



# Voice of the American Workplace

**Aligning for success:  
From conflict to consensus**

2025



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# Introduction

Summary of research methodology and key findings

**The Voice of the American Employer Survey** was conducted by The Harris Poll on behalf of Franklin Templeton from November 25 to December 6, 2024. All 1,002 respondents, based in the United States, are classified as employers, defined as having at least some influence over company benefits and/or hiring at organizations with over 100 employees. Respondents represent a mix of industries, company size, role, age and race. Findings from 2023 reference a study of a similar nature that was conducted among 1,000 respondents of the same qualifications by The Harris Poll on behalf of Franklin Templeton from November 6 to 17, 2023.

This presentation also references a qualitative study conducted by The Harris Poll on behalf of Franklin Templeton from August 15 to August 25, 2023, among 15 American employers. All interviewees were full-time employees working in human resources, who have influence over employee benefits, and included those with titles such as HR Manager, HR Director or HR Vice President, among others.

This was a blind study, as Franklin Templeton was not mentioned in order to avoid bias.

**The Voice of the American Worker Survey** was conducted by The Harris Poll on behalf of Franklin Templeton from November 27 to December 10, 2024, among 2,018 employed US adults. All respondents had some form of retirement savings. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. Findings from 2020 reference a study of a similar nature that was conducted by The Harris Poll on behalf of Franklin Templeton from October 16 to 28, 2020, among 1,007 employed US adults, study from 2021 also references a similar survey conducted among 1,005 employed adults from October 28 to November 15, study from 2022 also references a similar survey conducted among 1,000 employed adults from October 17 to October 27, and a study from 2023 also references a similar survey conducted among 2,001 employed adults from November 9 to November 21.

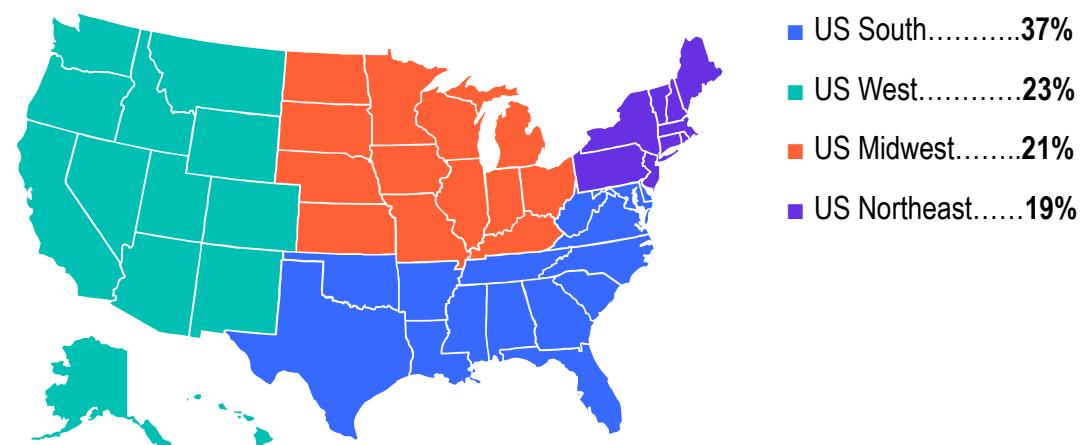
# Voice of the American Worker Survey

## Audience overview

### Retirement plan type



### Region



### Generation

**16%**  
Gen Z  
(18–27)

**37%**  
Millennial  
(28–43)

**32%**  
Gen X  
(44–59)

**14%**  
Baby Boomer  
(60–78)

### Gender



Men ..... 55%  
Women ..... 45%



## Employer challenges



### Addressing talent retention

- **88% of employers say**, even with unclear options elsewhere, employees are willing to leave if they aren't happy.
- **73% of employers** experienced 10%+ turnover in 2024.



### Sustaining a competitive edge

- **81% of employers** say attracting new talent is now harder than retaining current employees
- **81% of employers** say their competitors are intensifying efforts to capture top talent (e.g., poaching, acqui-hiring, etc.)."



### Managing benefit expansion within budgets

- **89% of employers** say, "we are adapting to be as flexible as possible to meet the diverse needs of today's workforce."
- **76% of employers** say their organization has been struggling to find adequate resources to address employees' desire for increased compensation (e.g., raises, promotions, etc.)."



## Workers are navigating unique pressures



### Top priorities

- **78% of workers** say good work-life balance is more important than a high salary.
- **49% of workers** say protecting their mental health is a top priority.



### Challenging job market

- **74% of workers** say they current job market has them holding tight to their position.
- **61% of workers** worry that if they lose their job, new opportunities won't be there.



### Retirement fears

- **54% of workers** fear they won't be able to live the life they want during retirement.
- **89% of workers** say, "access to benefits that evolve with my needs would give me a sense of long-term security."



## Strategies for the modern workplace



### More benefit education

- **93% of employers** think their employees should take a more active role in understanding their retirement options.
- **59% of workers** admit they “don’t do enough to fully learn about/maximize my company benefits.”



### Shared focus on financial security

- **89% of employers** say, “staying competitive in foundational benefits (e.g., healthcare, dental, vision, etc.) is a priority for our organization.”
- **46% of workers** are “asking for more benefits that are higher quality.”



