

The State of Employee Benefits: Findings from the 2017 Health and Workplace Benefits Survey

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

AT A GLANCE

The EBRI/Greenwald & Associates Health and Workplace Benefits Survey (WBS) studies a wide array of topics related to employee benefits including employees' knowledge of their benefits, confidence in making benefit decisions and satisfaction with their benefits package. Because the survey has been conducted over several years, researchers from the Employee Benefit Research Institute (EBRI) and Greenwald & Associates are able to trend results to gain an understanding of employees' changing perspective about their benefits over time.

The 2017 survey was conducted online June 13-22, 2017, using the Research Now consumer panel. A total of 1,518 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.

This EBRI *Issue Brief* identifies the key findings from the 2017 survey:

- Benefit offerings generally remain similar between years, with the most frequently offered benefits being health insurance (67 percent), dental insurance (59 percent) and retirement savings plans (57 percent). The exceptions are disability insurance and traditional pension plans, which have declined in prevalence since 2013.
- Just over one-half (52 percent) of employees say they understand their health benefits and 43 percent indicate they understand their non-health benefits very/extremely well. Both statistics are down from 2016, when 61 percent indicated they understood their health benefits and 48 percent said they understood their non-health benefits very/extremely well.
- Nonetheless, most employees are satisfied with their benefits: Nearly one-half of employees indicate they are very or extremely satisfied with their benefits; another 36 percent say they are somewhat satisfied. In addition, employee satisfaction with benefits relates to overall job satisfaction. Employees who are extremely or very satisfied with their benefits are more likely to say they are extremely/very satisfied with their job.
- Further, benefits continue to be valued by employees. Health insurance, retirement plans, dental, vision and life insurance continue to be highly important when making job change decisions. In fact, more than 4 in 10 say they would forgo a wage increase to receive an increase in their work-life balance benefits, and nearly two in ten state a preference for more health benefits and lower wages.
- Still, fewer than one-half of employees are confident that in three years their employer will offer benefits similar to today. Those anticipating change tend to predict weakening benefits offerings.

Paul Fronstin is director of the Health Education and Research Program at the Employee Benefit Research Institute (EBRI). Lisa Greenwald is executive vice president for Greenwald & Associates. 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.

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2017 Health and Workplace Benefits Survey Partners

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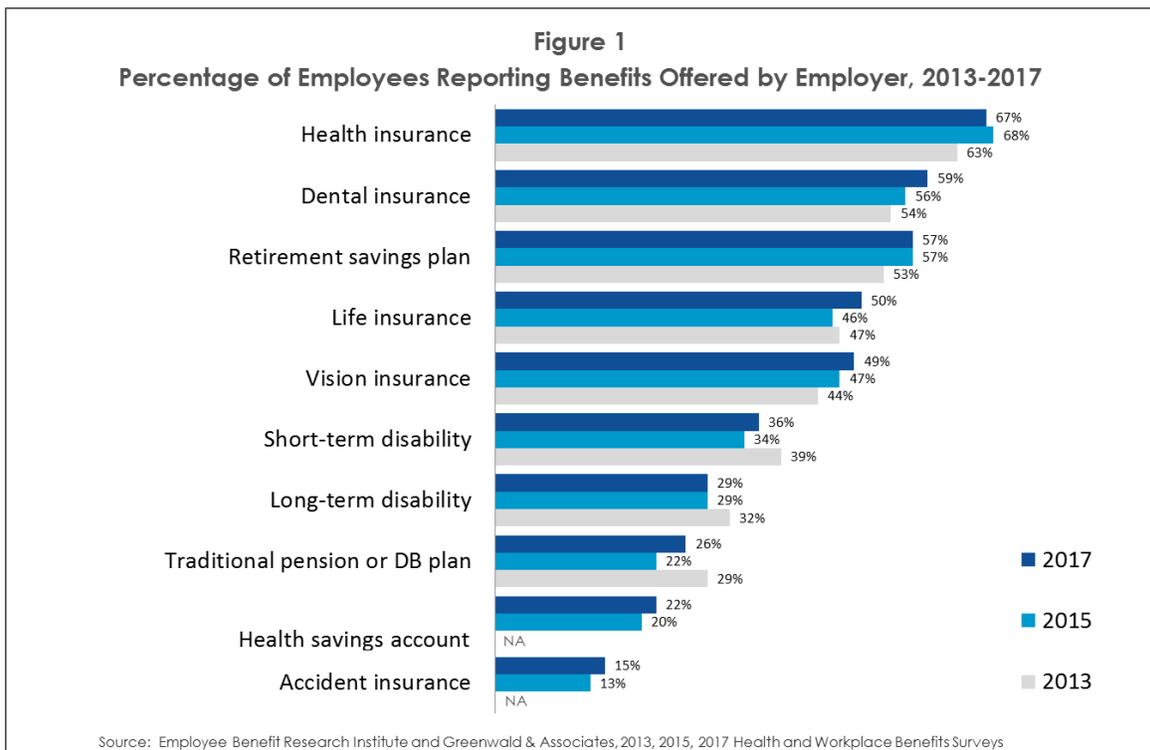
Introduction

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; and their perspectives on health benefits, health care, and the future of employee benefits.

This *Issue Brief* provides a summary of the recent findings from the 2017 EBRI/Greenwald & Associates Health and Voluntary Workplace Benefits Survey (WBS). It highlights changes in employee viewpoints over time, especially changes related to valuation of benefits.

