



The Rise of the Whole Employee: 20 Years of Change in Employer-Employee Dynamics

MetLife's 20th Annual U.S.
Employee Benefit Trends
Study 2022

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01

A Rebalancing of Power Between Employers and Employees

p.6

Low job satisfaction and loyalty, rising employee expectations, and an intense labor shortage reflect a fundamental shift of power in employer-employee relationships, with the pandemic and diversity of the workforce further complicating talent management strategies.

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02

Understanding Holistic Well-Being for a Heterogenous Workforce

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By focusing on employees' holistic well-being – especially mental and social health – and on the divergent needs across worker sub-groups, employers can drive better outcomes for the entire organization.

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03

Strengthening Employers' Role in the Whole Employee Experience

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Employers can deepen their relationship with employees through a unifying employee experience, supported by attractive benefits and programs that can boost well-being, bolster loyalty, and increase job satisfaction.

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For 20 years, MetLife's annual U.S. Employee Benefit Trends Study has examined what workers want and how employers can respond meaningfully to shifting workforce dynamics.

These shifts have certainly been profound – even tectonic. Demographic trends have produced a **workforce that is more heterogeneous** than ever before, featuring new generations of workers with Millennials and Generation Z, near-parity of men and women, and significant racial and ethnic diversity. Plus, employers are increasingly aware of the many different backgrounds, circumstances, and identities represented among their employees. This great human variety means that employers are, in effect, managing multiple workforces.

Individuals, who may be part of many sub-groups, value different benefits and aspects of the employee experience. Our latest study confirms that today's workers, to a greater extent than in the past, expect employers to recognize the importance of their lives inside and outside of work. Hence, employees have

rising and diverging expectations for everything from purposeful work and inclusive cultures, to expanded leave programs and flexible working hours, to financial planning support, affinity groups, and pet insurance. Benefits and programs that seem innovative today are viewed as standard offerings by employees tomorrow.

The pandemic brought the future forward by accelerating trends – especially greater interest in flexible working arrangements, work-life balance, financial well-being, and mental health – that had been gaining momentum throughout the 2010s. It also further fragmented the workforce, making work better for some employees and more challenging for others, and creating a continuum of working models (e.g., remote, on-site, hybrid) for employers of all industries and sizes to consider and manage across.



Defining a mutually beneficial path forward

Forward-thinking HR leaders are looking at benefits and beyond to adopt a more holistic view of employee needs, largely because that's what it will take to serve the entire workforce. A rich employee experience – featuring purposeful work, strong and inclusive cultures, and attractive benefits, among other elements – is essential to achieve talent management goals in this new chapter of the employer-employee relationship.

As a leading benefits provider, MetLife has always pursued insight-based innovation, and this year's report commemorates a 20-year tradition of providing timely perspectives on the needs of both employers and employees. The following pages offer insights and tips for navigating today's challenges and preparing for the inevitable changes ahead.

We hope this study is a useful and inspiring resource for leaders looking to take meaningful action and innovate their benefits strategies within ever-evolving workforce realities.



LOOKING CLOSER

Celebrating 20 Years of Insights

The evolution of employee benefits

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Employee Benefit Trends Study 2002

Millennials enter the workforce

Financial uncertainty following 9/11

War in Iraq and Afghanistan

Rising medical care costs

Job satisfaction and employee
satisfaction with benefits in decline

Employee Benefit Trends Study 2012

Boomers start retiring and leaving the workforce

Affordable Care Act rollout

Shift toward more collaborative work environments

Job satisfaction begins to rise

Employers place greater importance on benefits,
and employee benefits satisfaction improves

“ Employers identified their two most important benefits objectives: employee retention and benefit cost reduction.

“ Ten years ago, the term ‘financial wellness’ was relatively unknown. Now, employers increasingly recognize that the financial health of their employees has an impact on productivity.

Two decades of research confirm how the stakes of employer-employee relationships have been raised and just how much the benefits landscape has evolved.

Change has taken many forms – from major macroeconomic events and societal trends to tech-driven disruption and new regulation.

2016 2017 2018 2019 2020 2021 2022

Employee Benefit Trends Study 2022

Impact of global pandemic

Generation Z continues to enter the workforce

Stimulus checks

Great Reshuffle

Pandemic creates volatility in job satisfaction

Sharp rise in interest and expectations for employer benefits

“ A more heterogeneous employee base and diverging individual needs mean that many employers are, in effect, managing multiple workforces.

10 years ago, after a global financial crisis, employee financial wellness became a top priority for benefits plans. Today, in the wake of the global pandemic, we see mental and social health moving up the agenda. Diversity has been vitally important for many organizations for a long time, but recent events have intensified efforts to establish permanent systems of accountability in support of more inclusive and equitable workforces.

As economic inequality has become a prominent issue, government-mandated minimum wages have been superseded by private companies paying what's necessary and using other means to attract scarce workers. Landmark legislation also elevated mental health, gender equity, and sexual orientation issues. Stakeholder capitalism, which is being embraced by more corporations, reflects that employee needs (along with those of customers, communities, and the environment) must be accounted for, alongside the demands of shareholders.

The developments of the last 20 years make it imperative for employers to gain a better understanding of what really matters to employees, to recognize their lives outside of work, and to design their benefits programs accordingly. Talent management strategies must adapt to help organizations meet the moment and continually **enhance the whole employee experience** and meet the individual needs of all workers.



01

A Rebalancing of Power Between Employers and Employees

KEY TAKEAWAYS

- ▶ In a tight labor market marked by declining job satisfaction and loyalty, more workers feel emboldened to seek new opportunities.
- ▶ Employers have shifted their benefits priorities but still need to address the widening gap between worker must-haves and current offerings.
- ▶ Employers should be inspired by increased employee empowerment and rising expectations to innovate their talent acquisition and retention strategies and tactics.

Two years after the onset of COVID-19, employers face a fundamentally changed – and continuously changing – landscape. The supply-demand equation for labor has shifted profoundly, giving employees more leverage and options than ever before and forcing employers to compete harder to get the talent they need. Employees also expect more from work and evaluate their situations more frequently. The disruptions of the last few years caused many individuals to explore more meaningful work, start their own businesses, and prioritize personal commitments over their careers.

U.S. job vacancies, according to the Federal Reserve:

Q4 2018	7.4 million
Q4 2019	6.9 million
Q4 2020	6.7 million
Q4 2021	10.9 million

While the pandemic accelerated long-term evolutionary changes with revolutionary speed, employers should be careful not to view COVID-19 as the cause of the new workforce dynamics. The empowered employee is most likely a new fixture of the modern workforce, rather than a temporary trend that will dissipate once the pandemic's economic effects wear off.

47.4 million employees quit their jobs in 2021

according to the U.S. Department of Labor, including 4.5 million in November alone, a record high for a single month

Employees' increased propensity to quit their jobs and rising demand for greater flexibility, work-life balance, and more and richer benefits demonstrate just how empowered many workers feel.

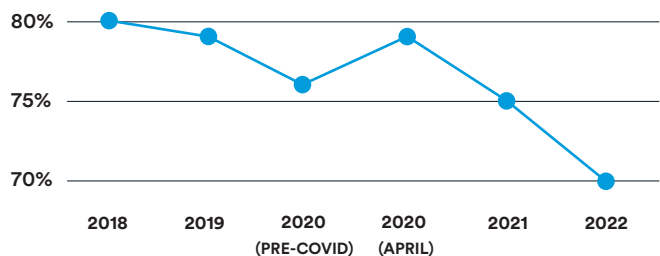
Satisfaction rates have never been lower, and loyalty is falling too

Overall job satisfaction has reached a 20-year low, and loyalty continues to decline, particularly among women, Generation Z, people of color, and manual laborers. This finding may concern and even frustrate some HR and business leaders. But the dramatic rise in employee expectations for every aspect of the work experience and the tightening of the labor pool have been powerful forces.

66% Employees who report being satisfied with the job they have now, down from 72% in 2021 and 74% in 2019

Low satisfaction is translating to reduced loyalty, though the April 2020 spike in loyalty shows how volatile the last few years have been for employees and how external circumstances can affect their attitudes toward their employers.

EMPLOYEES WHO INTEND TO STILL BE WORKING WITH THEIR CURRENT ORGANIZATION IN 12 MONTHS:



Concerns about job security, prevalent early in the pandemic, have been replaced by a sense of empowerment. Knowing they are in demand, many workers are convinced they can find more attractive roles, opportunities, and compensation elsewhere.

“ Feeling valued, feeling that you are a part of and contribute to the organization – that makes you want to go beyond to help your company succeed.





What's behind decreasing loyalty and job satisfaction

While loyalty and job satisfaction have fallen overall, employees at mid-size to larger companies and manual laborers are driving the decline. In addition, women, people of color, and Generation Z are experiencing disproportionate drops in job satisfaction and loyalty. These findings reflect the innate challenges of serving an increasingly diverse workforce.