### What makes employees stay

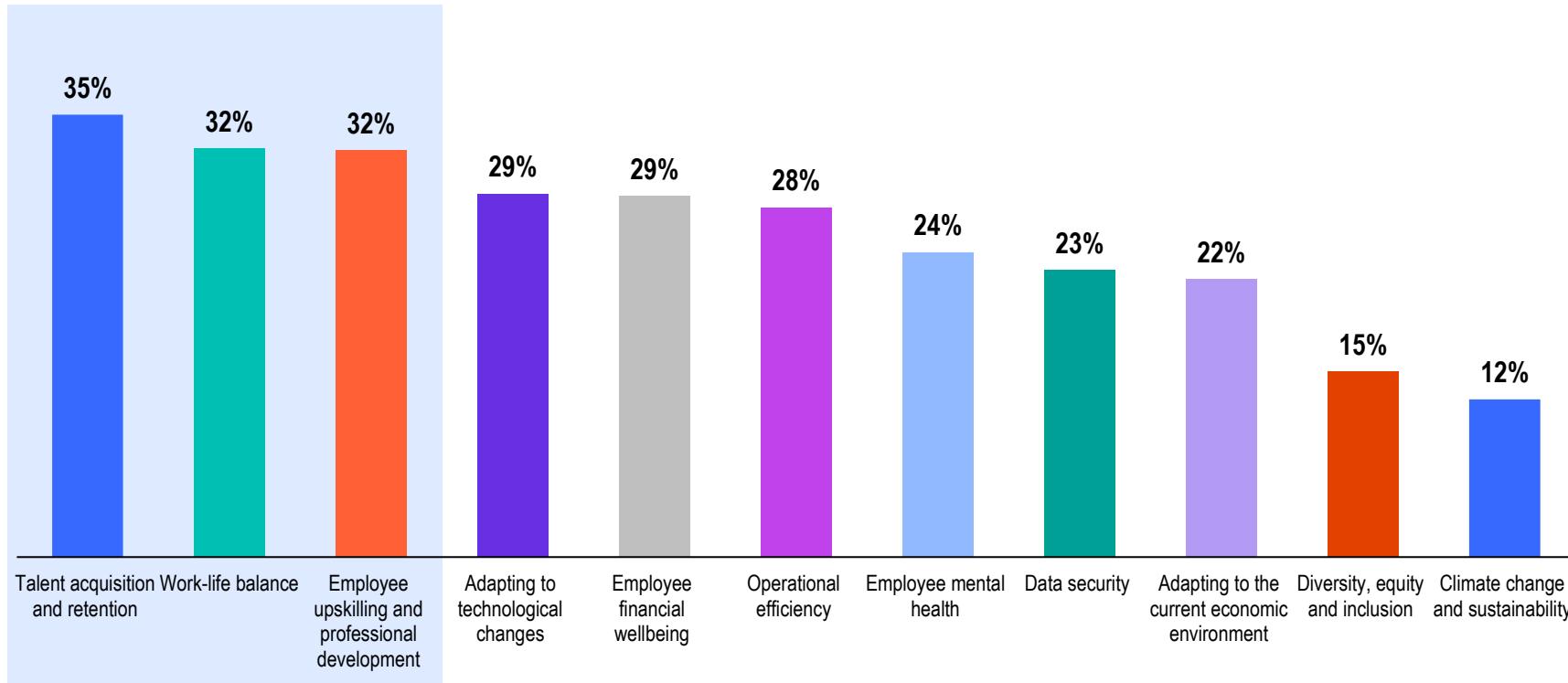
- **54% of employees** say increased compensation would convince them to stay longer in their company.
- **74% say** their relationship with their employer is better than it was last year.

# 1 Voice of the American Employer *Year 2*

# Employers navigate the pressing challenges of talent acquisition and retention, work-life balance and employee upskilling



What are the biggest challenges you're facing as an employer right now?



**92%**

“Employees increasingly seek work-life balance to enhance their wellbeing.”

**88%**

“Even with unclear options elsewhere, employees are willing to leave if they aren’t happy.”

# Turnover trends improve as employers prioritize recognition and connection



## Employee recognition

**94%**

“Employees who feel that they are being heard **stick around longer.**”

**87%**

“As an employer, we are making a concerted effort **to build community with our employees.**”

92% Technology

**85%**

“We have doubled down our efforts on **improving employee recognition.**”

## Turnover

- **73%** experienced **10%+** turnover (-18% YoY)  
81% Technology
- **45%** experienced **20%+** turnover
- **27%** experienced **25%+** turnover (-6% YoY)

Q101: If you had to estimate, what is the rate of employee turnover at your organization in the last 12 months? This refers to both voluntary terminations (i.e., employees quitting) as well as company layoffs (i.e., terminations initiated by the employer). (n=644 those who are directors or above in job title)

Q405: How much do you agree or disagree with the following statements? (n=1,002 total | Top 2= Strongly/somewhat agree)

# Securing top-tier talent has become increasingly competitive, prompting employers to allocate more resources and accelerate hiring timelines

## Navigating talent acquisition

**81%**

**“Attracting new talent is now harder than retaining current employees.”**

90% Technology

**81%**

**“My competitors are intensifying efforts to capture top talent (e.g., poaching, acqui-hiring, etc.).”**

90% Technology

**73%**

**“Hiring timelines have shortened in the last 12 months.”**

85% Technology  
82% Retail & CPG

# Employers are grappling with balancing business demands while addressing employees' needs for greater flexibility



## Flexibility for retention

**86%**

“Our organization views flexibility as a **competitive advantage in retaining top talent.**”

94% Technology

## Youthful ambitions

**75%**

“Younger employees in my organization have **more bargaining power** (e.g., flexible work options, career development opportunities, etc.).”

90% Technology

## Business challenges

**89%**

“We are adapting to be **as flexible as possible** to meet the diverse needs of today’s workforce.”

**84%**

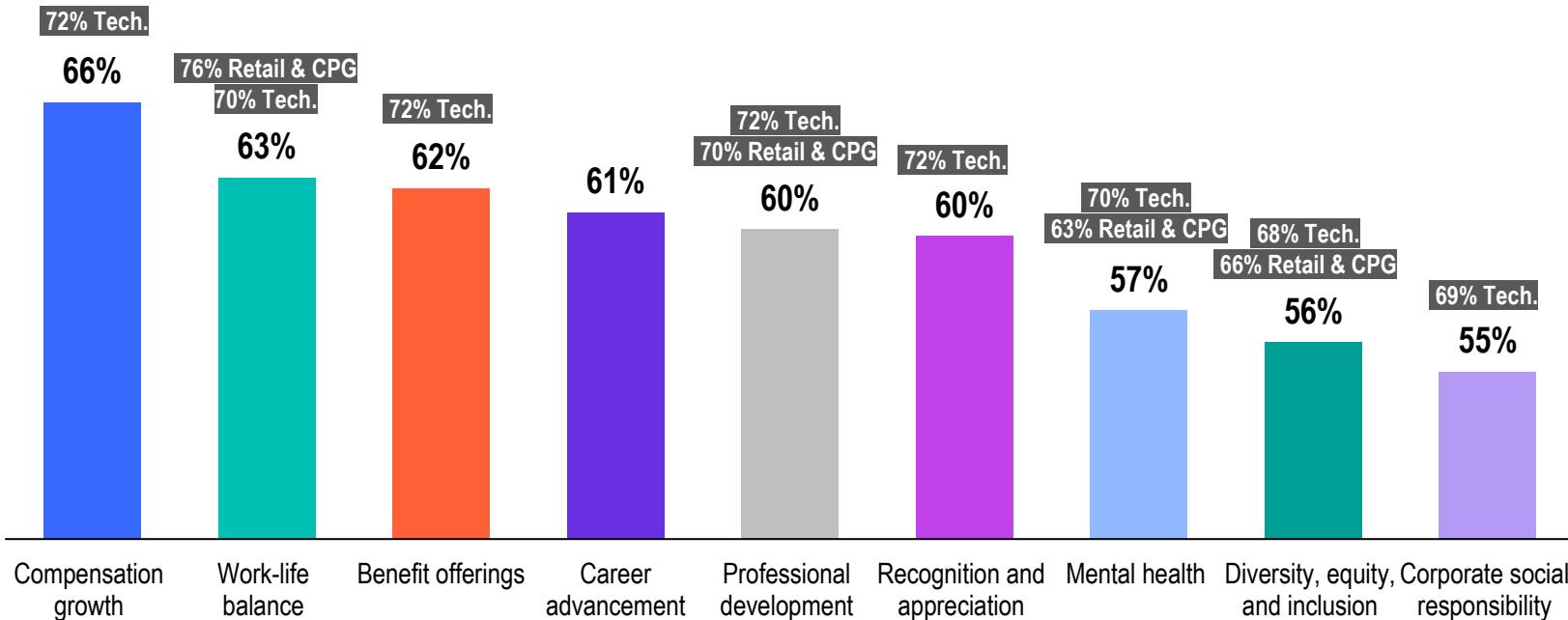
“Meeting industry productivity demands **is a constant challenge.**”

