

The State of Employee Benefits: Findings From the 2018 Health and Workplace Benefits Survey

By Lisa Greenwald, Greenwald & Associates, and Paul Fronstin, Ph.D., Employee Benefit Research Institute

AT A GLANCE

Over the last 20 years, the Employee Benefit Research Institute (EBRI) and Greenwald & Associates have surveyed employees to understand what types of benefits they value, how satisfied they are with those benefits, their perspectives on health benefits and health care, as well as the future of employee benefits. In the 2018 survey we find:

- Despite a tight labor market, fewer employees report that their employers are offering benefits: Health insurance remains the most frequently offered at 78 percent, followed by dental insurance at 68 percent and retirement savings plans at 67 percent.
- Likewise, fewer workers received benefits from their employers in 2018 compared to 2017. Declines can be observed in 8 out of the 10 most popular benefit offerings.
- The percentage of employees accessing voluntary benefits is only 12 percent. Of that, 61 percent say they do so because it is less expensive to buy it through their employer than on their own — more than the 51 percent who cited this reason in 2017.
- More employees are stressed by the prospect of not saving enough for retirement than about any other financial concern that might be addressed through employee benefits. This includes paying monthly bills or managing debt. Baby Boomers are more likely than Millennials to report that saving enough for retirement causes financial stress, while Millennials are more likely than Baby Boomers to report that paying monthly bills and student loan repayment cause financial stress.
- Employees are generally satisfied with their current benefits package. Just over one-half of employees (51 percent) indicate they are very or extremely satisfied with their benefits; another 30 percent are somewhat satisfied. The proportion that is not at all satisfied remains relatively low at 9 percent.
- More than one-third (37 percent) of employees indicate that their employer or benefits company provides no education or advice on benefits. At the same time, depending on the benefit, between 64 percent and 76 percent of employees report that it is either somewhat easy or very easy to find information on what is included.
- As such, in 2018, a majority (64 percent) of employees said they are extremely or very confident in their ability to make benefits decisions. That is up slightly from 2017 and represents a leveling off as this indicator had slipped each of the past two years.

About the EBRI/Greenwald & Associates Health and Workplace Benefits Survey

The survey examines a wide array of topics related to employee benefits, including employee knowledge of benefits, confidence in making benefit decisions, as well as satisfaction with their benefits package. Because the survey has been conducted over several years, the study shows trends that illustrate employees' changing perspectives about their benefits.

The 2018 survey was conducted online June 21, 2018, using the Research Now consumer panel. A total of 1,025 workers in the United States ages 21 to 64 participated in the survey. The data were weighted by gender, age, and education to reflect the actual proportions in the employed population.

Lisa Greenwald is executive vice president for Greenwald & Associates. Paul Fronstin is director of the Health Research and Education Program at the Employee Benefit Research Institute (EBRI). Any views expressed in this report are those of the authors and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

Suggested Citation: Lisa Greenwald and Paul Fronstin. "The State of Employee Benefits: Findings From the 2018 Health and Workplace Benefits Survey." *EBRI Issue Brief*, no. 470 (Employee Benefit Research Institute, January 10, 2019).

Copyright Information: This report is copyrighted by the Employee Benefit Research Institute (EBRI). It may be used without permission but citation of the source is required.

Report Availability: This report is available on the internet at www.ebri.org

2018 Health and Workplace Benefits Survey Partners

This survey is made possible with funding support from the following organizations: Cigna, Mercer LLC, Prudential Financial, Inc., The Segal Group, Inc., and Voya Financial.

Table of Contents

| | |
|---|----|
| Introduction | 5 |
| Coverage: What Benefits Employees Have Today | 5 |
| Knowledge: How Well Do Employees Understand Their Benefits? | 10 |
| Importance of Benefits: Satisfaction and Valuation | 12 |
| Conclusion: Confidence in the Future of Employee Benefits | 15 |
| Appendix - The 2018 WBS..... | 16 |

Figures

| | |
|--|----|
| Figure 1, Percentage of Employees Reporting Benefits Offered by Employer, 2017–2018 | 6 |
| Figure 2, Percentage of Employees Participating in Benefits When Offered by Employer, 2017–2018 | 6 |
| Figure 3, Top Benefits Offered by Industry, 2018 | 7 |
| Figure 4, Leave Offered by Industry, 2018..... | 7 |
| Figure 5, Reasons for Purchasing Voluntary Benefits, 2017–2018 | 8 |
| Figure 6, Causes of Financial Stress, 2018 | 8 |
| Figure 7, Causes of Financial Stress, by Generational Cohort, 2018 | 9 |
| Figure 8, Benefits' Contribution to Financial Security, 2018 | 9 |
| Figure 9, Understanding of Health and Non-Health Benefits Compared, 2017–2018..... | 10 |
| Figure 10, Percentage Reporting Education on Benefits From Employer or Benefits Company, 2017–2018 | 11 |
| Figure 11, Confidence in Benefit Decisions, 2017–2018 | 11 |

| | |
|---|----|
| Figure 12, Ease in Finding Information on Benefits Coverage, 2018..... | 12 |
| Figure 13, Satisfaction With Benefits Package Offered by Employer, 2017–2018..... | 13 |
| Figure 14, Benefits Satisfaction Related to Job Satisfaction, 2018..... | 13 |
| Figure 15, Feelings About Current Benefits, 2017–2018..... | 14 |
| Figure 16, Most Important Benefit in Making Job Decision, 2018..... | 14 |
| Figure 17, Making Changes to Benefits, 2018 | 15 |

The State of Employee Benefits: Findings From the 2018 Health and Workplace Benefits Survey

By Lisa Greenwald, Greenwald & Associates, and Paul Fronstin, Ph.D., Employee Benefit Research Institute

Introduction

Over the last 20 years, the Employee Benefit Research Institute (EBRI) and Greenwald & Associates have surveyed employees to understand what types of benefits they value, how satisfied they are with those benefits, their perspectives on health benefits and health care, as well as the future of employee benefits.

This *Issue Brief* provides a summary of the recent findings from the 2018 EBRI/Greenwald & Associates Health and Workplace Benefits Survey (WBS). It highlights changes in employee viewpoints over time, especially as they relate to valuation of benefits.

Coverage: What Benefits Employees Have Today

Employees receive a wide variety of benefits from their workplace, both employment-based as well as voluntary benefits. Figure 1, however, shows that there is a slight decline in benefits offerings by employers. According to survey responses by employees, fewer of them were offered benefits in 2018 compared to 2017.

Participation in benefits when offered, however, remains consistent with prior years. Figure 2 shows that slightly more than 4 in 5 employees participate in their employer's health insurance benefit (83 percent), followed closely by 79 percent who have dental insurance. Nearly three-quarters (73 percent each) participate in their employer's life insurance and vision insurance programs. More than one-half have short-term disability (59 percent) or long-term disability insurance (55 percent).