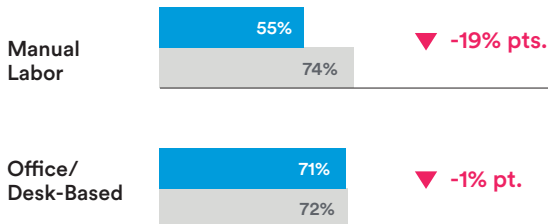
2021

2022

OFFICE/DESK-BASED VS. MANUAL LABOR EMPLOYEES

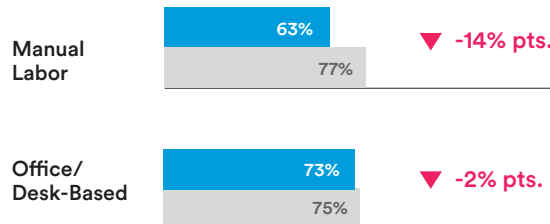
SATISFACTION

I am satisfied with the job I have now



LOYALTY

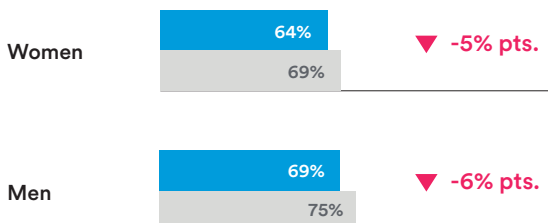
I intend to still be working for my organization in 12 months' time



BY GENDER

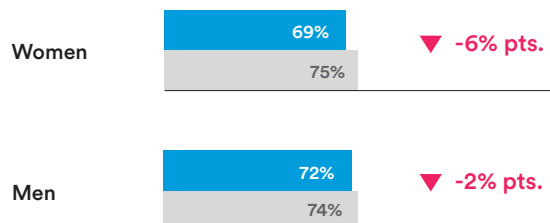
SATISFACTION

I am satisfied with the job I have now



LOYALTY

I intend to still be working for my organization in 12 months' time



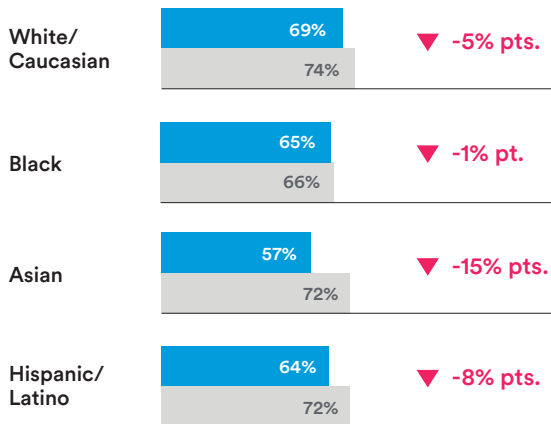
BY RACE/ETHNICITY

2021

2022

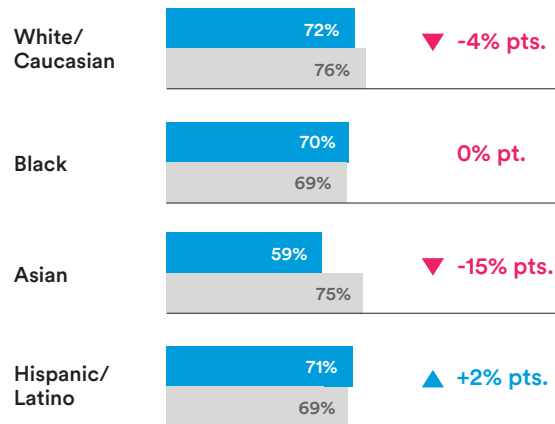
SATISFACTION

I am satisfied with the job I have now



LOYALTY

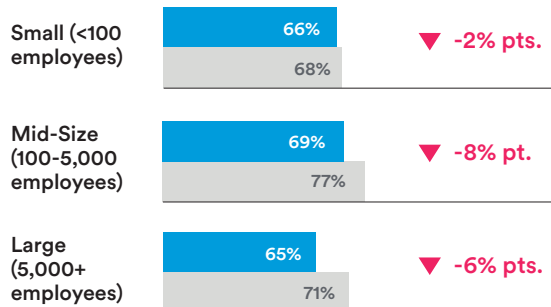
I intend to still be working for my organization in 12 months' time



BY EMPLOYER SIZE

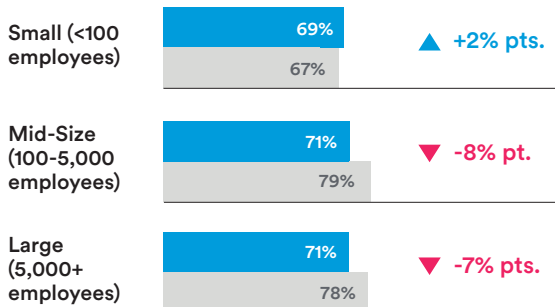
SATISFACTION

I am satisfied with the job I have now



LOYALTY

I intend to still be working for my organization in 12 months' time



BY AGE

Younger workers appear to have the highest expectations. Over the past five years, 21–30-year-olds have gone from being as satisfied with their jobs as other age groups to being significantly less satisfied than others.

BY WORKING ARRANGEMENT

Employees who have flexibility in where they work are the most satisfied (74%) compared to fully remote workers (61%) and those required to be on-site (54%).

BY INDUSTRY

The highest rates of employee satisfaction are found in the IT/technology (78%), construction (72%), and manufacturing (69%) industries. The most loyal workers are in IT/technology (77%), finance and insurance (75%), and construction (72%). Workers in retail (58%), accommodation and food services (60%), and healthcare and social assistance (63%) are the least satisfied. The least loyal employees work in retail (65%), healthcare and social assistance (67%), manufacturing (69%), and educational services (69%).

Though manufacturing and construction score high today, both sectors have recently seen falling satisfaction and loyalty among employees in manual labor roles. It's worth noting that union members are significantly more likely to be satisfied with their job (71%) than non-union workers (65%) and more likely to stay with their current organization for 12 months (76% versus 69%).

An increasingly fragmented workforce

COVID-19 has had a powerful impact on employee attitudes toward work, and has no doubt influenced satisfaction and loyalty. The pandemic's polarizing effects created a bifurcated workforce for some employers; a third of workers say the pandemic had a negative impact on how they work, but a quarter say the opposite.

The impact of the pandemic on how employees work

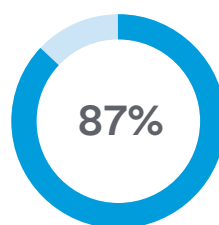


Office and desk-based workers are the most likely to say that the pandemic had a positive impact (29%). Exactly half of workers living with a disability say the pandemic has had a negative impact on how they work, versus less than a third (32%) of workers without a disability.

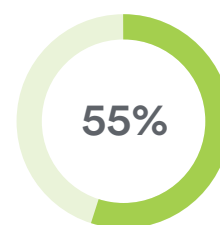
Workers who must be on-site are significantly more likely to say that the impact has been negative (40% negative, 21% positive). Among remote workers, 35% say that the pandemic has had a positive impact versus 25% saying it had a negative impact. The net effect is that many organizations are managing several workforces at once.

Employers underestimate the work to be done

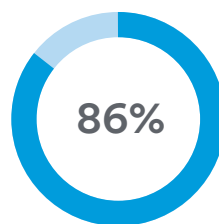
In the wake of the pandemic and the other large-scale social disruptions of the last few years, declining satisfaction and loyalty may not seem surprising. However, there is a significant gap in employer and employee perceptions of loyalty: most employers believe they have a strong sense of loyalty to their employees and that their workers reciprocate. Our results suggest otherwise.



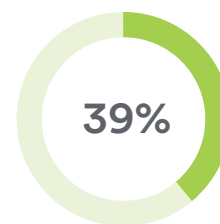
Employers
that say they have a strong sense of loyalty to their employees



Employees
who say their employer has their best interests in mind



Employers
that say their employees have a strong sense of loyalty to them



Employees
who would recommend their employer as a place to work

Further, our historical data indicates that these gaps have grown significantly in the last five years. It's critical for employers to address this perception gap as they look to attract and keep top talent, which 63% of employers cite as a priority concern. Attraction and retention are key objectives for many types of organizations, whether they have a majority of salaried, desk-based workers or hourly employees and manual laborers. Small organizations (<100 employees) and the largest enterprises (5,000 or more) both name attraction and retention as their top challenge.

