

BENEFITS & BEYOND



Make Enrollment Worth It:
Engaging employees with their benefits options



BENEFITS & BEYOND

Today's employees want more from their employers' workplace benefits.

But they may not be getting the most out of them, perhaps leaving employees frustrated, less protected, and financially vulnerable. This could be because they lack confidence in choosing benefits, which may impact employees' financial protection, satisfaction, and loyalty to their employer.

How can employers better support employees as they choose benefits? Our research points to three key opportunities:

- Getting employee input, which can improve satisfaction and retention
- Tailoring enrollment experiences so employees get the most out of them
- Making decision support tools available to help employees make educated benefits choices

Make Enrollment Worth It: Engaging Employees With Their Benefits highlights these opportunities to help employees take charge of their benefits selections—and employers attract and retain talent.

Employee enrollment engagement is one of three key areas our 2024 *Benefits & Beyond* findings focus on:



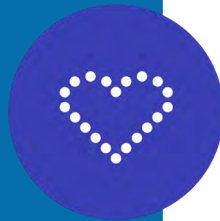
ABOUT THE RESEARCH

Prudential fielded three surveys for our 2024 *Benefits & Beyond* research. We asked employers, employees, and brokers about benefits trends with a primary goal of **helping employers shatter common perceptions of workplace benefits programs to create fresh realities that can help employees protect their life's work.**

All statistics and references in this paper, unless otherwise cited, are derived from the data obtained through the *Benefits & Beyond* research conducted in January and February of 2024.

TABLE OF CONTENTS

Intro: Employees want more from their workplace benefits.....	1 - 2
> Perception gaps and realities	
Insight 1: Gather employee feedback.....	3 - 4
Insight 2: Improve the enrollment experience.....	5 - 9
Insight 3: Consider tools and decision support.....	10 - 13



PREVIEW: PERCEPTION GAPS AND REALITIES

The importance of employee feedback on benefits programs is a common thread throughout **Make Enrollment Worth It**. This preview helps employers consider how they can bridge gaps in their perception of benefits program effectiveness with the reality of employee input.

1: GATHER EMPLOYEE FEEDBACK—BENEFITS SATISFACTION

Perception/Reality: 66% of employers think their employees are satisfied with their benefits but only 51% of employees agree.

Insight: Seeking employee feedback can give them a voice in creating benefits programs that more closely meet their needs.

2: IMPROVE THE ENROLLMENT EXPERIENCE—COMMUNICATIONS EFFECTIVENESS AND FORMAT

Perception/Reality:

- > 68% of employers find enrollment benefits communications to be effective but only 38% of employees do.
- > 85% of employees say their expectations for communication format are met or exceeded. But different generations have different format preferences.

Insight: Looking at enrollment communications with a fresh perspective can help gauge how they meet employee needs. Can they be personalized? Do they require employees to actively enroll each year vs. letting benefits roll over?

3: CONSIDER TOOLS AND DECISION SUPPORT—COMMUNICATION PERSONALIZATION OPTIONS

Perception/Reality:

- > 62% of employers believe they provide enough information/education during enrollment to help employees.
- > 75% don't see the value in decision support tools from carriers and brokers.
- > But nearly 7 in 10 employees wish for more personalized advice to help them make better benefits decisions.

Insight: Providing tailored education/decision support tools can help build employee confidence in benefits choices; seeking advice from brokers/carriers and using employee feedback can help refine benefits options.

INSIGHT 1: GATHER EMPLOYEE FEEDBACK

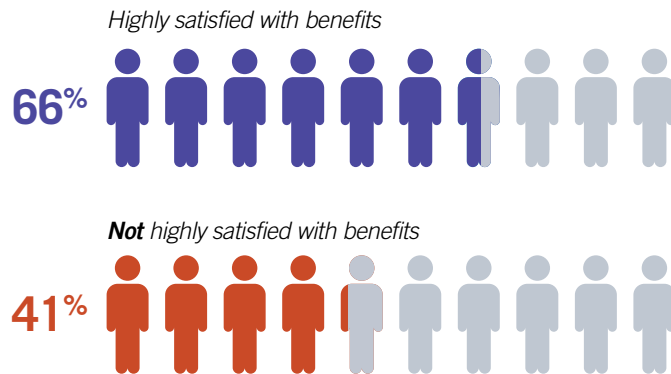
When employers ask for employee input about benefits, it can lead to greater satisfaction and retention.

Successful benefits programs can attract top talent and increase employee loyalty.