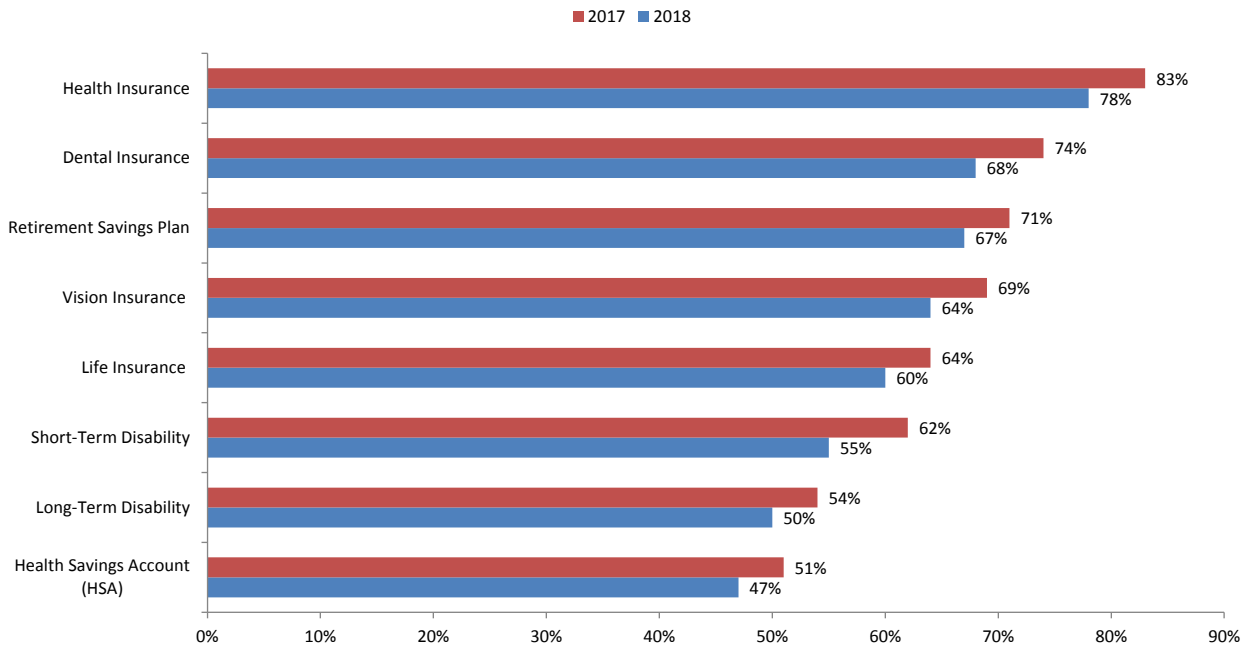
Reasons for the lower rates of offerings are not clear and more study would be required to draw conclusions from the changes identified here. Factors that may be at play include regulatory uncertainty and destabilized insurance markets or a shifting workforce as Millennials grow in the workforce and Baby Boomers retire. Indeed, Millennials are less likely than Baby Boomers to report being offered core benefits like health insurance, dental insurance, or vision insurance.

It's well known that some industries offer more benefits than others. Figure 3 shows that public administration and government, manufacturing, and finance and insurance generally lead the way when it comes to workers reporting access to employee benefits. Employees in retail trade and accommodation and food services, on the other hand, are less likely to report being offered benefits.

When it comes to paid leave, employees report similar variation between industries, with government offering paid leave to more workers, and accommodation and food workers less likely to receive paid leave than others. Across industries in 2018, 78 percent of full-time workers in the United States received at least some paid vacation time (down from 84 percent in 2017), and 67 percent received paid sick leave (down from 71 percent in 2017). Maternity and paternity leave were each up very slightly at 46 percent and 28 percent respectively (Figure 4).

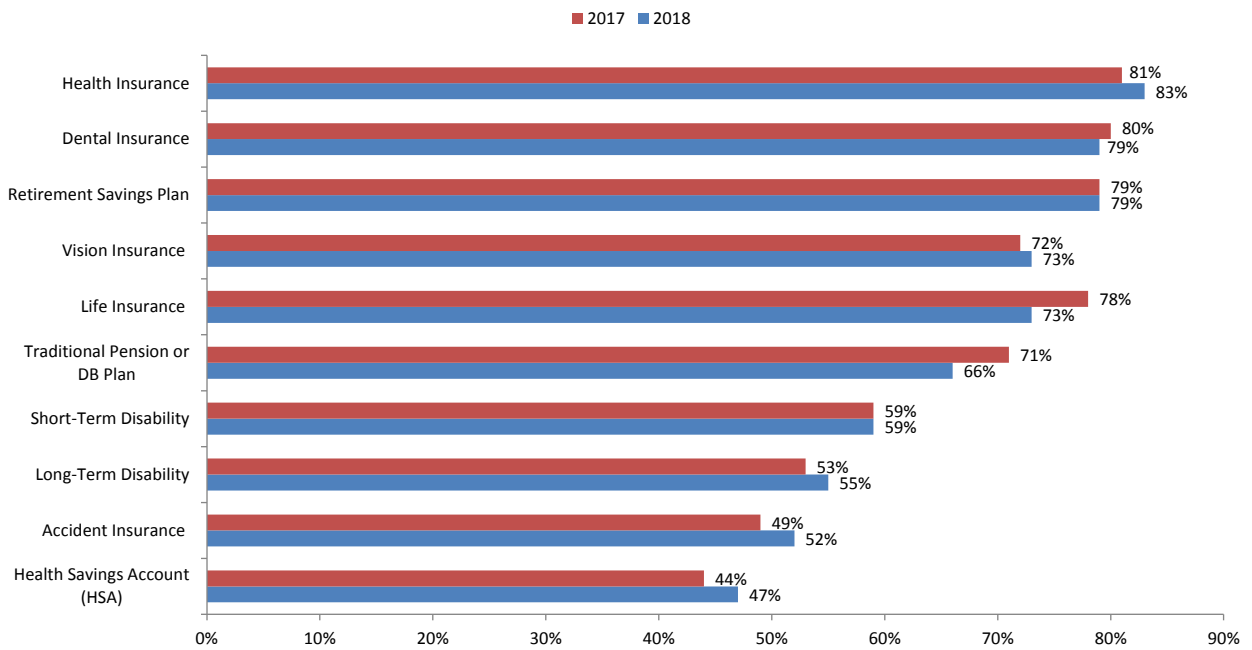
The percentage of employees accessing voluntary benefits is only 12 percent, according to the survey. Of that, 61 percent said they do so because it is less expensive to buy it through their employer than on their own. Other reasons for signing up include the ease of payroll deductions (44 percent) and protecting against unexpected expense (40 percent) (Figure 5). The percentage of workers who reported that they purchased voluntary benefits because it is less expensive than buying it on their own increased between 2017 and 2018. Nearly one-quarter (23 percent) purchased voluntary benefits because they needed help with out-of-pocket medical costs.

Figure 1
Percentage of Employees Reporting Benefits Offered by Employer, 2017–2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 2
Percentage of Employees Participating in Benefits When Offered by Employer, 2017–2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Among a selection of financial issues that might be addressed through employee benefits, more employees are stressed by the prospect of not saving enough for retirement than any other financial concern, including paying monthly bills or managing debt (Figure 6). Baby Boomers are more likely than Millennials to report that saving enough for retirement causes financial stress, while Millennials are more likely than Baby Boomers to report that paying monthly bills and student loan repayment causes financial stress (Figure 7).

