceived value of a benefit does not align with its actual value.

Employers can collect quantitative data by conducting structured surveys that assess employee satisfaction and preferences regarding current benefits, allowing them to analyze trends and identify gaps. In addition, they can leverage claims data or point-solution analytics to evaluate the utilization of current benefits by analyzing patterns in health care usage, such as frequency of doctor visits, prescription fills and preventive care services. This data helps identify which benefits are most utilized and where there may be gaps in coverage or unmet employee needs. With these insights, employers can efficiently direct resources toward areas with the most problematic value perception gaps to implement program components that resonate most with employees at various career and life stages.

A 2024 OneDigital survey recently revealed surprising insights about employee perceptions and priorities for employee benefits.¹ The survey included 2,000 U.S. employees across various career levels, from entry-level to executive positions, and diverse life situations, such as single parents, people married with children and dual-income households. The survey revealed high levels of financial insecurity, the critical role of wages in job satisfaction and the lower importance of health benefits, with employees prioritizing a company's brand or reputation over health benefits when choosing an employer.

According to the study, 25% of employees were considering taking out a loan from their retirement account, and more than 37% of respondents reported feeling despondent because of debt. In the study, as many as 56% of respondents said they would not be able to handle a major, unexpected financial expense.

Even more surprising was the pronounced state of financial insecurity among executives with at least 15 years of relevant experience—36% of these senior-level employees, who have significant influence over the competitive standing of their companies, said they were considering taking out a loan from their retirement account. This group of employees experienced the highest levels of anxiety about their financial futures. This highlights a critical gap in their financial safety net, since their benefits may not adequately support their high earnings in unforeseen events. This is the kind of data that might be helpful to an employer when designing benefits, challenging the assumption that high-level employees are financially secure. Employee benefits that promote financial protection and act as a safety net can enhance financial security among employees at this life stage. Employers have an opportunity to introduce important support services that can have a material impact on this group of employees, such as financial counseling, access to a financial advisor and mental health services. Employees who believe their companies care about their well-being are more likely to be engaged, productive and satisfied. By implementing these initiatives, employers not only support employees in managing immediate financial challenges but also contribute to their long-term financial stability, ultimately fostering a more satisfied and productive workforce.

These examples spotlight the actionable findings available when employers integrate value data with benchmarking and utilization insights from their unique populations. By taking a quantitative approach, employers will gain a panoramic perspective in an otherwise fragmented landscape, removing the guesswork of what investments will move the needle on employee satisfaction. This approach will also provide meaningful guidance on how to conduct qualitative research, such as employee focus groups, for additional perspective.

2. Focus on Communication

Fortunately, improving employees' perception of their benefits packages is less about expanding offerings and more about strategic benefits communication. People don't appreciate what they don't understand, and insurance tends to top the list.

A results-focused approach should include intentional communications, programs to educate and enhance ben-

efits value perception, and impactful messaging tailored for the workforce demographic. Employers should consider using analytics to gather insights for targeted benefits communication. Employers can collect this data through employee demographics records, surveys, benefits enrollment information and self-service portals, often supplemented by third-party analytics and insights from internal communication platforms. This allows them to customize messages to resonate with different age groups, job roles and family situations. Communications should use clear, focused language and avoid jargon. Messages should be relevant, employee-centered, appealing and concise. Family members should be included in the process, and various channels—such as mobile apps, emails and printed materials—should be employed to reach everyone effectively. By doing so, employers help workers make informed decisions, demonstrate that the organization values employees' well-being and set the stage for a successful benefits year.

3. Personalize Benefits for a Diverse Workforce

Another way to improve the perceived value of benefits is to make sure employees have access to the benefits they most value and need given their life stage and career journey. In some cases, that may require offering a benefit that targets a specific need. In other cases, benefits may have appeal to multiple life stages as long as they are targeted to meet the desires of the various cohorts.

For example, providing financial planning options at any stage is vital, since all generations have financial needs. Older generations often focus on retirement planning and funding their future, while younger generations seek support for starting a family, repaying school loans or tuition reimbursement.

In addition, with women making up the majority of the workforce at 57.5% as of January 2025, according to the Bureau of Labor Statistics, employers may want to consider offering benefits that address the unique challenges women face throughout their careers. This includes child-care assistance, family planning and menopause support.

Once employers have identified their employees' priorities, they can consider a range of targeted benefits, including the following.