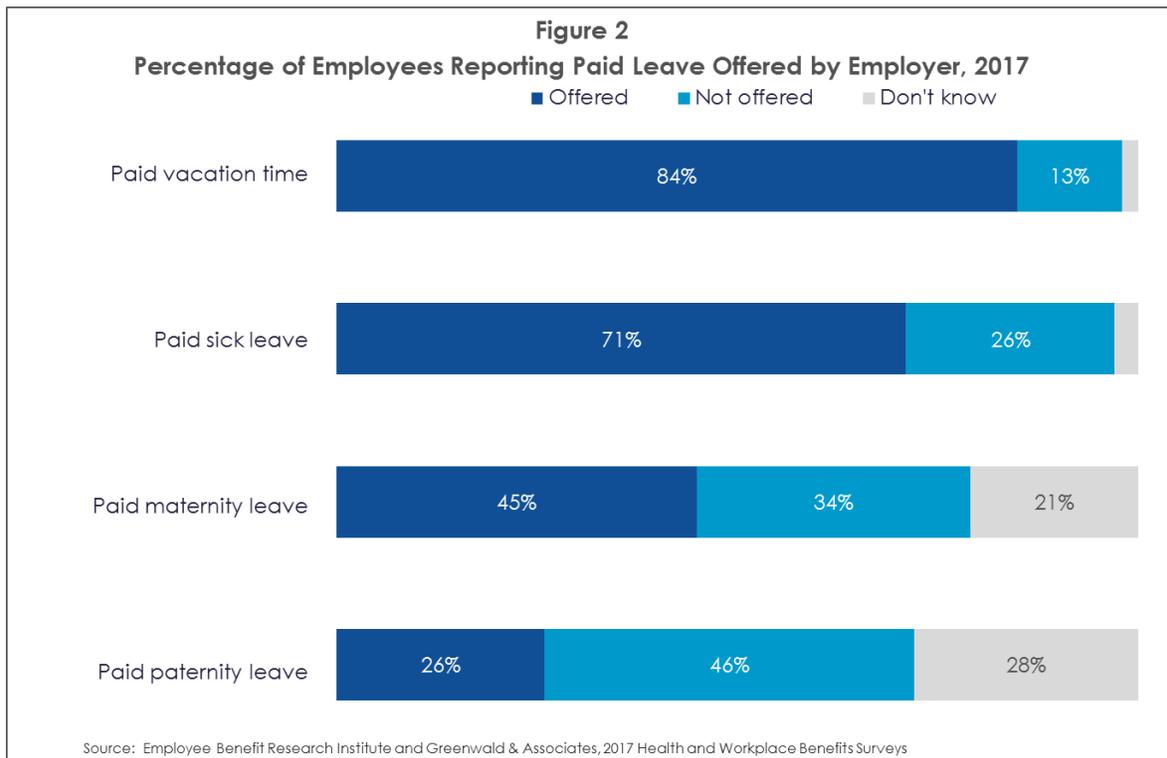
Coverage: What Benefits Do Employees Have Today?

Employees receive a wide variety of benefits from their workplace, both employer-sponsored as well as voluntary benefits. Figure 1 shows that the percentage of employees indicating they receive specific benefits such as health insurance, dental insurance and retirement savings from their employer has increased over time. This increase in offerings is generally consistent across most benefits, except for traditional pensions or defined benefit plans, as well as short-term and long-term disability.



Recently, there has been much interest in employer-sponsored paid leave policies across the United States, both in terms of sick leave and family leave policies. In 2017, 84 percent of employees say they receive paid vacation time and 71 percent say they receive paid sick leave. In addition, 45 percent of employees state their company offers paid

maternity leave. In terms of paternity leave, a relatively new employee benefit, 26 percent of employees indicate their employer has a paid paternity leave policy (Figure 2).



Student Loan Assistance: In the last few years, there has been concern about the new generation of college graduates entering the workforce with a tremendous amount of student-loan debt. In response to this trend, employers have been looking at ways they can help this new generation become more financially secure. New this year, employees have been asked if employers provide some level of student-loan-debt relief or repayment assistance. Thirteen percent say that their employer provides student-loan-debt relief/repayment assistance.

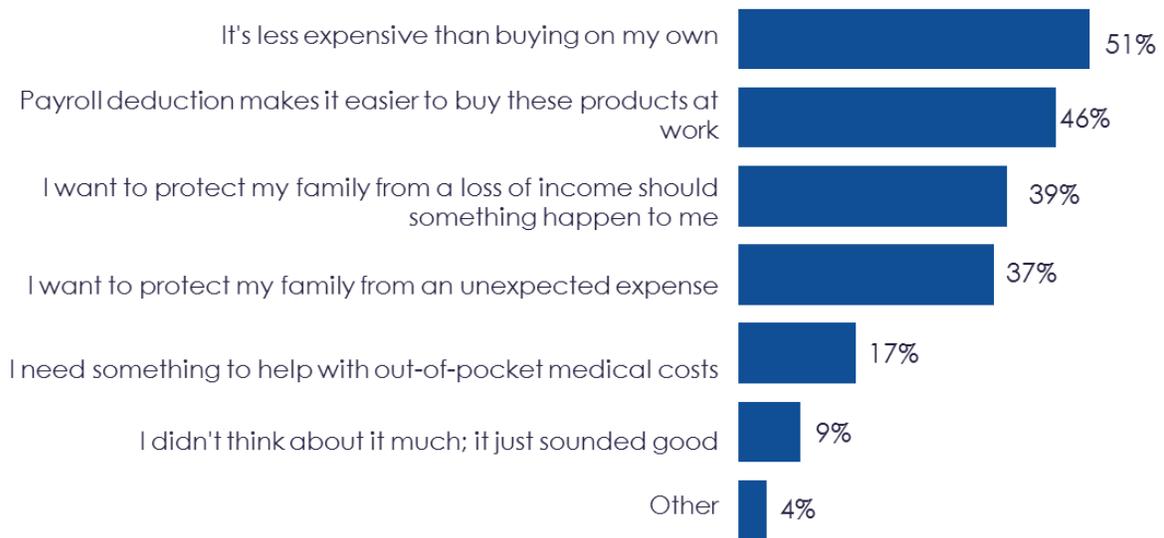
In addition to traditional benefits, a small percentage of employees access voluntary benefits (13 percent). As in past years, employees say they purchase this coverage because it is less costly than what they can purchase on their own (51 percent), they like the ease of payroll deductions (46 percent) and they want to protect against financial loss (39 percent) (Figure 3).

