

# MIND THE GAP

## Employee benefits survey

2023



# Introduction

I'm delighted to introduce this report, which reveals findings of the 'Mind the Gap' survey by PIB Employee Benefits. The research has been driven by the need to highlight what employees need or want, and the steps that business leaders can take to engage and support their workforce.

Many people only engage with their benefits on an annual basis and our research completed in September 2023 shows that 16% of employees receive no benefits at all from their employer.

1,000 employees were surveyed, and some headlines show that:

- > Only 14% of employees are very satisfied
- > Nearly a third of employees (28%) do not access any information about their benefits
- > 53% of employees would leave their current role for better benefits elsewhere

Many high-performing companies view benefit provision as a way to address employee need – they are not a tick-box exercise or a 'nice to have', but they have a meaningful impact on the lives of their employees. Whether you're a large global corporation, or a microbusiness with a handful of employees, a tailored benefits strategy can help support your people goals.

A comprehensive and flexible benefits programme can play an important role in attracting and retaining talent, whatever the stage in their lives or career. It's one part of creating a compelling employer value proposition, which in turn can lead to powerful employee advocacy, increased customer satisfaction, and business growth. Making the investment has true commercial value.

So – what do employees want, exactly? What challenges are they facing and where do they need more support? Where are the gaps that employers could help close?

The insight and commentary from our inhouse experts in this report aims to answer those questions. And of course, if you'd like some support in choosing which gaps you might want to close, and understanding how to do that, please get in touch with a member of the team. We'd be happy to help.



**Joanne Payne**  
Chief People Officer  
PIB Group

Part 1

# PROVISION



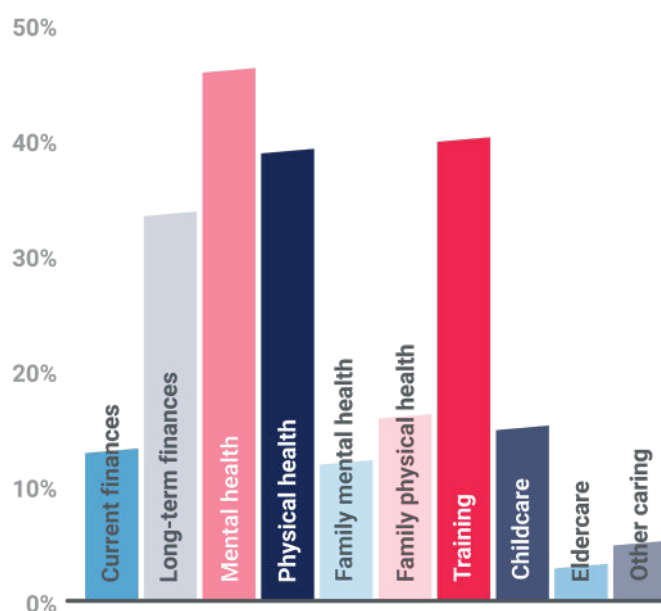
# What support are employees getting from their employers?

We know there isn't a one-size-fits-all approach to employee benefits; it depends on your employee population and their needs. People have unique circumstances, which is why we typically advocate that companies provide as much choice as they can within their benefits strategy.

Our research suggests that employees are receiving the highest levels of support around long-term finances and mental and physical wellbeing:

- > 34% of employees have support with their longer-term finances
- > Nearly half (45%) of employees get support for their mental health
- > 39% of employees have support for their physical health

## What employee benefits do employees get?



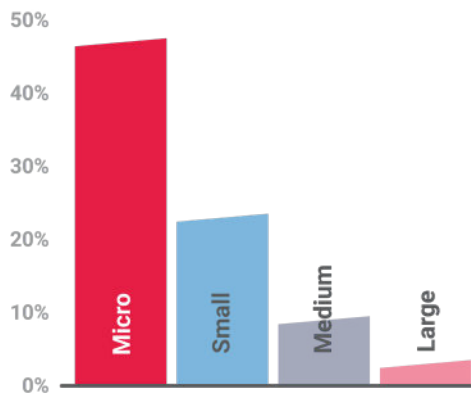
### The 'Cost-of-Living Crisis' Gap

A third of employees are unhappy with the support their employer gives them to help with everyday finances. Giving employees the tools to help them manage debt, rising costs and everyday expenses can reduce financial-related stress and therefore absenteeism. There is a huge opportunity for employers to provide more support to employees in this area.

## The SME gap: Benefits provision

Our research also shows a disparity in benefits provision by organisation size; smaller businesses are less likely to provide employee benefits to their workforce:

### Companies with no employee benefits provision, by size (%)



### Employee benefit provision varies significantly by industry

Employees in the construction, hospitality and leisure, and housing industries are more likely not to receive any employee benefits from their employer. Finance, IT, and legal were most likely to provide benefits to their employees.



### Q: How can companies use employee benefits to alleviate the financial pressure arising from the cost-of-living crisis?

**A:** Regardless of size of employer, there's a clear need to support employees' financial and mental wellbeing - but in the SME space budgets and internal resource are always stretched. Low-cost solutions can provide a range of support to employees such as retail discount portals via **glo** or health cash plans that help employees save money on their everyday cost-of-living spend. Insured benefits also often come with value-added services, such as employee assistance programmes and virtual GPs. These can make an impactful difference to employees' wellbeing without requiring significant budget and have a light touch on administration support.

