

**BENEFITS &  
BEYOND** 

**NEW  
WORKFORCE  
EXPECTATIONS**

Why leave programs need to reflect real life



**Prudential**



# BENEFITS & BEYOND

## Paid leave is on employees' radar—here's what they want

Employees' expectations around benefits are shifting, and they want paid leave that meets today's challenges—whether it's time off to care for family or recover from their own health event.

These benefits are increasingly important as employees face challenges like the cost of everyday goods, living paycheck to paycheck, and saving for retirement—especially as more become caregivers.

They're more likely than employers to include employer-paid leave in their optimal benefit package and they're taking notice of whether or not it's part of what their employer is currently offering.

At the same time, they also don't seem to be fully aware of available employer-paid leave options and how they work. Or they do, but are afraid to use them. This can result in less optimal use of other options like paid time off (PTO), which takes away needed downtime.

With these realities in mind, employers must shift from treating paid leave as a perk and listen to what their employees want and need. We know employees expect much more from their companies' benefits programs, and employer-paid leave is an example of a modern expectation. Employers need to factor in coordinating state leave laws and programs

with their own, which has become a greater challenge as more states enact mandates.

Today, employer-paid leave is part of a sustainable system that supports employee well-being and performance, and positively impacts employees' lives. It's also one way to attract and retain talented workers, helping companies stay productive, and demonstrating proactive thinking that helps organizations take the lead.

**Why Leave Programs Need To Reflect Real Life** is the second study in our 2025 research. It covers the overall leave landscape plus three key insights about workplace leave programs: Why employees need time away from work, what's relevant to employee leave needs, and how employers develop leave policies.

### 1 How Evolving Needs Are Reshaping The Workplace

### 2 Why Leave Programs Need To Reflect Real Life

### 3 Breaking Mental Health Stigma

You  
Are  
Here



# ABOUT THE RESEARCH

Prudential fielded two surveys for our 2025 *Benefits & Beyond* research. We asked employers and employees about workplace benefits programs with the primary goal of helping employers understand and respond thoughtfully to their workforce’s evolving needs—and to help employees protect their life’s work now.

All statistics and references in this paper, unless otherwise cited, are derived from the data obtained through research conducted in January and February of 2025.

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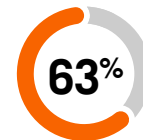




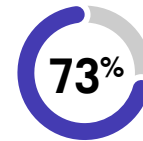
## KEY RESEARCH INSIGHTS

### OVERVIEW: There's a growing interest in employer-paid leave

Employers and employees say paid leave is available at their workplace.



**OF EMPLOYERS** SAY THEY OFFER COMPANY-PAID LEAVE PROGRAMS.



**OF EMPLOYEES** SAY THEIR EMPLOYER DEFINITELY OFFERS PAID LEAVE.

### INSIGHT 1: Employers must refine their understanding of how employees use available leaves

In the past three years employees have taken time off to care for someone else. Of those, half are using PTO and not paid leave.