90% Technology

# Compensation expectations continue to lead this year, with employers expressing challenges meeting these demands

In which areas have you seen your employees' expectations change in recent years?

Increased/somewhat increased



76%

**"My organization has been struggling to find adequate resources to address employees' desire for increased compensation (e.g., raises, promotions, etc.)."**

81% Technology

# Employer-sponsored retirement plans play a vital role in attracting and retaining top talent



## Shared collaboration

**90%**

"We see retirement planning as a **collaborative effort between employer and employee.**"

## Building employee relationships and retention

**92%**

"Protecting employees' retirement futures is **key to building lasting relationships.**"

**92%**

"I believe that investing in our employees' financial futures **drives loyalty and performance.**"

98% Technology

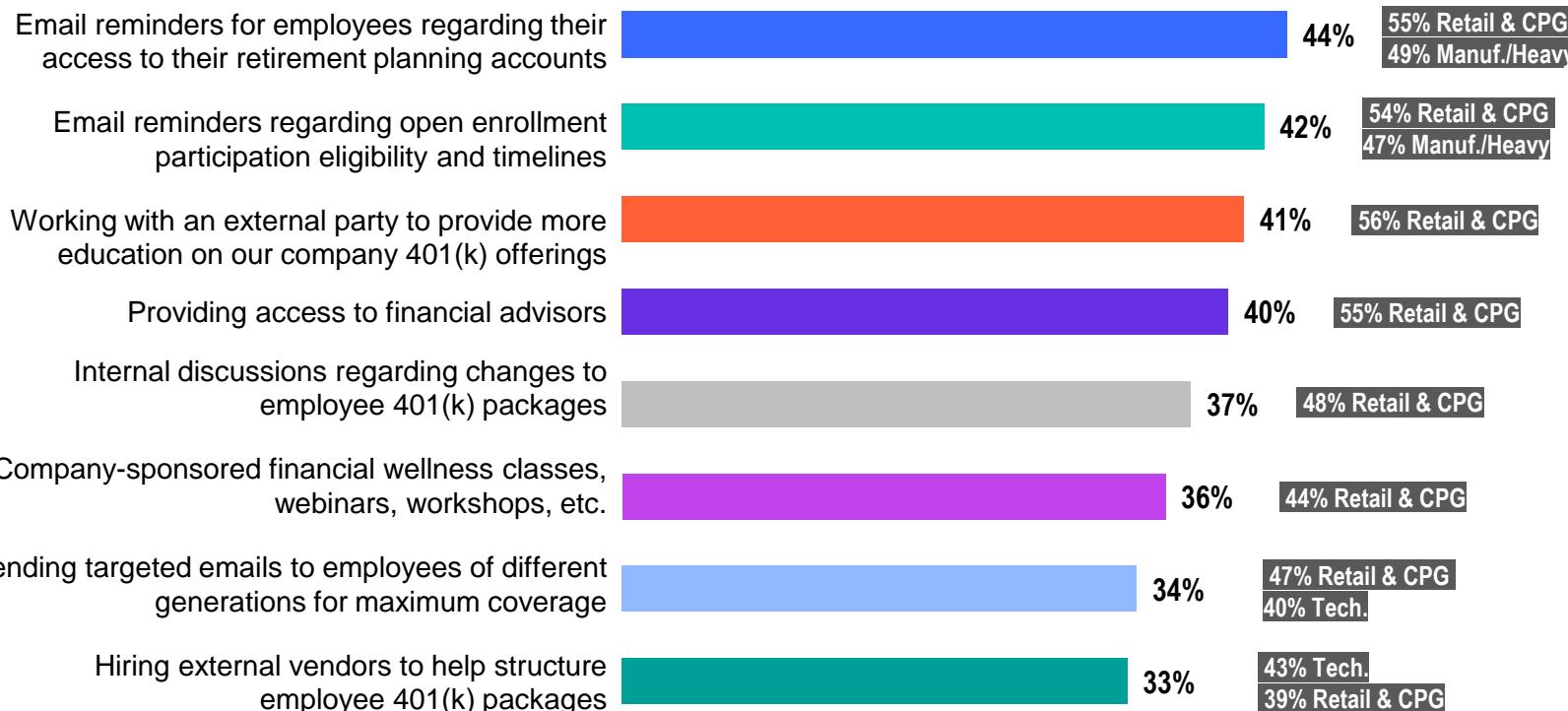
**87%**

"Our retirement plans are a key factor in **attracting top talent to our organization.**"

# Recognizing the nuances of retirement planning, employers are actively enhancing resources and communication to help employees succeed