Aligned with their top financial stressors, 88 percent report that retirement savings plans contribute the most toward a feeling of financial security. Health insurance tops the list, with 89 percent saying this contributes to financial security. (Figure 8).

Figure 3
Top Benefits Offered by Industry, 2018

| | Public Administration and Government | Manufacturing | Finance and Insurance | Educational Services | Health Care | Administration and Support | Professional, Scientific, and Technical | Other Services | Retail Trade | Accommodation and Food |
|--------------------------------|--------------------------------------|---------------|-----------------------|----------------------|-------------|----------------------------|---|----------------|--------------|------------------------|
| Health Insurance | 94% | 94% | 93% | 85% | 85% | 85% | 73% | 72% | 67% | 58% |
| Dental Insurance | 96% | 80% | 81% | 80% | 76% | 76% | 69% | 52% | 60% | 36% |
| Retirement Savings Plan | 78% | 87% | 80% | 64% | 76% | 60% | 79% | 52% | 65% | 45% |
| Life Insurance | 83% | 78% | 88% | 70% | 63% | 63% | 66% | 39% | 50% | 39% |
| Vision Insurance | 92% | 74% | 77% | 70% | 71% | 69% | 65% | 49% | 59% | 32% |
| Short-Term Disability | 49% | 64% | 71% | 56% | 68% | 55% | 59% | 51% | 55% | 29% |
| Long-Term Disability | 51% | 61% | 68% | 47% | 58% | 55% | 54% | 33% | 52% | 30% |
| Traditional Pension or DB Plan | 82% | 29% | 48% | 51% | 40% | 44% | 22% | 17% | 28% | 22% |
| Health Savings Account (HSA) | 70% | 69% | 70% | 58% | 50% | 43% | 51% | 21% | 37% | 18% |
| Long-Term Care Insurance | 32% | 49% | 45% | 39% | 37% | 52% | 28% | 20% | 36% | 21% |
| Accident Insurance | 23% | 42% | 40% | 26% | 30% | 40% | 22% | 18% | 34% | 29% |

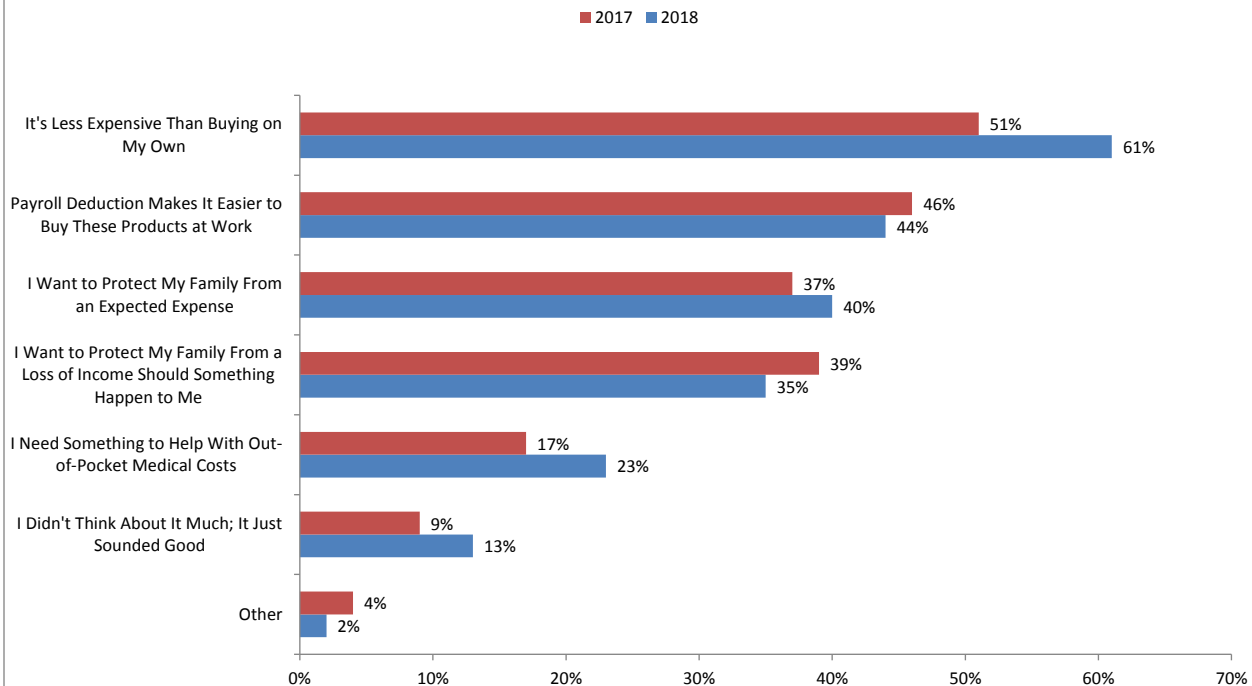
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Figure 4
Leave Offered by Industry, 2018

| | Total | Public Administration and Government | Manufacturing | Finance and Insurance | Educational Services | Health Care | Administration and Support | Professional, Scientific, and Technical | Other Services | Retail Trade | Accommodation and Food |
|----------------------|-------|--------------------------------------|---------------|-----------------------|----------------------|-------------|----------------------------|---|----------------|--------------|------------------------|
| Paid Vacation Time | 78% | 99% | 95% | 82% | 71% | 84% | 77% | 81% | 78% | 83% | 59% |
| Paid Sick Time | 67% | 97% | 73% | 75% | 86% | 69% | 65% | 74% | 62% | 65% | 43% |
| Paid Maternity Leave | 46% | 57% | 56% | 55% | 52% | 45% | 48% | 45% | 43% | 50% | 27% |
| Paid Paternity Leave | 28% | 36% | 32% | 35% | 32% | 28% | 36% | 23% | 19% | 33% | 24% |

