EBRI

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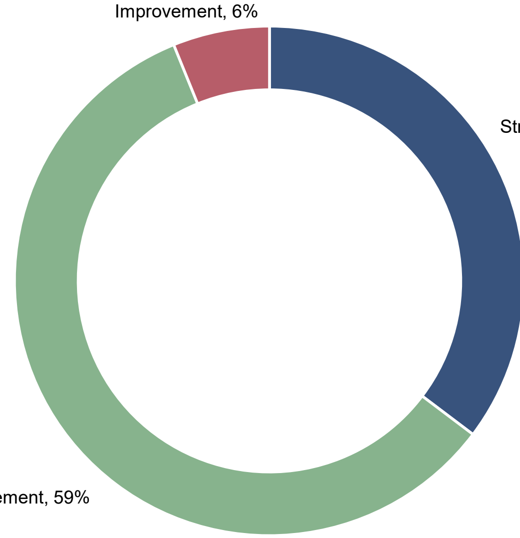
FAST Facts

The Benefits Communication Disconnect

Employers often point to their benefits packages as a tool to attract and retain a high-quality work force. To that end, employers often develop benefits communications strategies with goals such as encouraging employee participation, increasing benefits understanding, maximizing engagement, driving awareness, or achieving some other goal. Whether that strategy takes the form of webinars, flyers in a break room, targeted email campaigns, some other strategy entirely, or a mix of all of the above differs from employer to employer, based on their unique employee populations with distinct needs and communication preferences.

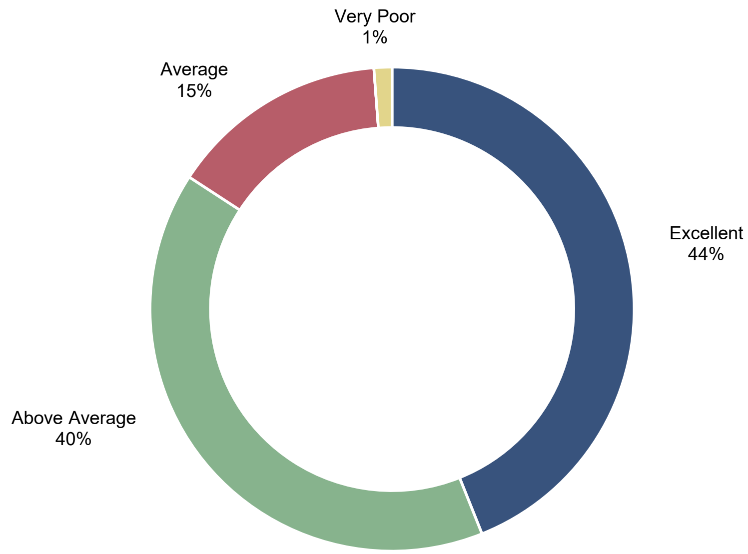
Recent research from EBRI in collaboration with Lincoln Financial indicates that while some employers — roughly one in three — believed that their communications about benefits were strong, most felt that there was at least some room for improvement, shown below in Figure 1.

Figure 1
Employer Self-Rated Communications About Benefits



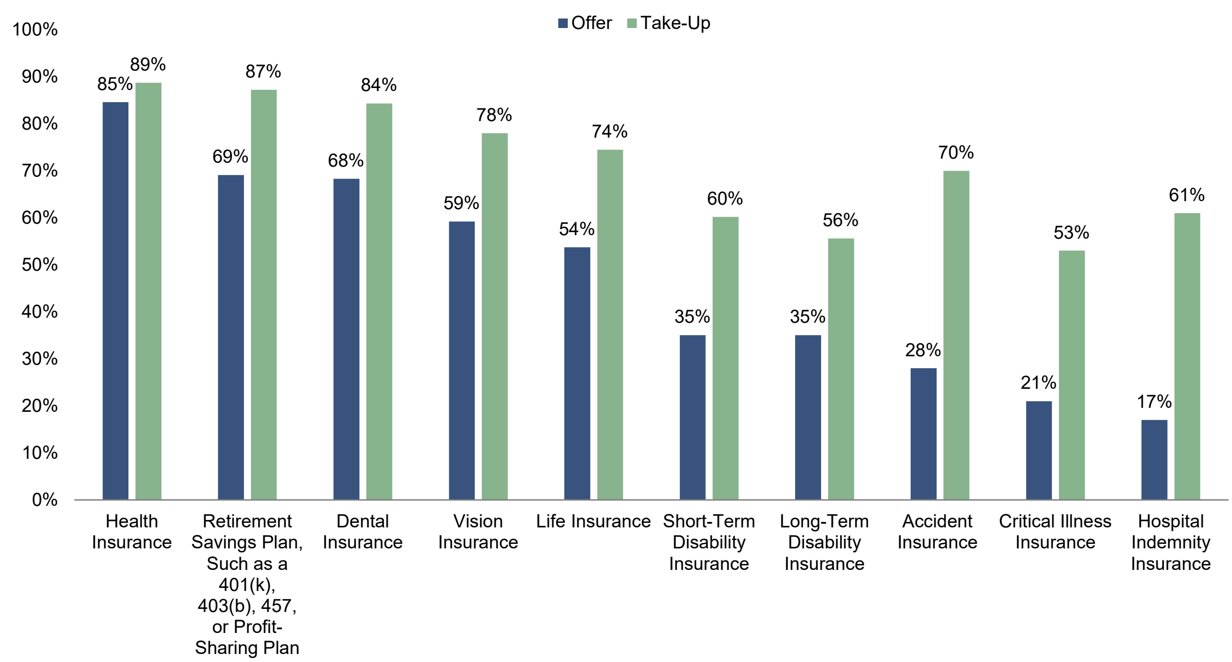
Brokers also play a vital role in benefits communications strategies with the employers they support, as the vast majority — 98 percent of those surveyed — communicated directly with employees about benefits as well. Brokers, for their part, tended to be more satisfied with benefits communications than employers. Ninety-nine percent of brokers rated their communications with both employees as at least average, shown below in Figure 2. Eighty-four percent of brokers believed their communications with employees were either above average or excellent, and only 16 percent felt their communications were average or worse.