[Download our SME guide >](#)

# How happy are employees with the benefits they get?

When it comes to employee satisfaction with their benefits offering, it's mostly good news:

**62% of employees are fairly or very satisfied with the employee benefits they have.**

### Age and Gender Gap

Interestingly, age and gender both influence satisfaction levels:

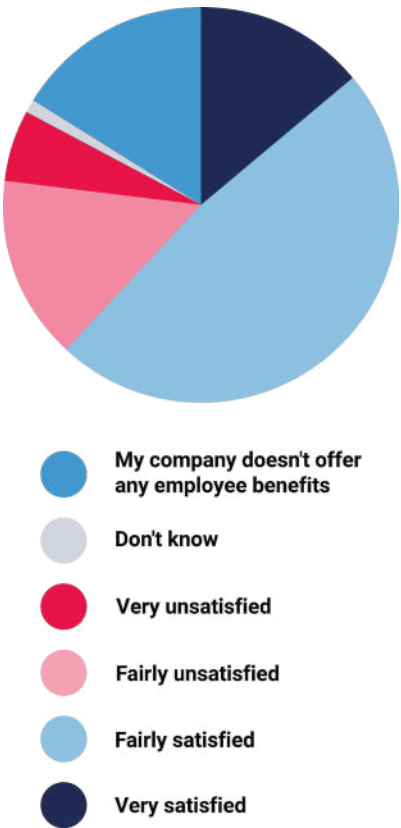


Men are more likely to be satisfied with their benefits than women (66% vs 59%).



Younger generations are less likely to be satisfied with their benefits. 23% of under 35s reported they were 'fairly unsatisfied' vs 15% of 35-54s and 8% of the 55+ age group.

## How satisfied are employees with their benefits?



Our research also shows a clear correlation between company size and benefits satisfaction:

	Micro	Small	Medium	Large
Satisfied	40%	50%	65%	77%
Unsatisfied	12%	27%	25%	20%
No benefits	48%	23%	10%	3%

## Where do employees need more support?

Our research shows that there are still significant gaps between employee needs and benefits provision:



29% would like more support with their physical health



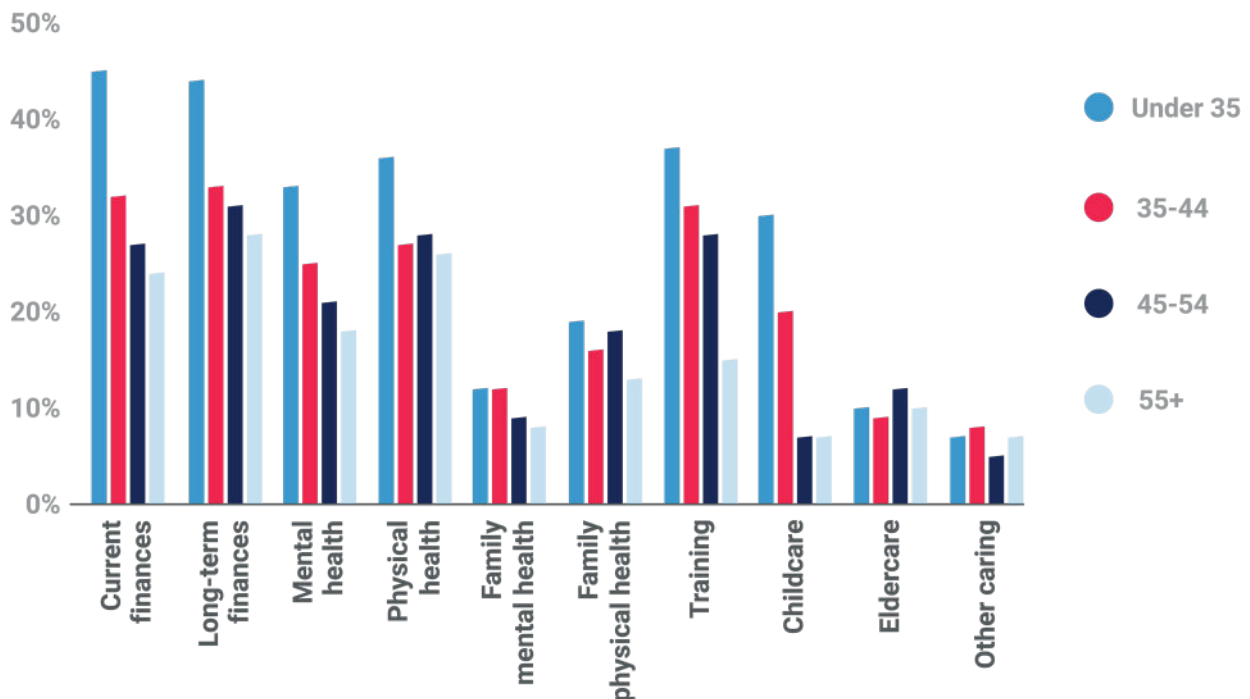
A third would like more support with their current finances



24% would like more support with their mental health

When we reviewed by demographic, there was an overwhelming trend for additional support required for the younger millennial and Gen Z segment:

### Where would employees like more support from their employer?



### The 'Other' Gap

We also gave employees the option to share what else they would like support with. Responses included the ability to buy additional leave, enhanced maternity/paternity leave and travel costs.