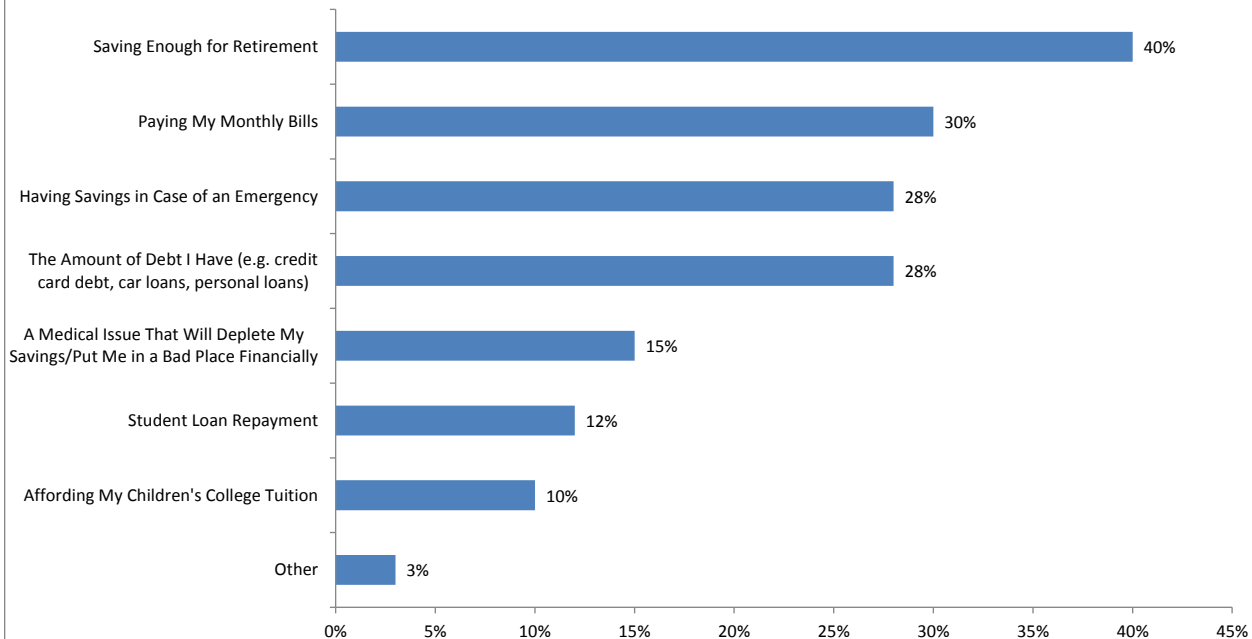
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Figure 5
Reasons for Purchasing Voluntary Benefits, 2017–2018



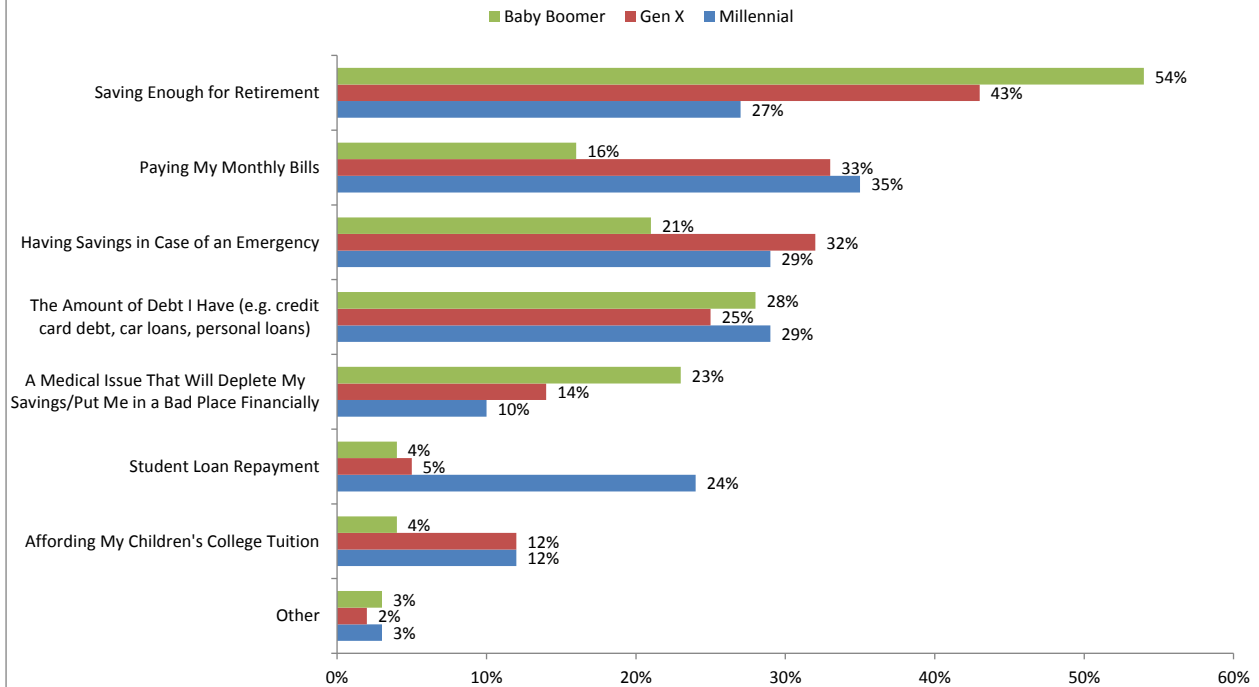
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 6
Causes of Financial Stress, 2018



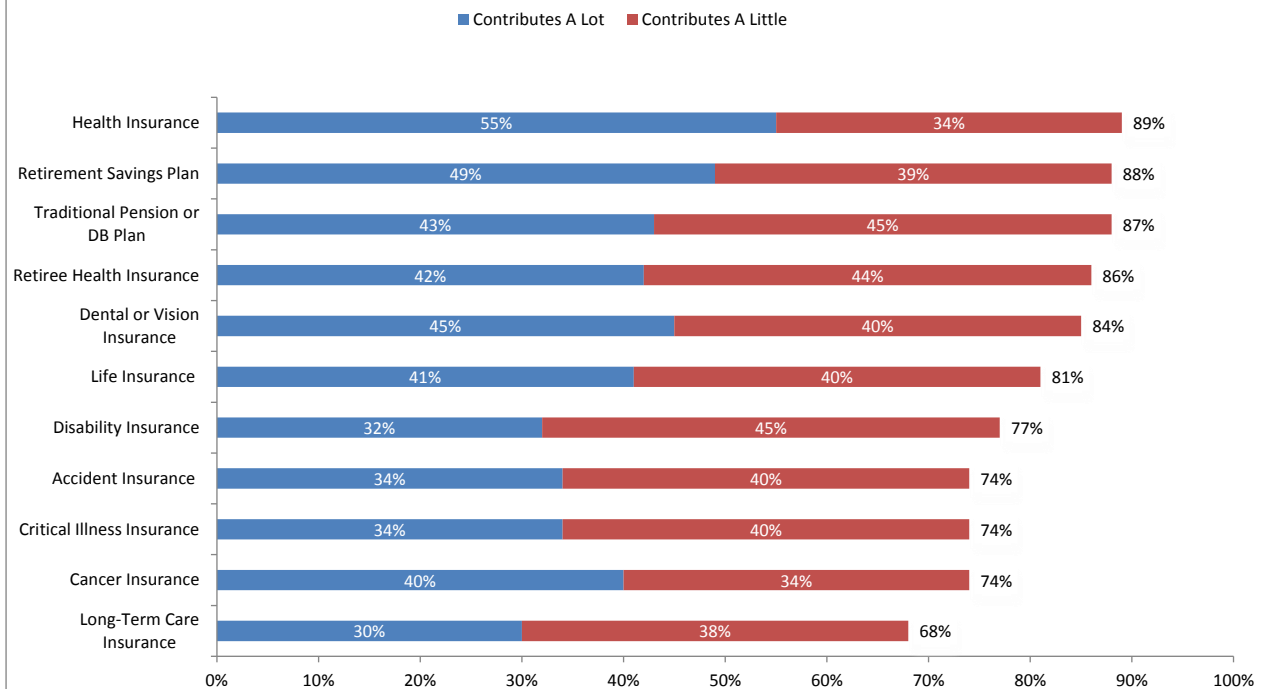
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Figure 7
Causes of Financial Stress, by Generational Cohort, 2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Figure 8
Benefits' Contribution to Financial Security, 2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Knowledge: How Well Do Employees Understand Their Benefits?