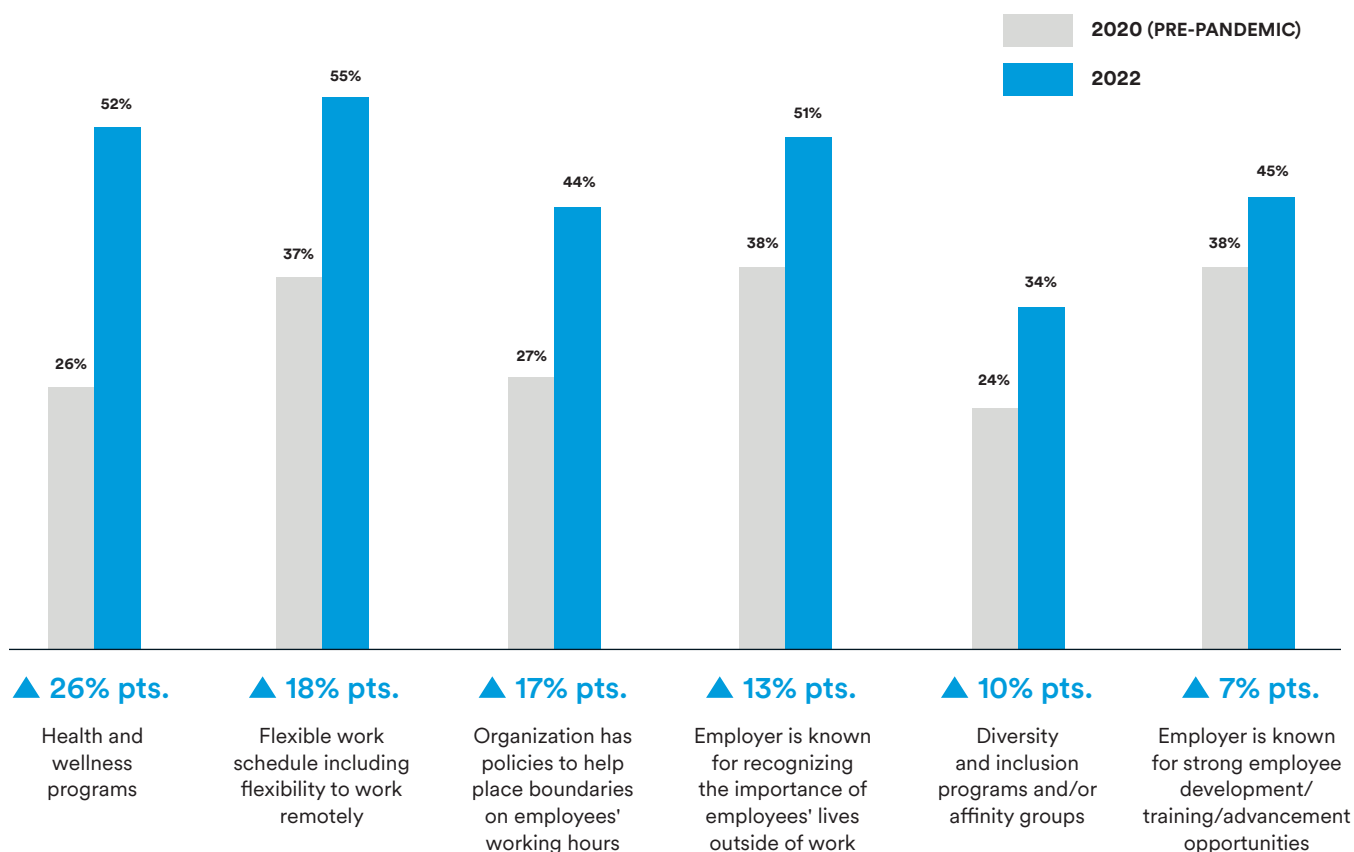
Organizations are trying to compete for talent in new ways, but employees don't fully recognize these efforts. More than a third (36%) of workers say that their employer is doing the "minimum possible" to help them adapt to new working environments. This number increases significantly among workers living with a disability (62%), LGBTQIA+ employees (56%), Millennials (45%), and manual laborers (42%).

However, employees who recognize that their employer has made at least some effort to help them adapt are significantly more likely to be satisfied with their job and loyal to their employer. Thus, employers should look to communications to make more employees aware of the investments the organization makes to provide support in the current environment.

Rising employee expectations refocus employer priorities

Employees expect more from their employers today, evidenced by the increasing number of benefits they consider to be must-haves. Employee interest in health and wellness programs, policies to help set boundaries, and flexibility has increased the most since before the pandemic. Significant percentages of workers now view these offerings as must-haves when considering new jobs.

EMPLOYEE MUST-HAVES IN ACCEPTING A NEW ROLE



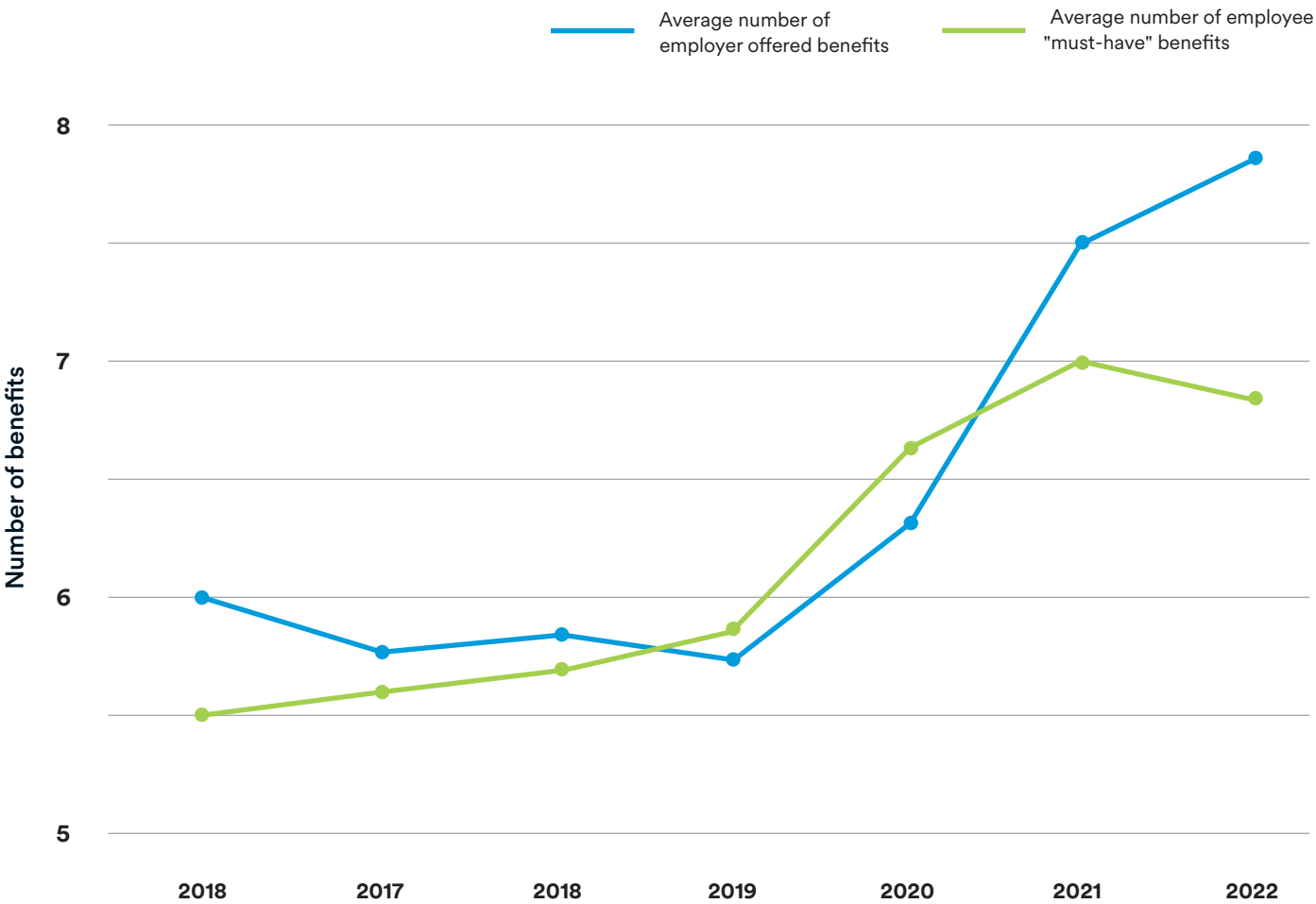
A woman with long dark hair, wearing a blue and white striped shirt, is sitting and looking at a laptop screen. A young child with dark hair and bangs, wearing a light grey shirt, is sitting in front of her, pointing at the laptop screen with their right index finger. The laptop is open on the woman's lap. The background is softly blurred, showing light-colored curtains.

“ A lot of people don't know how to unblur that line when working from home, so I absolutely agree that employers need to help.

This year’s results, as well as our historical data, show how employer perspectives have changed relative to increased employee empowerment and higher demands. **Benefits strategies are no longer focused mainly on cost control**, productivity, or other financial and commercial outcomes. Rather, employers' actions and investments reflect their understanding of the value of supporting their people.

While employers have shifted priorities and offer more benefits than they have in the past, their offerings have not kept pace with employee expectations.