## The gap between employee needs and provision

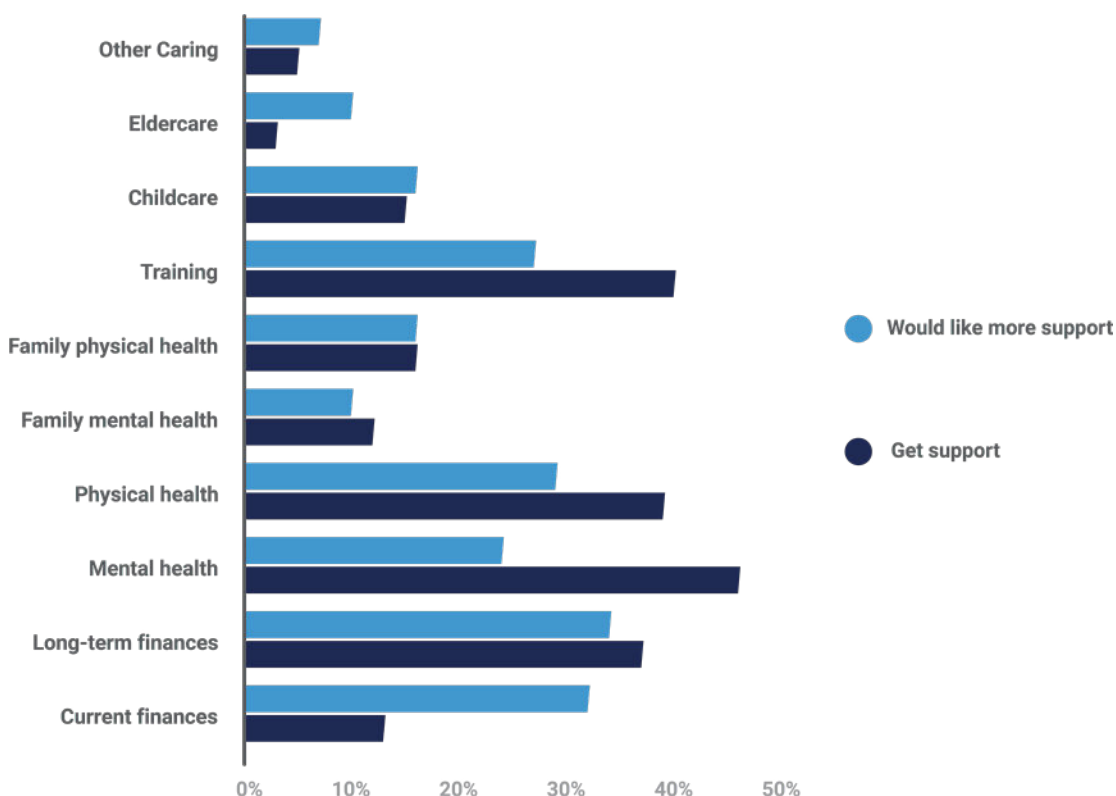
There are three key areas where support is more widely given, but employees would still like further support:

**Training:** 27% of employees responded that they would like more support with training. There was a distinct generational divide here, with younger generations wanting more training and support; 37% of under 35s would like more support, compared to 28% of 45-54s and just 15% of 55+ age brackets.

**Physical health:** Nearly a third of employees would like more support to manage their physical health. Under 35s were more likely to respond they wanted support; at seven percentage points higher than average – potentially an indication that existing provision is not serving the needs of the younger workforce.

**Mental health:** A quarter of employees (24%) responded they wanted more support with their mental health. As with physical health, under 35s were more likely to respond they wanted support – nine percentage points over average. The reason is probably multifaceted; a greater awareness of mental health symptoms, the adverse impact of socioeconomic volatility and provision that doesn't align to under-served needs.

### Emerging risks: Where are the support gaps?



Considering the huge amount of economic volatility and instability in the past 18 months, it's understandable that we are now seeing gaps emerge between employee needs and provision. Many organisations are tied into an annual benefits review cycle, which can make it difficult to respond in a quick, agile way to emerging risks.

*Clare*

**Clare Dare**  
Head of Consulting - Health & Wellbeing

Part 2

# IMPACT



## Where are employers providing support?

Our research shows that there still exists a divide between traditional and emerging benefits. It has been well established that employers will support employees with training, pension planning, and their physical health – and we are starting to see a shift towards including broader support into the benefits matrix:

- > Employee's mental health (46%)
- > Training (40%)
- > Employees' physical health (39%)
- > Long-term finances (34%)
- > Family physical health (16%)
- > Childcare commitments (15%)
- > Current finances (13%)
- > Family mental health (12%)
- > Other caring commitments (5%)
- > Eldercare commitments (3%)

Whilst it's encouraging to see that mental health support is the number one area where employers are providing assistance, it's still concerning that over half of employees are not getting any form of mental health support from their employers.



