



The HUB International 2025:
US 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 survey 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 **150 decision-makers** at companies across the United States 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 **1,500 U.S.-based 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 employers and employees in Canada, 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 and, in general, both employers and employees feel positive about the compensation, benefits and total rewards program 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 boost retention.

Key Findings

- 83% of employers believe their programs reduce stress, boost productivity and improve overall wellness, and 76% 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 underestimated the extent to which company/workplace issues can negatively impact workplace productivity.
- When it comes to financial wellness benefits, employees value retirement planning the most followed by personal wealth planning, yet the percentage of employers surveyed who offer these two benefits is just 68% and 53% respectively.
- Mental health benefits, while highly desired, are not being widely utilized by employee respondents, indicating a disconnect between need and type of benefit offered.
- Employees value flexibility and work/life balance more than compensation or any other benefit, representing a key area of opportunity for employers to enhance their total rewards program.

- 75% of benefits decision-makers rely on employee surveys to help inform their decisions about benefits. Less than 50% utilize employee demographic analysis or external consultants, indicating a missed opportunity to gain deeper insights.
- 73% of decision-makers surveyed plan to make changes to their employee benefits and total rewards programs this year. Of these, 72% are looking to add or expand their current offering.

Business leaders have a chance to replace benefits not valued or utilized with those personalized to meet their workforce's unique needs. To succeed, they need to focus on leveraging data that will lead to deeper employee insights and result in more relevant and valued benefit offerings.



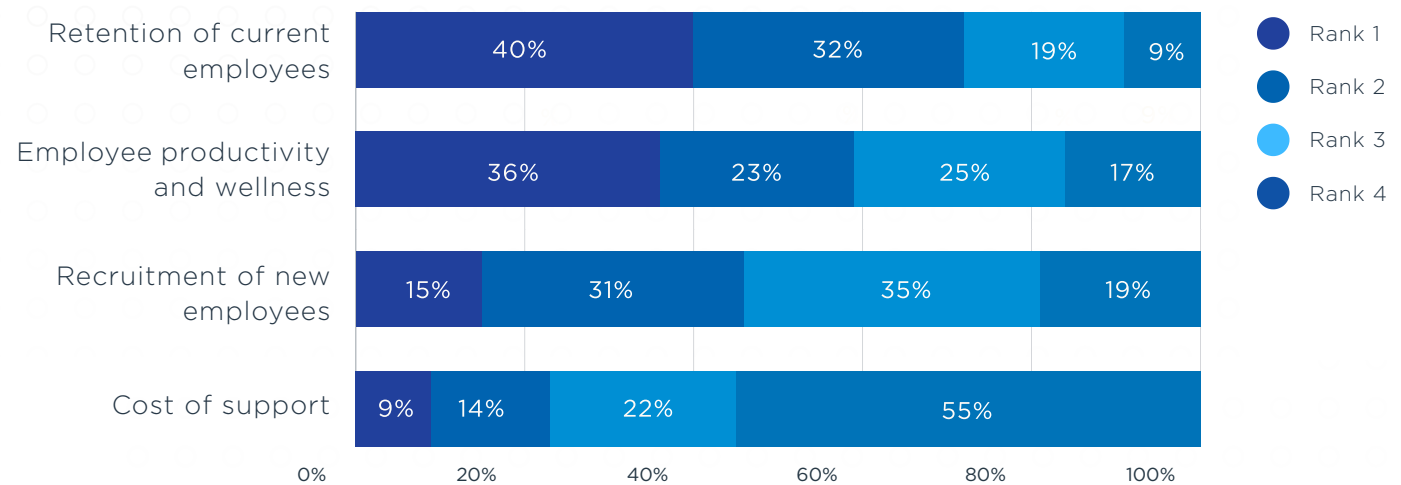
Retention is Job One for HR

Forty percent of employers identified employee retention as their top priority, followed by employee wellbeing (36%) and recruitment (15%). 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 employees.

Employer Priorities Around Decision-Making

Employer Survey Question:

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



Employee responses to the survey make it very 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 68% 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 have taken steps to address it, often focusing on long-term retirement planning. However, a more comprehensive approach is needed to address the wide-ranging financial stresses in the workforce.

