



## **The HUB International 2025:**

Canadian Workforce Vitality Gap Index

# **The Workplace Benefits Divide: Bridging Employer and Employee Perspectives through Data-Driven Insights**

Risk & Insurance | Employee Benefits | Retirement & Private Wealth

# Introduction

Understanding and addressing the diverse needs of employees has become more complex and more critical than ever before. With five generations coexisting in the workplace, employers are challenged to recalibrate their employee benefits and total rewards programs to align with the varied needs and values of their workforce. Despite their best efforts to provide benefits that their employees need and want, some employers miss the mark because they rely on a limited set of data resources to guide their decision-making.

The HUB International 2025 Workforce Vitality Gap Index reveals notable differences between what employers offer and what employees value when it comes to benefits. This report highlights key findings and provides practical recommendations for closing those gaps. Employers who ask the right questions and utilize a fuller array of data resources will drive meaningful improvement in their employees' satisfaction with benefits.

At HUB International, we partner with HR leaders and CFOs to tailor solutions that support their business objectives. Our goal is to help organizations offer benefits that truly resonate with employees, leading to increased engagement, wellness and retention.

## Methodology

HUB International undertook a two-part quantitative study to better understand the differences between employer and employee perspectives on benefits and total rewards. Topics explored included employee productivity and stress, benefits currently offered by employers, benefits most valued by employees and resources used by employers to make decisions about benefits. The study focused on companies with 250 or more employees.

- The first study surveyed **decision-makers** at companies across Canada who are either HR/benefits leaders at a director level or above who have decision-making authority and C-Suite decision-makers across finance and operations.
- The second study surveyed **Canadian employees** who are 18 years or older and employed on a full-time basis across a wide variety of industries.

Similar studies were also conducted with U.S. employers and employees, and a separate report on those findings is available.

# Executive Summary

The HUB International 2025 Workforce Vitality Gap Index reveals important opportunities for employers to improve their benefits and total rewards programs.

The survey confirmed that employers have a good understanding of what employees value when it comes to benefits and in general, both employers and employees feel positive about the compensation, benefits and total rewards programs offered. Business leaders understand the factors that adversely impact employee wellness and productivity.

However, when it comes to making decisions about employee benefits, employers often rely on an incomplete set of data and resources. Engagement surveys and benchmarking studies are valuable resources, but each has limitations that, if not accounted for, result in benefit gaps and missed opportunities to drive engagement, increase productivity and retention.

## Key Findings

- 82% of employers believe their programs reduce stress, boost productivity and improve overall wellness, and 63% of employees surveyed share this view.
- 73% of employees agreed that a comprehensive and personalized benefits program would increase the likelihood they would stay with their current organization.
- Decision-makers correctly identified the top two concerns impacting employee productivity: 1) financial wellness and 2) health concerns. However, they greatly underestimated the extent to which company/workplace issues can negatively impact workplace productivity.
- Employers identify employee retention as their top priority, followed by employee well-being and recruitment.
- Employees value flexibility and work/life balance more than compensation or any other benefit, a key area of opportunity for employers to enhance their total rewards program.
- Mental health benefits, while highly desired, are not being widely utilized by employee respondents, indicating a disconnect between need and type of benefit offered.

- 72% of employers surveyed are planning to make changes to their employee benefits and total rewards programs this year because of the current economic environment. Of these, 75% are looking to add new or enhanced offerings.
- Decision-makers are not leveraging valuable resources that would enable them to recalibrate their benefits and total rewards program to better meet employee needs. Only 64% utilize employee surveys and 50% use employee demographic analysis, both of which are essential tools to gain deeper insight into what employees want and need. In addition, two-thirds of companies surveyed indicated that they do not turn to external experts for advice, instead relying heavily on internal HR experts as well as industry benchmarking reports.