*Suzanne*

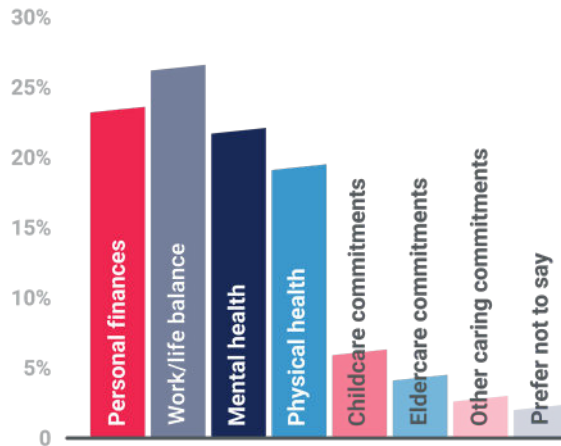
**Suzanne Summerfield**  
Wellbeing Consultant



# What are employees struggling to manage?

We asked employees about the areas they are currently struggling to manage, with work/life balance (26%), personal finances (23%) and mental health (22%) the three most common areas:

## What are employees struggling to manage?

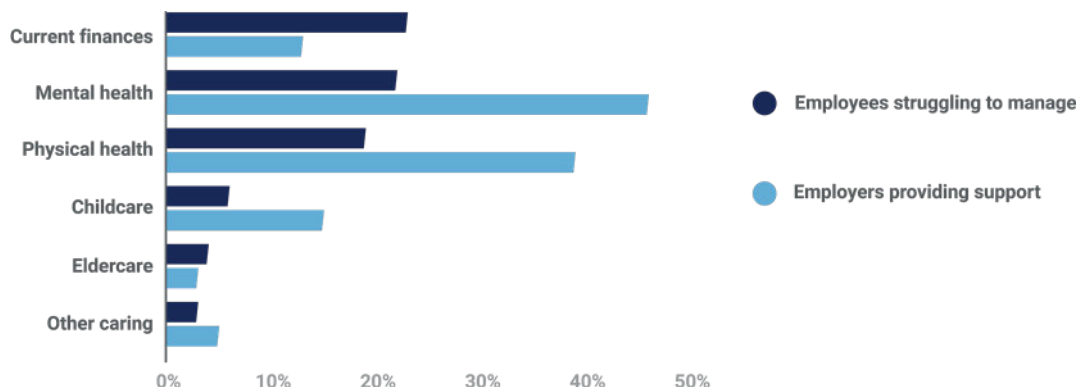


Employees who have access to more employer support are less likely to report that they are 'struggling to manage'



A quarter of employees who are 'struggling to manage' are likely to leave their role in the next 12 months

## Support vs provision



# Identifying emerging employee needs

When we look at the responses by demographic, it reveals an unbalanced picture of employee needs.

- > Gen Zs and Millennials are more likely to be struggling with their work/life balance and their mental health
- > 14% of employees aged 35-44 are struggling with childcare commitments
- > Across all factors, the 55+ age range were most likely to report they weren't struggling with anything

Interestingly, women were slightly more likely to report they were struggling than men – although the average difference of ~1 percentage points was marginal.

It's important to highlight that these issues are likely interconnected; e.g. financial stress could worsen mental health, and increased caring commitments could negatively affect work/life balance.

## A Preventative Approach to Closing Gaps

Regularly engaging with your employees will help you understand evolving needs.

If we look at personal finances as an example – 23% of employees are struggling to manage, and yet only 13% of employers are providing support – we can see how quickly macroeconomic volatility has impacted individuals and the need for swift and proactive intervention.

Companies can use multiple data sources to identify emerging needs before they hit crisis point:

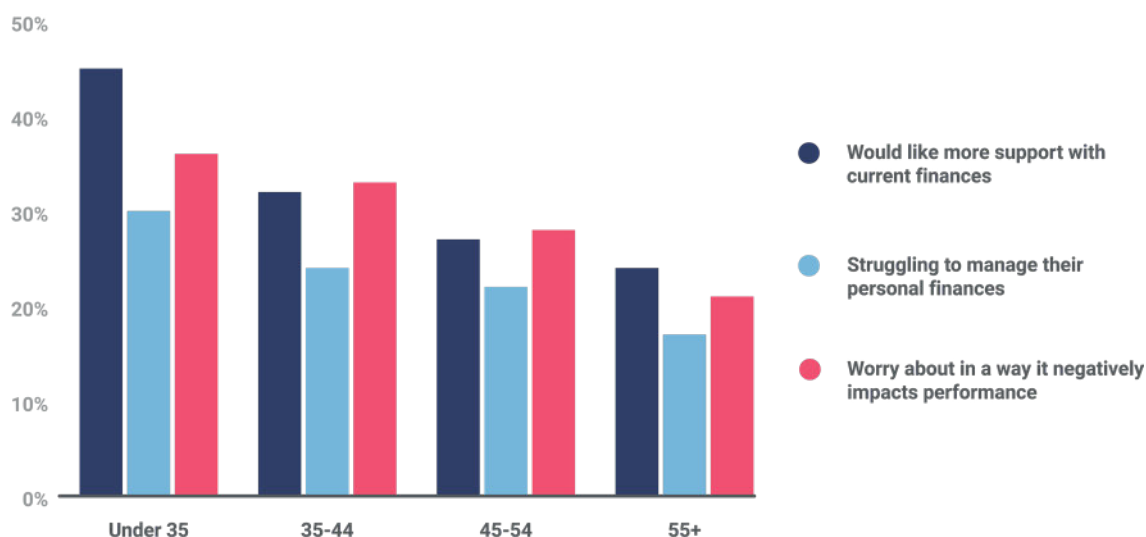
- > Regular employee surveys
- > Benefits engagement data
- > Line manager feedback
- > Health claims data
- > Absence data

## Spotlight on: Everyday finances

Amidst a cost-of-living crisis, it's not surprising that nearly a third of employees would like additional support with their everyday finances.