Half of all employees surveyed across all age groups cited ‘financial concerns’ as the number one stressor impacting their productivity at work, with those aged 35-44 experiencing the highest levels of stress. Fifty-two percent of respondents in this age group reported that financial concerns impact their productivity at work. Respondents aged 18-24 are the next highest group with 51% reporting that financial concerns impact their productivity.

Student debt is the likely culprit since 68% of respondents in the 18-24 age segment and 41% 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.

Employee participants identified the financial wellness tools that delivered the most value to them:

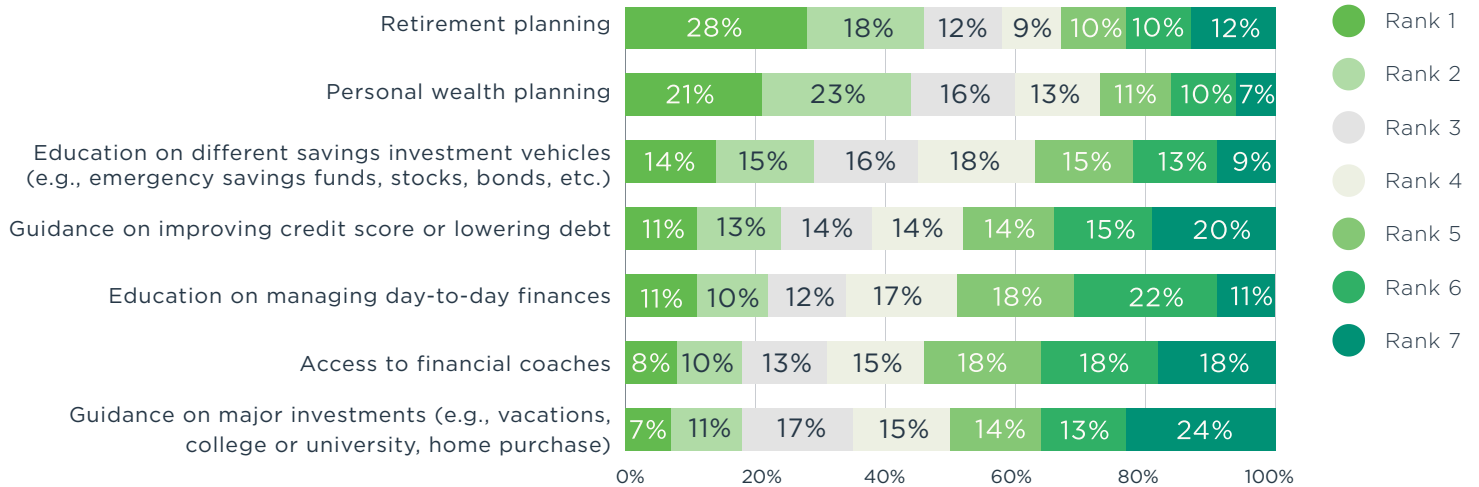
Half of all employees surveyed across all age groups cited **‘financial concerns’** as the number one stressor impacting their productivity at work, with those aged 35-44 experiencing the highest levels of stress.

- Retirement planning was ranked the most meaningful by 46% of employees with personal wealth planning a close second by 44%. Education on savings investment vehicles was a distant third.
- Personal wealth planning is the most meaningful financial wellness benefit for employees aged 18-34, yet only 53% of employers currently offer it, according to the survey.
- More than 3 in 10 employees who reported having student debt ranked ‘education on managing day-to-day finances’ among the top three most meaningful financial wellness tools.

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 benefits. While retirement planning has 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 addressing shortfalls in their financial benefits by tailoring programs based on employee life stages. Services like HUB FinPath provide highly targeted financial education based on life stages.

HUB FinPath uses a personalized financial coaching model, supported by online content and helps employees achieve the following key financial milestones:

- Establishing a budget and paying off high interest debt;
- Establishing an emergency savings fund;
- Preparing for first-time home ownership;
- Retirement and long-term wealth planning, including demystifying the complexities of financial advisor selection and investment strategies.