## What kind of actions are you taking as an employer with regards to employee 401(k)s?



**88%**

**“Employees need help with the complexities of financial planning.”**

**88%**

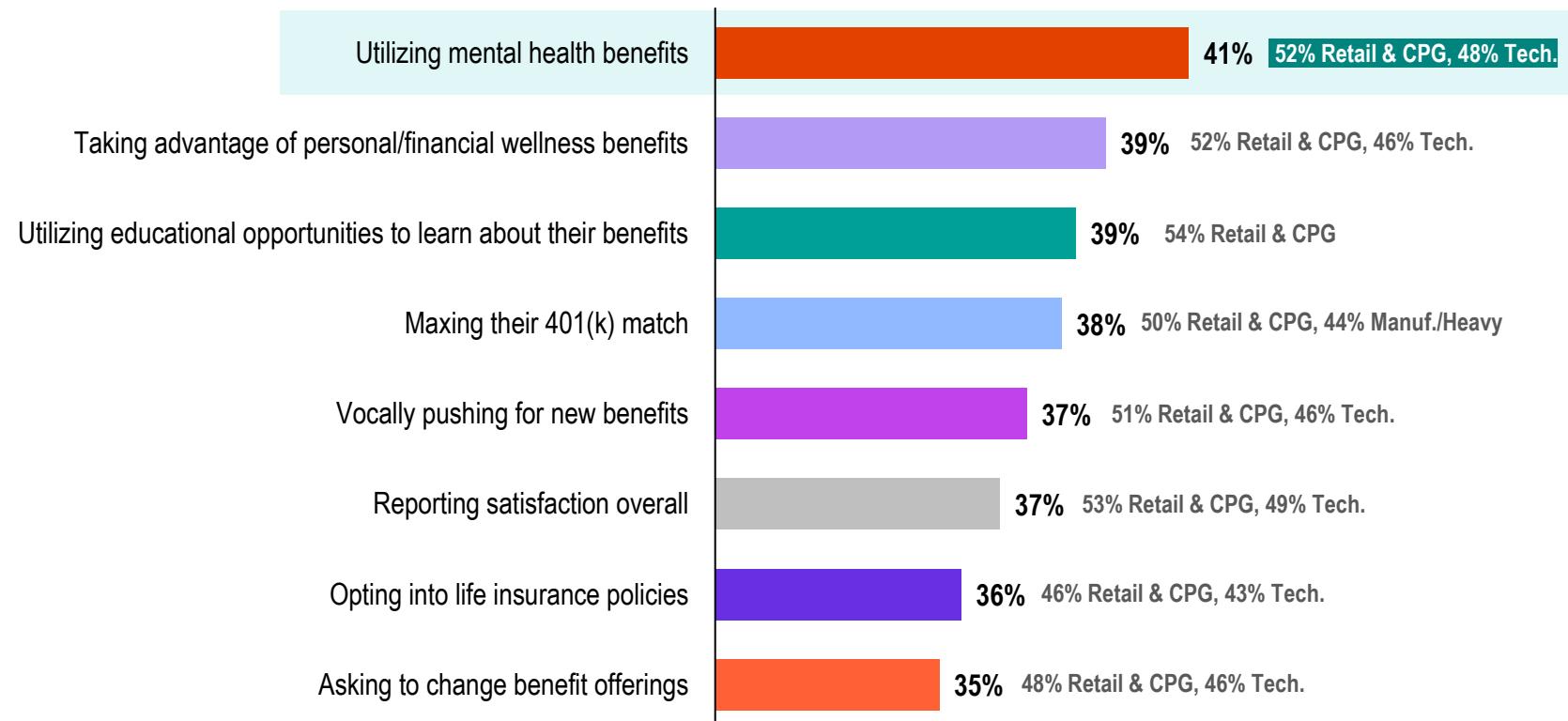
**“Our organization aims to provide **more financial resources for employees in the future.**”**

**94% Technology**

# Mental health benefits are among the most utilized, underscoring the critical role employers play in fostering employee well-being

## Over the last 12 months, how are your employees taking action regarding benefits?

### Summary of More



**69%**

**"We are placing a greater emphasis on mental health benefits moving forward."**

77% Manufacturing/Heavy  
75% Retail & CPG  
70% Technology

# As employers look to maintain core offerings, voluntary benefits are expected to expand



Nearly nine in 10 employers anticipate voluntary benefits will gain appeal in the future, alongside standard benefits

## Voluntary benefits expectations

**54%**

**"We plan on keeping our standard company benefit offerings the same in the future."**



**67%**

**"Voluntary benefits (e.g., life insurance, supplemental health insurance, etc.) are popular among our employees."**

**77% Retail & CPG**



**89%**

**"Voluntary benefit plans will become more popular as we strengthen our core offerings."**

**94% Retail & CPG**

# Personalized benefits are also amplified by employer suites



**86%**

**“Personalized benefits** are among the top requests from our employees (i.e., allowing employees to select benefits that align with their individual needs and lifestyles).”

95% Technology

**69%**

**“We are prioritizing personalized employee benefits in the next 12 months.** (e.g., flexibility to pick and choose between benefits provided by my company to meet my personal needs)”

79% Retail & CPG  
76% Technology  
75% Manufacturing/Heavy

“Virtual medicine, voluntary plans/offerings, and pharmacy benefits pick up where foundational plans leave off.

These additional benefits ease the worries of many employees wanting to feel secure.”

—Qualitative study participant

# Despite limited resources, employers are continually seeking ways to offer more comprehensive and competitive benefits

Seven in 10 employers are increasing employee benefits, acknowledging newer demands such as weight-loss prescriptions

**74%**

"We have **recently increased** the number and/or quality of company benefits."

82% Retail & CPG

**81%**

"With the addition of so many new benefits, **our resources are becoming more spread out across offerings.**"

88% Technology

**69%**

"My organization's benefits are **competitive in my industry.**"