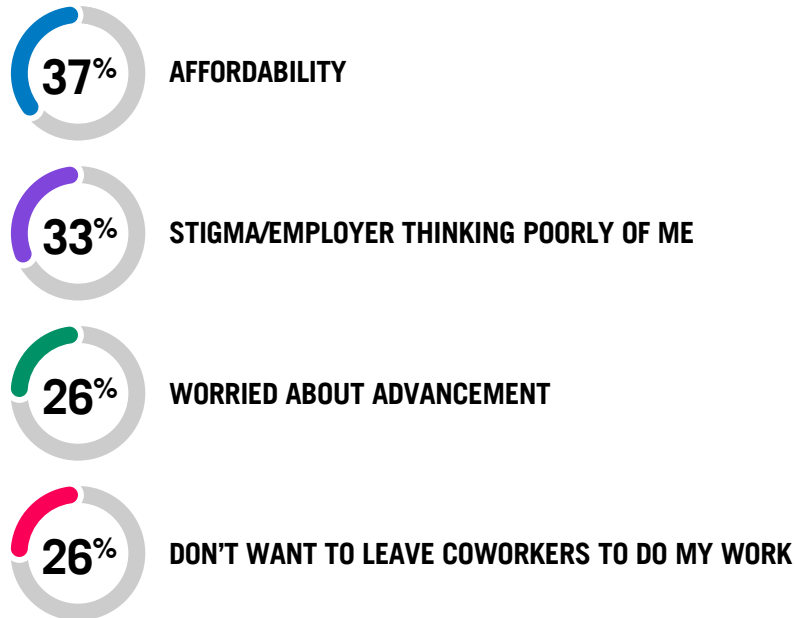
**33%** CARE FOR A CHILD

**41%** CARE FOR SOMEONE OTHER THAN A CHILD

**21%** CARE FOR A CHILD AND SOMEONE ELSE



A third of employees say they needed a leave of at least four days but didn't take one—the main barriers being:



## INSIGHT 2: Balancing benefits expectations can help create effective programs

Paid time off to care for family members is employees' no. 1 desired caregiving benefit.

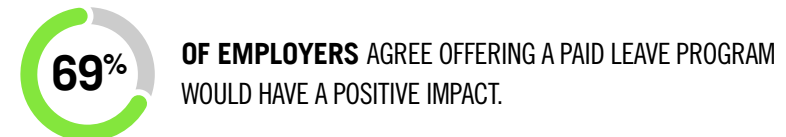
**55%** OF EMPLOYEES ARE EXTREMELY OR VERY INTERESTED IN IT

But only a little over half of employers offer this kind of leave.

**Only 52%** OF EMPLOYERS OFFER PAID CAREGIVING LEAVE

## INSIGHT 3: Developing effective leave policies requires input from different sources

About seven out of 10 employers agree on the positive impact of offering a paid leave program.



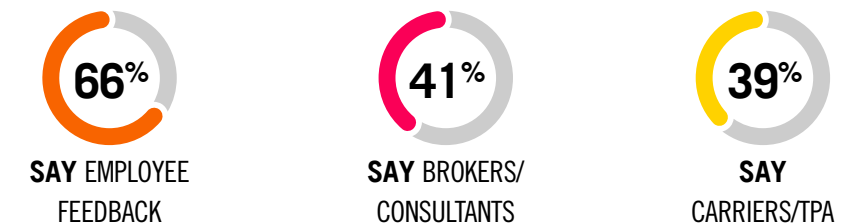
But employers still have concerns, and say employees:

- > Would abuse their leave (42%)
- > Have their needs served by unpaid leave (36%)
- > Have their needs served by short-term disability (30%)

The factors that employers focus on when developing employer-paid leave policies:



Who employers consult with when designing leave programs:





## OVERVIEW: THE PAID LEAVE LANDSCAPE IS GROWING

### What employers say

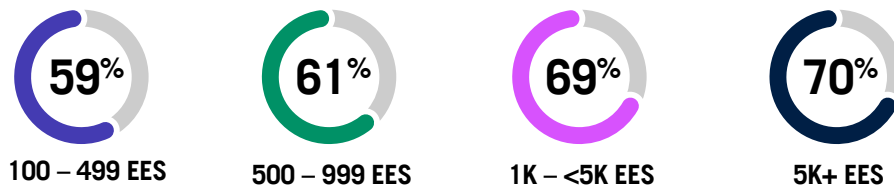
A majority of employers—almost two thirds (63%) of those we surveyed overall—say they offer company-paid leave programs.<sup>1</sup>

Having employees in states where there are paid family and medical leave (PFML) mandates<sup>2</sup> also increases the likelihood that employers will offer an employer-paid leave program.

Employers who offer employer-paid leave programs:



Employers with at least 1,000 employees are more likely to offer paid leave programs.