Other tactics that support specific financial life stages include:

- Health or flexible spending accounts that allow funds to be directed to a wide range of options including fertility treatments, adoption or childcare expenses.
- Allow employer matches for retirement to go toward student debt repayment.
- Phased retirement programs that allow employees over age 60 to reduce hours gradually while maintaining benefits and retirement matching.

Health Concerns Impact Employees of All Ages

Healthcare benefits are a core offering of total rewards packages, and for good reason. Health concerns negatively impact absenteeism and presenteeism for 41% of survey respondents. However, the survey results indicate that employers underestimate the extent to which health concerns impact their younger employee population. The age groups that expressed the greatest level of concern are 24–35-year-olds — with 45% reporting health issues affecting their productivity, followed by 42% of 18–24-year-olds.

Only 20% of employers believe health concerns are a top factor impacting productivity. As a result, their benefits program may not adequately address the problem.

Health concerns negatively impact absenteeism and presenteeism for 41% of survey respondents. However, the survey results indicate that employers underestimate the extent to which health concerns impact their younger employee population.

- About one in four employees expressed mental health concerns, and of those respondents, less than one in four reported taking part in wellbeing programs related to mental health, indicating a potential disconnect between what they want and what is being offered.
- The age segments that indicated a need for mental health support and wellbeing were 18–24-year-olds (35%) and 25–34-year-olds (39%).
- Six in 10 respondents, or 58%, indicated they would utilize “Wellbeing programs such as extended mental health benefits, gym memberships, yoga” if offered.
- In contrast, employees aged 65+ have a unique set of issues and identify health and dental benefits as being most important to them.

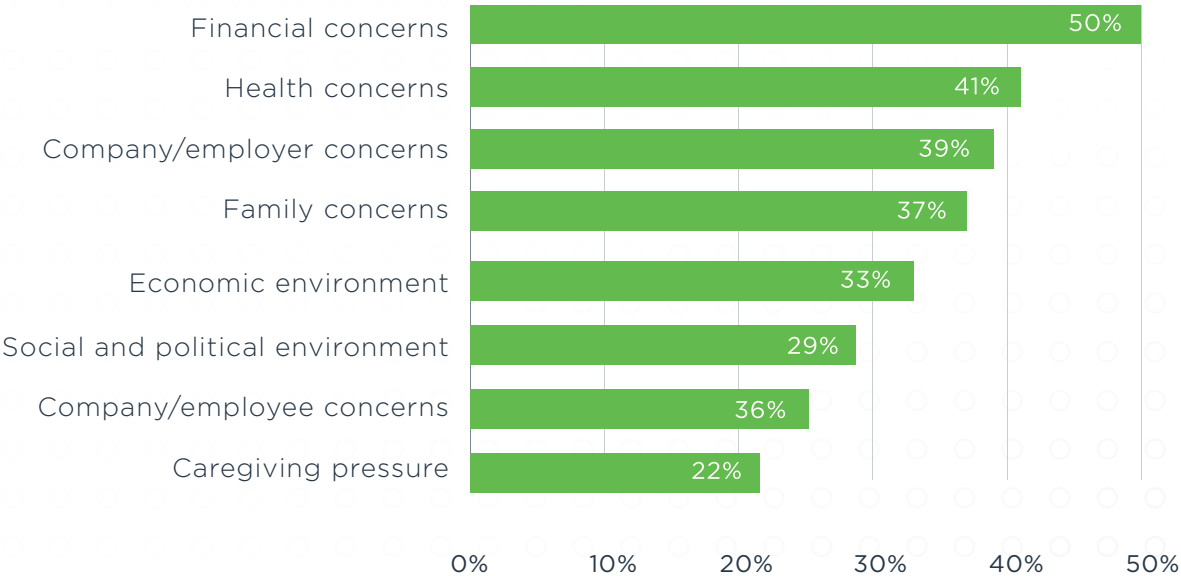
The survey also revealed that decision-makers significantly underestimate the negative impact of internal company and workplace issues on employees, ranking it sixth out of eight factors while employees ranked it third. This blind spot, if not addressed, could be a major drag on productivity.