Financial Benefits for Highly Compensated or Key Employees

To create an appropriate financial safety net for highly compensated employees, employers can offer targeted benefits, such as executive health programs, additional retirement contributions and performance-based bonuses to help bridge the income gap. According to SHRM, offering competitive compensation and benefits is crucial for attracting and retaining key employees.² For example, many insurance providers offer income replacement solutions that ensure highly compensated employees receive equitable benefits, even when traditional plans fall short.

Financial Advisory Services

As leaders recognize that financially healthy employees are good for business, more employers are taking action to improve their employees' financial well-being. A MetLife study found that employees who receive financial guidance are more likely to feel financially secure and less stressed.³ When employers build financial planning, education and guidance into their benefits package, they are powering the potential of their people and their business.

Most retirement plan vendors offer not only advisory services related to the retirement plan but also other programs and resources. Employees in older life stages may be most interested in advisory services related to the retirement plan, but younger generations may value education related to budgeting, credit improvement, savings strategies and debt reduction. Using these resources can be a great first step for anyone struggling with where to start.

A retirement plan broker may also offer in-person or virtual sessions, which provide a more personalized experience and may lead to more employees feeling more comfortable contacting this expert, their team and their retirement vendor for support.

Emergency Savings and Debt Assistance

SECURE 2.0 provisions, such as those allowing pension-linked emergency savings accounts and student loan matching programs, can provide employees with a safety net during financial hardships.

Penalty-free emergency distributions from defined contribution plans might be attractive to employees of all life stages. Student loan repayment matching can significantly benefit Millennials and Gen Z employees, who often face financial challenges due to student debt, particularly as they are just beginning their careers.

Enhanced HSA or HRA Contributions

A company with 100 employees is likely to have six employees (6%) who carry over \$1,000 in medical debt and one employee (1%) who carries over \$10,000 in medical debt. This can also greatly vary from state to state, with Hawai'i having the lowest medical debt and South Dakota having the highest medical debt, according to KFF.⁴ Increasing employer contributions to a health savings account (HSA) and/or to a health reimbursement arrangement (HRA) associated with the medical plan(s) can reduce employees' financial burden of out-of-pocket medical costs while reducing their barriers to care. When employees aren't afraid of a medical bill, they are more likely to get care, maintain continuity of care and improve their health to avoid large claims (and cost) down the road.

Young families, who are often facing the dual challenges of child-care expenses and medical costs, may particularly benefit from enhanced HSA or HRA contributions since these accounts can help manage unexpected health care expenses without compromising their financial stability. In addition, employees nearing retirement age, who may face

increased health care needs, could find these contributions valuable in managing their medical expenses effectively.

Giving Programs

An employee-to-employee giving program can be created to help employees who are facing financial hardship immediately after a natural disaster or an unforeseen personal hardship. The program relies primarily on individual donations from employees and support from the employer to fund this program. These programs can provide a tax-free grant to help fellow employees in need when they are facing the unexpected.

Employee Assistance Programs

Most employers that offer disability insurance likely already have an employee assistance program (EAP) offered by the carrier. But employers may also choose to partner with an EAP vendor that offers more robust services beyond the no-cost carrier solutions. Commonly, EAPs include helping people find in-network mental health providers (and may include several free therapy sessions per year), which removes barriers to care by doing the hard work of finding a provider on behalf of the employee. These programs also often include financial counseling services. Because financial health and mental health are so interconnected, having a service that can help with both further removes barriers to care and assistance.

Employees experiencing high levels of stress, such as those in demanding roles or those balancing work and family responsibilities, would greatly benefit from EAP services. In addition, indi-

viduals facing significant life changes, such as a divorce or loss of a loved one, would likely find the mental health and financial counseling support invaluable. New parents, who often face the dual pressures of adjusting to parenthood while managing work responsibilities, would also benefit from the support and resources provided by an EAP.

Virtual Behavioral Health Care

Virtual care removes barriers to care for employees by allowing them to see a provider, including a therapist or psychiatrist, anywhere and at any time.

Employees with demanding schedules or those working remotely would benefit significantly from virtual health care options since they provide the flexibility to access care without the need to travel or take time off work. In addition, individuals living in rural or underserved areas, where health care facilities may be scarce, would find virtual health care crucial in ensuring timely and consistent access to medical and behavioral health services.