Our research suggests generational differences in experience and need – with financial worries more prevalent for millennials and Gen Z, and over 55s least likely to be struggling, worried, or want additional support:

### Personal finances: Generational Comparison



**Q: How can companies use employee benefits to alleviate the financial pressure arising from the cost-of-living crisis?**

**A:** Employee benefits can help provide quick support to employees, and there is a variety of options for employers to choose from:

- > Retail discounts can reduce the cost of everyday spends (e.g. groceries, entertainment and clothing)
- > Voluntary or flexible benefits can provide discounted access to bigger purchases, such as breakdown cover or travel insurance
- > Health Cash Plans can result in a reduction on health-related expenditure, such as eyecare or dental
- > Line manager training and financial education sessions can help signpost available support such as EAPs and budgeting tools.

## Spotlight on: Pensions and long-term financial wellbeing

Our research also revealed that only 4% of employees are confident that they'll retire with sufficient money for their retirement needs.

There is clearly an opportunity for employers to ensure that employees engage with their pension - to help them understand likely investment outcomes and the contributions required to achieve their desired retirement pot.

# 51%

## of employees

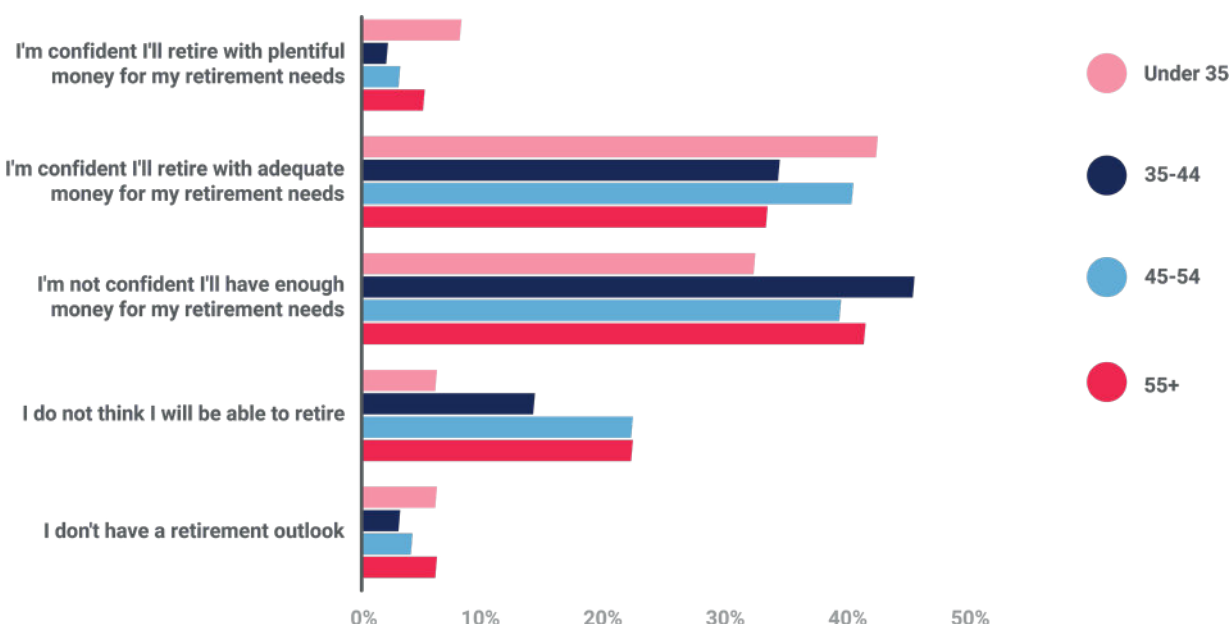
do not think they will have enough money for retirement.

In terms of retirement confidence, there are clear generational divides:

- > Only 5% of the 55+ age group are confident they have "plentiful" money to retire
- > Gen Z and younger millennials are most likely to report they are confident they'll retire with plentiful money – although only 8% responded this way
- > 52% of the 55+ age group are not confident they have enough money to retire

Generally, there is a low confidence in retirement ability – with lowest in the 35-44 age category, at 36%. Employers could do more to support this cohort, who didn't benefit from Defined Benefit arrangements but who also started their careers before mandatory auto-enrolment.

### Retirement Outlook: By Age



## The Gender pensions gap

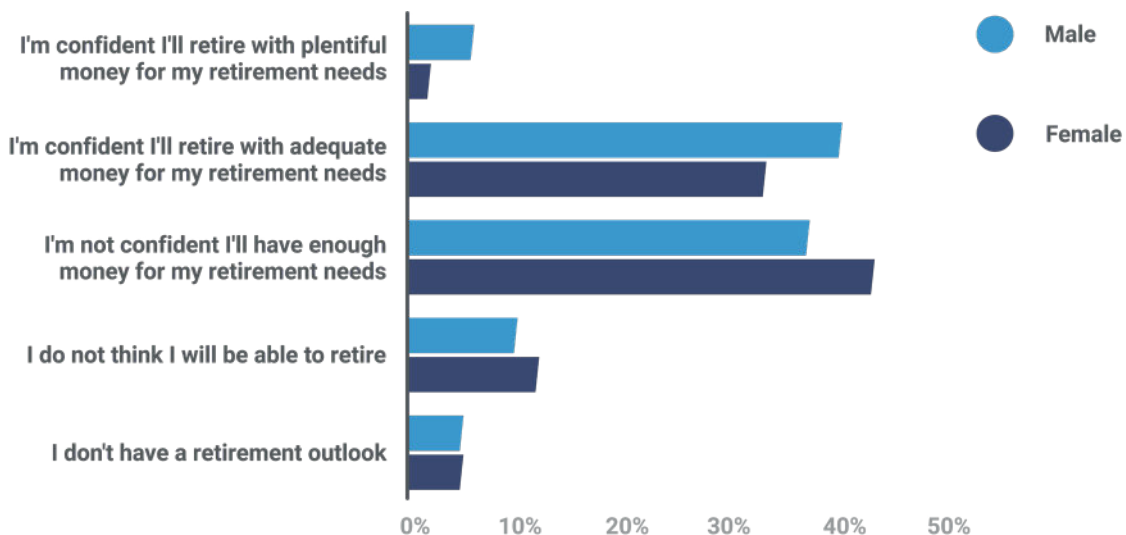
The Gender Pensions Gap is well-documented; the most recent data from the Department of Work and Pensions suggests that the Gender Pensions Gap is 35%.