- Twenty-eight percent of employees strongly agree that corporate culture (specifically the actions of their company, manager and colleagues) negatively impacts their work productivity.
- Fourteen percent of employees strongly agree that the current economic and sociopolitical 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:

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



Recommendations

Mental health benefits should be a key area of focus, as 48% of employees surveyed said they would take part in these programs if offered by their employer.

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 covered limit on therapy sessions to support longer-term mental health recovery needs.

When it comes to the potential blind spot 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 could be wide-ranging and may necessitate 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, for example, and then prioritize efforts to improve the workplace and employee experience.



Flexible Work Arrangements — A Top Employee Priority

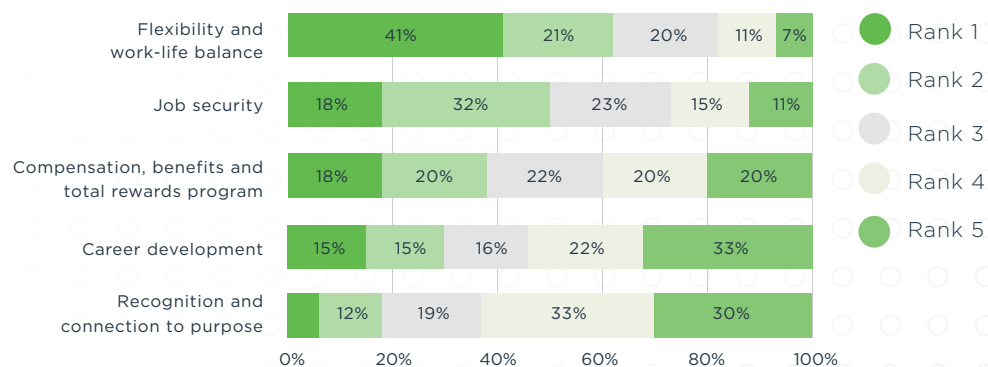
Many employers continue to view compensation and benefits as the primary driver of employee satisfaction with 47% of decision-makers ranking it number one, while 22% ranked flexibility and work-life balance as the top employee priority. **However, employees rank flexibility and work-life balance higher than compensation, benefits, total rewards and job security.**

- Of the respondents who said they were looking to expand their family, 8 out of 10 ranked flexibility and work-life balance among their top three values.
- Of the employees who identified as caregivers to children, more than 80% ranked flexibility as a top three value with over half (54%) reporting that their caregiving responsibilities negatively impacted their productivity at work.
- Of the employees who identify as caregivers to adults, about 8 in 10 said their caregiving responsibilities negatively impacted their productivity at work. More than 80% of these employees ranked flexibility as a top three value while 44% ranked it their number one value.
- While flexibility is valued by all generations in the workplace, it is particularly valued by 35-44-year-old employees.
- Even among employees age 55 and older, typically thought to value traditional rewards like compensation and retirement benefits, a full 37% now prioritize work-life balance above all else. This signals a broader, generational shift in workplace values that organizations cannot afford to ignore.

What Employees Value Most

Employee Survey Question:

Q: What do you value most?



A photograph of a man and a woman standing outdoors, smiling and looking at each other. The man, on the right, is Black, has short dark hair, wears glasses, and a mustard-colored button-down shirt. He is holding a black tablet in his left hand. The woman, on the left, is white, has blonde hair tied back with a large silver clip, wears glasses, and a light beige blazer over a white top. They are standing in front of some trees and a building 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 for 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 (EAD).

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

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

The employers surveyed offer comprehensive benefits with 51% offering flexible working arrangements. (See chart below.)