Caregiver Benefits

Caring for children, aging parents or a disabled family member can be a huge financial and mental strain. People in the sandwich generation—mainly those in their 40s and 50s—are more likely to be caring for both children and their aging parents simultaneously.⁵ Caregiver benefit services can include help finding high-quality (adult and child) day care, disability navigation, Medicare navigation, Alzheimer's and dementia support, and end-of-life guidance and resources. Providing employees access to experts

and a support team can help ease their concerns and increase their ability to be present at work.

Fertility and Adoption Assistance

Over 60% of Millennial and Gen Z workers said that fertility and pregnancy benefits play a critically important role when selecting a new job, according to 2023 survey by HRC Fertility.

Fertility and adoption assistance benefits are designed to help employees build families by covering some or all of the costs and challenges of fertility treatments and adoption. These benefits may include financial assistance for in vitro fertilization (IVF), fertility medications, egg freezing, artificial insemination and counseling. Adoption support often involves reimbursement for adoption agency fees, legal costs and travel expenses, along with paid leave for adoptive parents. Some employers also assist with surrogacy costs and offer fertility/adoption navigation services. These benefits are designed to be inclusive, support various family-building options, and can help attract and retain talent while easing their financial burden. They also can demonstrate an employer's commitment to supporting employees' long-term personal and professional goals. Fertility treatment, specifically, can also operate outside of the health plan, so if an employer is trying to lower medical plan claims costs related to fertility treatment, this can have a tangible impact.

Child-Care Assistance

Balancing professional responsibilities with personal life can be daunting

for working parents, and finding reliable, affordable child care is often a significant challenge. Employers might consider providing on-site child-care facilities, offering subsidies for child-care costs or ensuring access to backup child-care services. These benefits can not only reduce stress and commuting time but also foster a supportive work environment, leading to increased productivity and job satisfaction. In addition, companies that invest in child-care assistance often see reduced absenteeism and turnover rates.

Menopause Support

Menopause-age women account for 26% of the workforce and 55% of all working women. Menopause is a natural but significant life transition and, unfortunately, it is often stigmatized and ignored. Employers can create a more supportive and inclusive workplace culture by addressing menopause openly and respectfully.

Some of the ways employers can make menopause discussions more comfortable for employees include educating staff, managers and HR personnel on the impact of menopause on physical and mental health, work performance and relationships. This can help reduce misconceptions, stereotypes and discrimination as well as foster empathy and understanding. Employers can also consider providing flexible work arrangements, such as allowing employees to adjust their working hours, work from home or take breaks as needed. They also can offer additional leave policies, such as sick leave, personal leave or compassionate

leave, for employees who are experiencing severe menopause symptoms or need to attend medical appointments. Finally, providing resources and support—such as access to menopause-focused health care, digital tools, safe places at the workplace to address immediate health concerns, counseling or peer support groups—can help employees who are going through menopause or want to learn more about it.

Enhanced Work and Leave Policies

There are lots of creative ways to improve work and leave policies without including time off work, such as “no-meeting Fridays” or “work-from-anywhere July” (for remote-friendly employers). Time-off policy enhancements may include a designated number of wellness days per year (on top of vacation and sick days) for employees to focus on mental health and personal needs, half-day Fridays during a slow time of year or sabbaticals for employees every five years of employment.

Employees juggling caregiving responsibilities, such as parents or those caring for elderly family members, would greatly benefit from these flexible work and leave policies, as they provide the necessary time and flexibility to manage personal and family needs. In addition, employees experiencing burnout or high stress levels would find wellness days and sabbaticals essential for maintaining their mental health and overall well-being.

Conclusion

No single program fits the needs of all employees, and needs change over

time. With any tools deployed to help improve the current and future mental and financial health of employees, employers should make sure that these investments align with employees' values, utilization is measurable, and the impact is assessed over time to determine whether a program should stay in place, needs to be changed or should be replaced. 

Endnotes

1. The 2024 OneDigital *Employee Value Perception Study* surveyed more than 2,000 full-time U.S. employees between the ages of 26 years and 64 years at various career stages, from entry-level with less than three years of experience to executives with more than 15 years of relevant experience. The study also examined employees' benefits value perceptions in the areas of health, success and financial security at five life stages: single parents, dual income households with children and without children, single employees under the age of 45 years and single employees over the age of 45 years.
2. www.shrm.org/topics-tools/research/employee-benefits-survey.
3. www.metlife.com/workforce-insights/employee-benefit-trends/.
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