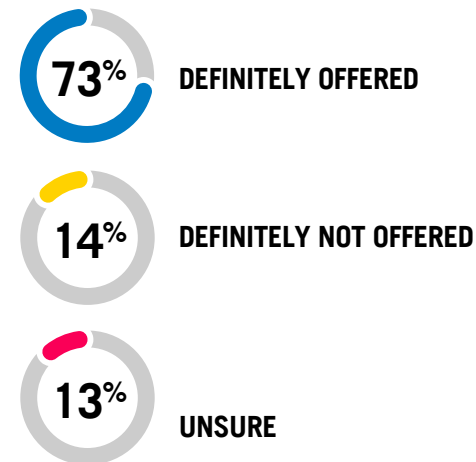
<sup>1</sup> Our survey defined company-paid leave programs as ones that offer time away from work for health or caregiving reasons when an employee receives at least a portion of their regular pay.

<sup>2</sup> As of June 2025, ten states plus Washington D.C. have PFML mandates in force.

### What employees say

The increase in employers offering employer-paid leave programs is reinforced by the number of employees who are paying attention to these types of benefits. Almost three quarters of employees say they're definitely offered paid time away from work for health or caregiving reasons.

### Employees who are offered paid time away from work for health/caregiving reasons:





# INSIGHT ONE: UNDERSTANDING EMPLOYEES' TIME AWAY FROM WORK

## Why employees take time off ...

To understand why employees are taking time off from work, we listed a number of experiences for which they may have taken time off and asked them to share the last time they dealt with each, as well as the type and length of the time off they took.<sup>3</sup>

Taken time off for:	Past year	Past 3 years	Most common type of time off taken (PTO, paid leave, unpaid leave)
Physical illness	40%	58%	≤ 3 days PTO (61%)
Care for someone other than a child	26%	41%	≤ 3 days PTO (55%)
Mental health	21%	33%	≤ 3 days PTO (58%)
Care for child	23%	33%	≤ 3 days PTO (56%)
Injury	17%	32%	≤ 3 days PTO (47%)
Maternity/paternity	9%	20%	Official paid leave (48%)
Fertility treatment	6%	12%	4+ days PTO (42%)
Pregnancy loss	6%	11%	4+ days PTO (44%)

<sup>3</sup> Time off taken within the past year options included: one to three years; three to five years; over five years; and never. Length of time/type options included PTO (vacation or sick) of three or fewer days or four-plus days; an official paid leave of four-plus days; or an official unpaid leave of four-plus days.





While the most common type of time off taken is PTO for three days or less, taking four-plus days of PTO is either the second most common or most common type of time taken away from work. Typically, four-plus days off in a row would qualify an individual for paid leave if eligible. The use of PTO here instead of other forms of paid leave is key, because depleting time meant for non-medical reasons or shorter sick leaves can add additional stress to employees' lives, and if it is used to care for others, takes away from using that time to care for themselves.

#### **Employees share time off reasons:**

It has been reported that women tend to take on more of the caregiving burden, but that may be changing based on our survey results. Men and women are equally likely to say they've taken time off to care for a child or someone else in the past three years. However, we don't know the frequency of the time taken for either group.

And the two generations that are more open about discussing mental health, Gen Z and millennials, are also more likely to take time off for mental health reasons. They are also at an age where they are more likely to take time off for fertility treatment or to cope with a pregnancy loss.



- Men (33%) and women (33%) are equally likely to report taking time off to care for a child at least once in the past three years
- Men (42%) and women (41%) have taken time off work to care for someone else at least once in the past three years





### By generation

- > Gen Z (31%) and millennials (26%) have taken time off from work for mental health reasons in the past year
- > Four out of five (80%) baby boomers say they've never taken off work for mental health reasons
- > Gen Z (30%) and millennials (26%) have taken time off for fertility treatment

### ... And why they don't take leave

Almost a third (29%) of the entire employee population we surveyed note they needed an official family or medical leave of at least four days but did not take one. Affordability leads their reasons why, followed by worries about stigma or their employer thinking poorly of them:

Can't afford	37%
Worried about stigma/employer thinking poorly of me	33%
Worried about advancement	26%
Don't want to leave coworkers to do my work	26%
Don't know how to take it	25%
Don't trust employer to retain me	21%
Didn't know these benefits existed	12%

Further demographic breakdowns of employees show notable gaps between those who are concerned about affording a leave versus those who worry about leave impacting their careers.