78% Retail & CPG

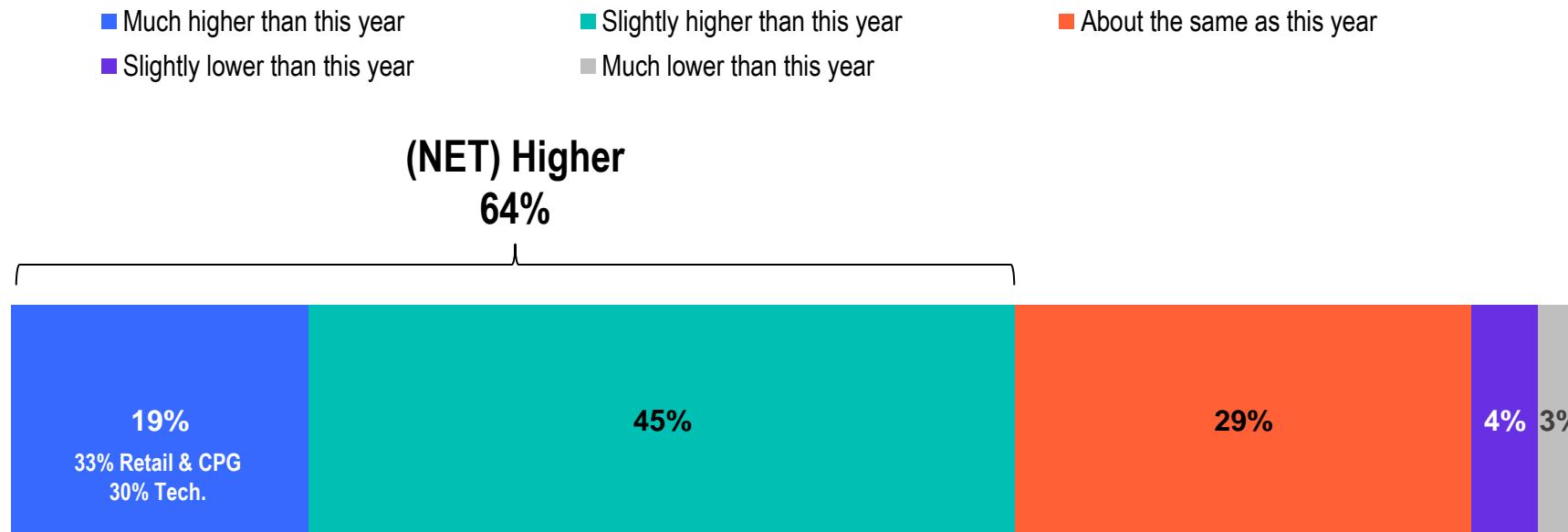
**72%**

"New benefits like **employee weight-loss prescriptions** are prompting a shift in our benefits priorities."

92% Technology  
78% Retail & CPG

# Employers foresee needing a better and bigger benefits budget in the coming year

## How do you expect your benefit budget to compare next year to this year?



**81%**

“Our benefit budget will need significant updates in the next 12 months.”

92% Technology

# By supporting employee advocacy with open communication and improved benefits, employers can foster healthy work environments



## Employer commitment

**91%**

**“We’re committed to continuously becoming a better employer for our employees.”**

**81%**

**“We’re aligning benefits with employees’ unique life stages and needs.”**

Addressing talent retention, sustaining a competitive edge and managing benefit expansion within budgets are among the top challenges for employers today.

### Key takeaway

**Employers face challenges in talent acquisition, retention and getting the most out of their benefit budget.** To attract and retain top talent, employers are enhancing flexibility, mental health benefits and personalized benefit options, yet balancing business demands remains a concern. There is a growing need for transparency and open communication, with employees expecting more support for their financial future and well-being. Tools like industry comparison reports and benefit checklist can be a helpful way to assess the impact of current offerings.

## 2 Voice of the American Worker *Year 5*

# Key employer actions

## Employers are:

Placing a greater emphasis on mental health benefits moving forward

Adapting to be as flexible as possible to meet the diverse needs of today's workforce and aligning benefits with employees' unique life stages and needs

Recognizing that their retirement plans are a key factor in attracting top talent to our organization

Aiming to provide more financial resources for employees in the future

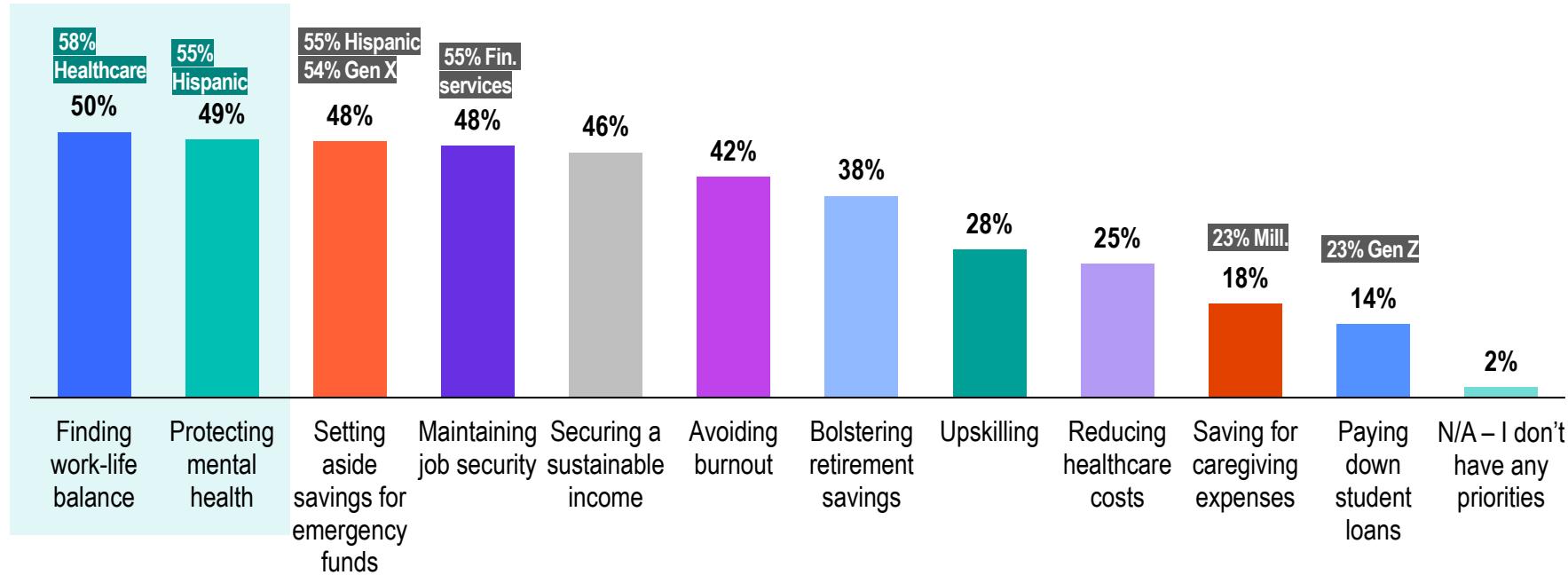
Committing to continuously becoming a better employer for their employees

# Achieving work-life balance and safeguarding mental health top employees' priorities as they head into 2025



**98%** of American workers are prioritizing at least one specific goal for their professional life

What are some of your priorities right now as an employee?