EMPLOYEE "MUST-HAVE" BENEFITS VS. EMPLOYER OFFERED BENEFITS



	What employers offer/plan to offer to attract and retain top talent	What employees say are must have	Difference
Competitive salary/wages	37%	73%	▲ 35% pts.
Comprehensive benefits package	31%	66%	▲ 36% pts.
Flexible work schedule including flexibility to work remotely (e.g., work from home)	36%	55%	▲ 18% pts.
Health and wellness programs (e.g., gym discounts, treadmill desks, employee assistance programs)	33%	52%	▲ 19% pts.
Employer is known for recognizing the importance of employees' lives outside of work	26%	51%	▲ 25% pts.
Employer is known for strong employee development/training/advancement opportunities	28%	45%	▲ 17% pts.

► Benefits represent one of the largest gaps between what employees want and what employers focus on when trying to attract and retain talent.

However, employee satisfaction with benefits has remained stable over 20 years at 64% – a function of employer investment and employee expectations rising along a similar trajectory and pace. The situation is analogous to the ever-rising consumer expectations that have driven a great deal of product and experience innovation

across sectors in recent years. Employers can – and should – be inspired by these new workforce realities, including more empowered employees, to innovate and address the needs of the whole employee. Creativity and focus will be necessary for employers to achieve their talent management goals, attraction and retention chief among them.



02

Understanding Holistic Well-Being for a Heterogenous Workforce

KEY TAKEAWAYS

- ▶ Greater employee well-being is a critical win-win goal, offering meaningful value for both employers and employees.
- ▶ Physical health and financial wellness have stabilized since the onset of the pandemic, creating space for employers to increase support for social and mental well-being, which are closely linked.
- ▶ For employers to fulfill their sense of responsibility for employee well-being, they must gain more specific knowledge of the divergent needs of all their workers.

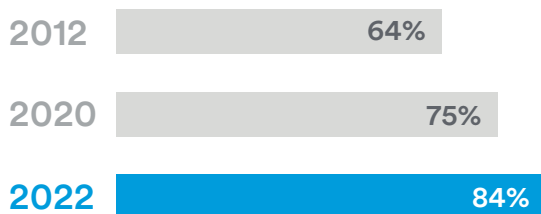
In thinking bigger about the needs of the whole employee, more employers have turned their attention to holistic well-being – incorporating physical, financial, mental, and social health. This multidimensional view is now widely recognized as essential to employment relationships and effective business performance. It may also enable employers to stay ahead of rising employee expectations.

There is a growing consensus among employers that they have a responsibility to support the well-being of employees.

Employers who say they have a responsibility for the health and well-being of their employees:



Employers who say that improving the overall health of employees in the workplace is a top benefits objective:



Our survey results confirm the **huge upside of holistic employee health** in terms of increased productivity, loyalty, and job satisfaction.

Holistically healthy employees are:



Employer responsibility for wellness now extends outside the workplace, highlighting how organizations conceive of the “whole employee” – an individual with an important life outside of work and unique needs that go beyond paychecks, basic benefits, and safe working environments. Employers need a deeper understanding of what those needs look like across their workforce, which requires using many different lenses, including racial, generational, pay level, family situation, and job type.

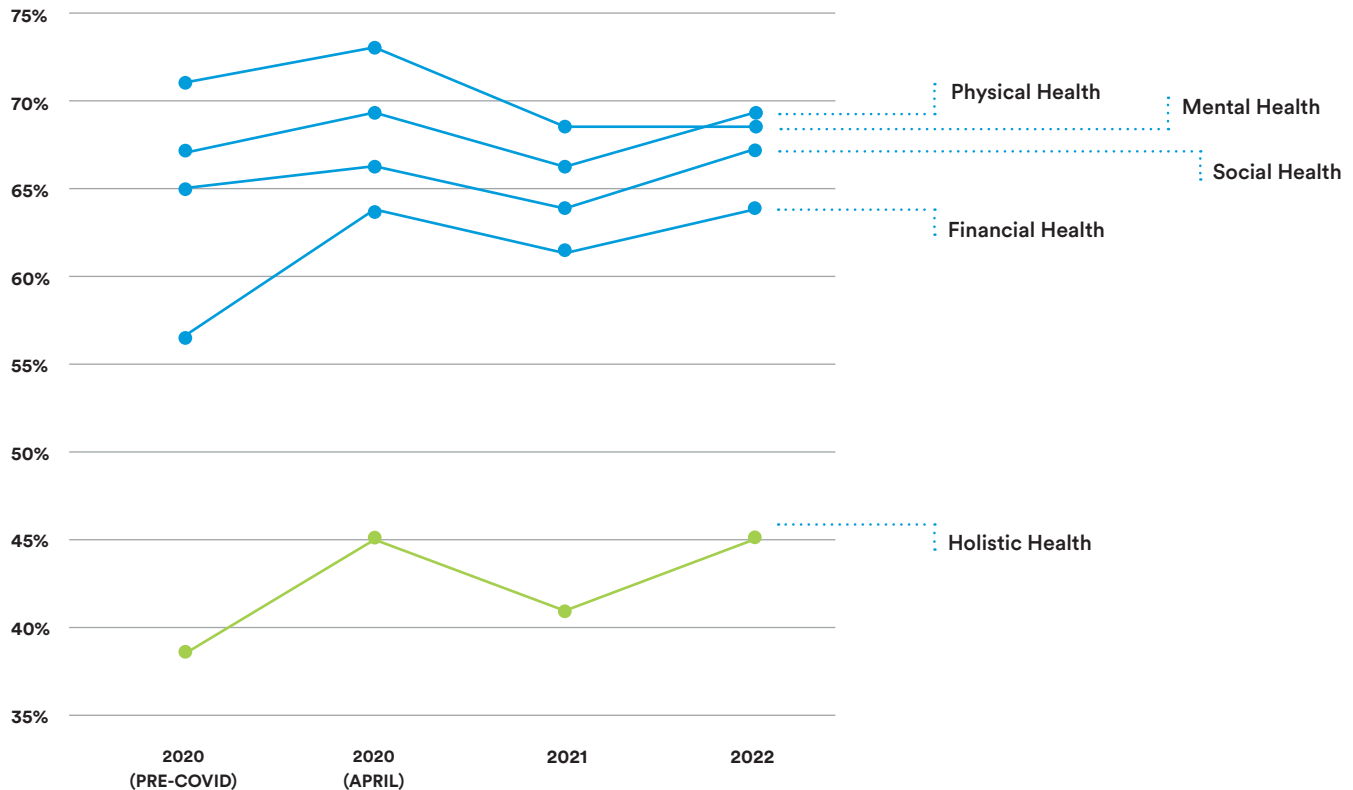
The state of employee well-being: where workers are today

Historical notions of employee well-being were synonymous with health insurance and retirement savings. But that perspective has evolved significantly during the last 20 years. For instance, financial wellness now entails having access to financial planning and emergency savings, in addition to a retirement plan.

The concept of physical well-being has expanded, too. Today, there is greater emphasis on physical fitness and preventive care, as evidenced by the rising number of employers offering health club memberships, nutrition programs, and resources to manage chronic diseases. Since early 2020, supporting employees' mental and social health has become a higher priority for employers. There is near-universal consensus that these dimensions of holistic health are vitally important.



Employee holistic health is increasing, but fewer than half of employees say they are holistically healthy.



Not every employee group has realized gains in holistic health. Well-being stayed the same or decreased for:

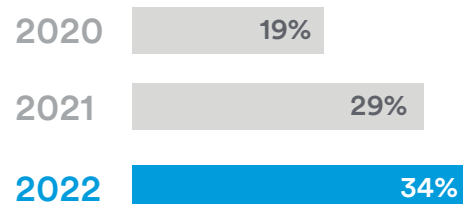
Manual laborers	particularly for mental health
Generation Z	particularly for financial health
Asian employees	particularly for mental and physical health
Black men	particularly for mental, physical, and financial health

Here again, employers face a fragmented landscape as they seek to improve well-being across the entire workforce.

Physical health is improving, but safety concerns persist for on-site workers

Two years into the pandemic, employees are feeling physically healthier, and employers are feeling greater responsibility for the safety of their workers.

Employees who say their physical health is improving:



But concerns about physical health and safety are not evenly distributed across the workforce. Not surprisingly, workers who must be on-site to do their job are significantly more likely to agree that employers should play a greater role in the safety and protection of employees and their families (55% vs. 48% of those who don't have to be on-site). Similarly, more on-site employees (57%) report concerns about their physical health than all employees (52%). And 20% of on-site workers in healthcare and 23% of on-site retail employees say they are not satisfied with their employers' measures to ensure their safety and protection since COVID-19. Across all sectors, that number is significantly lower at 12%.

