



Voluntary Benefits Benchmarking

In a time of record-high inflation, employers are looking to voluntary benefits to shift the cost and risk of healthcare.

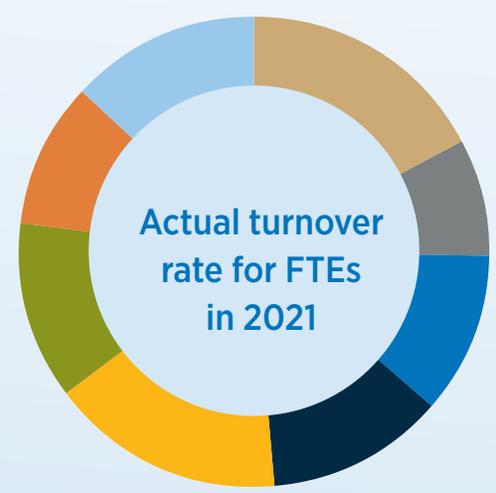
With the impact of inflation on an organization's bottom line, the challenge to perform and generate growth while balancing employee needs and interests can sometimes come in direct conflict with one another. Organizations are solving for a diverse workforce with decentralized employees—geographically, demographically and sociologically. Given all of this, employers are constantly competing for top talent, and they must find differentiators that set their organizations apart from the competition.

When the Great Resignation hit in 2021, 17% of organizations saw a turnover rate of 30% or more (see graph in right-hand column). Knowing this, when asked about the top operational priorities for 2022, organizations noted that retaining talent (52%) and attracting talent (40%) were among the top three priorities. Leaning into their ability to differentiate amongst the competition, **25% of organizations listed voluntary or supplemental benefits as one of the total rewards aspects they enhanced to meet their recruitment and retention objectives.** Offering highly integrated voluntary benefits that align with core benefit strategies can be a strong competitive advantage in the marketplace.

Each year, we ask employers what their top objectives are for offering voluntary benefits. Year after year, the top objectives have remained the same. However, for the first time in 2022, “attracting new employees to the organization” debuted as an additional top objective.

Top Objectives for Offering Voluntary Benefits

2021		2022	
Provide comprehensive benefits package	73%	Provide comprehensive benefits package	61%
Fill gaps in coverage	57%	Fill gaps in coverage	46%
Offer financial protection to employees	54%	Offer financial protection to employees	32%
		Attract new employees to the organization	32%



TURNOVER RATE	% OF EMPLOYERS
Less than 3%	13%
3%-5%	10%
6%-9%	12%
10%-14%	16%
15%-19%	12%
20%-24%	11%
25%-29%	8%
30% or more	17%

Not only can voluntary benefits help organizations meet the needs of their employees, but they can help attract and retain top talent. **Thirty percent (30%) of employers identified that they were using voluntary benefits to also “retain existing employees.”**

Understanding that organizations need to be more competitive and integrated than ever before, 71% of employers plan to expand or replace their HR technologies by 2024. With such a significant financial investment—not only on the HR tech side, but also on the employee side (noting that 55% of employers are spending \$10,000 or more per eligible employee on benefits annually)—it only makes sense to effectively communicate these new technologies. Unfortunately, many organizations don't take the opportunity to communicate total rewards. **Moreover, only 54% of employers identified that “employees understand their benefits and how to use them” as the most important outcome for employee communication.**

When employees understand and know how to effectively utilize their benefits, they are empowered consumers. They are able to make educated decisions that can positively affect the claims experience. This, holistically, provides an opportunity to align HR, technology, core and voluntary benefits, and key communications to coexist for true organizational wellbeing.

IN 2022, MORE THAN 3 IN 5 EMPLOYERS (61%) OFFERED VOLUNTARY BENEFITS TO PROVIDE A COMPREHENSIVE BENEFITS PACKAGE TO EMPLOYEES — ARE YOU ONE OF THEM?

Access to physical and emotional wellbeing benefits and programs is central to the quality of the employee experience, as well as performance outcomes. Adding selective voluntary benefits or increasing subsidies for current options can help attract and retain a competitive workforce. Get insights from nearly 4,000 employers, and identify opportunities for your organization to better compete for top talent and build success.

[GET THE REPORT](#)

TALK TO ONE OF OUR VOLUNTARY BENEFIT CONSULTANTS TODAY TO DISCUSS INDUSTRY TRENDS.

Source for all statistics: Gallagher, “Benefits Strategy & Benchmarking Survey,” 2022.

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One of the biggest challenges with offering voluntary benefits is ensuring that employees understand their coverage and know how to effectively use their plans.

71%

Plan to expand or replace their HR technologies by 2024

55%

Spend \$10,000 or more per eligible employee on benefits annually

54%

Say employees understanding their benefits and how to use them is the most important outcome for employee communication



 **Gallagher**