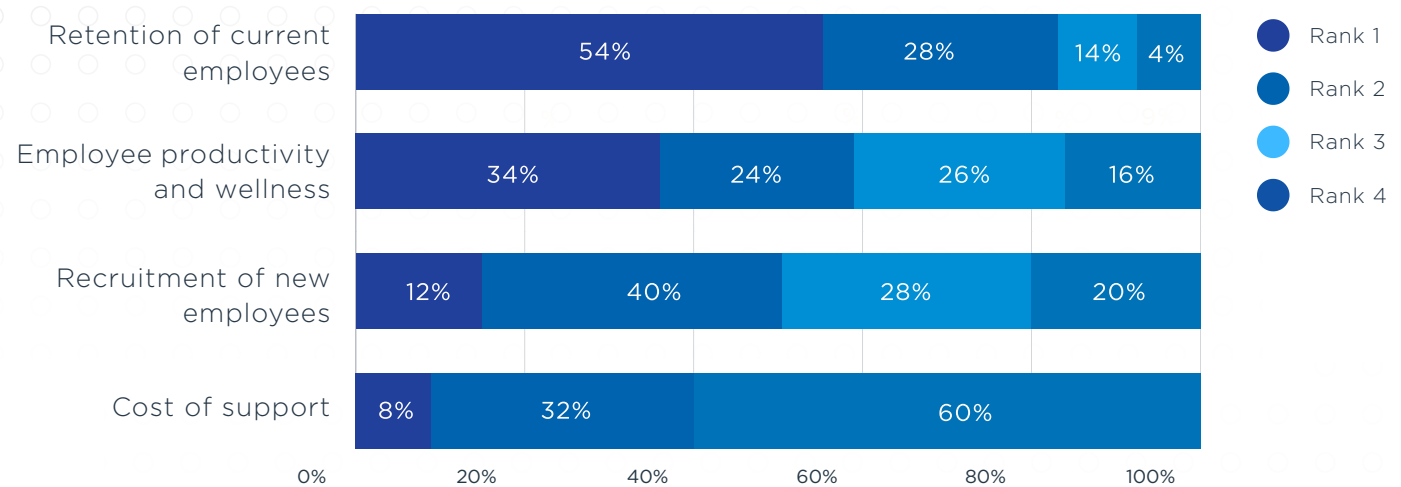
# Retention is Job One for HR

Business leaders identified employee retention as their top priority, followed by employee productivity/well-being and recruitment. This aligns with the current employment market where recruitment pressure has eased in the past year, and more employers are turning their attention to retaining experienced workers.

## Employer Priorities Around Decision-Making

### Employer Survey Question:

Rank the following priorities when it comes to making decisions about employee benefits.



Employee survey responses make it clear that employee benefits are key to retention. Seventy-three percent of employees surveyed said a comprehensive and personalized benefits program would increase the likelihood they would stay with their current employer.

- This sentiment is particularly strong among employees aged 25–34 years old, with more than 80% saying they would be more likely to stay with their employer.
- More than half of all employees surveyed said benefits and compensation are more important now than they were three to six months ago, with 70% of employees aged 25–34 agreeing with that sentiment.

While the survey did not explore the underlying reasons for this shift in sentiment, the presumption is that rising costs are putting more pressure on employees' living expenses.



# Personal Finances: The Leading Cause of Employee Stress

Employers know that financial health concerns are a top stressor for their people, and many take steps to address these, often focusing on long-term retirement planning. However, a more comprehensive approach is needed to address the wide-ranging financial stresses in the workforce.

Survey results show that 49% of employees cited "financial concerns" as their biggest stressor at work. Of this group, 60% said these worries reduce their productivity, and more than half acknowledged struggling financially.

Student debt is the likely culprit since 71% of respondents in the 18-24 age segment and 40% of 25-34-year-olds report having student debt, according to the survey.

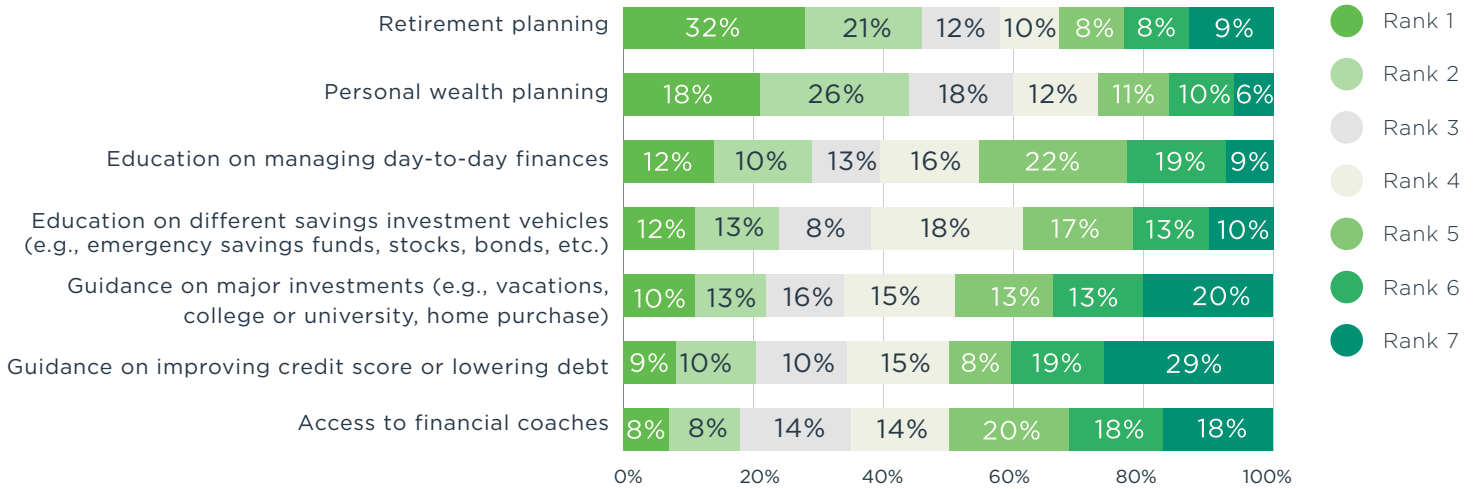
Student debt is a persistent stressor that affects employees and workplace productivity for years, if not decades, after graduation.

- Employees aged 24-34 report the highest levels of financial stress while employees aged 55 years and older report the lowest levels of financial stress.
- One in three employees who reported having student debt ranked "education on managing day-to-day finances" among the top three most meaningful financial wellness benefits.
- Personal wealth planning is the most meaningful financial benefit for employees aged 18-34, yet only 50% of employers currently offer it, according to the survey.
- Retirement planning was ranked the most meaningful financial wellness benefit by employees age 35+, followed by personal wealth planning.