**78%**

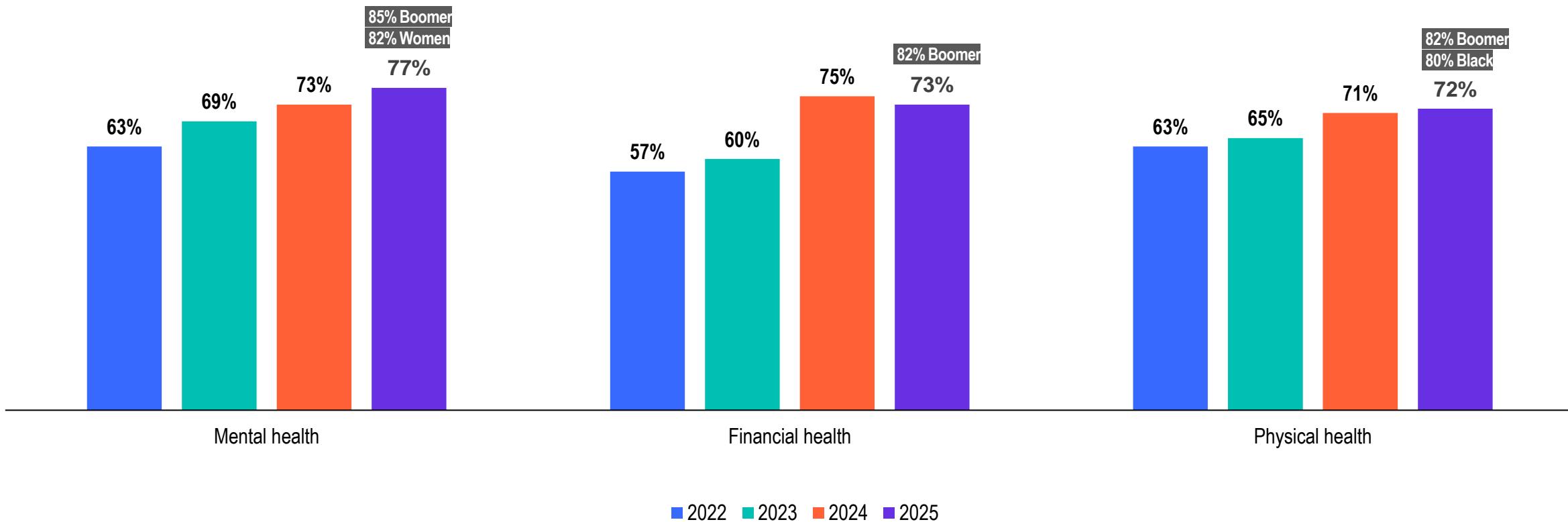
**“Good work-life balance** is more important to me than a high salary.”

86% Financial services  
86% Technology

# Mental health takes the lead as financial and physical well-being also gain momentum since 2022

On a scale of 1–10, how important are the following to you?

Top 2



Q202B. On a scale of 1–10, how important are the following to you? (Top 2 | n=2,018 total 2025, n=2,001 total 2024, n=1,000 2023, n=1,005 2022)

# Holding tight to stability: Workers tread carefully in a challenging job market



**74%**

“The current job market has me **holding tight to my position**.”

85% Technology  
81% Financial services  
79% Never married

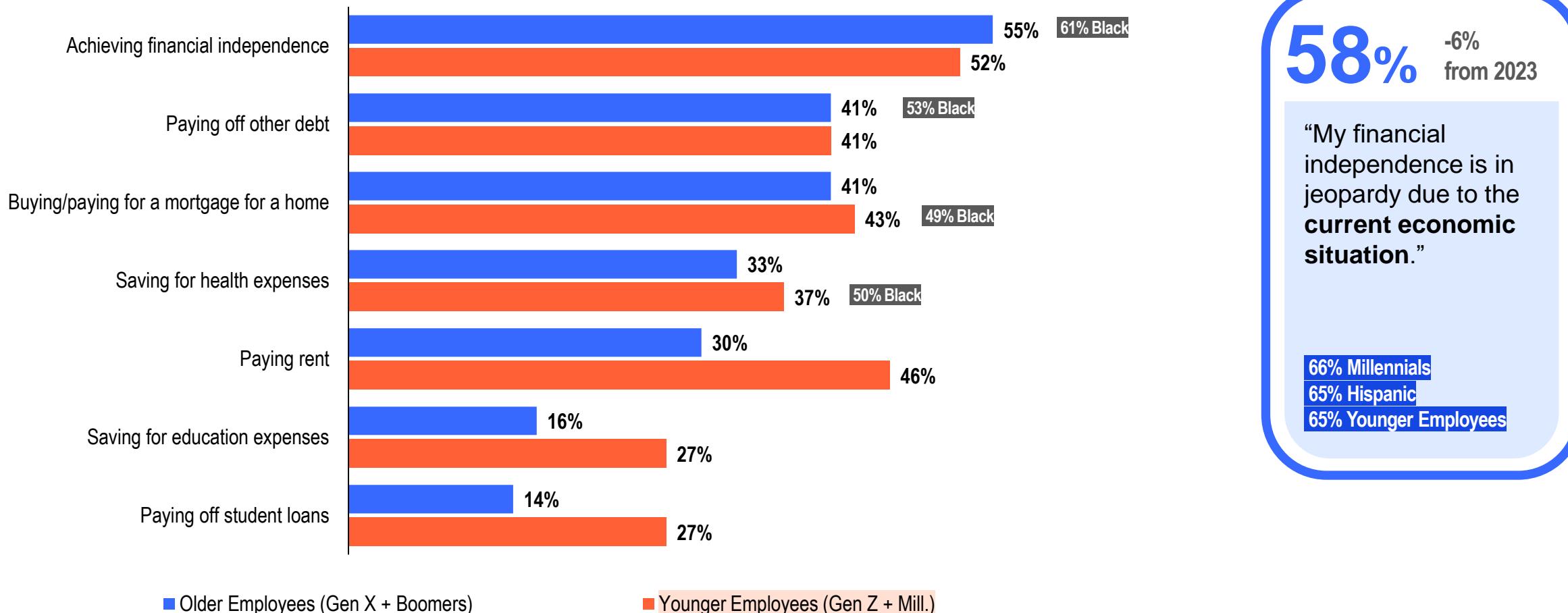
**61%**

“If I lose my job, I worry **new opportunities won’t be there**.”

68% Never married

# Financial independence remains a top priority, but younger employees face unique challenges with student loans, rent and education costs