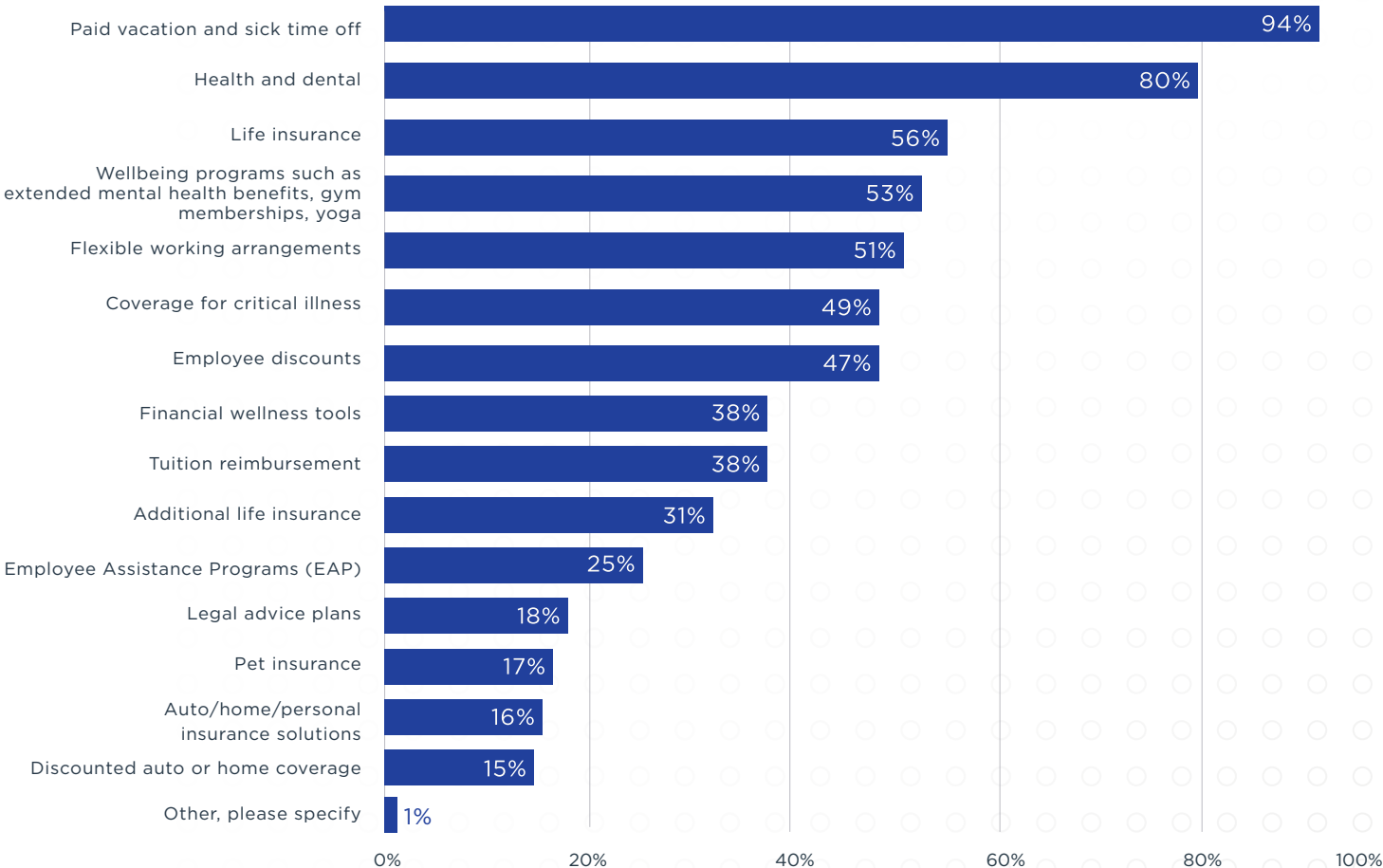
When asked what benefits they currently utilize, employees reported that paid vacation and sick time (97%), health & dental (74%), vision (54%) and flexible work arrangements (48%) were their most utilized benefits.

When asked what benefits they would like to use if offered, employees placed the highest priority on paid vacation and sick time (91%), health & dental (65%), employee discount programs (63%), vision (48%) and wellbeing programs (48%). Examples of wellbeing programs included in the survey were expanded mental health benefits and gym memberships. One-third of respondents indicated that they would utilize flexible work arrangements, if available.