Interestingly, employees with high-deductible health plans (HDHPs) are slightly more likely to have voluntary benefits (18 percent versus 13 percent for non-HDHP participants). When asked why they choose to purchase voluntary benefits, HDHP participants are more likely to note cost and a desire to protect against income loss or unexpected expenses than non-HDHP participants (Figure 4).

Knowledge: How Well Do Employees Understand Their Benefits?

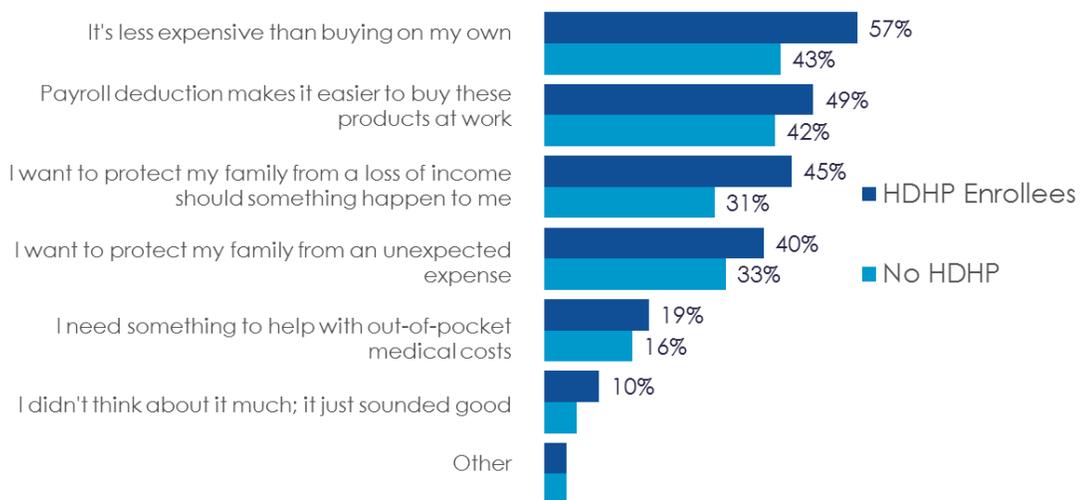
Employee knowledge of their benefits varies based on the type of benefit. Figure 5 shows that just over one-half (52 percent) of employees say they understand their health benefits very or extremely well. When asked about non-health benefits, that number drops slightly, with only 43 percent indicating they understand these benefits extremely or very well (Figure 6).

Figure 3
Reasons for Purchasing Voluntary Benefits, 2017



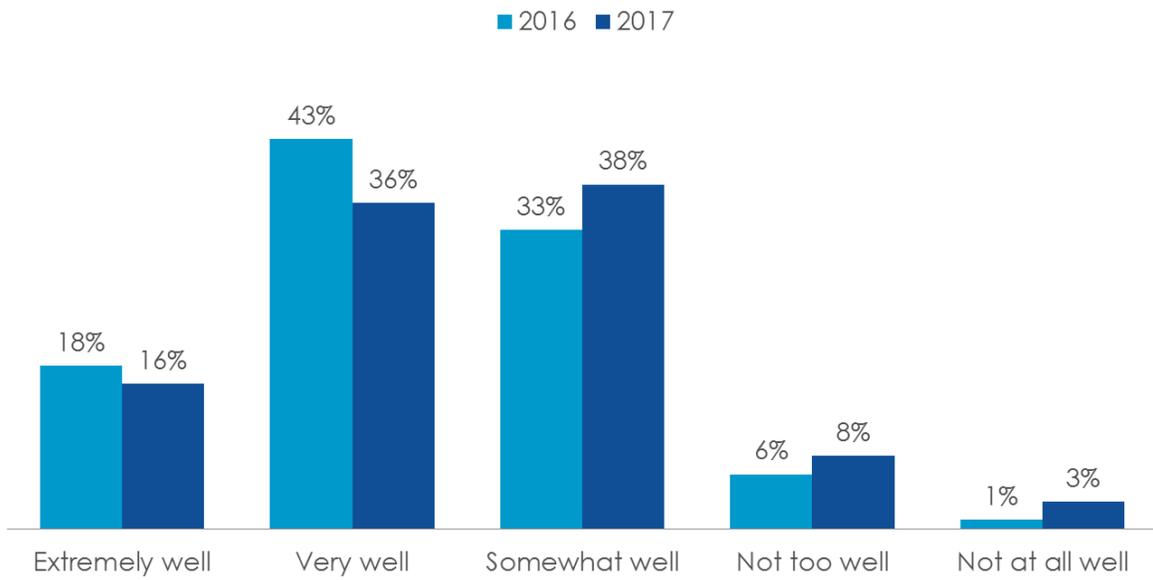
Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Health and Workplace Benefits Surveys

Figure 4
Reasons Employees with High-Deductible Health Plans Purchase Voluntary Benefits, 2017