Figure 2
Broker Self-Rated Communications With Employees About Benefits



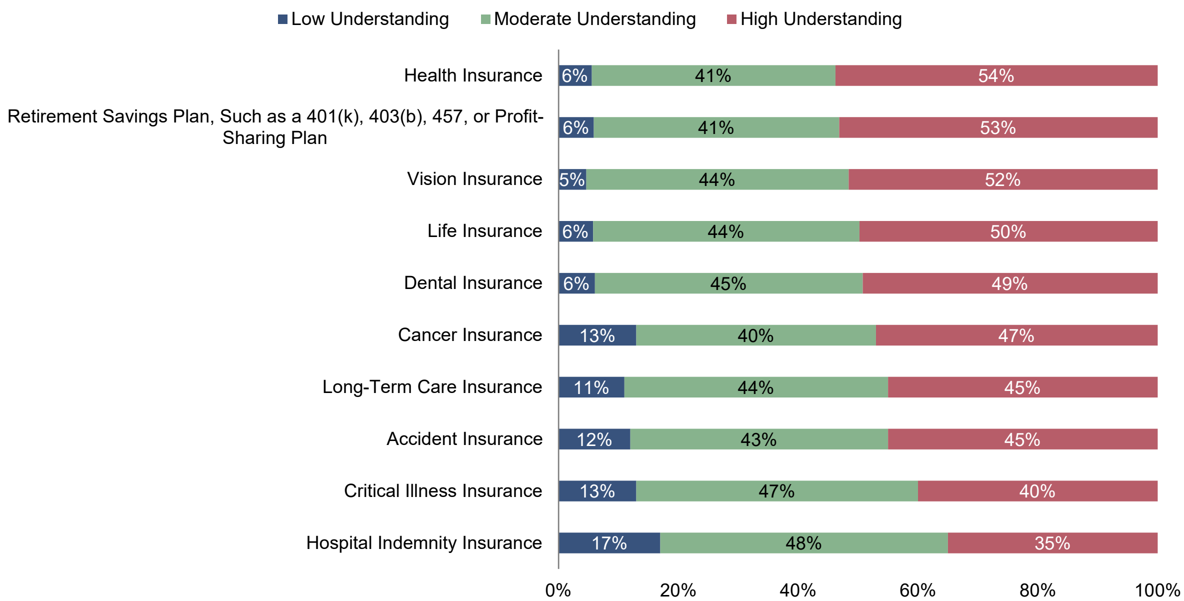
However, these communication efforts on the part of both brokers and employers may not be resonating with employees. The findings suggest that employer and broker communication efforts are not always translating into employee awareness or understanding of voluntary benefits. When both employees and employers were surveyed about benefit offerings, there was a persistent gap between what employers reported offering and what employees reported being offered, shown below in Figure 3. Gaps were particularly wide for voluntary benefits such as vision insurance (80 percent of employers reported offering, 59 percent of employees reported being offered) and accident insurance (46 percent of employers reported offering, 28 percent of employees reported being offered).

Figure 3
Comparison of Employee-Reported Awareness and Employer-Reported Availability, Selected Benefits



In addition to an awareness gap, employees generally did not express confidence in their understanding of various benefits. While a slim majority of employees expressed a high level of understanding of traditional benefits such as health insurance and retirement plans, most have room to improve their understanding of a range of supplemental health benefits, such as accident insurance, critical illness insurance, or hospital indemnity insurance, shown below in Figure 4.

Figure 4
Employee Self-Rated Understanding of Selected Employee Benefits



While brokers tended to view their communications with employees about voluntary benefits as strong, nearly two-thirds of employers recognized that there is some room for improvement. This view is reflected by an awareness gap: a smaller share of workers reported that their employer offered a particular benefit than the share of employers reporting they offered that benefit. In addition to an awareness gap, many workers did not express strong confidence in how well they understand their benefits, with fewer than half reporting a high level of understanding of cancer insurance, accident insurance, critical illness insurance, and hospital indemnity insurance.

Data for this *Fast Fact* were sourced from surveys conducted as part of a research program called Benefits in Focus: Supplemental Health, Dental, and Vision Perspectives. EBRI was able to fund the development of this research thanks to support from Lincoln Financial.

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