Benefits Offered to Employees

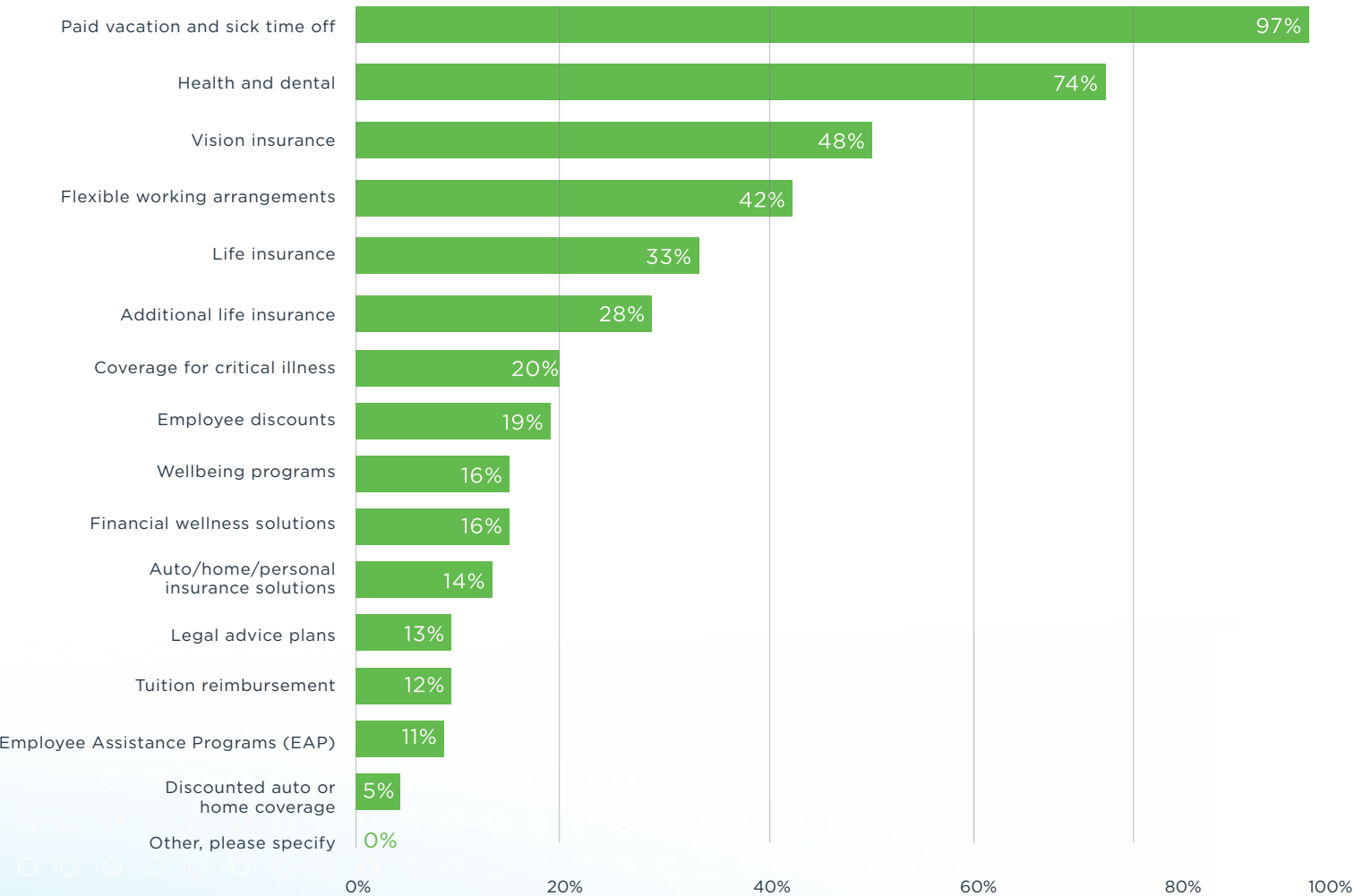
Employer Survey Question:

Top Benefits that Employers Offer



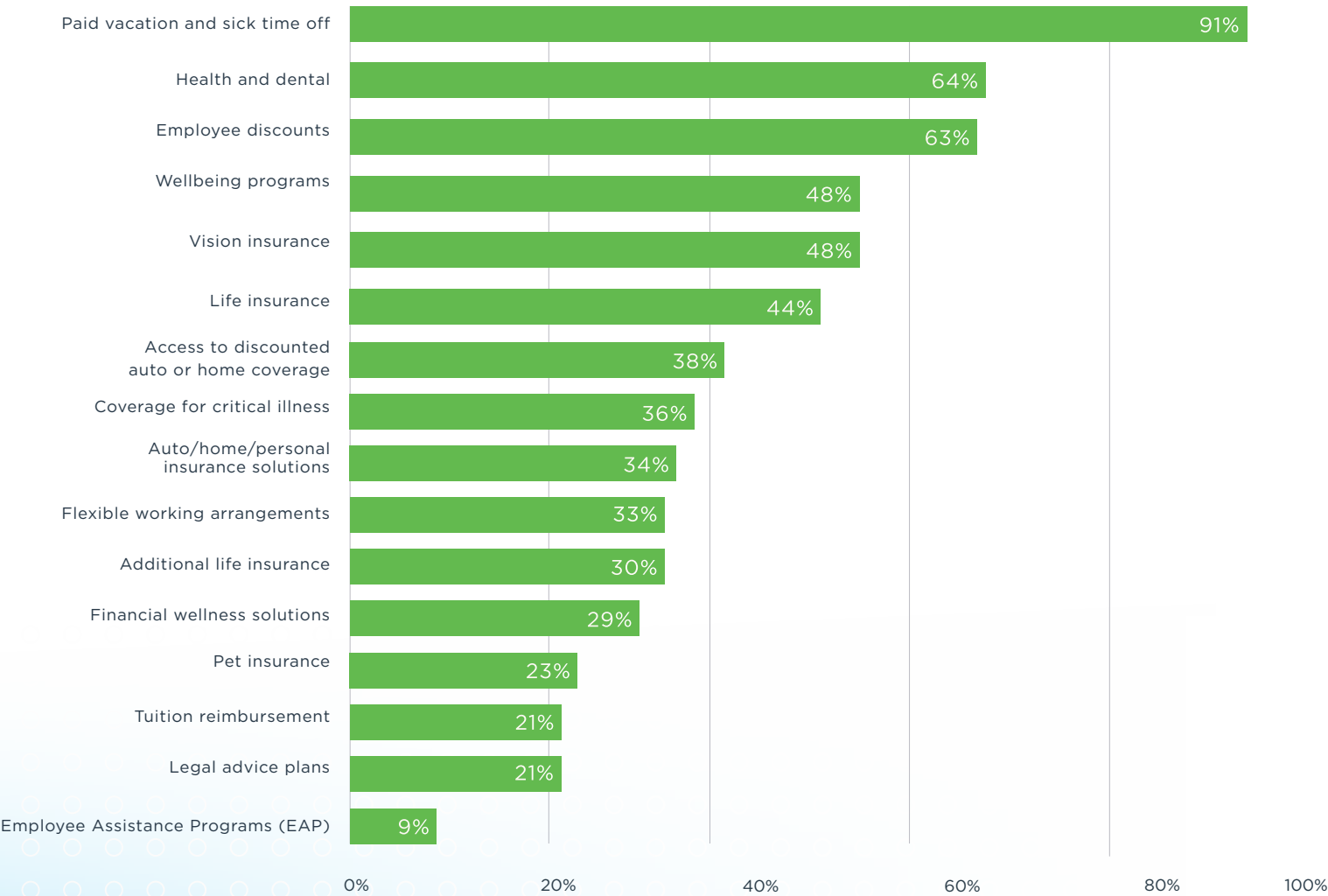
Benefits Utilized by Employees

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 need to 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 the current workforce and the personas of new positions that need to be added over the next 24 months. A skilled consultant can help determine this metric.
- Employee discount programs deliver outsized satisfaction for the cost and effort involved, with 63% of respondents indicating a desire for discounts. This benefit is particularly valued by employees aged 18-24 years, with 62% saying they would utilize employee discounts if offered by their employer.
- Access to discounted auto or home insurance coverage is valued by 38% of employees. This is another example of a cost-neutral benefit program that is easy to implement with the right partner. VIU by HUB delivers an omnichannel platform that meets the diverse needs of employees and includes home, auto, life, renters and pet insurance. Employees can compare and purchase online or talk to a VIU by HUB licensed broker.