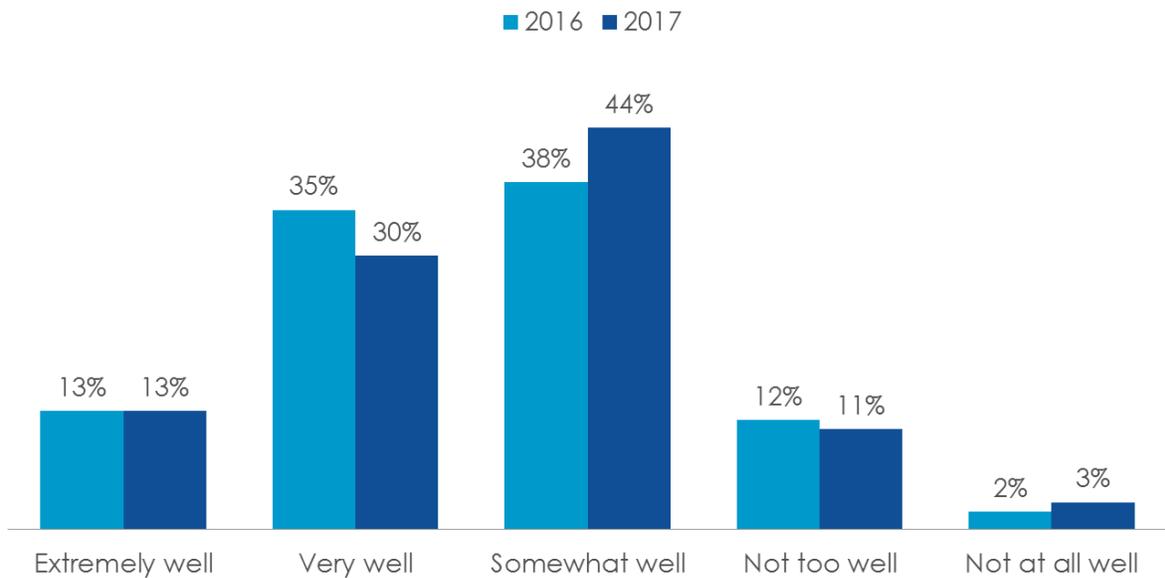
Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Health and Workplace Benefits Surveys

Figure 5
Employees' Understanding of Health Benefits, 2016-2017



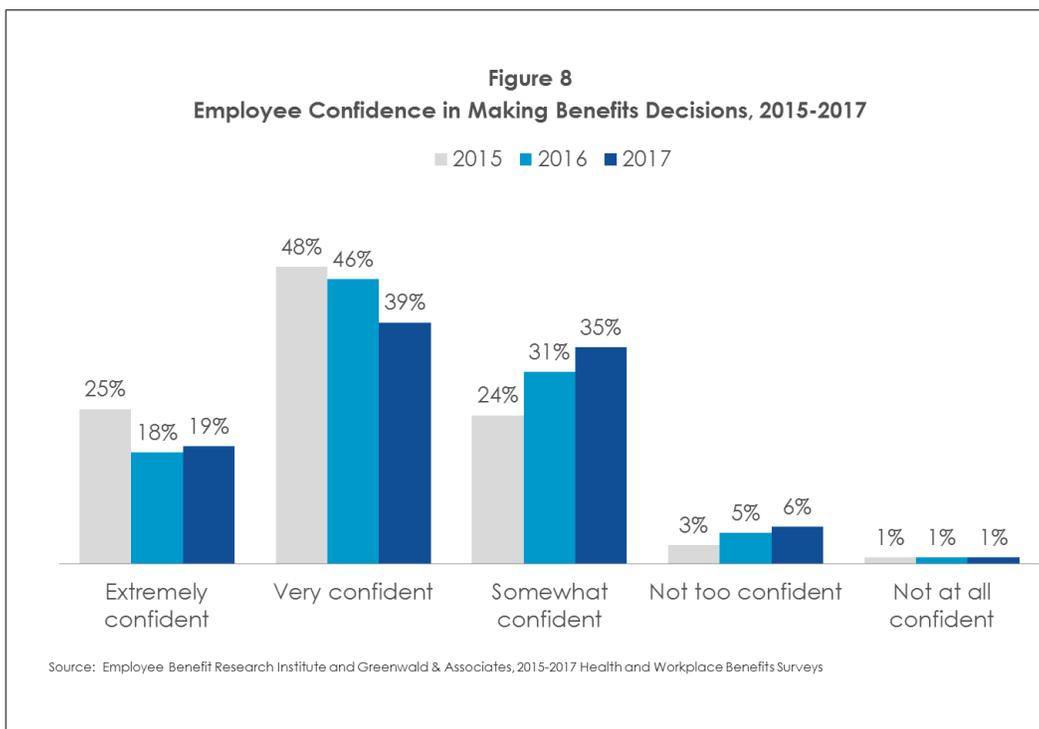
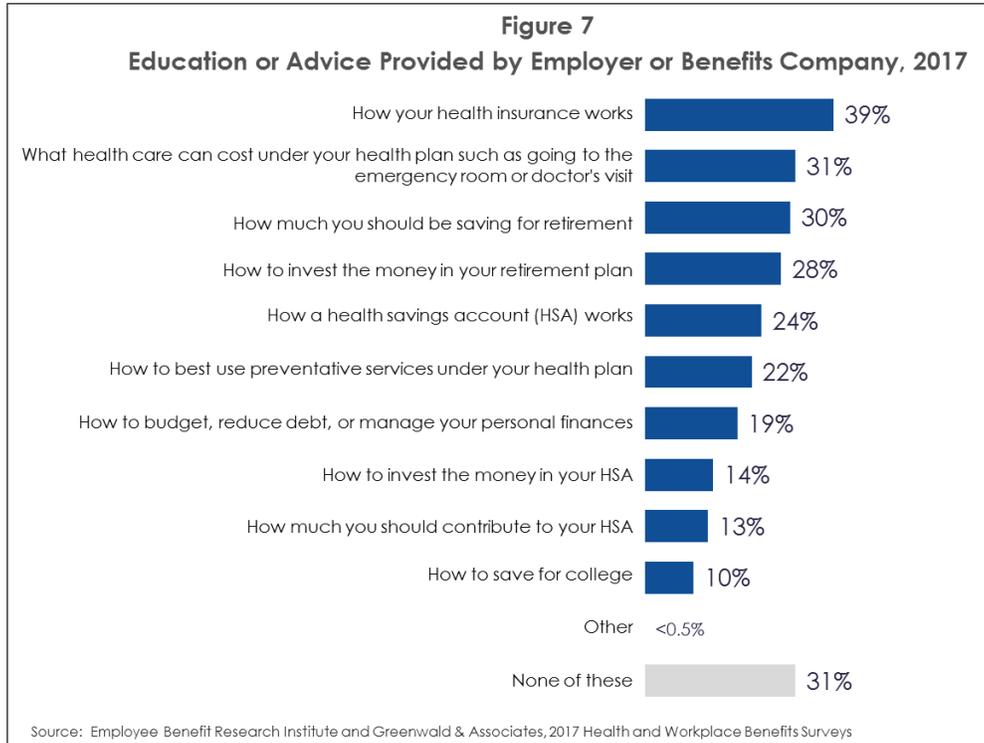
Source: Employee Benefit Research Institute and Greenwald & Associates, 2016-2017 Health and Workplace Benefits Surveys