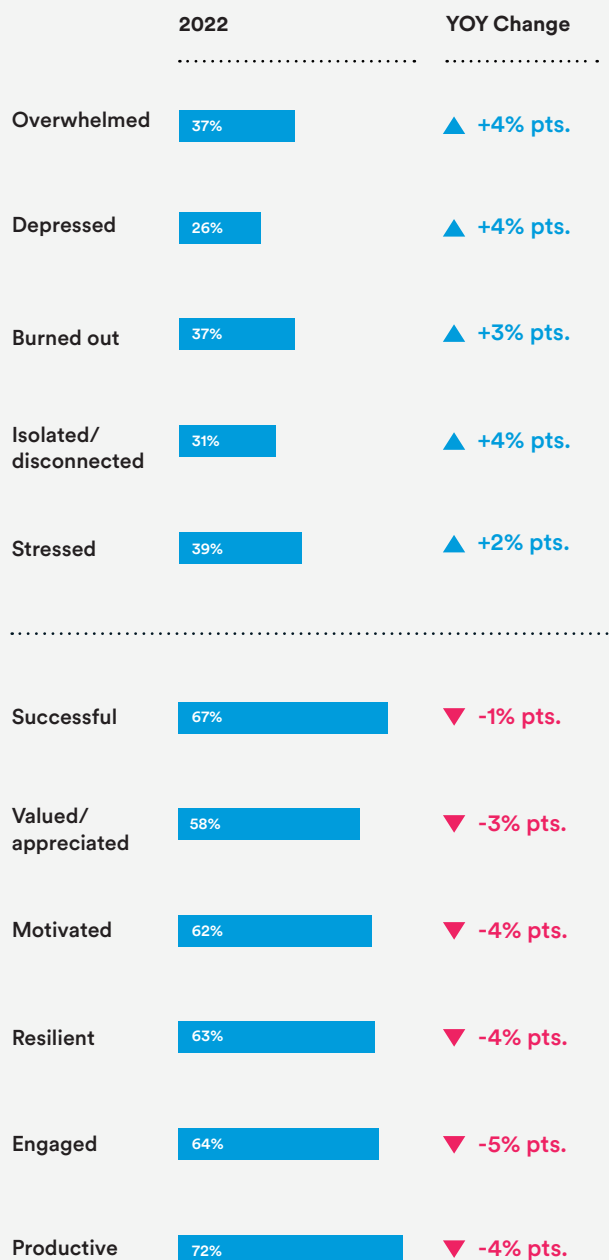
Mental health is falling; younger workers feel it the most

Employee mental health trended downward over the last few years, with employees feeling more stress, burnout, and depression. While employers express concern about their employees, they appear to be overrating their workers' overall well-being and underestimating the pandemic's impact. In fact, employers believe that employee mental well-being has increased by seven percentage points since last year. The gap is most pronounced at small organizations. Small business employees reported a four-percentage-point decline in mental health since 2021, yet their employers are six percentage points more likely to see the workforce as mentally healthy.

72% Employers that say stress and burnout are concerns for their organization

Some of this decline is attributable to work pressures and the pandemic's disruptions. But external factors – including societal unrest, political polarization, macroeconomic conditions, climate change, and other large-scale threats – have impacted the well-being of many individuals. Drops in resilience and motivation reflect the serious effects of lower mental health.

What employees feel more than half the time when working



The future of employee mental health

Two generations of workers – Generation Z and Boomers – help account for the decline. Generation Z reports significantly lower mental health than other generations and shows no sign of improving. Gen Z workers have already had a meaningful impact on overall employee mental health scores. That impact will only grow in the future as Gen Z becomes a larger proportion of the workforce. Since 2020, Generation Z has gone from representing 4% of the full-time workforce to 9% today.

Conversely, Boomers have historically maintained the highest rates for mental health. But now their mental health is falling, as is their representation in the workforce due to retirement. In 2020, 30% of workers were Boomers; in 2022, only 22% are.

Employees reporting that they feel mentally healthy, by generation

	2020	2022	Change
Boomers	82%	78%	-4% pts.
Generation X	70%	70%	0%
Millennials	64%	64%	0%
Generation Z	53%	53%	0%

Meanwhile, employee expectations for employer support have risen; 66% of employees say that employers have a responsibility for the mental well-being of their employees, up from 62% in 2021. But currently 41% of employees say that their employer does not offer resources to support them in this critical area. That number is even higher among employees living with a disability (58%), Hispanic employees (56%), and workers with caregiving responsibilities (54%).

Generational effects can also be seen in the increasing proportion of employees seeking help for stress, burnout, and other mental health issues. In 2021, 26% of workers reported seeking such help within the previous 12 months. This year, that number has ticked up to 31%, and is significantly higher among Generation Z (53%) and Millennials (47%).

“We're all burnt out. We're all exhausted. We've put in our best efforts, and I think it's just very taxing mentally for a lot of people.”



Improving financial health to bolster mental well-being

Financial stress has long been associated with poor mental health. Though financial concerns remain the top employee-cited reason for low mental health, their impact has decreased by 12 percentage points since 2020.

Top reasons cited by employees with low mental health:

- 31%** Financial concerns
- 29%** Feeling stress from reasons outside work
- 29%** Balancing home and work life
- 24%** Increased workload
- 21%** Fear of health related to the coronavirus (COVID-19) pandemic

The increased job security that many employees feel as a result of the competitive labor market and wage growth is surely contributing to increased financial wellness. But employers' efforts over time have clearly had an effect. More employers now provide planning resources and tools (e.g., mobile apps, personalized content, access to professional advisors) to help employees shore up their finances.

Employee interest in financial planning workshops and tools has increased by 27 percentage points over the last five years. The proportion of organizations offering such programs has grown dramatically as well, from 18% to 55%, over the same period. And employees who are offered these tools and programs are 48% more likely to say that their financial health has improved in the past 12 months than those who are not.

Divergent needs within the workforce are redefining financial well-being. For example, having more time to spend with family is a top financial wellness and life goal among 21 to 30-year-olds alongside being able to save for a big expense (e.g., home, car, college).

The emerging importance of social health

Employers are right to be concerned with their employees' declining mental health, and our data identifies the underlying causes that organizations can address to manage the effects. Social health, defined by satisfying interpersonal relationships, has emerged as the **top driver of mental wellness** and has grown more important since 2020, according to our analysis. Workers who are socially healthy are almost three times more likely to be mentally healthy than those who say they are not socially healthy – a clear signal that employers can benefit from efforts to improve social health.

The widespread isolation of the last two years no doubt accelerated the rising concern about mental and social health. Since the beginning of the pandemic, employees are feeling less connected and engaged at work, and many employers (72%) are struggling to maintain an open and supportive culture. Social health has been trending upward for most age cohorts, though it is declining for Generation Z. The implication is that improving the social health of Generation Z holds the key to improving the overall mental health of the workforce.

Employees reporting that they feel socially healthy, by generation

	2020	2022	Change
Boomers	71%	73%	+2% pts.
Generation X	64%	68%	+4% pts.
Millennials	62%	66%	+4% pts.
Generation Z	59%	56%	-3% pts.

Employers looking to improve social health can turn to programs such as affinity and employee resource groups, volunteering opportunities, networking and team events, and family-friendly gatherings.

Success starts with insight

Employers looking to enhance the holistic health of their employees must first recognize that well-being means different things to different people. Boomers, for instance, will have different priorities for financial wellness from Gen Z. Office workers will view mental and social health in ways that contrast with the views of manual laborers, and each will prefer different means for achieving them. Organizations need to consider the unique needs of employees for their **well-being strategies to be equitable and inclusive.**

These observations also pertain to other elements of the employee experience, including culture, flexibility, and training and development. Here again, employers that strategize in line with individual needs, rather than a few broad employee segments, will have a better chance of improving talent outcomes, both now and in the future.



03

Strengthening Employers' Role in the Whole Employee Experience

KEY TAKEAWAYS

- ▶ Organizations must attend to culture, purpose, flexibility, and other elements of the employee experience, and use benefits and programs to strengthen them.
- ▶ Optimizing the benefits experience for employees and increasing adoption require more engaging communications and human storytelling.
- ▶ By combining core and supplemental benefits, employers can provide greater choice for employees now and more flexibility to meet their needs in the future.

The answer to supporting the whole employee, meeting divergent employee needs, satisfying ever-rising worker expectations, and improving talent outcomes lies in a well-designed and compelling employee experience. Strong benefits offerings are just one facet of the rich employee ecosystem that top talent expects. Benefits sit alongside purpose, culture, training and development opportunities, scheduling and vacation policies, DEI initiatives, employee assistance programs (EAPs), and other key aspects of the employee experience. Workers want all these elements to work together in ways that suit their unique needs and enable them to succeed professionally and live their best lives outside of work.



The employee experience: how to drive meaning and inclusivity for all

For employers to meet their talent management goals, they must strengthen the whole employee experience to unify a heterogeneous workforce. Specifically, our research highlights **five key areas** that enable the workforce to thrive during disruptive times and create common ground among workers:



Purposeful work



Flexibility and work-life balance



Social and supportive cultures



Career development and training



Wellness programs and benefits

Employers should adopt a portfolio mindset to designing an employee experience that will satisfy the complex and divergent needs of all people working across the organization. These five elements serve as the foundation that can be **enhanced and adapted with benefits** and programs to support each employee's holistic well-being. In this way, employers can address the diversity of their workforce across the entire experience, rather than focusing DEI efforts on building supportive cultures alone.