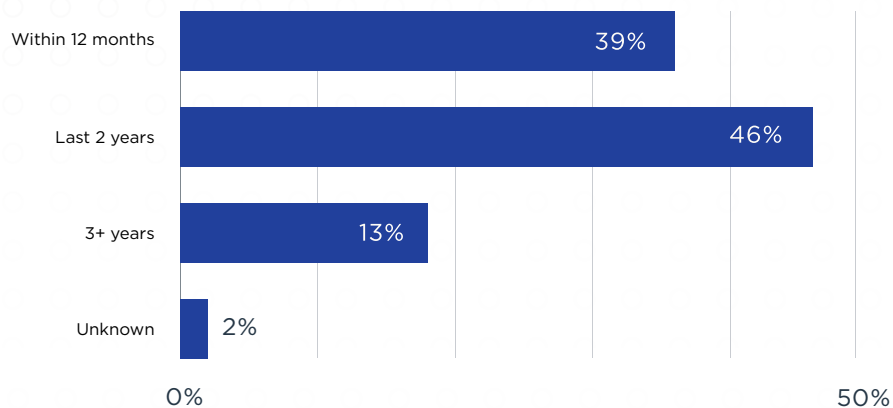
Recalibrating Benefits Again and Again

Despite an uncertain economic and geopolitical environment, three out of four decision-makers surveyed are planning to make changes to their benefits and total reward programs in 2025. Of those planning to make changes, 72% are looking to expand their current offerings or add new ones. This could be an indication that employers are under pressure to recruit and retain talent and recognize the need to respond to changing expectations about benefits.

Frequency of Benefit Plan Change

Employer Survey Question::

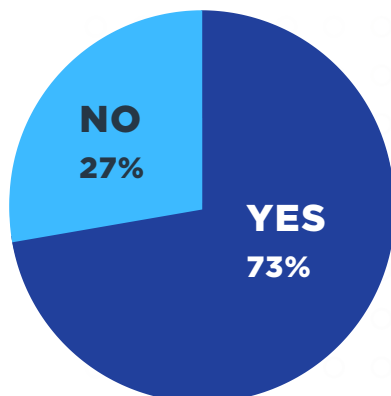
When was the last time you made significant changes to your employee benefit plan?



Reasons for Benefit Plan Changes

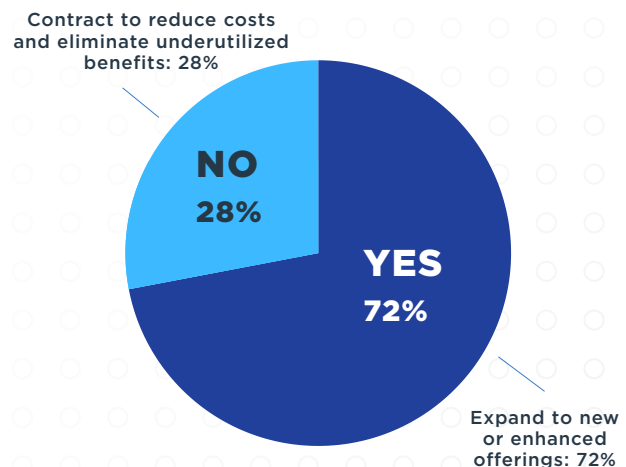
Employer Survey Question:

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:

75%

Employee Satisfaction Surveys

56%

Industry Benchmarks

69%

Internal HR Guidance

55%

Financial Advisors

57%

Employee Benefit Utilization

45%

Employee Demographic Analysis

39%

Insurance Broker/Carrier Guidance

Recommendations

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

- Survey employees regularly — 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 zip code). This data enables more focused analysis of benefit gaps and segmentation of employees.
- Surveys should ask employees about what is 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 enhance the insights gleaned from data analytics.

- Work with benefits and financial advisors 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 fine-tune 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 with clear milestones, measurable results and a strong change management and communication plan enables them to better manage prioritization and budget.

Better Insights Lead to Better Benefits

The HUB International 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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locations across
North America

20,000

employees

2M+

clients around
the globe



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