Figure 6
Employees' Understanding of Non-Health Benefits, 2016-2017

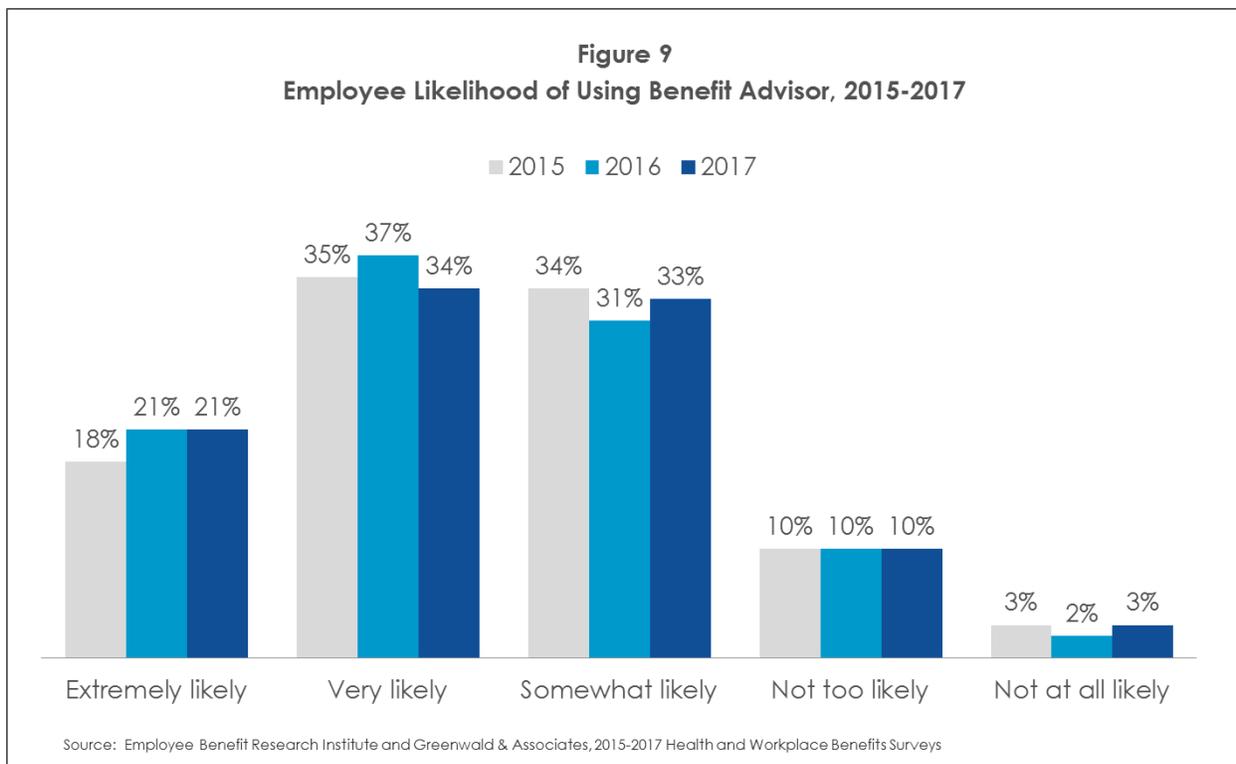


Source: Employee Benefit Research Institute and Greenwald & Associates, 2016-2017 Health and Workplace Benefits Surveys

Some of this limited understanding of benefits may come from the lack--or perceived lack--of benefit educational opportunities that employees are receiving from their employer. Nearly one-third (31 percent) of employees indicate that their employer or benefits company provides no education or advice on benefits. Only 39 percent state that their employer provides education on how health insurance works, 24 percent say that their employer provides education on how a health savings account works, 28 percent confirm that their employer offers education on how to invest money in the retirement plan (Figure 7).