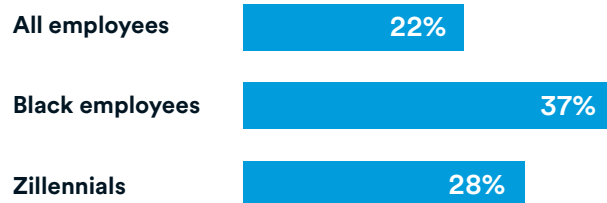


The power of purpose

In the wake of the pandemic, employers and employees alike spent more time thinking about purpose. Workers seeking more meaningful work have been a primary force behind the Great Reshuffle. In our 2021 study, 53% of those without purposeful work said they intended to be with their organization in 12 months; in 2022, this figure dropped to 36%.

Purposeful work is the **top driver for employee mental, social, and physical health**. For desk-based and office workers and caregivers, it's the top driver of holistic well-being. 20-somethings are particularly interested in their employers having a clear purpose and a positive impact on the community; 54% of Zillennials, the microgeneration that now spans Generation Z and Millennials, cite it as a must-have benefit when considering a new role, compared to only 43% of all employees and 31% of Boomers. Meaningful work also has a significant impact on retention, even more so among Black employees and Zillennials.

Employees who say that lack of purposeful work was a contributing factor in considering leaving their role during the past 12 months:



There is a clear difference in employee and employer perceptions regarding purpose. A full 86% of employers say their employees have a strong sense of purpose at work, up from 82% in 2021. However, only 68% of employees report having a strong sense of purpose at work. Employers can help employees connect to purposeful work by communicating the organization's impact on the community and customers' lives.

“ I don't think they contribute enough to non-profit organizations and matching funds for your contributions. I think they need to do better with that.

“ They show us constantly how our jobs actually impact real people. We're not just doing work to do work. There's a culture of caring about others, and I think that's really shown itself during COVID.





Focus on flexibility

As the lines between personal and professional lives have blurred, flexibility and work-life balance have become make-or-break issues for employees in their employer relationships. Employers recognize the importance and shift of attitudes toward flexibility over time, with 64% identifying it as the top trend impacting the workforce over the next 20 years. But that clarity doesn't make providing flexibility any easier.

Seven in ten employees rank work-life management benefits and programs like flexible hours, time-management programs, and financial allowance for home office set-up in the top three offerings that would most improve their overall well-being. It's important for organizations to recognize that flexibility means different things to different people. The key factors include:

- Where they work (e.g., at home or in the office)
- When they work (including the ability to set working hours and “protect” pockets of time)
- What they wear
- How PTO can be used

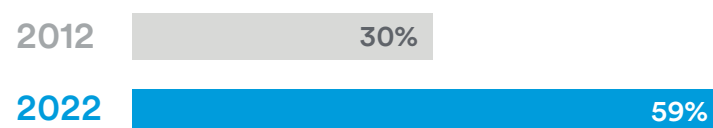
“ There's an age gap of about 40 years between senior management and the new workforce that has come into the office over the last ten years, who have a distinctly different viewpoint of what work-life balance is and where work lies in their personal priorities.

For employees, having flexibility to manage both work and life matters in evaluating new jobs or staying in their current ones.

Employees who say that a flexible work schedule, including the ability to work remotely, is a “must have” when considering new jobs:



Employees intending to leave their jobs who said providing flexibility is an action their employer could take to retain them:



Employees who are satisfied with the flexibility provided by their employers are significantly more likely to plan to stay at their organization for 12 months (84%), compared to those who are unsatisfied with employer-provided flexibility (47%). In fact, employees who say their employer provides them with the flexibility they need are nearly twice as likely to say they intend to stay with their current organization for as long as possible or until retirement.

Flexibility is also **essential to mental health**. Employees who say their employer provides them with the flexibility they need to manage both work and life are significantly more likely to say they feel mentally healthy (82%) than employees who don't receive such flexibility (45%). Similarly, employees who work a hybrid or flexible schedule are significantly more likely to feel mentally healthy (75%) compared to workers who are mandated to be either on-site or remote all the time (66%).

Employers that are unable to offer flexible scheduling or remote working, for example, should consider creative ways to provide choices for employees. In these cases, HR leaders should explore alternative benefits and programs to compensate for the perceived lack of flexibility.

Employee views of what employers should offer on account of working arrangements with limited flexibility:

53%	Increased pay
41%	Increased paid time off
25%	A wider array of benefits
25%	More employee well-being programs and initiatives
19%	Caregiver benefits
16%	Transport or commuter benefits and subsidies
15%	More social activities
9%	Increased unpaid time off

Delivering flexibility via leave programs

Paid and unpaid leave offerings can help employers improve the flexibility they provide. For instance, parental leave and other family-centric offerings appeal to professional and office-based workers. Caregivers value paid leave to look after family members (e.g., children, aging parents, or other elderly relatives) and subsidies for emergency care or pre-tax accounts that can be used to pay for care for eligible dependents.

Beyond flexibility, paid and unpaid leave is the top benefit that would improve well-being, according to 81% of employees. The potential upside is clear in that employees who are satisfied with employer-provided leave programs are:



But as employees have grown more interested in leave benefits, their satisfaction with current offerings has decreased by seven percentage points. Satisfaction with leave programs is lowest among Generation Z (56%), employees at small organizations (63%), persons of color (63%), and women (64%).

“I would like to see extended parental leave, both for maternity and paternity leave, which I think is great, but I would like to see that extended. From what I hear there's nowhere near enough time away.



The role of supportive cultures

A full 87% of employers recognize that benefits play a key role in building and sustaining workplace culture, up from 75% since 2020. But employees view culture in a broader context, including the personal connections with co-workers that foster social health and promote inclusiveness. Strong cultures can serve as a rallying point to bring together different segments of the workforce, with **DEI initiatives helping to build mutual understanding and empathy** among coworkers.

Leadership actions and managerial support are how workplace cultures come to life, and they can be difference-makers when it comes to holistic health. For instance, a full 77% of employees who have supportive managers say they feel mentally healthy versus only 47% of workers who don't receive that support. Those workers who feel their manager is supportive are more than twice as likely to say they have the flexibility they need to manage both work and life (76%) compared to those who don't receive managerial support (31%).

Employees largely equate management support with increased openness and willingness to have conversations on sensitive topics (e.g., mental health, flexibility, leave). Because these conversations can be challenging for managers, employers should offer training that equips managers to conduct such conversations with compassion and professionalism.

Supportive managers also play a critical role in keeping employees feeling resilient, loyal, and socially healthy. More than three-quarters (77%) of workers with a supportive manager say they are socially healthy, compared to 69% among all employees and just 44% of those without a supportive manager.

72%

Employees with a supportive manager who feel resilient, compared to 40% of those without a supportive manager

Intention to be with their current organization in 12 months:

82%

employees with a
supportive manager

44%

employees without a
supportive manager

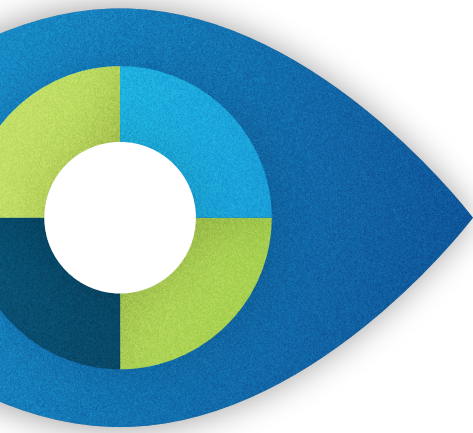
Employees who agree their organization's work culture is open, supportive, and inclusive to all employees are almost twice as likely to say they are socially healthy compared to those who don't agree (80% versus 41%). Women are more likely than men to consider a supportive and empathetic culture a must-have (51% versus 39% of men).

Supplemental benefits can reinforce cultural inclusiveness. For instance, emerging family benefits like pet insurance and subsidized fertility treatments demonstrate that employers understand and support varying employee priorities.

“

Initially, it felt like you were really a part of a team, part of something that developed pride. Now, at this point, I think they've lost it. How do you sustain culture when everybody is half-a-million miles away from each other?





DEI done right: How high-impact programs deliver greater productivity, satisfaction, and loyalty

DEI initiatives and affinity groups are business imperatives, thanks to their ability to strengthen cultures and to increasing employee interest. They are also proven to deliver strong results in terms of talent management. While many employers are enhancing DEI programs and making bold commitments in the wake of calls for increased racial, cultural, and gender equity, employees want to see more.

74% Employees who say that they are interested in DEI and/or affinity groups when deciding whether to accept a new job, versus only 48% in 2021

“ Even during my interview process, I'd asked someone, what are we doing for diversity, equity, and inclusion as a company? What are some initiatives you have put forward? The answer was, 'That's something that we're still working through.' ”

About two-thirds (65%) of employees expect their employer to take action to promote DEI within their organizations. Expectations are even higher for certain sub-groups.