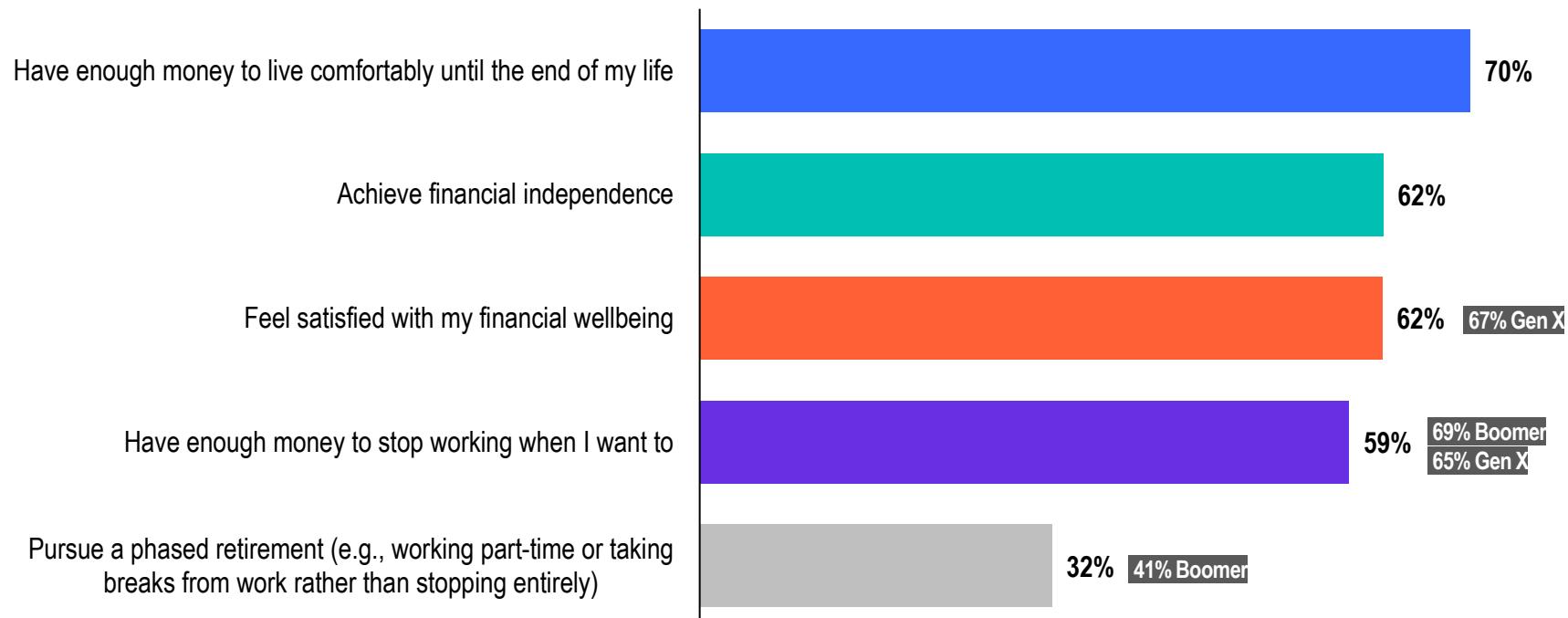
On a scale of 1–10, how much of a priority are the following financial concerns to you? (Top 2)



Q101A. On a scale of 1–10, how much of a priority are each of the following financial concerns to you? (n=2,018 total | Top 2 on a 10-pt. scale) | Q107: How much do you agree or disagree with the following statements? (n=2,018 total | Top 2=Strongly/somewhat agree)

# As in past years, financial goals drive independence and long-term security for American workers

On a scale of 1–10, how important is it that you do the following? (Top 2)



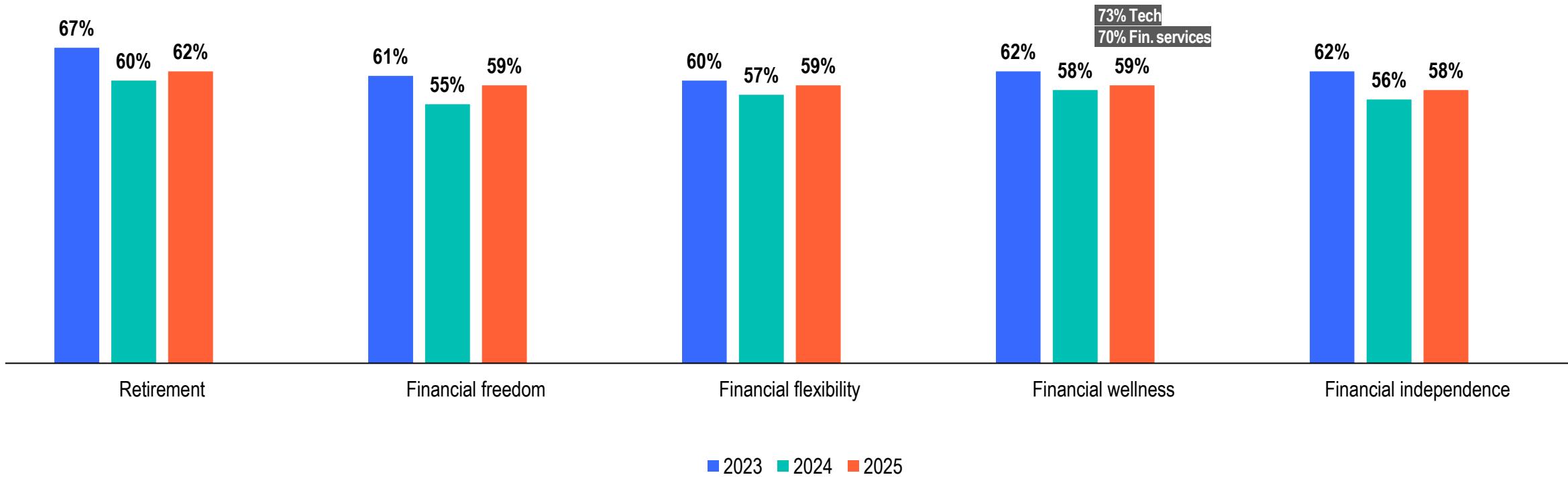
**91%**

**“I see my financial goals as a pathway to independence, not just security.”**

# Optimism grows as employees feel more confident about achieving financial goals in 2025

On a scale of 1–10, likely do you think it is that you will achieve the following?

Top 3



Q105: On a scale of 1–10, how likely do you think it is that you will achieve the following? (Top 3 | n=2,018 2025, n=2,001 2024, n=1,000 2023)

# While financial wellness seems more within reach, workers push back timelines for financial flexibility, freedom and retirement

Workers believe that one should be able to achieve the following by this age, on average...



1. **Financial flexibility** (i.e., ability to quickly react to unexpected or emergency expenses)
2. **Financial wellness** (i.e., state of being in which you can fully meet your current and future financial obligations, while feeling secure in your financial future and making choices that allow you to enjoy life)
3. **Financial freedom** (i.e., having enough means to afford a desired lifestyle)
4. **Financial independence** (i.e., having enough income or wealth sufficient to pay one's living expenses without having to be employed or dependent on others)
5. **Retirement** (i.e., ability to leave the workforce behind)

# Financial uncertainty and lifestyle challenges dominate retirement anxieties

## What is your biggest retirement fear?



# Flexibility in benefits is key as employees prioritize evolving needs and mental health



**91%**

“It’s important to me that my employer’s benefits **keep pace with modern challenges.**”

**89%**

“Access to **benefits that evolve with my needs** would give me a sense of long-term security.”

**76%**

“**Mental health support** has become (an) increasingly important benefit for me.”