This lack of education and understanding may explain the decline in confidence employees express in making a benefit decision. In 2017, nearly 60 percent of employees say they are extremely or very confident in their ability to make a benefit decision. That is down from 73 percent in 2015 (Figure 8). In addition, many employees say they would seek guidance in making decisions if given the chance. When presented with a situation where an employer provides access to a benefits advisor at no cost, 55 percent say they are very or extremely likely to consult that advisor (Figure 9).



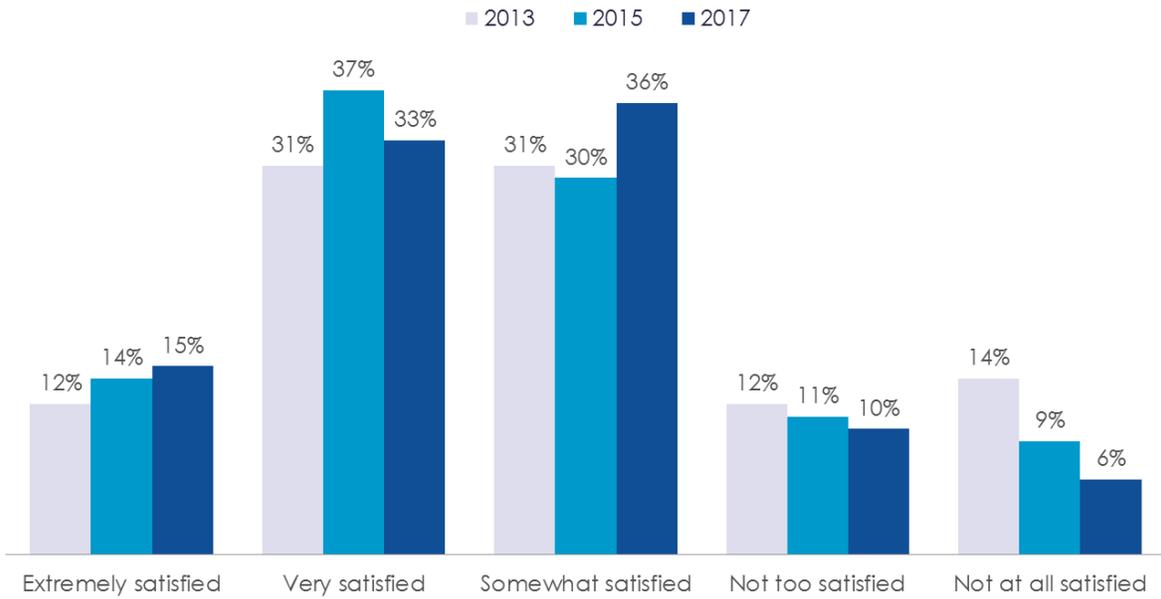
Importance of Benefits: Satisfaction and Valuation

Nonetheless, employees are generally satisfied with their current benefits package. Nearly one-half of employees (48 percent) indicate they are very or extremely satisfied with their benefits, another 36 percent are somewhat satisfied (Figure 10). The proportion that is not at all satisfied is at a three-year low, at 6 percent.

In addition, the study finds that employee satisfaction with benefits relates to overall job satisfaction. Figure 10 shows employees who are extremely or very satisfied with their benefits are more likely to say they are extremely/very satisfied with their job. Similarly, those who are extremely/very satisfied with their benefits are more likely to say employee morale at the workplace is excellent or very good (Figure 11).

Although employees are satisfied with benefits, there is the overarching question of how valuable benefits are in relation to wages. Employees responded to two questions regarding the trade-off between wages and benefits. In the first instance, they must choose between a wage increase next year versus an increase in their work-life balance benefits, such as paid time off or telecommuting. Forty-four percent say they would give up a wage increase for increased work-life balance benefits (Figure 12). In the second trade-off scenario, employees must rate their satisfaction with health benefits as it relates to higher/lower wages. Sixty-three percent indicate satisfaction with the health benefits they receive right now, while 17 percent say they would rather have more health benefits and lower wages. Another 20 percent say they would prefer fewer health benefits and higher wages (Figure 13).

Figure 10
Satisfaction with Benefits Package, 2013-2017



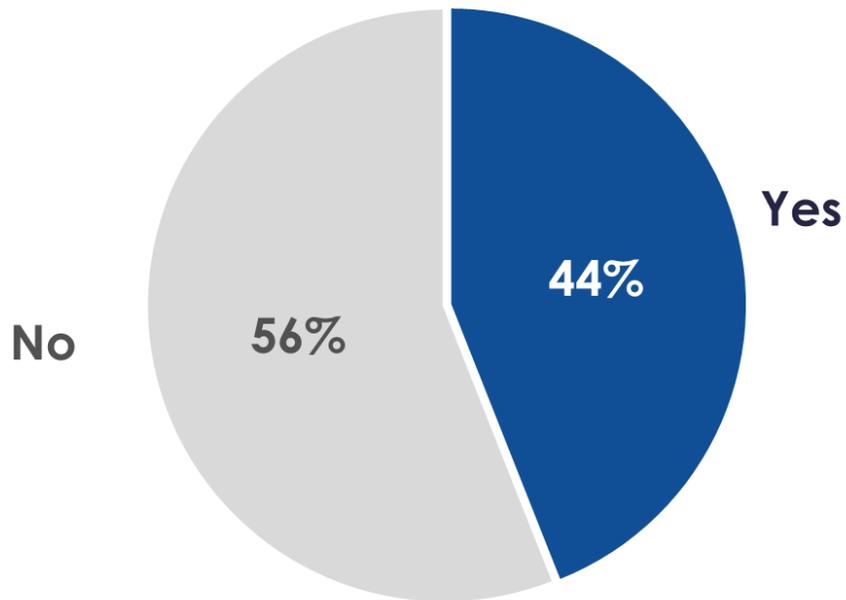
Source: Employee Benefit Research Institute and Greenwald & Associates, 2013, 2015, 2017 Health and Workplace Benefits Surveys