Employee knowledge of their benefits varies based on the type of benefit. Figure 9 shows that 60 percent of employees say they understand their health benefits very or extremely well. When asked about non-health benefits, that number drops to 51 percent. Understanding of both types of benefits is up slightly from 2017.

Any increase in employee understanding of benefits is welcome, especially since there appears to be a lack — or perceived lack — of benefit education that employees receive from their employer. More than one-third (37 percent) of employees indicate that their employer or benefits company provides no education or advice on benefits. Only 30 percent state that their employer or benefits provider offers education on how health insurance works, 18 percent provide education on how a health savings account works, and only 12 percent indicate that their employer or retirement plan provider offers education on how to invest money in the retirement plan. Notably, these figures appear down across all categories (Figure 10).

Nonetheless, in 2018, a majority (64 percent) of employees said they are extremely or very confident in their ability to make benefits decisions. That is up slightly from 2017 (Figure 11). Perhaps contributing to employees' confidence is the ease with which they can find what is covered or included in their benefits. Depending on the benefit, between 64 and 76 percent of employees report that it is either somewhat easy or very easy to find information on what is included (Figure 12).

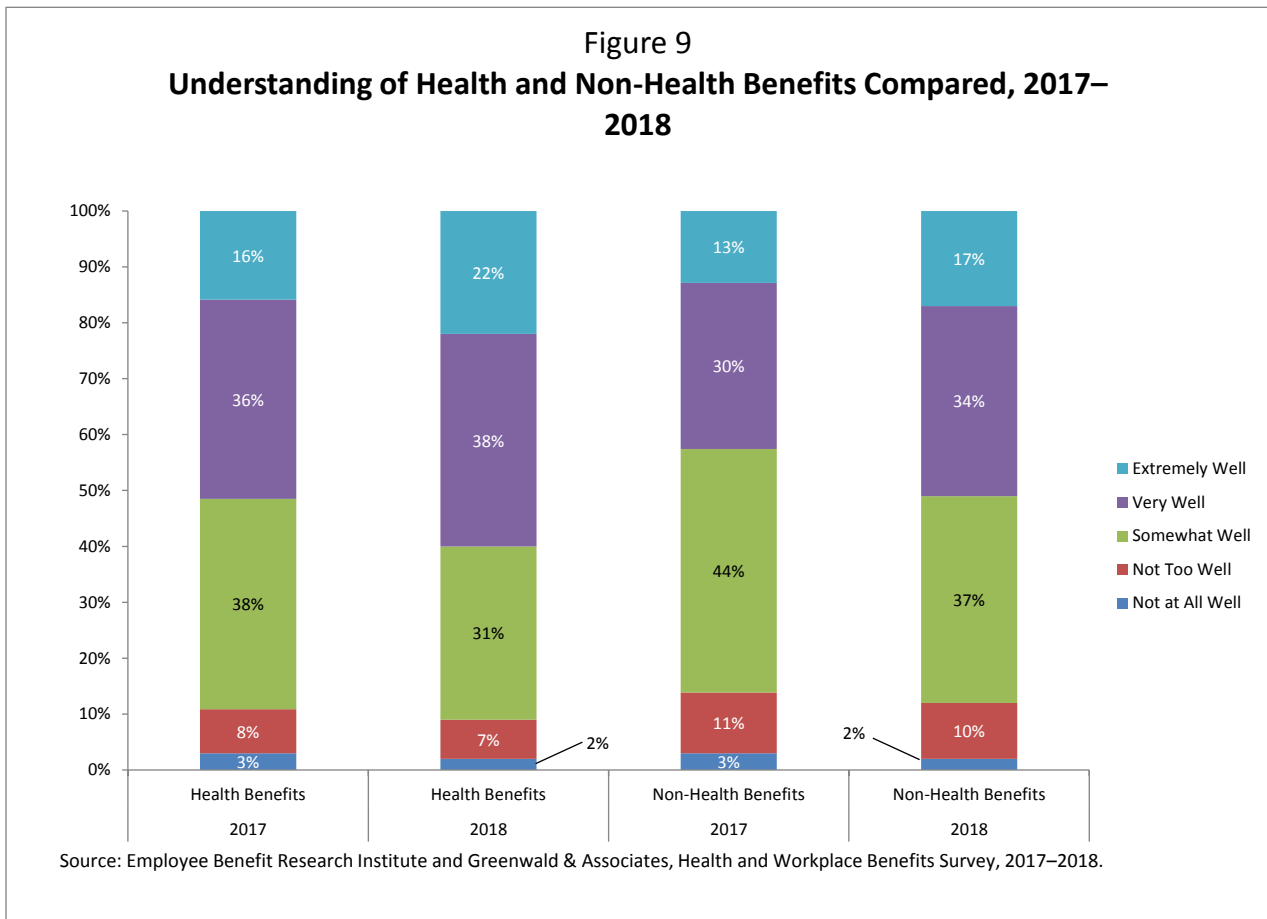
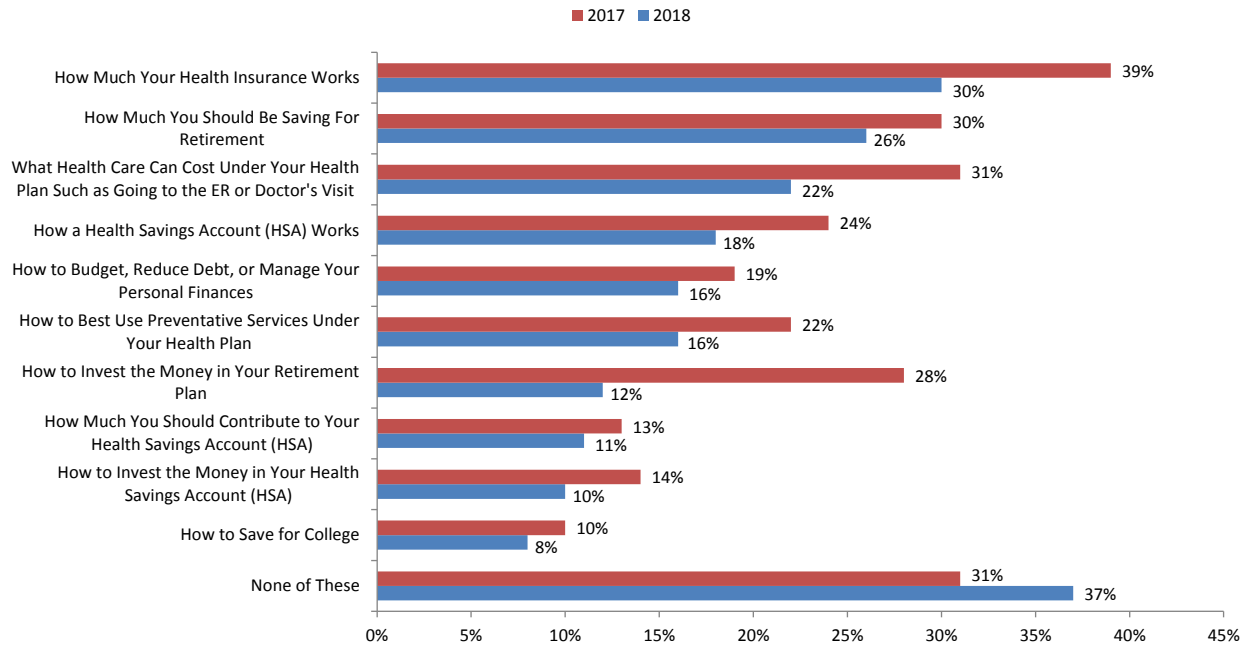
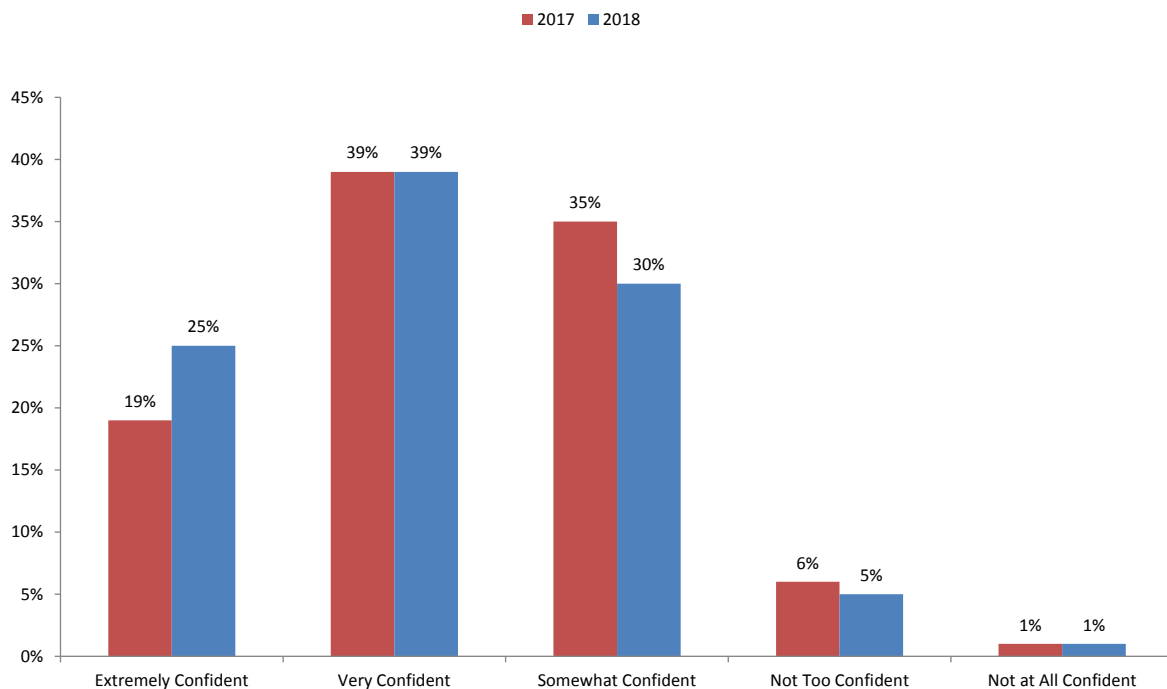