Employees who expect their employer to take action to promote DEI within the organization:



The DEI disconnect – and how to overcome it

Overall, there is a significant disconnect between how well employers believe they are doing on DEI initiatives and how well employees say their organization is doing, especially in areas that matter most.

	Employers that agree	Employees who agree	Difference
Employees can express themselves at work without fear of retribution	81%	60%	21% pts.
Managers and senior leadership at my organization are representative of the overall workforce	79%	54%	25% pts.
My organization adopts the latest DEI best practices	77%	52%	25% pts.
My organization is ahead of others in our industry in its DEI practices	75%	48%	27% pts.
My organization's work culture is open, inclusive, and supportive to all employees	82%	61%	21% pts.

Across racial and ethnic groups, about two-thirds of employees believe their organizations' culture is open, inclusive, and supportive. But there are notable differences among sub-groups:

61% of Hispanic women (versus 71% of Hispanic men) and 62% of White women (versus 69% of White men) say their organization is open, inclusive, and supportive.

Those who agree they can express themselves without fear of retribution drops significantly to 56% of women and 55% for people of color.

Only 48% of Generation Z employees believe their managers and senior leadership are representative of the overall workforce.

Groups that have been historically underrepresented are especially interested in more diverse leadership. Black employees (32%) are significantly more likely than the overall workforce to expect their employer to create a more representative leadership team, as are workers living with a disability (34%), and LGBTQIA+ employees (32%).

The top three DEI actions employees expect:

- ▶ **Create a more representative leadership team** (26%)
- ▶ **Offer a wider range of benefits that address diversity, equity, and inclusion** (23%)
- ▶ **Provide conflict resolution training to managers** (23%)

“The commitment to diversity, equity, and inclusion only tells me that we're trying to be the best business we can be. If we don't have that culture, then we're going to lose opportunities to bring in good people. So, it's a wise business decision, first and foremost.”

Impact on key employee outcomes

Employees who are satisfied with their employers' DEI actions are:

1.6x more likely to still be with their organization in 12 months

Employees who agree their employer is ahead of others in their industry in DEI practices are:

1.5x more likely to feel productive at work

2x more likely to be satisfied with their job



Developing and training employees for success

In a tight labor market, many employees are serious about growing and advancing their careers – and they are looking for employers who will support them. The number of workers who view development, training, and advancement opportunities as must haves when considering a new position has grown by eight percentage points since 2020. Strong training and mentorship programs and/or professional development credits can help employers demonstrate their commitment to employees' success.

Managers are also looking for more robust training and development programs. Focusing on soft skills can help managers use empathy to better connect with and support employees, especially in the new era of “permanent hybrid” and worker empowerment. Our research shows that early adopters are already taking such action. Compared to 2020, employers are 26% more likely today to focus managerial training programs on leadership, conflict resolution, curiosity, and other soft skills.

Employers are also 18% more likely to say the training and re-training they provide helps employees stay successful, which has been a particular challenge for larger companies. That employees believe their employers are significantly more committed to their success than they were two years ago suggests employer efforts are paying off.

Employees who say their employers are committed to workers' success:





The value of wellness programs and benefits

A broader mix of benefits – including traditional employer-paid offerings and supplemental benefits employees can elect to pay for – gives organizations more options to exercise as they seek to become employers of choice. Employees agree, with nearly three-quarters (73%) saying that a wider array of benefits would make them continue working at their employer for longer. Similar percentages of employees think more choices in benefits would reduce their stress (75%) and improve their financial wellness (76%). Employees are 25% more likely in 2022 than they were in 2012 to say that benefits are an important reason they came to their current employer. There has also been an increase in the proportion of employees who say a wider array of benefits would make them more loyal, engaged, and productive over the past two years. In other words, benefits have an important role to play in achieving the talent management results employers are looking for.

Employees satisfied with their benefits are:

2x

**more likely to
be satisfied with
their jobs**

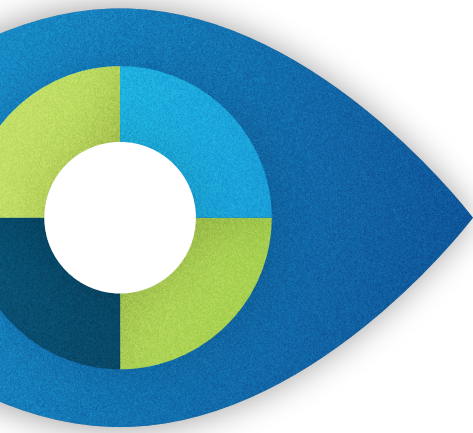
70%

**more likely to
be loyal to their
employer**

Fertility benefits, parental leave policies, pet insurance, and EAPs offering access to legal support and financial planning are among the voluntary benefits that have gained traction with employees. Individually and collectively, these offerings communicate clearly that employers understand employees have lives – with meaningful commitments and unique priorities – outside of work.

Flexibility is key, as different offerings will resonate with specific groups of employees. For instance, Generation Z, LGBTQIA+, and Black workers prioritize mental health benefits and programs over other types of wellness offerings while Asian and Hispanic employees prioritize physical wellness benefits. Our results confirm that organizations offering more wellness programs are more likely to attract and retain workers.

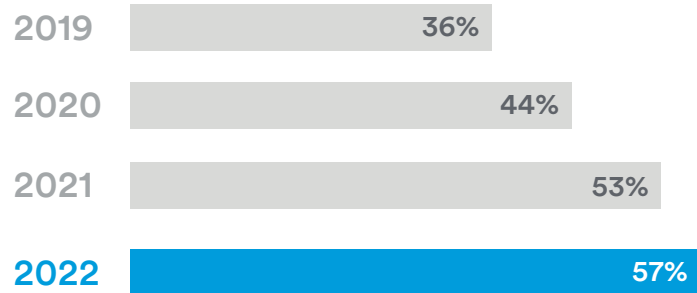




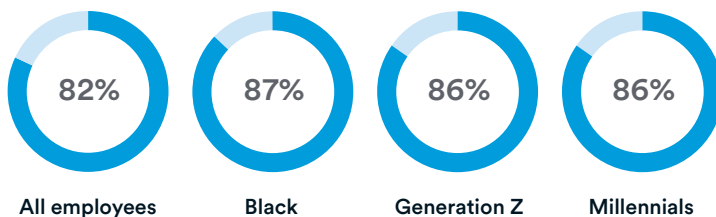
Employers meet the moment with EAPs

EAPs proved their worth during the pandemic – both for employees and employers. Our data indicates that EAPs may be the most powerful and flexible tool employers have to meet the full range of evolving employee needs.

Employers offering EAPs:

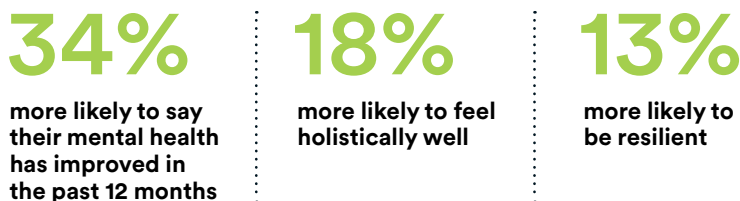


Employees who are interested in EAPs as a must-have or nice-to-have:



If I need assistance with my mental health, there's definitely an employee assistance program and I've utilized that before when I was going through my divorce a few years back, so they will help me there.

Employees offered an EAP by their employers are:



Many EAPs offer mental health and counseling. Some organizations enhance their EAPs with additional services, such as legal support, credit counselling, or grief counselling. Defining the right mix of services within EAPs is critical to meeting the needs of different employee groups and boosting adoption.

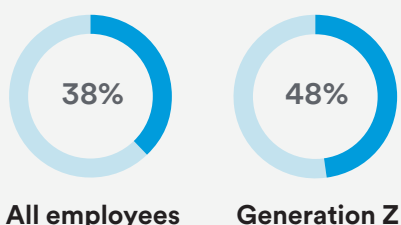


“ Health, dental, vision, flexible spending, and gym are all voluntary benefits. I chose them because my family goes to the doctor and dentist regularly and we all wear eyeglasses. It would not be affordable without insurance benefits.

Supporting employees with benefits

Employers can show that they value their workers by expanding or augmenting traditional health insurance with coverage for dental and vision care, cancer and other critical illnesses, accidents, and hospitalization. By providing access to financial planning services and legal support (e.g., preparation of wills or estate plans), employers can help address the needs of those employees who don't feel their current benefits reduce financial stress.

Employees who don't view their current benefits package as reducing financial stress:

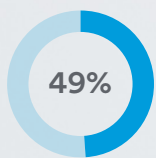


On an individual basis, employers can help employees go beyond retirement savings to define and work toward other financial goals (e.g., paying off student loans, buying a home, saving for college tuition). Employer-sponsored workshops and tools for budgeting, saving, and goal setting, like MetLife's free Upwise app, communicate that employers take seriously their responsibility to improve employee financial wellness.