### By gender

- > Women are more likely than men to say they can't afford it (46% over 29%)
- > Men are more likely than women to worry about it impacting career advancement (32% over 19%)



### By generation

- > Gen X is more likely to say they can't afford it (47%)
- > Gen Z and millennials are more likely to worry about career advancement (30% and 31%)



### By industry

- > Government and public education employees are more likely to say they can't afford it (41%)
- > Tech employees are more likely to worry about career advancement (35%)







## INSIGHT TWO: WHAT'S RELEVANT TO EMPLOYEE LEAVE NEEDS

The definition of employer-paid leave we use in the survey is “time away from work for health or caregiving reasons when an employee receives at least a portion of their regular pay.” The most common benefit payment programs we see are<sup>4</sup>:

- Short-term disability (STD): Portion of pay
- Paid family and medical leave (PFML): Portion of pay
- Employer-paid leave: Salary continuance

And as discussed in our first paper, ***New Workforce Expectations: How evolving needs are reshaping the workplace***, we asked employees what benefit types they would consider to be the minimum part of a modern benefits package—with employees electing employer-paid leave at a higher percentage than employers (33% vs. 26%).

### Caregiving interest is strong across all employee demographics

Balancing caregiving with work is a challenge. According to a 2023 study by the AARP and the National Alliance for Caregiving, there are 48 million caregivers in the U.S., and 61% of them are also working outside

of the home.<sup>5</sup> We saw this reflected in our study—employees wanting paid time off to help care for a parent, a child, or a significant other.

In fact, 55% of employees say they are extremely or very interested in paid caregiving leave.

#### Survey respondents who are extremely/very interested in paid caregiving leave:



##### By gender

- Men (56%) and women (54%) are equally interested



##### By generation

- Millennials are the most interested (63%)



##### By industry

- Tech industry workers are the most interested (71%)

<sup>4</sup> Prudential book of business 2025.

<sup>5</sup> AARP and National Alliance for Caregiving. *Caregiving in the United States 2020*. May 2020. [doi.org/10.26419/ppi.00103.001](https://doi.org/10.26419/ppi.00103.001). Accessed May 2025.

## What is most valuable to employees and employers

With the high interest employees attach to caregiving benefits, it's interesting that just over half (52%) of employers say they offer it.

We asked employers and employees to select which of these caregiving benefits, regardless of whether they are currently offered, would be most valuable to employees. They could choose five options and then indicate which of the five is most valuable.

### Employers select

Paid time off to care for family member	54%
Mental health support while caregiving	49%
Childcare assistance	47%
Corporate wellness and fitness programs	38%
Benefits to support other family members while you take time off	33%

### Employees select

Paid time off to care for family member	55%
Corporate wellness and fitness programs	38%
Benefits to support other family members while you take time off	33%
Mental health support while caregiving	32%
Tuition assistance for my child(ren)	27%
Childcare assistance/on-site childcare facilities (e.g., before- or after-school care)	27%

The most valued (no. 1) caregiving benefit to no surprise is paid time off to care for a family member, which is selected at the highest percentage across all employee demographic groups as their most valued (no. 1) benefit. Even employees with no children under 18 rank it no. 1.

The most notable gaps are with childcare assistance (employers at 47% over employees at 27%—a 20% gap) and mental health support while caregiving (employers at 49% over employees at 32%—a 17% gap).