Figure 10
Percentage Reporting Education on Benefits From Employer or Benefits Company, 2017–2018



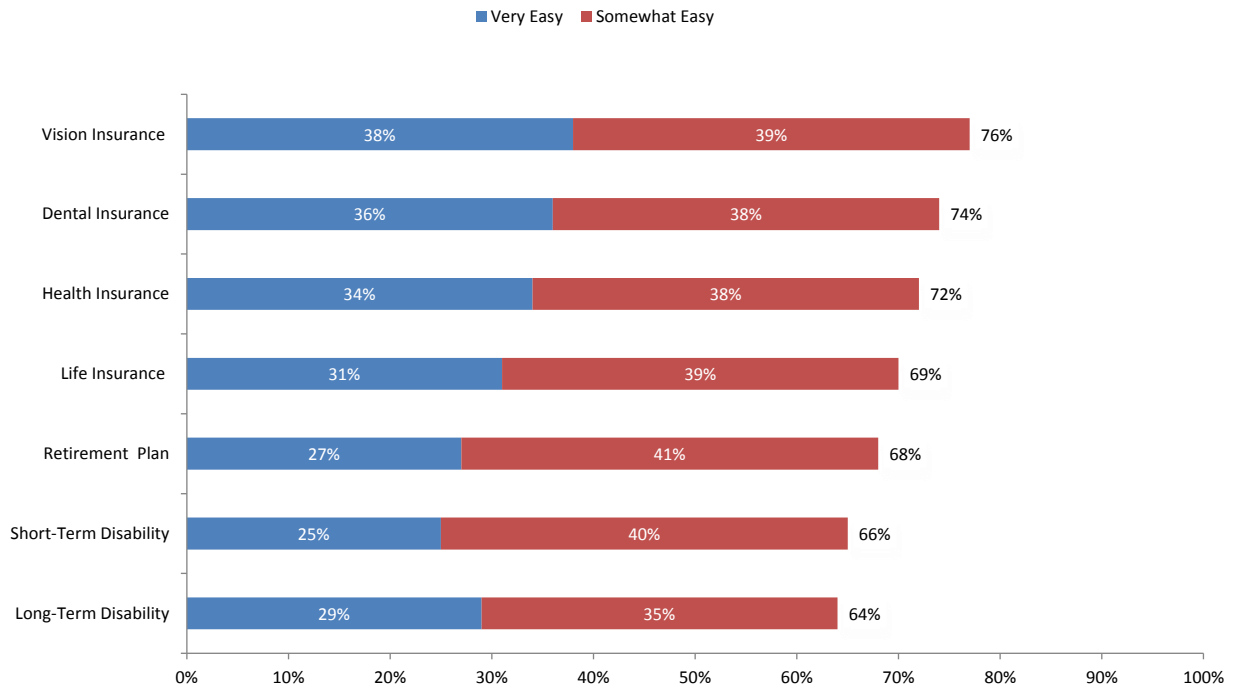
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 11
Confidence in Benefit Decisions, 2017–2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 12
Ease in Finding Information on Benefits Coverage, 2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Importance of Benefits: Satisfaction and Valuation