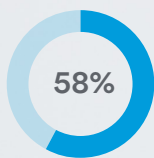
Similarly, combinations or bundles of benefits can resonate with the workforce and deliver against broader holistic health goals. For example, flexible savings accounts (FSAs) have proven to be an attractive complement to high-deductible healthcare plans. FSAs, along with health savings accounts (HSAs), are win-win propositions, boosting financial wellness for employees and helping employers manage medical costs.

Of course, not all organizations can afford to provide more insurance, but coverage in some of these areas can be offered on a voluntary basis for employees motivated to pay for them. Almost half of employees at small organizations (49%) and more than half at mid-sized employers (55%) are willing to pay for more benefits

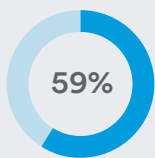
Employees willing to bear more of the costs to have a choice of benefits that meet their needs:



All employees



Millennials



Black employees

“

Mental/emotional counseling apps and online estate planning are most interesting to me. I would enthusiastically choose some of these if they were part of my employer's voluntary benefits.

Driving benefits adoption with personalized and integrated communications

Though many employers have expanded their benefits offerings in recent years, their efforts have not fully connected with employees. To increase their benefits ROI, employers must enhance their communications and engagement efforts.

As a baseline, all employees should understand what their benefits cover. But, today, only two-thirds of employees (65%) – and only 56% of Generation Z employees – say their employers' benefits communications are easy to understand. Yet 87% of employers say their benefits are clear and easy to understand. Just over half of all employees (54%) feel benefits communications are relevant to them. Approximately a quarter of employees say communications do not clarify which benefits are right for them (28%) and which benefits are available (24%).

To break through, employers need a fresh approach to benefits communications, shifting the focus from the tactical and administrative to the personal and inspirational. Through human storytelling, employers can help show how benefits and other resources help employees accomplish their goals, achieve holistic well-being, and live their best lives.

Benefits communications should be **tailored to highlight what matters most** to different cohorts of employees and encourage them to take advantage of everything on offer. Where possible, benefits messages should be integrated with communications about other programs or initiatives (e.g., updates to PTO and scheduling policies in

support of increased flexibility). Communications plans should reflect a range of preferences for channels and timing as email is simply not enough. With the elimination of in-person events, some HR departments have launched information-rich portals and mobile apps, but the right approach will vary based on the composition of each organization's workforce.

The business case for enhanced benefits communication should not be underestimated. Consider that employees who understand what is covered and not covered are:

101%

more likely to trust their employer's leadership

80%

more likely to be satisfied with their current job

94%

more likely to feel valued/appreciated

60%

more likely to intend to still be working for their organization in 12 months

The implication is clear: it's not just the employer-provided benefits that matter to key talent outcomes, but also how those benefits are presented to employees and how workers are encouraged to take advantage of what's available.

Moving from insight to action

01

- ▶ Implement **ongoing listening mechanisms to capture, identify, and track employee needs, while ensuring a diverse set of voices** are represented on planning committees.

02

- ▶ Address gaps in employer and employee perceptions by **consistently communicating about employer efforts** to support holistic well-being, foster an inclusive culture, and enable work-life balance.

03

- ▶ Design benefits offerings to **support the larger employee experience and create choice** to meet the needs of a heterogenous workforce.

04

- ▶ Consider how your employee experience, inclusive of benefits and programs, can **combat mental health concerns** (e.g., through flexibility, manager training, and support like EAPs).

05

- ▶ Boost key employee outcomes of social health, job satisfaction, loyalty, and productivity by **adopting DEI best practices** throughout the organization.

06

- ▶ Create forums for employees to ask questions about their benefits and **provide tools and resources for decision-making support** so employees can find the best options to suit their needs.



Welcome to the age of the whole employee

Twenty years after our first Employee Benefit Trends Study, we can safely say that benefits matter more than ever to employees and employers alike. Through our research, employees have made clear that they expect more support from their employers in a wide range of areas, at work and beyond. Further, employees respond with higher degrees of engagement and productivity when their holistic needs are being met and they feel valued at work.

For employers, it's clear that the stakes have been raised. Benefits are a powerful tool for serving the whole employee and meeting the needs of the entire organization. That's true not only in the intense competition to win talent, but also in enabling and equipping employees to be at their best, both at work and in their personal lives. Those employers that take the time to understand the expansion and diversification of their employees' needs will be better positioned to satisfy those needs and in ways that offer tangible results.

The greater emphasis on employee well-being and the consensus that pursuing such well-being is good business confirms that employers are operating in a new era, the age of the whole employee. Organizations that devise effective talent management strategies, with compelling benefits and an attractive employee experience, will be best positioned to seize the win-win opportunity whereby employees leading their best lives enable the organization to perform at its highest level.

Methodology

MetLife's 20th Annual U.S. Employee Benefit Trends Study was conducted in November 2021 and consists of two distinct studies fielded by Rainmakers CSI – a global strategy, insight, and planning consultancy.

The employer survey includes 2,737 interviews with benefits decision-makers and influencers at companies with at least two employees. The employee survey consists of 2,982 interviews with full-time employees, ages 21 and over, at companies with at least two employees.

Employees

Gender

Male	47%
Female	52%
Other (including non-binary)	0.3%

Marital Status

Married	55%
Single, not living with partner	24%
Single, living with partner	11%
Divorced/Separated	9%
Widowed	2%

Ethnicity

Caucasian	74%
African American	13%
Asian	8%
Other	3%
Hispanic	17%
Non-Hispanic	83%

Family status

Do not live with children under 18	64%
Live with children under 18	36%

Employer size (staff size)

2-9	7%
10-49	16%
50-199	17%
200-499	7%
500-999	9%
1,000-4,999	10%
5,000-9,999	9%
10,000+	24%

Geography

South	36%
West	21%
Northeast	21%
Midwest	22%

Age

21-24	6%
25-34	21%
35-44	28%
45-54	20%
55-64	18%
65+	7%

Personal income

Under \$30,000	11%
\$30,000-\$49,999	22%
\$50,000-\$74,999	19%
\$75,000-\$99,999	18%
\$100,000-\$149,999	16%
\$150,000 and over	12%
Prefer not to answer	2%

Industry

Other Services	12%
Healthcare and Social Assistance	12%
IT/Technology	9%
Finance and Insurance	9%
Educational Services	8%
Retail	8%
Manufacturing	8%
Construction	6%
Professional, Scientific, and Technical	4%
Services	4%
Transportation and Warehousing	4%
Accommodation and Food Services	3%
Public Administration	2%
Real Estate	2%

Arts, Entertainment, and Recreation	2%
Administration and Support and Waste Management and Remediation	2%
Energy and Utilities	2%
Wholesale Trade	1%
Agriculture, Forestry, and Fishing	1%
Information	1%
Management of Companies and Enterprises	1%
Pharmaceutical	1%
Mining, Quarrying, Oil and Gas Extraction	0.3%

Education

Some schooling completed/ No high school diploma	1%
High school graduate or the equivalent (i.e., GED)	14%
Some college credit, no degree	14%
Associate degree	13%
Bachelor's degree	33%
Master's degree	20%
Professional/Doctoral degree	4%

Employers

Employer size (staff size)

2-9	7%
10-49	16%
50-199	16%
200-499	6%
500-999	11%
1,000-4,999	11%
5,000-9,999	17%
10,000+	17%

Industry

IT/Technology	13%
Finance and Insurance	11%
Manufacturing	11%
Healthcare and Social Assistance	10%
Retail	9%
Construction	9%
Educational Services	8%
Other Services	5%
Professional, Scientific, and Technical Services	4%
Accommodation and Food Services	3%
Transportation and Warehousing	3%
Real Estate	2%
Public Administration	2%
Wholesale Trade	2%

Energy and Utilities	2%
Arts, Entertainment, and Recreation	1%
Administration and Support and Waste Management and Remediation	1%
Management of Companies and Enterprises	1%
Information	1%
Agriculture, Forestry, and Fishing	1%
Mining, Quarrying, Oil and Gas Extraction	0.2%

Geography

South	43%
West	18%
Northeast	20%
Midwest	19%

About MetLife

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates (“MetLife”), is one of the world’s leading financial services companies, providing insurance, annuities, employee benefits and asset management to help individual and institutional customers build a more confident future. Founded in 1868, MetLife has operations in more than 40 markets globally and holds leading positions in the United States, Japan, Latin America, Asia, Europe and the Middle East.

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Rainmakers CSI is a UK-based global strategy, insight, and planning consultancy with a focus on delivering game-changing commercial impact. Since our inception in 2007, we’ve worked collaboratively with leading companies to help define opportunities for brands, categories, and businesses. Our expertise spans not only Financial Services, but also Food and Drink, Beauty, Healthcare, Telecoms, Technology, Entertainment, and Travel. Our programs and client relationships span all continents, with 50% of our work originating in the US.

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Metropolitan Life Insurance Company

200 Park Avenue

New York, NY 10166

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