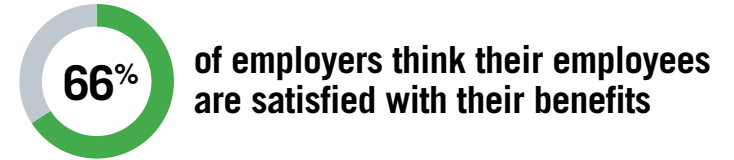
Positive outcomes expected from offering benefits include attracting top talent (39%) and increasing employee retention and loyalty (54%).

Successful benefits programs can deliver desired outcomes. Employees who are highly satisfied with their benefits are 1.6x more likely to want to remain with their employer than those who are not.

Employees' desire to stay with current employer



Perception gap: Benefits satisfaction



But ...



This gap is partly because only 29% of employers ask employees for input on what benefits are important to them, and just 34% collect feedback from employees on their satisfaction with benefits.

Employers can do more to achieve benefits programs goals by seeking employee input.

When employers seek employee input, employee satisfaction with benefits doubles, from 35% to 70%.





	No input sought	Input sought	Gap
Satisfaction with benefits	35%	70%	2x
Feel benefits offered are competitive	34%	65%	1.8x
Promoters	23%	43%	1.9x

Brokers also recommend employers engage with employees more on benefit offerings, including collecting employee feedback on benefits satisfaction and importance. But consistent with what employees report, employers are less likely to take action on these broker recommendations.

Taking on increased costs to improve benefits satisfaction.

Prudential's 2024 *Benefits & Beyond* research revealed nearly two-thirds of employees surveyed said they experienced increases in major medical costs in the past year, and one in five did not enroll in at least one benefit they previously enrolled in due to increased costs. Supplemental health products could help offset these major medical cost increases, and employees expressed interest in how the products could help. However, fewer employers take this approach to educate employees on the way these benefits can help cover rising out-of-pocket medical costs. This indicates an opportunity to leverage employee feedback/interest and enhance communication strategies, possibly leading to greater employee satisfaction with benefits. Get more details in our *Workplace Trends* paper.





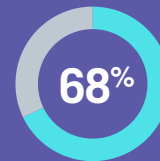
INSIGHT 2: IMPROVE THE ENROLLMENT EXPERIENCE

Employees often find benefits communications ineffective.

Employees are about half as likely as employers to find benefits communications in their organization effective.

Perception gap: Enrollment communication effectiveness

EMPLOYERS



EMPLOYEES



Employee groups who are less satisfied with their organization's benefits communications include those:

- › Whose jobs do not involve any desk work
- › With less than three years tenure at their organization
- › Who work part-time
- › Who work in the health care industry



When employees say communications are highly effective, they are more satisfied and loyal.

Effective enrollment communications can help close the perception gap. Employers should consider personalization as well as generational preferences that use a multi-channel approach including email, print, text, and in-person options.

Employees who believe their organization's benefits communications are highly effective view the offerings more positively and are more likely to stay with the organization.

2.9x MORE LIKELY TO BE PROMOTERS

2.5x MORE SATISFIED WITH BENEFITS

2.4x RATE BENEFITS AS COMPETITIVE

2.1x MORE CONFIDENT IN BENEFITS DECISIONS

2.0x MORE LIKELY TO WANT TO STAY AT ORGANIZATION

Brokers can help. More than half are having conversations with their institutional clients about benefits communications.

Enrollment is a guessing game for some employees.

Employees who are more confident choosing benefits are more positive about their employer and more loyal to them.

Many employees consider benefits enrollment an unpleasant experience that is more of a guess than educated choice.

4 in 10 say selecting benefits is a guessing game more than an educated choice

1 in 3 feel enrolling in benefits is unpleasant



Employee groups who are more likely to agree electing benefits is a guessing game more than an educated choice include:



When employees have more confidence in their decisions, they are more positive about their benefits and their employer.

1.5x MORE LIKELY TO WANT TO STAY AT ORGANIZATION

1.5x MORE LIKELY TO BE A PROMOTER

1.4x MORE SATISFIED WITH BENEFITS

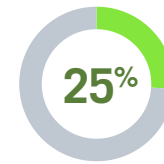
1.4x MORE LIKELY TO SAY BENEFITS ARE COMPETITIVE

Many employees review their benefits each year but make no changes.

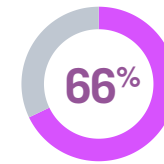
Two-thirds choose the same benefits year-to-year and another one in 10 don't review their benefits and merely carry over benefits from the previous year.

Nearly all employees review their benefits during enrollment

each year, even though only one in four make changes to their benefits elections.



Review, make changes



Review, no changes



Do not review

One in three employers allow eligible benefits to roll over, eliminating active enrollment for their employees.

These employee groups are more likely to either **review without making changes** or **not review benefits during enrollment**.