## Employee Ranking of Financial Wellness Benefits

### Employee Survey Question:

Rank the following financial wellness tools that would be most meaningful to you.



## Recommendations

The survey findings underscore the importance of a holistic approach to financial wellness that includes retirement and personal wealth planning. While retirement benefits have long been a key area of focus, employers also need to think about offering or optimizing personal wealth planning benefits.

HUB clients have experienced success in tailoring their financial benefits to meet the specific needs of their employee population based on life stages and not just age bands. Conducting an employee persona analysis is the best starting point to better understand life stages and unmet needs within a specific employee population.

Tactics that support specific financial life stages include:

- Introducing more flexibility into an employer retirement match program including items such as student debt repayment.
- Allow funds from a health or flexible spending account to be directed to fertility treatments, adoption or childcare expenses, all of which are valued by employees who want to expand their family.
- Offer a phased retirement program that enables employees over 60 to reduce hours gradually while maintaining benefits and retirement matching.



# Health Concerns Impact Employees of All Ages

Healthcare benefits are an important part of total reward packages, and for good reason. Health concerns negatively impact absenteeism and presenteeism for 42% of employees, according to the survey. The age groups that report the greatest adverse impact on productivity from health concerns are 18-24- and 24-35-year-olds, both at 46%.

Conversely, only 16% of employers who participated in the survey believe health concerns are a top factor impacting productivity. As a result, their benefits program may not adequately address their employees' needs. The survey also revealed the following:

- Internal workplace concerns play a larger role than external factors when it comes to productivity, with 58% of employees agreeing that corporate culture negatively impacts their work productivity .
- Thirty-four percent of employee respondents said they need help with their mental health and well-being.
- Half of respondents said they would take part in wellbeing programs if offered.
- Less than one in four respondents who expressed mental health concerns reported taking part in well-being programs related to mental health, indicating a potential disconnect between what is being offered and what employees want.
- In contrast, only 13% of employees over age 65 indicated that they need help with their mental health.

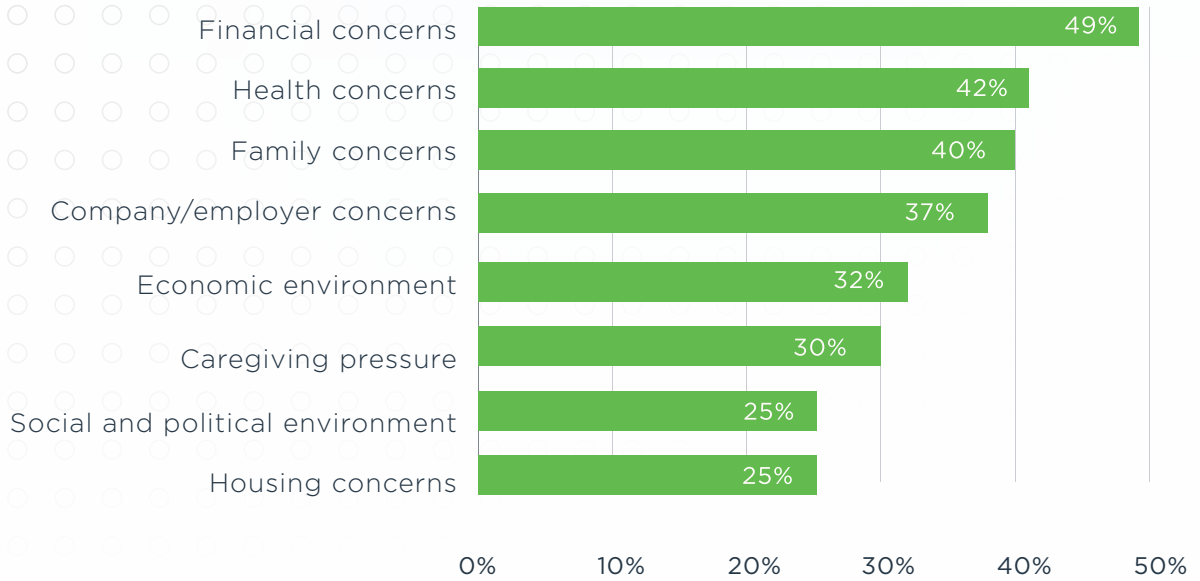
The survey also revealed that decision-makers significantly underestimated the negative impact of internal company and workplace issues on employees, ranking it last out of eight factors while employees ranked it fourth. This blind spot, if not addressed, could be a major drag on productivity.

- Twenty-eight percent of employees strongly agree that corporate culture (specifically the actions of their company, manager and colleagues) negatively impacts their work productivity.
- Twelve percent of employees strongly agree that the current economic and social/political environment negatively impacts their productivity at work. However, company leaders, particularly C-suite respondents, ranked these stressors higher than employees, perhaps anticipating a greater negative impact in the future.

## Impact of External Stresses on Work Productivity

### Employee Survey Question:

Which of the following external stresses impact your productivity at work?