Research by TUC has identified three main drivers:

1. Many workplace pensions exclude low earners
2. Differing lifetime working patterns due to caring responsibilities
3. Differing levels of state pension entitlement

Our research corroborates with the existing research; women are less confident in their ability to retire with adequate funds; only 2% of women believe they will have 'plentiful' money to fund their retirement plans.

### Retirement outlook: By gender



**Q: What can employers do to reduce the Gender Pensions Gap in their organisation?**

**A:** Creating an inclusive pensions policy is a good first step. Companies should also look to engage low earners with their pension – even if they are below mandatory pensionable income. Employers can also help by mitigating the impact of caring responsibilities through employee benefits that provide childcare and eldercare support. Alternatively, offering condensed working hours could help employees balance both income and care whilst retaining higher pension contributions.



### **What is the Gender Pensions Gap?**

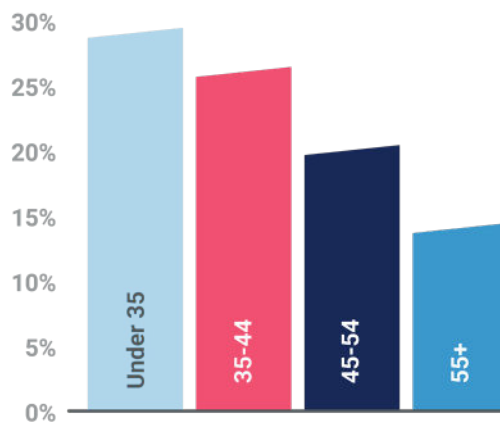
The Gender Pensions Gap is calculated by the DWP as the percentage difference between female and male uncrystallised median private pension wealth around normal pension age for those individuals with private pension wealth.

## Spotlight on: Mental wellbeing

Just over a fifth of employees reported that they are currently struggling to manage their mental health. There is some generational variation in responses, which reinforces that employers need to ensure they are providing targeted support and communicating effectively to their employees.

As work is a leading cause of stress and anxiety, the onus is on employers to provide preventative support and management tools - underpinned by a supportive culture that facilitates access:

### Proportion of employees 'struggling to manage' their mental health



#### A Targeted Approach to Mental Health

Ensuring mental health provision is accessible and inclusive will help drive uptake.

Mental health support comes in various shapes and sizes, and employers need to ensure appropriate support is available to their employees and approach mental health at an organisational level, not just individual. A supportive culture is key to an effective mental wellbeing strategy. A well-rounded approach could include:

- > Mental wellbeing webinars
- > Virtual GP access
- > Line manager training
- > On-site communications
- > Health assessments
- > Employee Assistance Programme (incl. counselling support)

## Spotlight on: Caring commitments

Our research shows that for some employees, additional support would help them manage their caring commitments and work life.

- > One in ten employees would like more support from their employer around eldercare
- > 15% of employees would like more childcare support from their employer
- > Nearly a quarter of the 35-44 age group worry about their childcare commitments to the extent it negatively impacts their work performance

**3%**  
of employees  
currently provide  
eldercare support

### Support for an Aging Population

There are several converging challenges which are forcing the need for both preventative and interventive support. The UK population is continuing to age, with the estimated population of over 65-year-olds expected to hit 13 million by 2032 – accounting for 22% of the population. There has also been a decline in the 'healthy years' expectancy, which now sits at 62.4 years for men and 60.9 years for women.

Preventative and proactive wellbeing solutions will help employees live healthier lives for longer and prepare financially to fund their retirement. However, employers should also consider providing parallel support for the younger generations in the workforce who have eldercare responsibilities.

Source: <https://ageing-better.org.uk/summary-state-ageing-2022>

We are starting to see more clients implement support for the 'sandwich generation' of employees, who are balancing both childcare and eldercare commitments. There are some truly innovative eldercare providers in this space who can provide support with one-to-one care, emergency cover, and help navigating a complex care system.



*Richard*

**Richard Haynes**  
Head of Commercial



## How are employees accessing their benefits?

Our research shows a high level of disengagement with employee benefits – with nearly a third of employees not accessing information about their benefits.