Figure 11
Benefits Satisfaction, Job Satisfaction and Employee Morale, 2017

	Benefits Satisfaction		
	Extremely/Very (n=729)	Somewhat (n=546)	Not too/Not at all (n=243)
Job Satisfaction			
Extremely/very	82%	44%	26%
Somewhat	16%	46%	46%
Not too/not at all	2%	10%	28%
Employee Morale			
Excellent/very good	63%	32%	22%
Good	25%	42%	31%
Fair/poor	12%	26%	47%

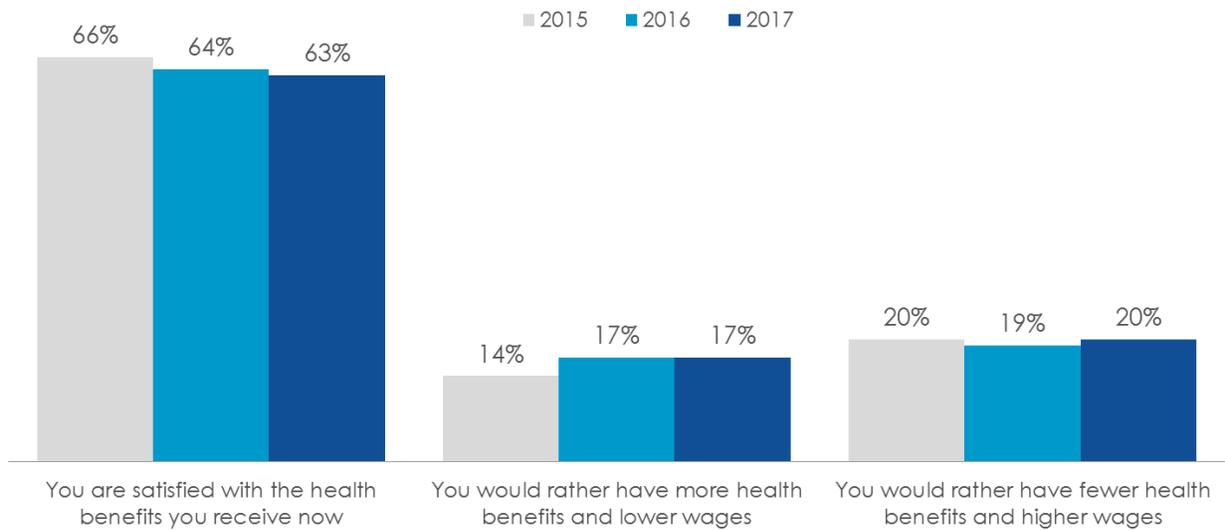
Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Health and Workplace Benefits Surveys

Figure 12
Willingness to Forgo Wage Increase for Increase in Work-Life Balance Benefits, 2017