## Recommendations

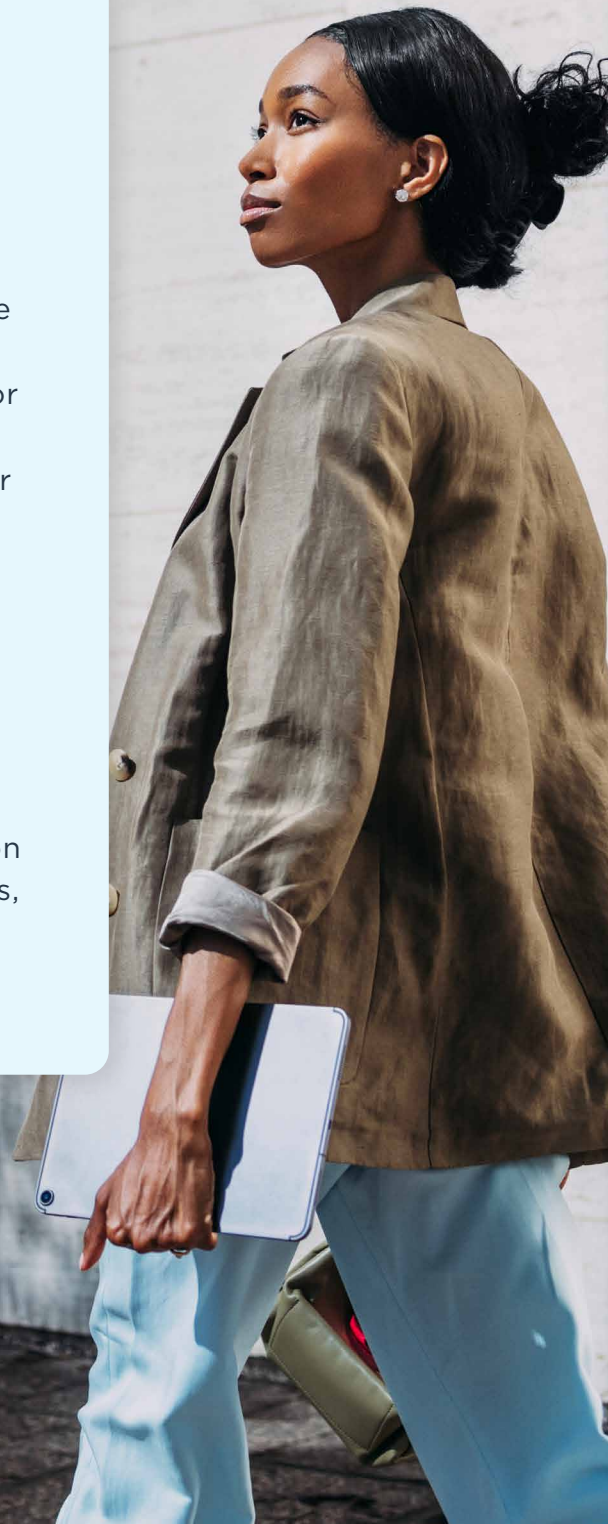
**Mental health should be an important area of focus, as half of employees surveyed said they would utilize wellbeing programs if they were offered.**

Understanding their exact needs is key to designing an effective approach. Examples include:

- Burnout prevention coaching for mid-career professionals juggling work and caregiving responsibilities.
- Increasing the number of covered therapy sessions to support longer-term mental health recovery needs.

When it comes to the potential oversight of workplace issues impacting productivity, employers need to dig deeper to determine if there are systemic workplace or company culture issues that are adversely impacting productivity. These issues may require management or operational changes.

- Depending on the size and complexity of the organization, this effort can be supported by external resources who specialize in employee engagement strategies.
- A well-crafted survey will reveal the varying levels of engagement among a given employee population and enable employers to identify operational issues, stressful working relationships and development opportunities.



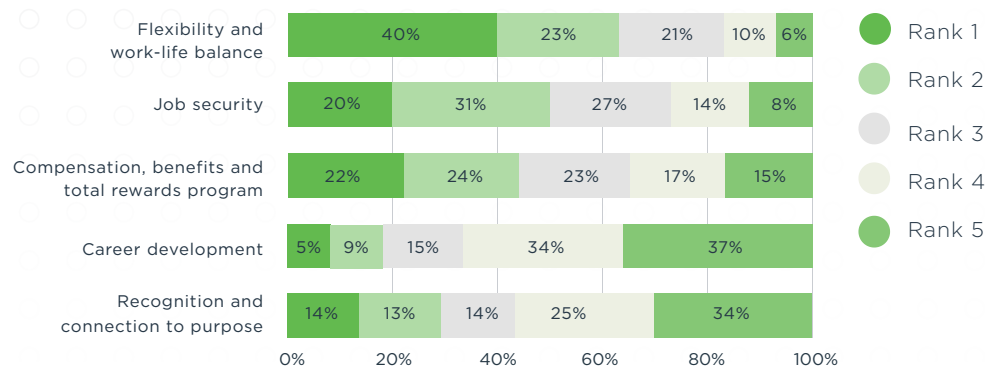
# Flexible Work Arrangements — A Top Employee Priority

Employers are split in their views about what employees value most, with 33% citing job security, 31% selecting flexibility and 31% choosing compensation and benefits. In contrast, 40% of employees ranked flexibility and work-life balance as their top value.