### Paid time off to care for a family member has high interest across demographics:



#### By gender

- > Women 59%
- > Men 50%



#### By generation

- > Baby boomers 65%
- > Gen X 62%
- > Millennials 51%
- > Gen Z 44%





## INSIGHT THREE: UNDERSTANDING HOW EMPLOYERS DEVELOP LEAVE POLICIES

### How employers say their employees feel about the current state

We surveyed employers about the feedback employees provided them with over the past year regarding their organization's paid leave program. Half of them say their employees are satisfied with their current program. Other employee feedback topics they shared include wishing they are provided additional reasons to take a paid leave, wanting additional services not currently offered, or wishing they understood the program better. This creates opportunities for employers to provide better awareness of and education on their programs.

Topics employers say they received employee feedback on regarding their paid leave program:



ARE  
SATISFIED



WANT ADDITIONAL  
REASONS



WANT ADDITIONAL  
SERVICES



WISH THEY  
UNDERSTOOD MORE



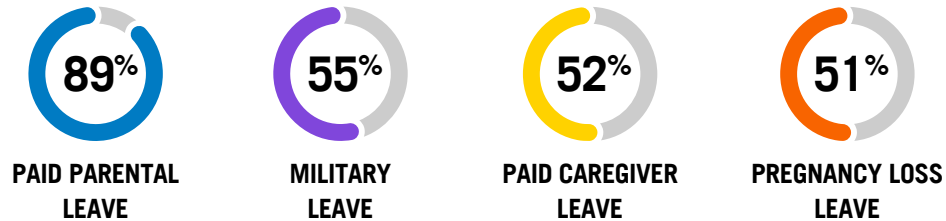






## What programs employers are offering, and what leave challenges they think they can help solve:

As mentioned before, a little over half of employers offer paid caregiver leave to their employees along with other types of employer-paid leave:



It's notable that a significantly higher percentage (96%) of paid parental leave is offered by tech companies, perhaps because this benefit is key to attracting and keeping talent in a competitive industry.<sup>6</sup> And 43% of healthcare employees who have not taken an official family or medical leave say they did not because of concerns over stigma or that their employer would think poorly about them.

When it comes to many employee leave challenges, employers are extremely or very satisfied that they can help solve them.

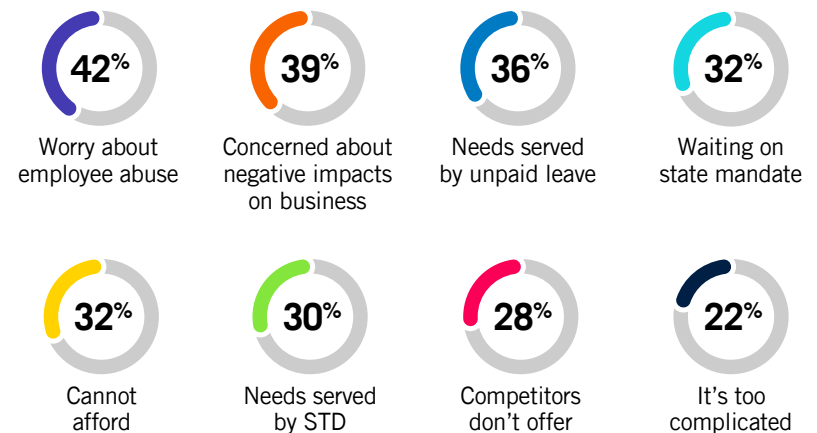
Confidentially handle employee leave-related issues	79%
Help employees who are out on a leave of absence	71%
Help employees return to work after a leave or disability	71%
Help with employees who are out on a short-term or long-term disability leave	70%
Reduce employee presenteeism (i.e., being at work but not as productive as they could be)	61%

## The factors that cause employers concern

About seven out of 10 (69%) of employers agree that offering a paid leave program would have a positive impact on their business in terms of profitability and production quality/quantity, but they still have concerns about adding one.

When asked why they don't currently offer employer-paid leave programs, their top concern is worrying that employees would abuse their leave. In contrast, employee behavior doesn't match these concerns, with 29% of employees not taking a leave of at least four days when they needed to.

