



Evolving needs are reshaping the workplace, and employees expect their workplace benefits to keep up. Here's what employers need to know to provide modern benefits<sup>1</sup> that attract and retain talent.

1: MODERN BENEFITS? A MUST HAVE

Employers and employees agree they've got to have them.

EMPLOYERS WHO SAY EMPLOYEES EXPECT MODERN BENEFITS



EMPLOYEES WHO SAY THEIR BENEFITS ARE MODERN ARE MORE LIKELY TO:

Be satisfied



vs. 68% who don't

Stay with their organization



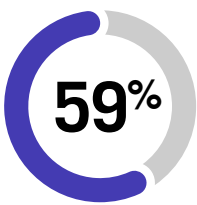
vs. 73% who don't

But there's a disconnect with employers and employees thinking their benefits packages are modern:

EMPLOYERS WHO AGREE:



EMPLOYEES WHO AGREE:



THE GAP

1.5x

Need to know:

Employees seek benefits with:

- > Flexibility
- > Financial support
- > Overall well-being support

Defining modern benefits packages:

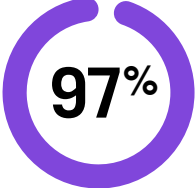
**Employers:** Add newer benefits

**Employees:** Widen benefits scope

2: ASSESS EMPLOYEE NEEDS TO GAIN FOCUS

How important is overall employee well-being to employers?

EMPLOYERS WHO SAY IT'S IMPORTANT TO THEM:



EMPLOYEES WHO SAY IT'S IMPORTANT TO THEIR EMPLOYER:



THE GAP

1.4x

What employee well-being areas should employers prioritize (Top 2)?<sup>2</sup>

EMPLOYERS RANK:

- |                     |     |
|---------------------|-----|
| 1. Mental health    | 69% |
| 2. Physical health  | 68% |
| 3. Financial health | 50% |
| 4. Social health    | 13% |

EMPLOYEES RANK:

- |                     |     |
|---------------------|-----|
| 1. Physical health  | 66% |
| 2. Mental health    | 59% |
| 3. Financial health | 55% |
| 4. Social health    | 20% |

Need to know:

- > The groups' top concerns are flipped
- > The biggest gap exists in mental health

What challenges do employees face?

EMPLOYERS SAY

- |                         |     |
|-------------------------|-----|
| Cost of everyday goods  | 45% |
| Saving for retirement   | 44% |
| Cost of housing         | 42% |
| Mental health concerns  | 38% |
| Personal debt concerns  | 33% |
| Paying medical expenses | 33% |

EMPLOYEES SAY

- |                                |     |
|--------------------------------|-----|
| Saving for retirement          | 45% |
| Cost of everyday goods         | 44% |
| Cost of housing                | 29% |
| Making it paycheck to paycheck | 26% |
| Personal debt concerns         | 25% |
| Mental health concerns         | 22% |

Need to know:

- > Financial stress is the top employee concern
- > The significant gap in how mental health challenges are perceived
- > Employers underestimate employees' struggle with living paycheck to paycheck

3: HOW TO MAKE BENEFITS EVEN BETTER

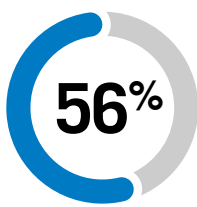
Employers and employees both say there's room to improve.

Employees who face these challenges believe their employer should help.

SAVING FOR RETIREMENT



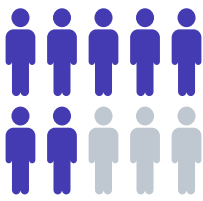
JUST MAKING IT PAYCHECK TO PAYCHECK



MENTAL HEALTH



And employers seem ready to help meet workforce challenges:



7 IN 10 ANTICIPATE SOME CHANGE TO THEIR BENEFITS SUITE IN THE NEXT TWO YEARS.



ANTICIPATE A SIGNIFICANT CHANGE OR COMPLETE BENEFITS OVERHAUL IN THE NEXT TWO YEARS.

Need to know:

To provide a more modern benefits program:

- > Find out what challenges employees face
- > Include program changes that address them

Find out what you need to know about new workforce expectations in *Benefits & Beyond*.

For more information, please contact your Prudential Representative.

<sup>1</sup> Our survey asked employers and employees to define "modern benefits" both through an open-ended question and by giving them suggested options to choose from.

<sup>2</sup> Percentages are based on items ranked #1 or #2 (in the top 2 most important).

All statistics and references are derived from the data obtained through the Benefits & Beyond research, conducted in January and February of 2025.

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