## What Employees Value Most

### Employee Survey Question:

Q: What do you value most?



Flexible work arrangements and work-life balance are highly valued across all age groups and likely mean different things to each group.

- Of the respondents who said they were looking to expand their family, 9 of 10 ranked flexibility and work-life balance among their top three values.
- Of the employees who identify as caregivers to adults, about 80% said it negatively impacted their productivity at work, with 66% ranking flexibility and work-life balance as a top three value.
- Even among employees aged 55 and older, typically thought to value traditional rewards like compensation and benefits, a full 38% now prioritize work-life balance above all else.
- Of the employees who identified as caregivers to children, more than 80% ranked flexibility and work-life balance as a top three value with over half reporting that their caregiving responsibilities negatively impacted their productivity at work.



A photograph of a man and a woman standing outdoors, smiling and looking at a tablet held by the man. The woman has blonde hair tied back with a clip and is wearing glasses and a light-colored blazer. The man has dark skin, glasses, and is wearing a yellow button-down shirt. They are in a park-like setting with trees in the background.

## Recommendations

**Companies that want to improve retention should focus on understanding what their employees need when it comes to flexible work arrangements.**

Examples of programs that provide targeted support to specific employee segments include:

- Resources that ease anxiety for mothers returning to work after maternity leave.
- Flexible spending accounts that provide partial or full reimbursement for childcare expenses.
- Formal leave policies for adult caregivers and support services such as adult care navigation and Employee Assistance Programs (EAPs).

A total rewards program provides the most value when supported by a workplace culture and leaders that foster engagement and connection.



# Closing the Gap Between What's Offered vs. What's Wanted

The employers surveyed offer comprehensive benefits with 66% offering flexible working arrangements. (See chart below.)

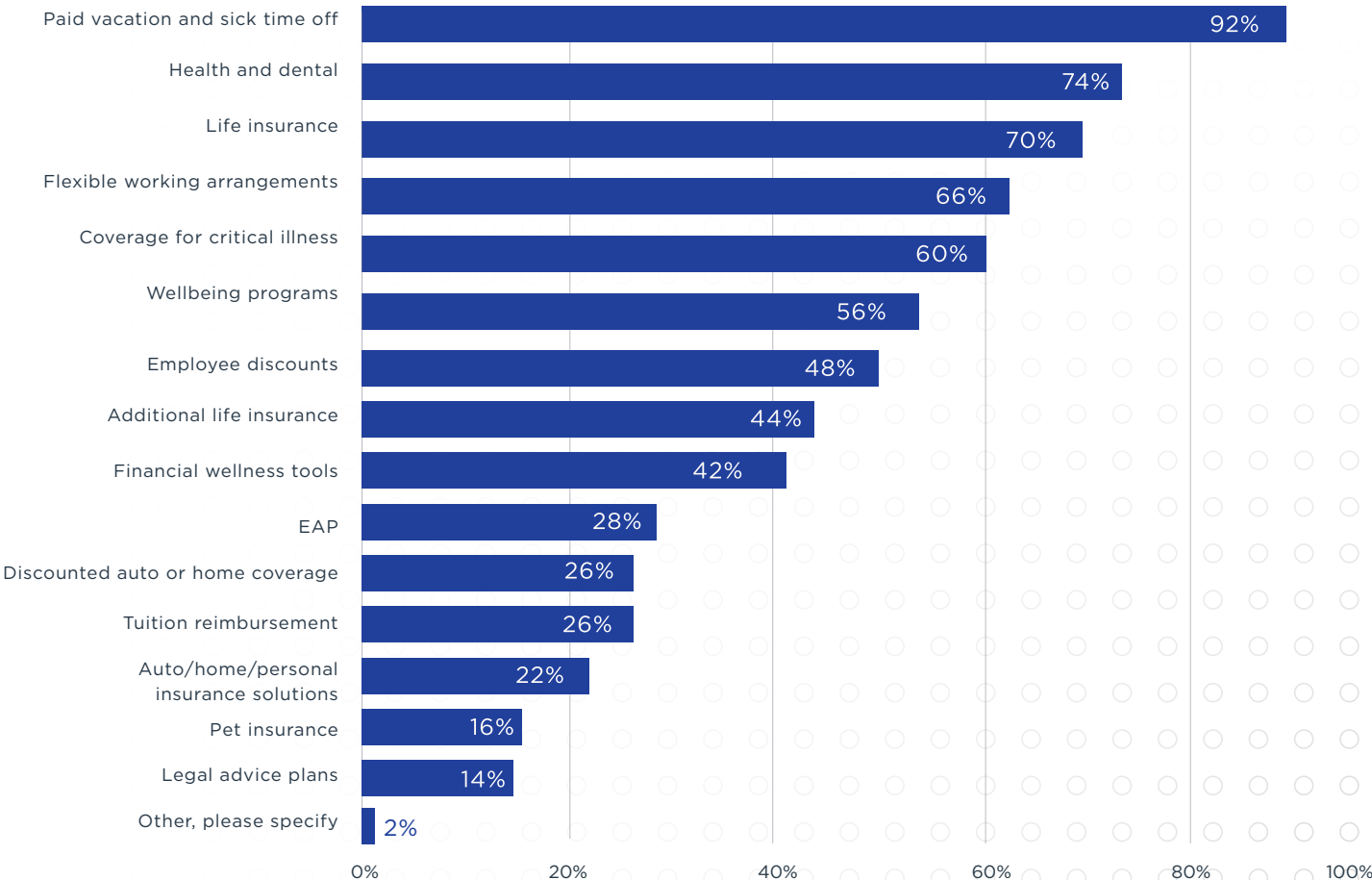
When asked what benefits they currently utilize, employees reported that paid vacation and sick time off (91%), health and dental (69%), flexible working arrangements (52%) and vision (47%) were their most utilized benefits.