A lack of engagement could indicate various issues:

1. Employers are not communicating their benefits offering effectively
2. Employees are not benefiting from available support
3. Benefits return-on-investment could be higher
4. Employee benefits communication methods do not match consumer preferences



11% access  
via an app



21% access via an  
external website



47% access via an  
internal website



9% access via a  
benefits booklet

Benefits engagement must be top of the HR agenda; when spending thousands on benefits you need employees to access, understand, and use them. Plus, employee data can then help drive iterative improvements to your benefits strategy.



*David*

**David Skinner**  
Managing Director



**28%**  
**of employees**

do not access any information  
about their employee benefits



Part 3

# ACTION



# How do benefits impact employee productivity?

We asked employees if they ever worried about key challenges to the extent that it negatively impacts their work performance; the results show that there is a clear impact on productivity (and – by extension – profitability). We are defining these as ‘crisis points – areas where employees are experiencing high levels of strain as they battle with these issues.

There were four distinct areas that most impacted employees’ productivity:



34% worry about their mental health



31% worry about their long-term finances



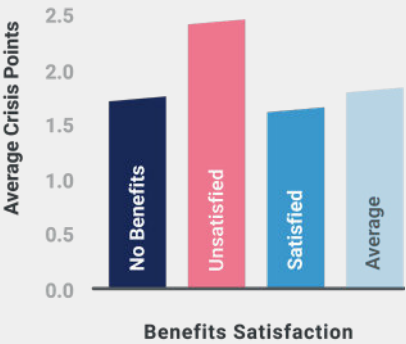
29% worry about their current finances



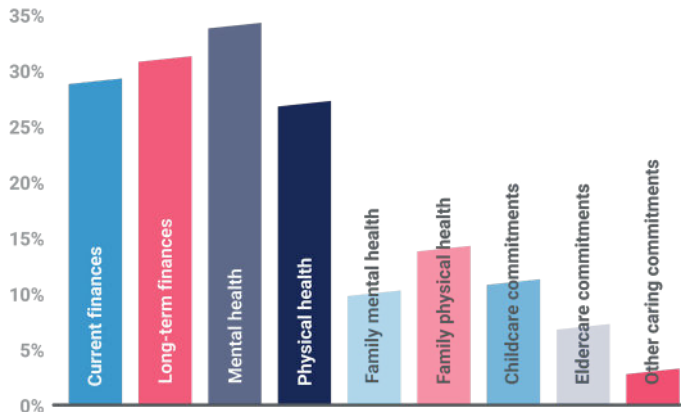
27% worry about their physical health

## Employee benefits work as preventative support

Our research shows a correlation between employees reporting dissatisfaction with their employee benefits and propensity of crisis points.



## What are employees worried about?



## How do benefits impact talent retention?

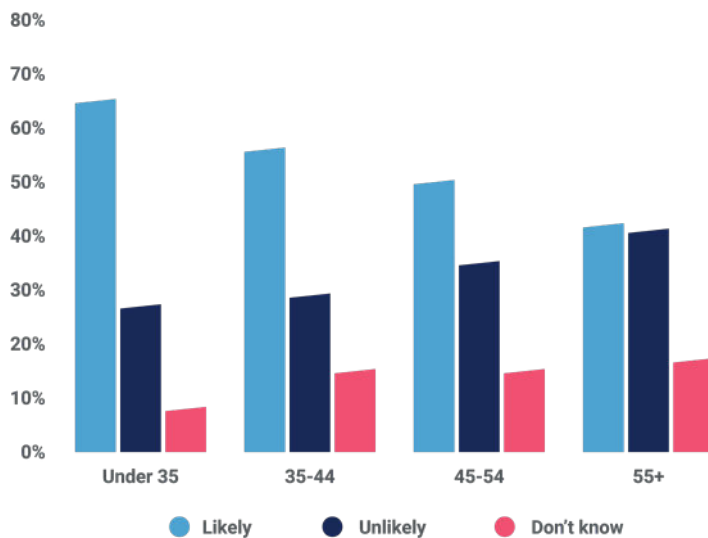
**53%**  
of employees

would leave their current role for better benefits elsewhere

Employee benefits are a valuable tool when it comes to attracting and retaining talent; just over half of employees would switch roles to get better benefits.

There is a distinctive generational trend, with younger millennials and Gen Z most likely to switch roles for better employee benefits (nearly two-thirds of this age group responded they would).

### How likely would employees switch roles for better benefits?



Employees who don't receive benefits are twice as likely to leave their roles in the next 12 months, in comparison to employees who are satisfied with their benefits offering.

### Increasing Total Reward Awareness

Highlighting the holistic value of a compensation package could boost satisfaction and retention.

Employees can only be satisfied with their benefits if they're aware of them; using integrated Total Rewards Statements can help your employees review the true value of the benefits they get from you.

Employee benefits need to be viewed as a multi-faceted tool; they can be used to attract and retain talent, improve employee wellbeing, and contain future health costs. Although it can be difficult to balance employee needs with ever-rising costs, it's worth the investment – because when companies get their benefits strategies right, everyone benefits from the impact it has.