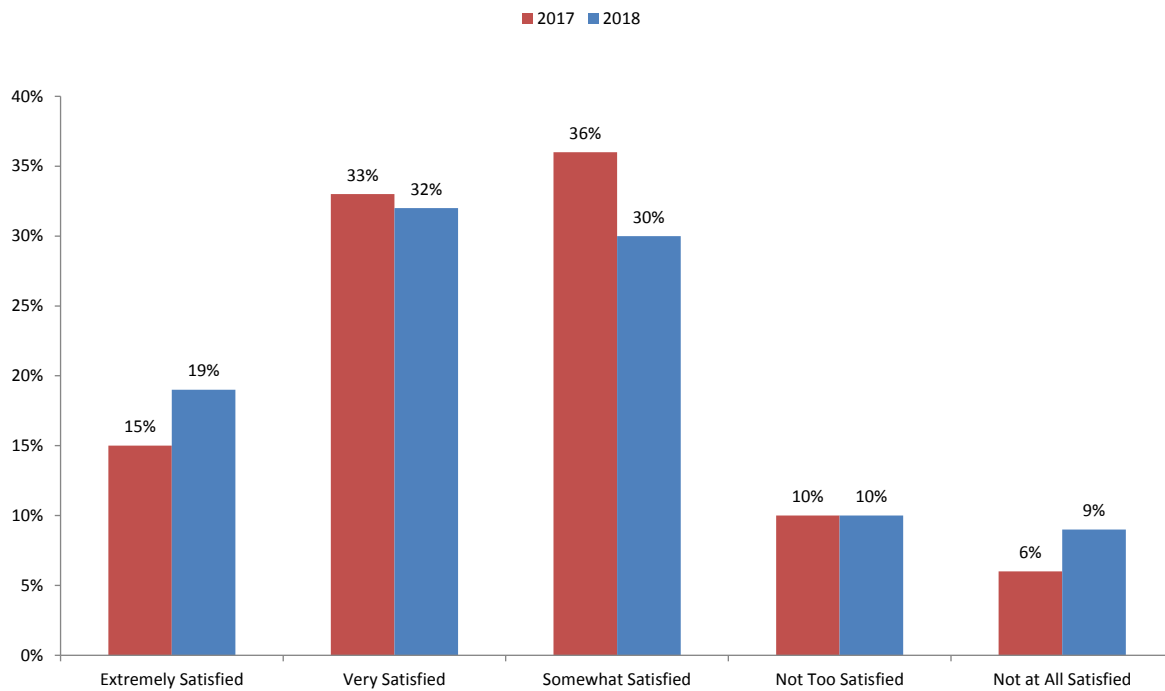
Employees are generally satisfied with their current benefits package. Just over one-half of employees (51 percent) indicate they are very or extremely satisfied with their benefits, whereas in 2017, 48 percent were satisfied with their benefits. Another 30 percent are somewhat satisfied. The proportion that are not at all satisfied remains relatively low at 9 percent (Figure 13).

In addition, the study finds that employee satisfaction with benefits relates to overall job satisfaction. Figure 14 shows employees who are extremely or very satisfied with their benefits are more likely to say they are extremely or very satisfied with their job. It appears that as satisfaction with benefits increases, so does overall job satisfaction. As a note of caution, however, while there appears to be some correlation, there is no evidence in this study to show causation. Job satisfaction is likely to be a function of many variables, of which benefits satisfaction is only one.

Although employees are generally satisfied with benefits, the EBRI/Greenwald & Associates Health and Workplace Benefits Survey also examines how valuable benefits are in relation to wages. In a trade-off scenario, employees were asked to choose between either keeping their health benefits as they are now, opting for fewer health benefits and more salary, or more health benefits and less salary. Fifty-eight percent indicate satisfaction with the salary/health benefits balance they receive right now, while 18 percent would rather have more health benefits and lower wages. Another 24 percent would prefer fewer health benefits and higher wages, perhaps reflecting the entrance of younger workers into the workforce (Figure 15).

Employees continue to indicate that benefits play a key role in whether to remain at a job or choose a new one. Since 2013, health insurance has consistently remained one of the top benefits that employees consider in assessing a job change. In 2018, 73 percent cited health insurance as a top-three consideration when contemplating a job change, followed by retirement savings plans (57 percent) and far more than dental and vision coverage (26 percent) (Figure 16).

Figure 13
Satisfaction With Benefits Package Offered by Employer, 2017–2018



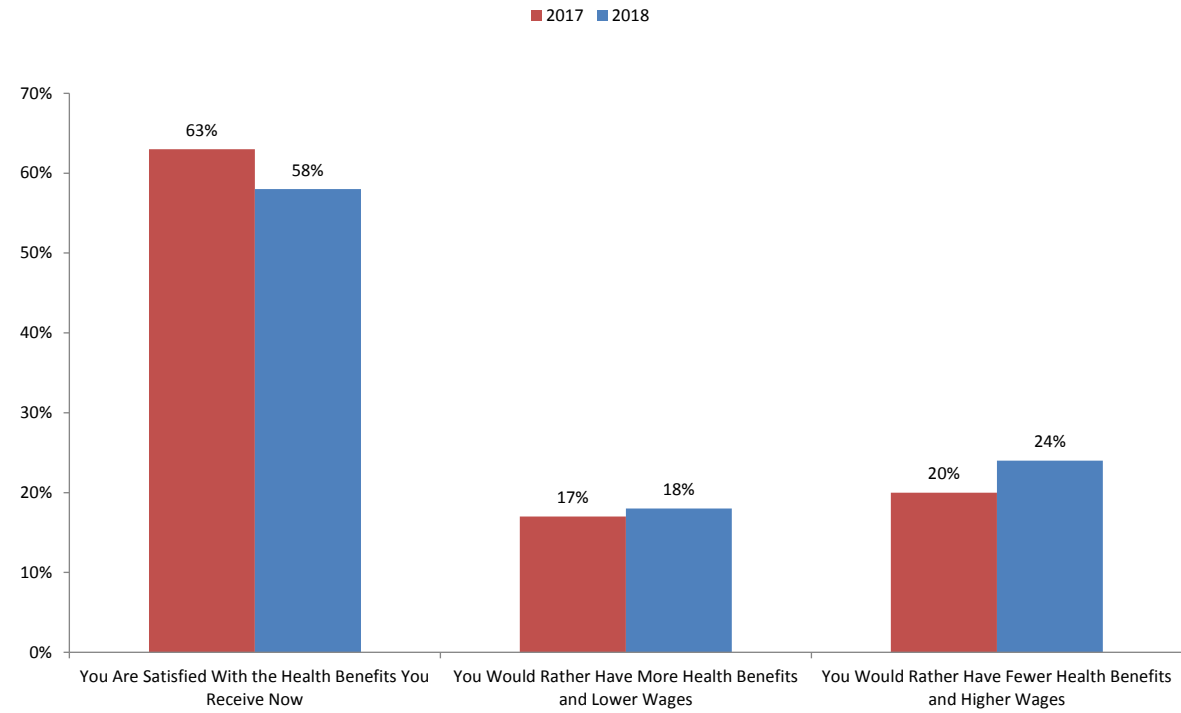
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 14
Benefits Satisfaction Related to Job Satisfaction, 2018

| | Benefits Satisfaction | | |
|---------------------------------|-----------------------------|--------------------|---------------------------------|
| | Extremely or Very Satisfied | Somewhat Satisfied | Not Too or Not At All Satisfied |
| Job Satisfaction | | | |
| Extremely or Very Satisfied | 82% | 46% | 30% |
| Somewhat Satisfied | 14% | 44% | 44% |
| Not Too or Not at All Satisfied | 4% | 11% | 26% |