When asked what benefits they would utilize if offered, employees placed the highest priority on paid vacation and sick time, health & dental, employee discount programs and vision benefits. They are also interested in well-being programs that go beyond the existing benefits currently available to them. Examples included in the survey were extended mental health benefits and gym memberships.

## Benefits Offered by Employers

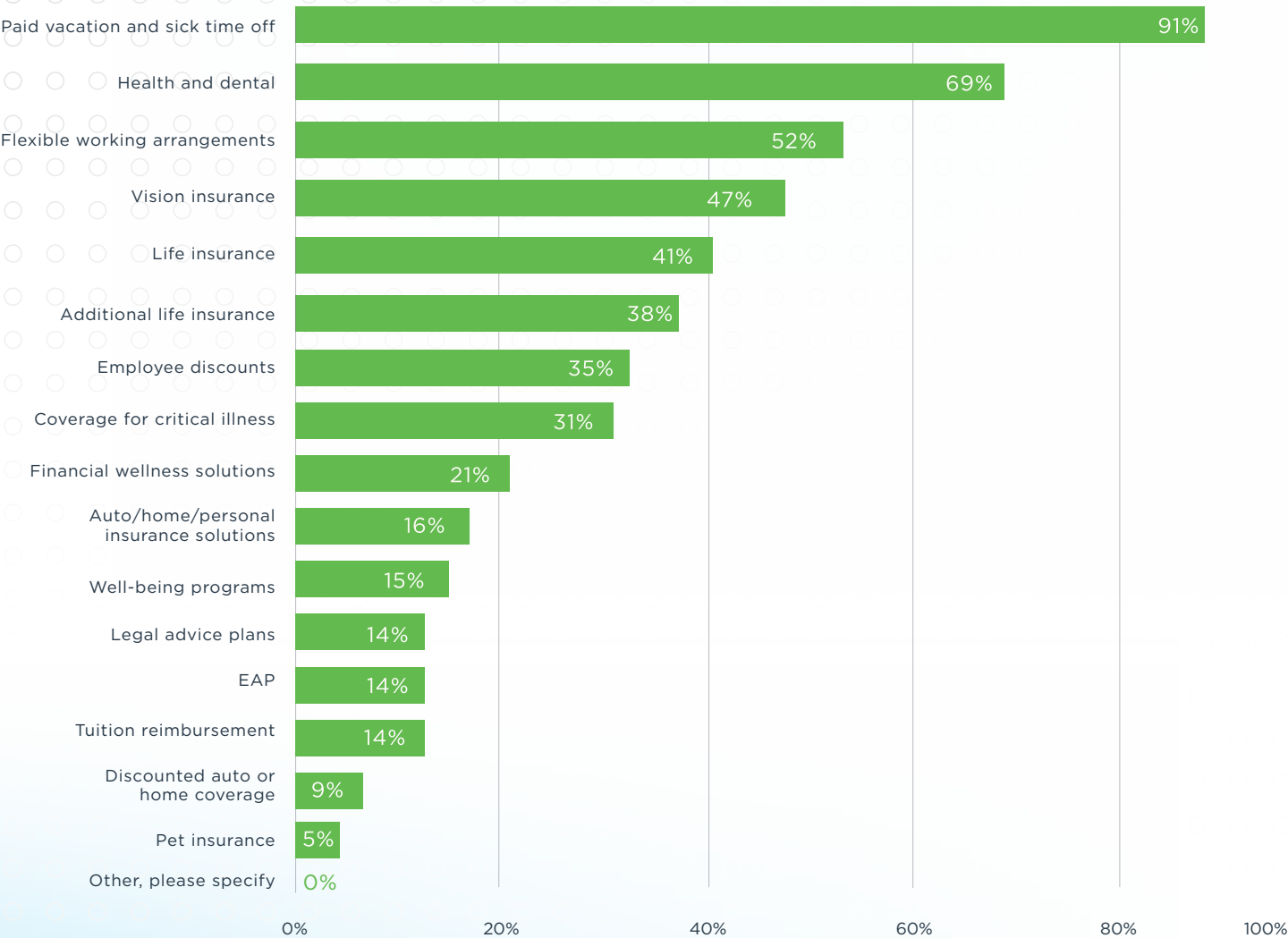
### Employer Survey Question:

Do you offer any of the following benefits?