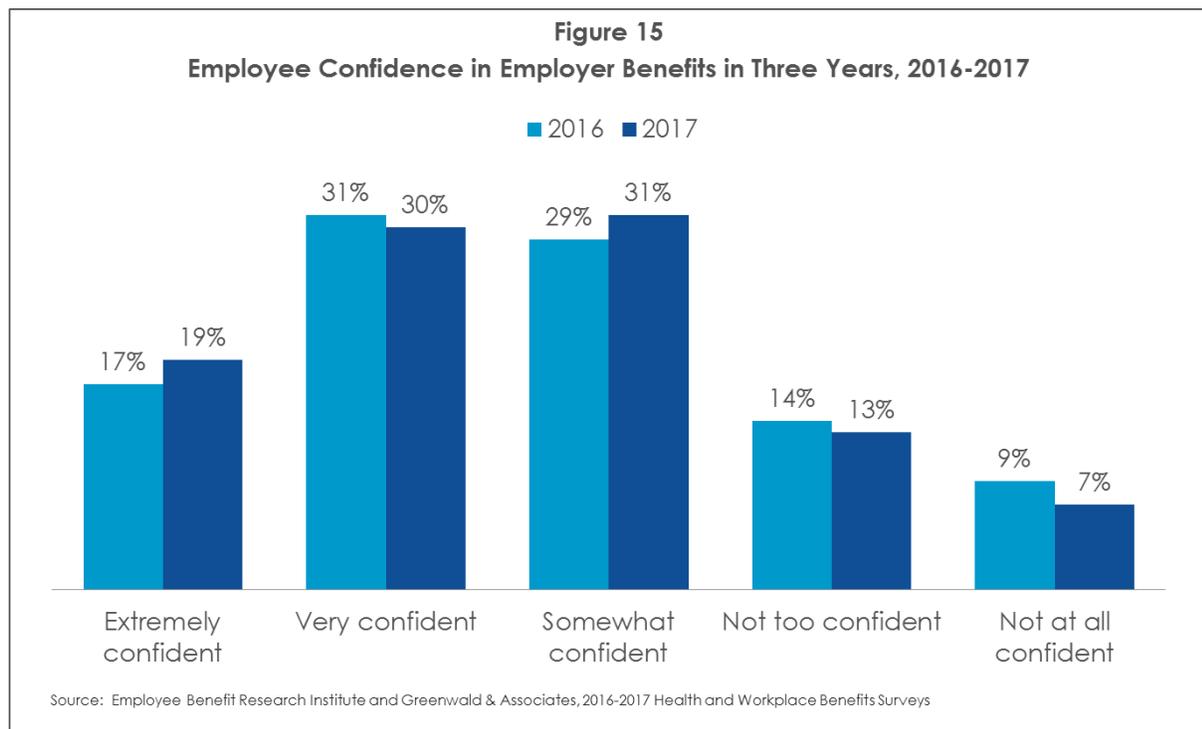
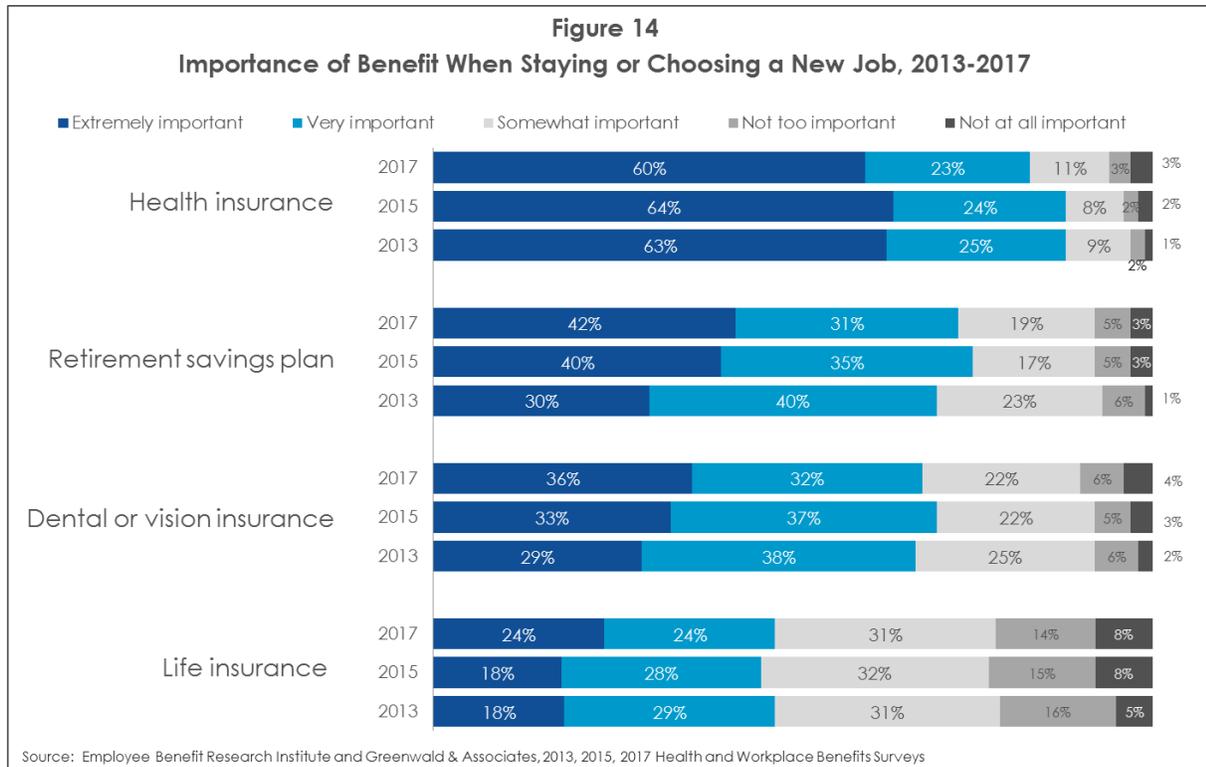
Source: Employee Benefit Research Institute and Greenwald & Associates, 2017 Health and Workplace Benefits Surveys

Figure 13
Trade-off Between Health Benefits Received Today and Wages, 2015- 2017



Source: Employee Benefit Research Institute and Greenwald & Associates, 2015-2017 Health and Workplace Benefits Surveys

Employees continue to indicate that benefits play a key role in whether to remain at a job or choose a new job. Since 2013, health insurance consistently remains one of the top benefits that employees consider in assessing a job change. In 2017, 83 percent say that health insurance is very or extremely important in deciding whether to stay in or change jobs. A retirement savings plan is also one of the critical benefits, with 73 percent indicating it is extremely or very important in determining whether to stay in or switch jobs (Figure 14).



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 their current benefits packages, there is growing concern about what the state of employer-sponsored benefits will be in the future. When asked how confident they are that in three years their employer will offer benefits similar to today, only 19 percent of employees say they are extremely confident and another 30 percent say they are very confident (Figure 15). For employers, the challenge is how to provide the strong employee benefits package that employees want and need, while still controlling the costs of these benefits, particularly health care.

Appendix- The 2017 Health and Workplace Benefits Survey

The 2017 EBRI/Greenwald & Associates Health and Voluntary Workplace Benefits Survey (WBS) examines 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, nonprofit, nonpartisan, public-policy research organization, and Greenwald & Associates, a Washington, DC based market research firm. The 2017 WBS data collection was funded by six private organizations. Staffing was donated by EBRI and Greenwald & Associates. Additional WBS materials may be accessed at the EBRI website: www.ebri.org/surveys/hcs.

The 2017 survey was conducted online June 13-22, 2017, using the Research Now consumer panel. A total of 1,518 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.

Previously published trend data from the EBRI/Greenwald & Associates Health Confidence Survey (HCS) may differ from those published in more recent reports as the prior data have been recut from the total adult population to match the survey population of the WBS: workers ages 21–64. In addition, comparisons of 2016 data with data from years before 2013 should be viewed with caution due to the move from telephone to online methodology in 2013.

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.

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