News From The Employee Benefit Research Institute

National Survey Finds Organizations Reporting Improvement in Employee Satisfaction, Recruiting, Retention, Performance and Employee Health as the Result of Voluntary Employee Benefit Programs

- Indications are that health care costs may be lower and productivity higher at organizations offering dental, vision and supplemental health insurance -

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(Washington, D.C.) – A new research report, "Expanding the Benefits Horizon: How Employers View Voluntary Offerings," published today by the Employee Benefit Research Institute (EBRI), focusing on employer perspectives on voluntary benefits and the financial protections provided to American workers, found that most organizations improved employee satisfaction, recruiting, retention, performance and employee health as a result of employee benefit programs.

"The report findings underscore the growing importance of voluntary benefits in the workplace. Employers are broadening the focus of their benefits beyond traditional offerings such as 401(k) plans and health insurance. Additionally, the research indicates that employers are expanding their focus from simply helping workers retire to providing protection for their financial well-being against health care costs, high costs of living, daily expenses and the impacts of financial-related stress. Voluntary benefits can play a critical role in helping workers flexibly address these issues, as its nature allows employees to select coverages aligning with their unique circumstances and priorities," said Jake Spiegel, senior research associate, EBRI.

Key findings include:

• **Most organizations report improvements in employee satisfaction, recruiting, retention, performance and employee health as a result of employee benefits programs.** Improving worker morale is the top-cited reason organizations offer employee benefits, as 85% of organizations say they see a positive impact on employee satisfaction as a result. Nearly three-quarters of employers also see an impact on recruiting, retention and employee performance, while 70% see a positive impact on employee health. More specifically, offering a full suite of supplemental health solutions amplifies this impact as employers that offer accident, critical illness and hospital indemnity coverages are even more likely to indicate that benefits have a positive impact on retention and absenteeism.

• **Nearly three-quarters of organizations list health care costs as an issue that their benefits program is designed to address, yet only 11% offer accident, critical illness and hospital indemnity insurance.** Seventy-three percent of employers say health care costs are one of the top issues faced by employees that their benefits seek to address. While 93% offer medical insurance, 83% offer dental insurance and 80% offer vision insurance, supplemental health insurance coverage is less commonly included in a benefits program. The most commonly offered supplemental health benefit is accident insurance, but less than half (46%) offer it. Also, far fewer offer critical illness insurance (27%) or hospital indemnity insurance (25%). Only 11% offer all three of these supplemental health insurance benefits.

• **Organizations that currently offer dental, vision and supplemental health insurance indicate health care costs would be higher and productivity would be lower, if they did not offer these benefits.** Employers broadly agree that voluntary benefits ease employee concerns, help workers weather out-of-pocket expenditures and are affordable for workers and their families. Many organizations feel that if they did not offer voluntary benefits,

they would see premiums for their group health insurance plan increase, and some also anticipated lower productivity and more absences.

The research was conducted in partnership with Lincoln Financial. “The report highlights a disconnect. Employers that offer supplemental health benefits see a great deal of value, yet many employers do not offer these benefits. Health care costs are a top five issue employees face, but just under half of the employers surveyed offered accident insurance, and under three in 10 offered hospital indemnity insurance or critical illness insurance,” said Sharon Scanlon, senior vice president, Group Protection Product, Workplace Solutions Marketing and Customer Experience, Lincoln Financial. “Those companies that offer them broadly believe that these supplemental health benefits provide affordable protection, and frequently allay employer concerns such as increased absenteeism, lower productivity and higher turnover. Employees see the value, too, as evidenced by higher-than-expected enrollment rates for these voluntary benefits. A comprehensive suite of coverage options expands employees’ benefits horizon, and in turn, can increase satisfaction, retention, performance and health.”

This survey, the first in a series of three research reports examining voluntary benefits, focused on five specific voluntary benefits — dental, vision, accident, critical illness and hospital indemnity insurance — and is based on a survey conducted in March and April 2025 using an online panel. A total of 408 employer respondents, representing 243 organizations with at least 500 employees and 165 organizations with fewer than 500 employees, were included in the research. Most of the survey respondents worked for employers with fewer than 1,000 workers and most worked for employers with less than $10 million in yearly revenue.

To view the complete research report, “Expanding the Benefits Horizon: How Employers View Voluntary Offerings,” visit https://www.ebri.org/voluntary-benefits.

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The Employee Benefit Research Institute is a nonprofit, independent and unbiased research organization that provides the most authoritative and objective information about critical issues relating to employee benefit programs in the United States. The organization also coordinates activities for the Center for Research on Health Benefits Innovation, Financial Wellbeing Research Center and Retirement Security Research Center and produces a variety of leading industry surveys during the year. For more information, visit www.ebri.org.

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(NEWS MEDIA NOTE: Email Ron Dresner at dresner@ebri.org to receive the complete research report).