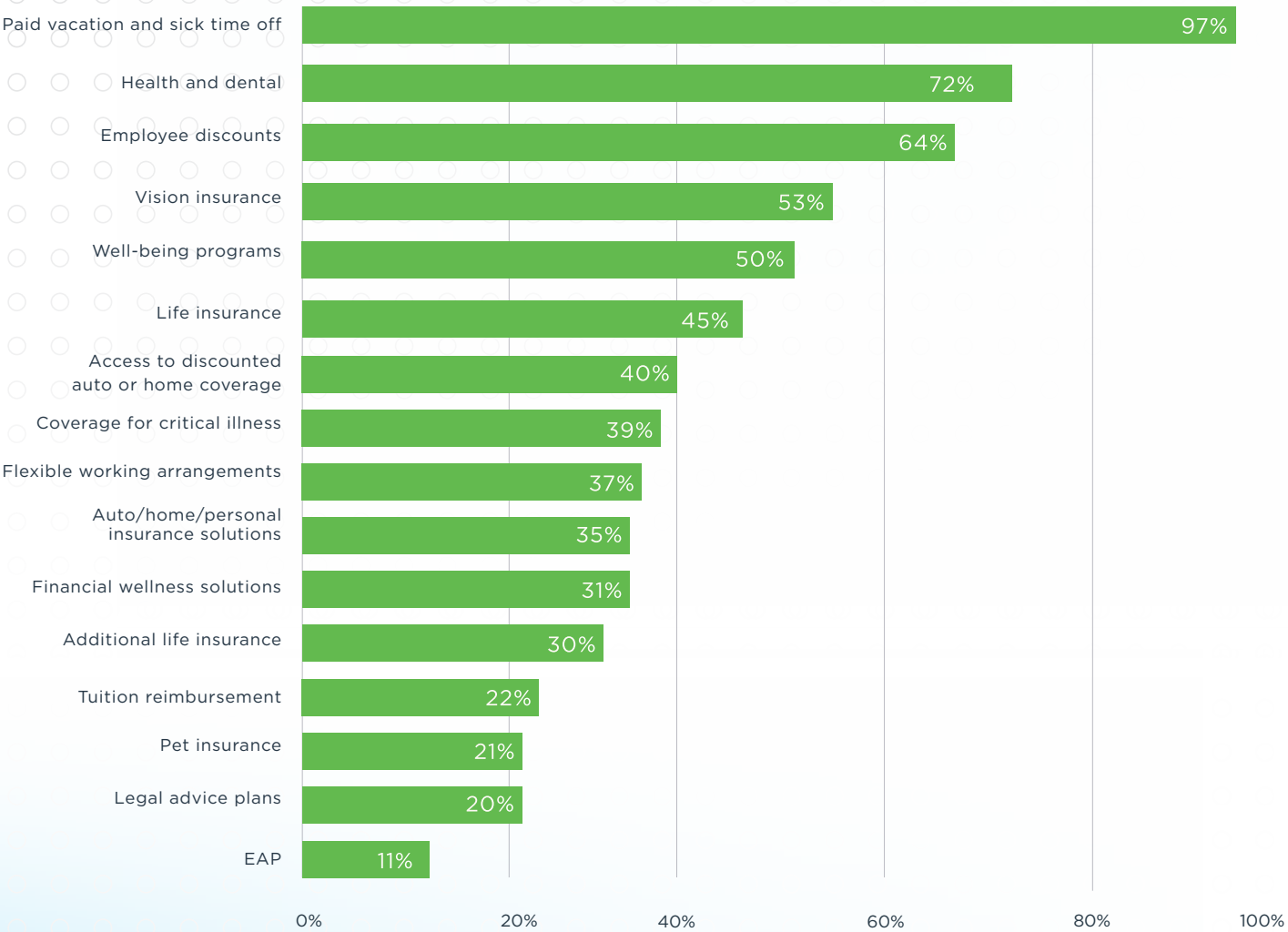
Benefits Utilized by Employees

Employee Survey Question:  
Do you take part in any of the following benefits?



Benefits Desired by Employees

Employee Survey Question:  
Which benefits would you utilize if offered?



## Recommendations

When addressing unmet needs, HR decision-makers typically find creative ways to reallocate and make investments within the existing budget.

- **When constructing a total rewards program, consider value per employee as a driver of decision-making vs. cost per employee.** This approach can be applied to both the current workforce as well as the personas of new positions that need to be added over the next 24 months. A skilled consultant can help determine this metric and ensure that benefits remain relevant over time.
- Employee discount programs deliver outsized satisfaction for the cost and effort involved. Almost 40% of respondents indicated a desire for discounts, with 2 in 3 employees aged 25-34 saying they would utilize employee discounts if offered by their employer.
- Access to discounted home and auto insurance is valued by 40% of employees. This is another example of a cost neutral benefit that is relatively easy to implement with the right partner.