- > Non-white
- > Single
- > Lower income
- > Part-time
- > Those with jobs that don't involve desk work

Employees who carry over their prior year's elections own fewer products.

These employees may be less aware of their employer's offerings, particularly if new benefits are added.

Some employees may go into autopilot during enrollment, thinking they don't need to review their current benefits



elections or consider new ones. Across all coverages, they are less likely to own insurance products if they don't engage with or review their benefits, which means they could miss out on opportunities to better cover themselves and their families.

Percentage of insurance products owned by those who do the following:

	Make changes	No changes	Do not review
Life insurance (paid for by company)	74%	60%	35%
Life insurance (paid for by employee)	62%	58%	44%
Short-term disability insurance	69%	52%	35%
Long-term disability insurance	55%	41%	25%
Accident	61%	46%	26%
Critical illness	49%	37%	14%
Hospital indemnity	39%	32%	23%

Better communication and education about these offerings could help increase enrollment and improve employees' financial protection, as can encouraging active enrollment so employees engage with all benefits options whenever enrollment opportunities occur.



Email and print are the primary benefits communication formats employers use.

Employees generally say their employer's method of communication meets their expectations.

Perception gap: Enrollment communications format

Most employees (85%) say their expectations for communication format are **met or exceeded**. Boomers are less likely to say expectations are exceeded.

Overall, perceptions of communications effectiveness don't differ greatly across generations. But there are some differences in how employees from different generations engage with their benefits.

	Gen Z	Millennials	Gen X	Boomers
Email	76%	81%	76%	68%
Print	32%	41%	43%	55%
Intranet/Website	24%	35%	44%	36%
In-person	34%	28%	27%	23%
Text	19%	13%	9%	6%



Employers can close this gap by ensuring benefits programs meet the needs of all employee populations, including leveraging how employees best interact with them. They can also deploy digital campaigns that combine emails and websites or intranet sites to streamline communications and enrollment access.

IT'S IN-PERSON FOR GEN Z.

A surprising result from this survey: Gen Z valued in-person learning more than other generations, making it one of their top three choices for benefits communication. This trend indicates their willingness to learn more about benefits and wanting opportunities to ask questions in person, and it is consistent with LIMRA findings showing Gen Z employees are more likely to say in-person education was available to them¹ and they were more likely to prefer in-person benefits education.²

INSIGHT 3: CONSIDER TOOLS AND DECISION SUPPORT

When it comes to benefits decisions, employees are willing to get personal.

They want customized recommendations and more decision support tools to help them enroll.

Perception gap: Enrollment personalization

Nearly **seven in 10 employees** wish there was more personalized advice available during open enrollment to help them make better benefits decisions.

Specifically, there are several **decision support tools that employees do not believe are currently available** to them that they are interested in to aid benefits decision-making.

51% CALCULATORS THAT RECOMMENDED THE AMOUNT OF INSURANCE NEEDED

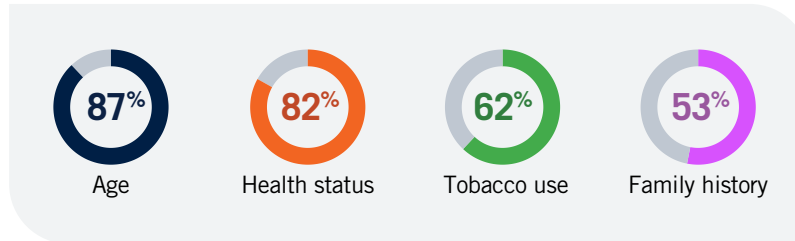
51% CASE STUDIES ILLUSTRATING HOW PEOPLE CAN USE EACH BENEFIT

50% FINANCIAL PLANNING TOOLS TO HELP DETERMINE WHICH BENEFITS FIT BUDGET

47% TOOLS TO COMPARE COSTS OF BENEFIT THROUGH EMPLOYER VS. OUTSIDE WORK



About **nine in 10 employees** are willing to provide at least some personal information to receive personalized recommendations from these tools, including:



Employers can do more to support employees' benefits decision-making.

They are overconfident in the sufficiency of the benefits information, tools, and communication they provide to employees.

Nearly two-thirds believe they provide employees with enough information and education during enrollment to make good decisions. A similar number say they offer sufficient decision support tools for employees to use during enrollment.