*Joanne***Joanne Neary**

Head of Consulting - Pensions &amp; Technology



## How can businesses provide better benefits?

**66%**  
**of employees**

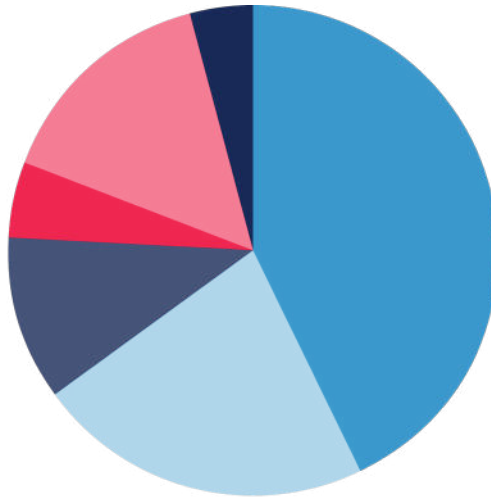
would like more flexibility  
over the benefits they have

We asked employees on their preference around employee benefits choices – with an overwhelming preference for flexibility and control.

**Only 15% of employees reported that they have no preference.**

With two-thirds of employees wanting more flexibility, there is a clear opportunity for employers to fulfil this need with greater breadth and choice.

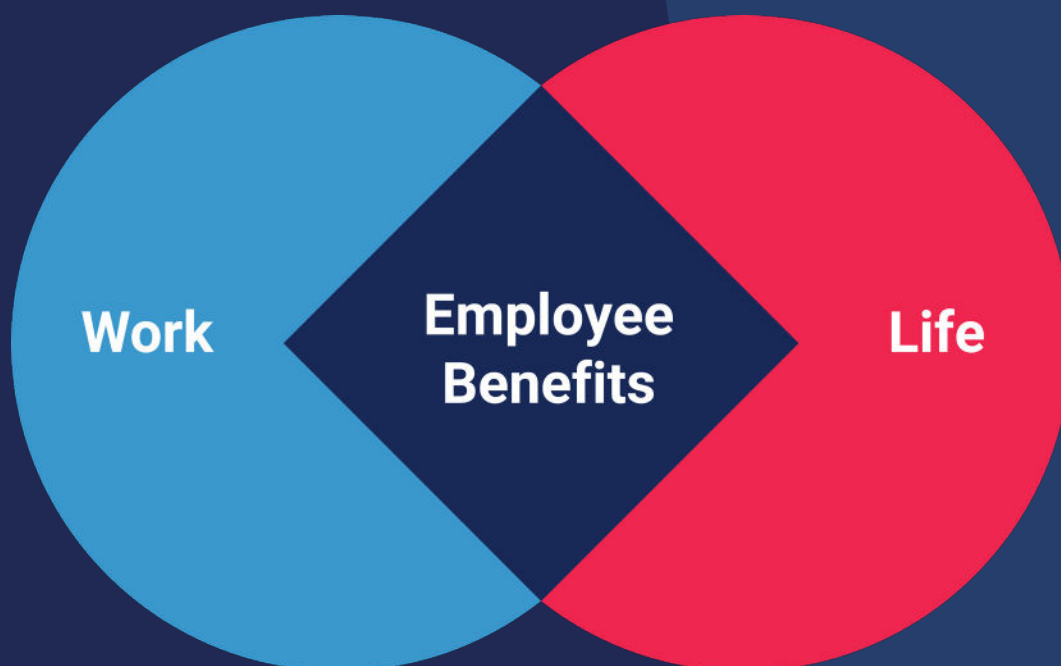
### Would employees prefer more autonomy and flexibility over their benefits?



- Yes - I would like more flexibility to be able to pick and choose the benefits I have, however I am not willing to pay an additional cost
- Yes - I would like more flexibility to be able to pick and choose the benefits I have, and am willing to pay an additional cost (e.g. to access a wider selection of benefits)
- No - I can already pick and choose the benefits I have, at no additional cost
- No - I can already pick and choose the benefits I have, at an additional cost
- I have no preference regarding picking and choosing the benefits I have
- Don't know

## A new way of thinking about employee benefits

We believe that employee benefits sit at the intersection between personal lives and working lives. The best employee benefits empower employees to lead happier and healthier lives – ultimately enabling them to bring their most productive selves to work. It's up to employers to bring this to life.



### A Litmus Test For Benefits

- > Do your employee benefits exclusively impact your employees' work lives?
- > Are you only addressing one or two pillars of wellbeing? (Financial, social, mental and physical)
- > Do your employees have limited benefit choices?
- > Is there a lack of understanding and engagement with the benefits you offer?

If you answered 'yes' to more than two of the above, it might be worth reviewing your benefits strategy to ensure it meets employee needs and expectations.

## Closing note

We hope you've found this report valuable as you consider the gaps in your employee benefits and the needs of your workforce.

Our research proves that although we face similar macro challenges, a one-size-fits-all approach to support doesn't work for every employee. There is an undeniable demand for HR leaders to focus on providing varied benefits and empower employees to choose the benefits that best fit their lives.

### Are your benefits future-ready?

Whether you want better employee insights, increased benefits engagement, or to expand available support – we can help. Drop us a note at [contact@pib-eb.com](mailto:contact@pib-eb.com) and we'll be in touch.



David

**David Skinner**  
Managing Director

## Get in touch

For more information on the points raised, contact us on 0345 565 1617 or at [contact@pib-eb.com](mailto:contact@pib-eb.com).



PART OF  **pib Group**

PIB Employee Benefits Limited is authorised and regulated by the Financial Conduct Authority, Firm Reference Number 300198. PIB Employee Benefits Limited is registered in England and Wales. Company Registration Number 02026964. Registered Office: Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW. Part of PIB Group.  
Employee Wellbeing and Financial Education services are not regulated by the FCA.