### Why employers don't offer paid leave programs:



<sup>6</sup> Techpoint. "Paid Family Leave: Maternity, Paternity, and Other Parental Benefits in Tech." October 2022. [techpoint.org/paid-family-leave/](https://techpoint.org/paid-family-leave/). Accessed May 2025.

While employers selected employee needs being met by unpaid leave or short-term disability as factors that stop them from offering paid leave programs, it's important to note that this doesn't align with employees wanting more eligible reasons to take leave and receiving pay during it.



### By company size

➤ Companies 500 – 999 are more likely unable to afford (44%)

## The factors employers focus on for program development

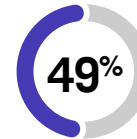
When employers develop leave policies, the three top factors they focus on are the duration of the leave, how much they are paying the employee on leave, and helping the employee successfully return to work (RTW) when appropriate.



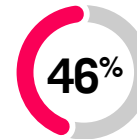
But regardless of whether or not employers currently offer paid family leave, successful RTW is among the top considerations they say they have when designing an employer-paid leave program:



**LEAVE DURATION**



**LEAVE PAY**



**SUCCESSFUL RTW**

Of employers who select “helping employees successfully return to work when appropriate,” 94% say it is extremely or very important in their organization’s benefit design philosophy.

## Top program development considerations

Both the smallest and largest company sizes both say leave duration is their top factor in developing leave policies. Most notable among the industries is healthcare, which selected successful RTW as their highest factor, but also rates equity across the employee population highly, at 49%.





### By company size

- 100 – 499: Duration
- 500 – 999: Helping employees successfully return to work
- 1000 – 4999: How much employees are paid on leave
- 5000+: Duration



### By industry

#### Healthcare top three

- Successful RTW: 59%
- Leave duration: 50%
- Equity across employee population: 49%

Surprisingly lower percentages of employers consider state leave laws and legislation (29%) or how quickly they are evolving (23%) in assessing the importance of leave or the compliance of their own policies. This presents an opportunity for brokers and carriers to educate employers about their options.

### Who employers consult with to develop leave policies

Employee feedback (66%) is the primary source employers say they consult when designing their organizations leave programs.

Thirty-one percent of employers mention employee feedback about wanting more flexible leave policies, which may open an opportunity for carriers and brokers to work with employers about designing leave programs that increase flexible benefits and services.

They also consult with brokers/consultants (41%) and carriers/TPAs (39%).









## FINAL TAKEAWAYS

There's an unavoidable and growing need for leave benefits for health or caregiving reasons in which employees receive at least a portion of their regular pay. It's the most desired caregiving benefit employees choose in our survey.

Understanding the myriad reasons why employees take leaves and their expectations for leave programs can be balanced by allaying employer concerns about creating effective programs.

Listening to what employees want and consulting with brokers and carriers helps to develop leave programs that address all aspects of employee needs while considering state leave laws and legislation.

## ABOUT THE RESEARCH

### Methodology

Research was conducted via online surveys in January/February 2025 with two key populations—employees and benefits decision-makers. Prudential partnered with Burke, Inc. to collect online surveys with 750 employers and 2,946 full-time employed individuals (employees) in the U.S. The employee data, when reported in total, has been weighted by age and income to match data from the Bureau of Labor Statistics and the Census Bureau.

### Contact

For more information about this research, contact Prudential.

### Glossary

Employer-paid leave: Time away from work for health or caregiving reasons when an employee receives at least a portion of their regular pay.

Disability insurance: Insurance that provides a portion of an individual's income when they are unable to work due to a disability caused by illness or injury.

Family and Medical Leave Act (FMLA): A federal law that provides eligible employees with unpaid, job-protected leave for one's own serious health condition, care of a family member, new child bonding, and other qualified reasons.

Paid family and medical leave: Programs mandated by some states that provide eligible employees with paid leave to care for one's own serious health condition, care of a family member, new child bonding, and other qualified reasons. Some programs provide job-protection in addition to paid benefits.

Paid time off (PTO): Paid leave employees may use for vacation, sick time, or personal appointments.



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 2025.

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