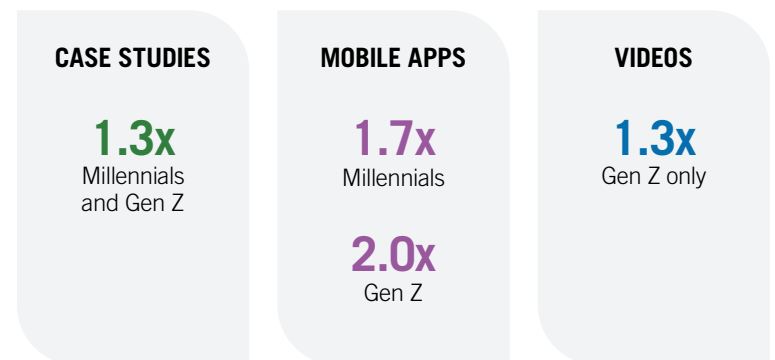
Perception gap: Decision support tools

Employers also say they don't recognize the value of decision support tools, with **only one in four** saying decision support tools from carriers and brokers would be valuable. This contradicts what we hear from employees who say they want more information and tools to facilitate enrollment in benefits.

Certain resources appeal to younger employees—but may not meet their expectations.

These include case studies and digital resources.

Gen Z and millennial employees are more interested in access to certain resources to help them make benefits decisions during enrollment as compared with boomer employees.



Despite the higher interest among younger employees, many Gen Z employees who have used mobile apps and case studies **would not use them again.**

This is an important distinction. Effective decision support resources are highly desired by employees, making it essential to get their feedback on the value of these resources and how they meet expectations. Understanding their pain points is necessary for maximizing the effectiveness of these resources prior to expanding their reach.

Carriers and brokers provide more support than employers may realize.

Employers can turn to them for access to tools their employees are looking for.

With a minority of employers reporting that they rely on brokers and carriers for benefits education, it's worth taking another look at how they can help.

Sources employers rely on for benefits education



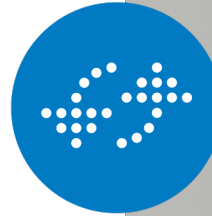
Brokers/benefit consultants



Insurance carriers



Independent research



The type of support employers seek from these resources falls into the following categories:

Preparing and providing informational content

- > Detailed benefits guides
- > Benefits summaries
- > Emails about benefits

Supplemental support for employees

- > Participation in information sessions
- > Designated rep to address questions
- > Online chats

Brokers and carriers are also up to date on constantly changing benefits technology and tools, making it advantageous for employers to set up annual conversations with them to gain a further understanding of new capabilities.

Additionally, brokers provide support to help employers increase the confidence, satisfaction, and loyalty of their employees.



Broker support includes:

Conversations

Brokers talk with clients on a variety of topics related to employee benefits engagement.

Benefits communications

53%

Increasing benefits enrollment rates

48%

Using data analytics to make benefits recommendations

43%

Resources

Brokers support clients by providing benefits education resources for employees.

Product summaries

67%

Detailed benefits guides

64%

Facilitating employee meetings

55%

Decision support tools

50%

Engagement

Brokers work with clients to support efforts to encourage employee benefits engagement.

Obtain employee feedback on benefits satisfaction

56%

Facilitating benefits fairs/training recommendations

52%

Collect input on employees' benefits needs

43%

Run enrollment reports/diagnostics

38%

ABOUT THE RESEARCH

Methodology

Research was conducted via online surveys in January/February 2024 with three key populations: employees, benefits decision-makers, and brokers and leveraged leading online panel providers. The study was conducted on behalf of Prudential by Zeldis Research, an independent market research organization located in Pennington, NJ.

Employees

Employee results are based on a national online survey conducted among 1,011 individuals ages 22 – 77, working either full- or part-time in organizations with at least 100 employees. The research included both individuals who are eligible for benefits through their employer as well as those who are not. The data were collected in a way to reflect the actual population of U.S. employees by gender, race/ethnicity, age, education, income, and organization size based on statistical information from the Bureau of Labor Statistics and the Census Bureau.

Employers

Employer results are based on a national online survey of 756 benefits decision-makers in organizations with at least 100 employees. The results shown in this report are weighted to reflect the actual proportion of U.S. business by organization size based on data from the U.S. Census Bureau.

Brokers

Broker results are based on a national online sample of 504 brokers or consultants who advise clients in the 100+ market about their non-medical group benefits plans. Their opinions are representative of brokers with a focus on these size organizations and who sell and recommend these types of products.

Contact

For more information about how Prudential can help support your benefits programs, contact your Prudential representative.





Prudential

¹ LIMRA 2023 BEAT Study.

² LIMRA 2024 BEAT Study.

All statistics and references in this paper, unless otherwise cited, are derived from the data obtained through the *Benefits & Beyond* research, conducted in January and February of 2024.

The information in this document is being provided for informational or educational purposes only and is not intended as a solicitation, advice or recommendation about plan benefit design or any coverage options. Employers and other institutions should consult with their own advisors.

© 2024. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

Group Insurance coverage is issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ.

1083061-00001-00
NOT11WPGI3301