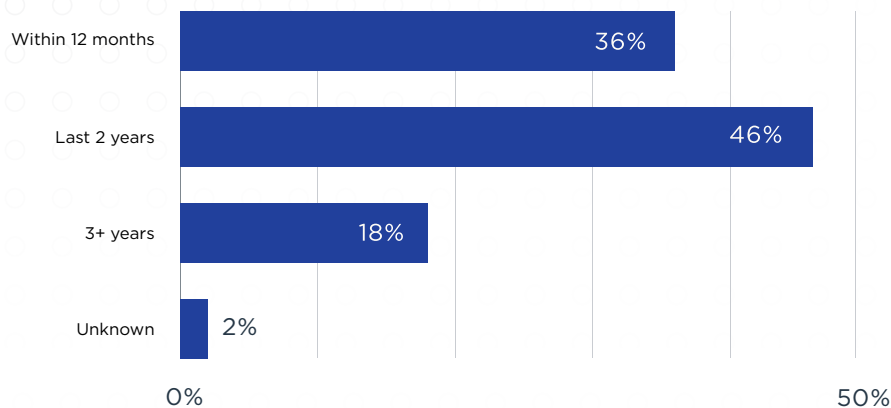
# Recalibrating Benefits Again and Again

Despite an uncertain economic and geopolitical environment, 72% of decision-makers surveyed are planning to make changes to their benefits and total reward programs in 2025. Of those planning to make changes, 75% are looking to expand their current offerings or add new ones. This could be an indication that employers are under continued pressure to attract and retain experienced employees, as well as respond to changing expectations around benefits.

## Frequency of Benefit Plan Changes

### Employer Survey Question:

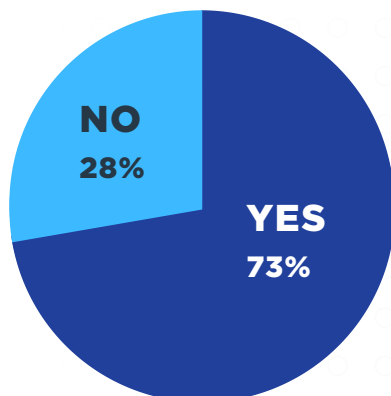
When was the last time you made significant changes to your employee benefit plan?



## Reasons for Benefit Plan Changes

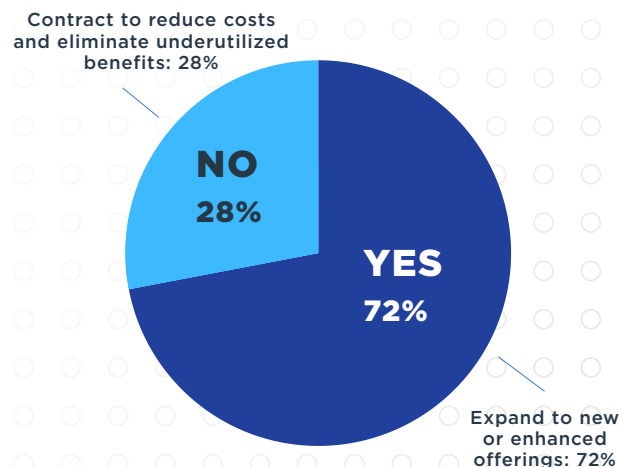
### Employer Survey Question:

Are you more likely to make benefit plan changes this year due to the economic environment or other factors outside of your control?



### Employer Survey Question:

If yes, do you plan to expand or contract your benefits and total rewards program?





# How Employers Leverage Data to Gain Insights

When determining future benefits, decision-makers report that they rely on the following resources:

**64%**

Employee Satisfaction Surveys

**50%**

Employee Demographic Data

**60%**

Internal HR Guidance

**36%**

Employee Utilization

**60%**

Industry Benchmarks

**30%**

Insurance Broker/Carrier Guidance

## Recommendations

Employee insights are essential to developing an effective total rewards strategy. Here are some best practices:

- Survey employees on a regular basis—at least annually—to understand their concerns about their benefits and avoid misconceptions about what they value most.
- Capture employee demographic information in surveys (age, years of service, type of role, family status and postal code). This data enables more focused analysis of benefit gaps and segmentation of employees.
- Surveys should ask employees about what's going on in their lives to better understand what major life events need to be supported.

Take advantage of additional resources and expertise available that can help improve the insights available through data analysis.

- Work with a benefits advisor who can dig deeper into employee data, provide actionable recommendations, and help implement sustainable strategies that support unmet needs.
- A Workforce Persona Analysis will identify underserved segments within an employee population, enabling HR leaders to finetune their benefit offerings.
- Benefits consultants and financial advisors can provide the latest thinking and innovations when it comes to data analytics and strategic benefits planning.

Many organizations realize that benefits planning is a multi-year process that requires a road map to move the needle on retention and productivity. Our clients, both large and small, report that a strategic benefits plan is key. Clear milestones, measurable results and strong change management and communication plans enable them to better prioritize and budget.

# Better Insights Lead to Better Benefits

The HUB International 2025 Workforce Vitality Gap Index highlights key areas where employers have opportunities to align their benefits with what employees truly value. At HUB, we believe the most effective approach to benefits and total rewards is built on a deep understanding of what matters most to one's workforce, gained through asking the right questions and harnessing data analytics.

Data-driven insights play a crucial role in helping employers understand their employee population and support a healthier and more engaged workforce. For HR leaders and CFOs looking to close the gap between their current benefit offerings and employee expectations, the next step is to supplement existing knowledge with data analytics and the expertise of benefits advisors.

## For More Information

To learn more and dive deeper into the insights in the HUB International 2025 Workforce Vitality Gap Index, reach out to a HUB International employee benefits or retirement planning advisor. We're here to help you navigate these challenges and drive lasting, impactful change for your workforce.

# About HUB

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