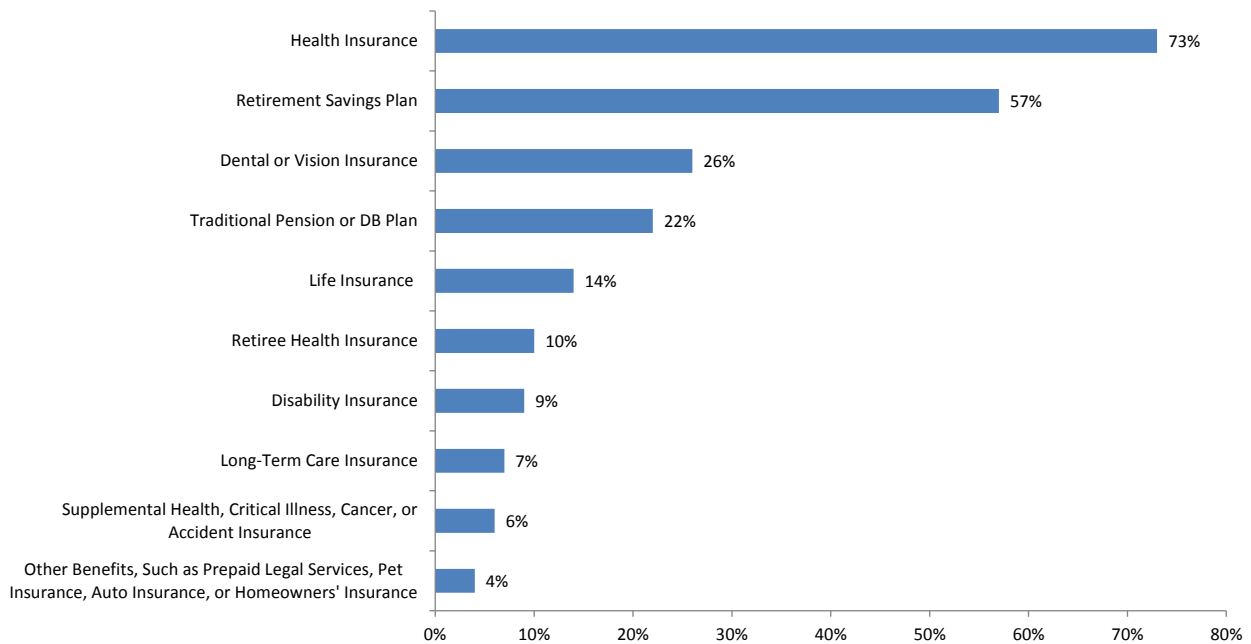
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Figure 15
Feelings About Current Benefits, 2017–2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2017–2018.

Figure 16
Most Important Benefit in Making Job Decision, 2018



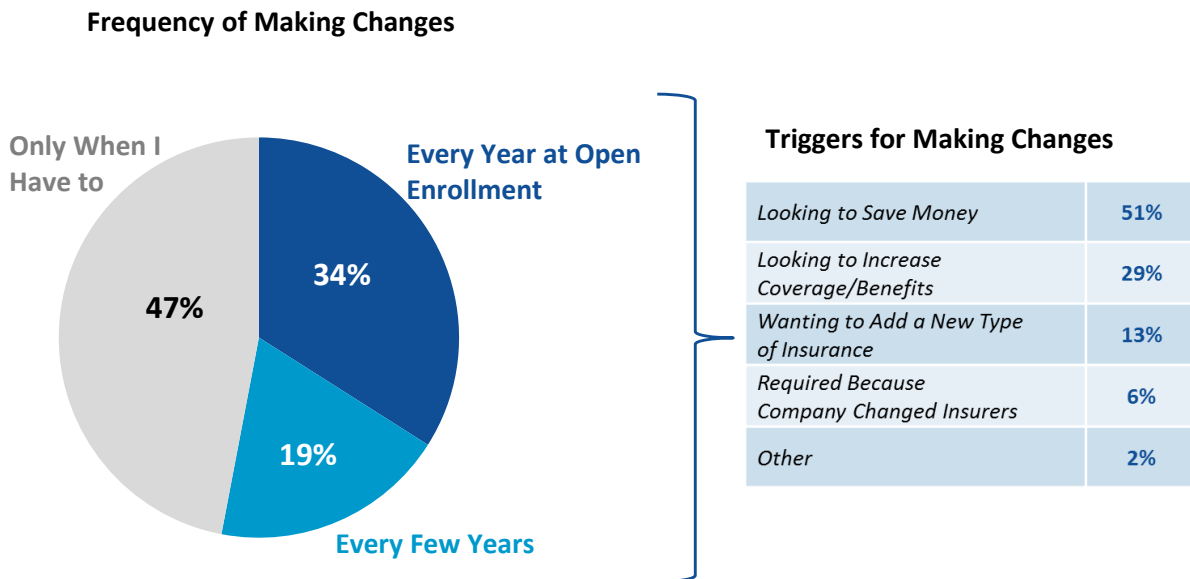
Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.
 Note: "None of these" responses are not shown.

Conclusion: Confidence in the Future of Employee Benefits

As seen in years past, benefits are a critical component to any job. While employees are generally satisfied with the current benefits packages, 53 percent choose to make changes during open enrollment. Of those who make changes at open enrollment, one-half are looking to save money, 29 percent are hoping to increase coverage, and 13 percent are seeking to add a new type of insurance (Figure 17). For employers, the challenge is how to provide the strong employee benefits package that employees want and need while still controlling their own as well as employee costs.

For benefits providers, new opportunities surface in this report, including the potential to reach workers in industries where benefit offerings are less frequent, such as retail trade or accommodation and food services. As unemployment remains low and competition for good workers grows, employers in these industries are likely to seek ways to retain talent. Customizable offerings that fit industries like these with high turnover and thin margins might lead to new business. Similarly, as the proportion of younger workers grows and Baby Boomers retire, benefits providers will need to continue to adjust their offerings to attract young workers. Increased education and advice to help employees with selection may be part of the solution.

Figure 17
Making Changes to Benefits, 2018



Source: Employee Benefit Research Institute and Greenwald & Associates, Health and Workplace Benefits Survey, 2018.

Appendix - The 2018 WBS

The 2018 EBRI/Greenwald & Associates Health and Workplace Benefits Survey (WBS) examined a broad spectrum of health care issues, including workers' satisfaction with health care today, their confidence in the health care system, and their attitudes toward benefits in the workplace.

The WBS is co-sponsored by the Employee Benefit Research Institute (EBRI), a private, non-profit, nonpartisan, public-policy research organization, and Greenwald & Associates, a Washington, DC based market research firm. The 2018 WBS data collection was funded by five private organizations. Staffing was donated by EBRI and Greenwald & Associates. Additional WBS materials may be accessed at the EBRI website: <https://www.ebri.org/health/Health-and-Workplace-Benefits-Survey>

The 2018 survey was conducted online June 21–27, 2018, using the Research Now's online consumer research panel. A total of 1,025 workers in the United States ages 21–64 participated in the survey. The data were weighted by gender, age, and education to reflect the actual proportions in the employed population.

No theoretical basis exists for judging the accuracy of estimates obtained from non-probability samples such as the one used for the WBS. However, there are possible sources of error in all surveys (both probability and non-probability) that may affect the reliability of survey results. These include imperfect sampling frames, refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.