88% Technology  
83% Millennials  
82% Hispanic

# Personalization and incentivization are paramount for employees and their benefit offerings

**88%**

“I would like my employer to **offer personalized employee benefits** (i.e., customized benefits that meet my individual needs, whether financial or work-life-balance, etc.).”

**85%**

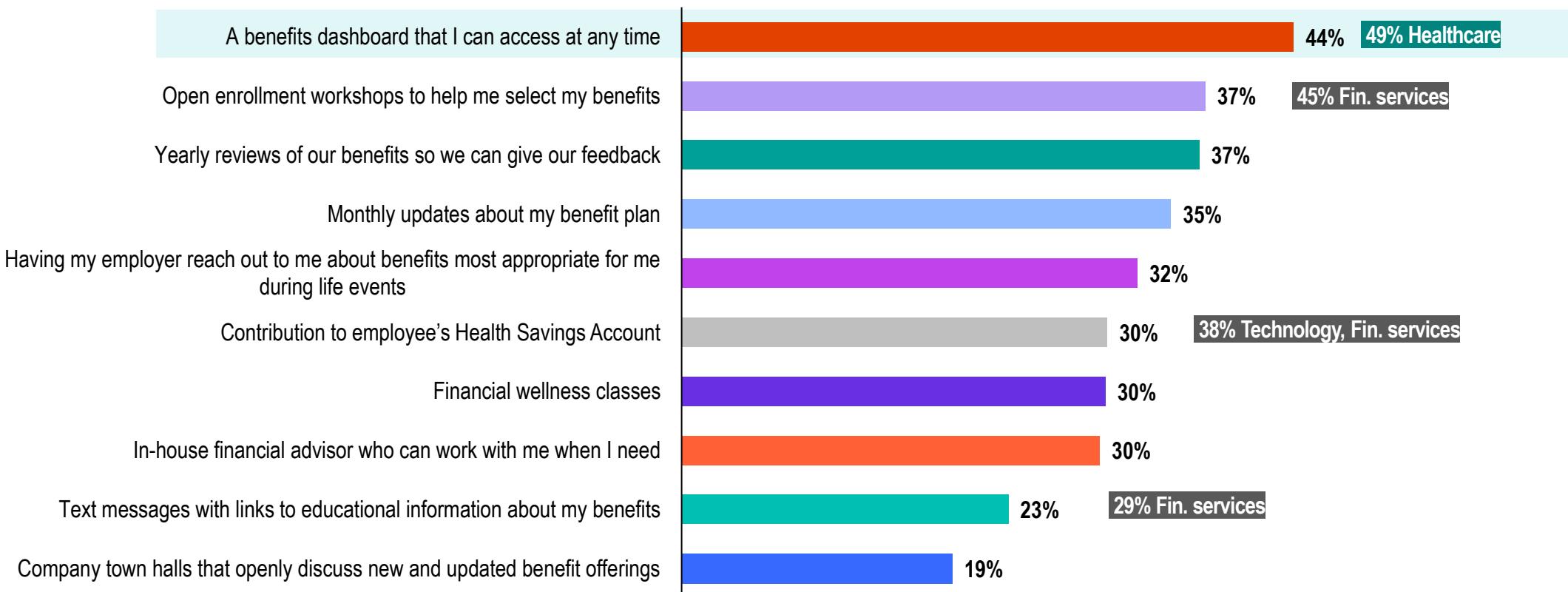
“I would **be interested in a more personalized 401(k) investment option** (i.e., personalized portfolio—using factors such as age and income) tailored to my unique financial situation.”

**82%**

“My employer should **provide incentives for good financial habits** (e.g., small bonus for an annual meeting with a financial planner, retirement savings matching, 529 matching etc.).”

# Employees want more accessible and tailored benefit resources

## What would be beneficial to you when it comes to your employee benefits?



# Employees focus on what they can control: Adaptability, upskilling and financial security



## Upskilling builds resilience

**89%**

“Staying **adaptable** in my role **is just as important** as my job security.”

94% Financial services

**79%**

“I’m **actively investing in my value as an employee** to bolster my pathway to career resilience.”

87% Financial services · 87% Technology · 84% Millennials

## Flexibility fosters stability

**68%**

“Due to the current economic climate, I am **renegotiating my recurring expenses**.”

75% Millennials · 74% Black

**66%**

“I feel **more financially secure** than I did a year ago.”

79% Black · 75% Gen Z · 74% Hispanic

## Part 2

### Summary

American workers are navigating a complex blend of financial pressures, mental health concerns and the desire for workplace adaptability.

#### Key takeaway

**Work-life balance and mental health are top priorities for American workers.** Financial independence remains a key goal, but younger employees face unique challenges like student loans and housing costs, leading to a cautious approach in the job market. As employees seek more personalized and flexible benefits, employers should seize this opportunity to ensure that employees fully understand the benefits available to them. A review of current tools and communication strategies is essential to effectively articulate available employee resources.

### 3 Creating a culture of connection: Strategies for the modern workplace

# Employer vs. employee

## Summary

### Employers

### Employees

|   |     |  |
|---|-----|--|
| Say that work-life balance is top priority  | vs. | Feel that finding work-life balance and protecting my mental health are top priorities         |
| Are placing a greater emphasis on mental health benefits moving forward   | vs. | Say mental health support has become increasingly important benefit for me                     |
| Are adapting to be as flexible as possible to meet the diverse needs of today's workforce                         | vs. | Say access to benefits that evolve with my needs would give them a sense of long-term security |
| Believe that even with unclear options elsewhere, employees are willing to leave if they aren't happy             | vs. | Say that the current job market has them holding tight to their position                       |
| Say allowing employees to select benefits that align with their individual needs and lifestyles is a top priority | vs. | Are asking their employer to offer personalized employee benefits                              |
| Aim to provide more financial resources for employees in the future   | vs. | Feel employers should provide incentives for good financial habits                             |

# A balanced effort between employers and employees is essential to effectively support unique retirement needs

## Employers

Eight in 10 employers are actively looking for ways to improve retirement benefits, while encouraging employee engagement and communication to better meet their needs

**91%**

“Employees expect us to **match competitor standards on retirement planning.**”

**85%**

“Personalized retirement plan offerings benefit employees, but **present challenges for the employers.**”

93% Technology

**83%**

“**We actively seek employee feedback** to improve our retirement plan offerings.”

89% Technology

**93%**

“**Employees should take a more active role** in understanding their retirement options.”

98% Technology

# A two-way street: Employees demand more benefit education, and companies are listening



**86%**

**"I actively want to learn more about my financial benefits."**

93% Technology  
91% Black

**78%**

**"My company has been doing a good job at communicating my benefit offerings to me."**

86% Black  
85% Financial services  
84% Hispanic

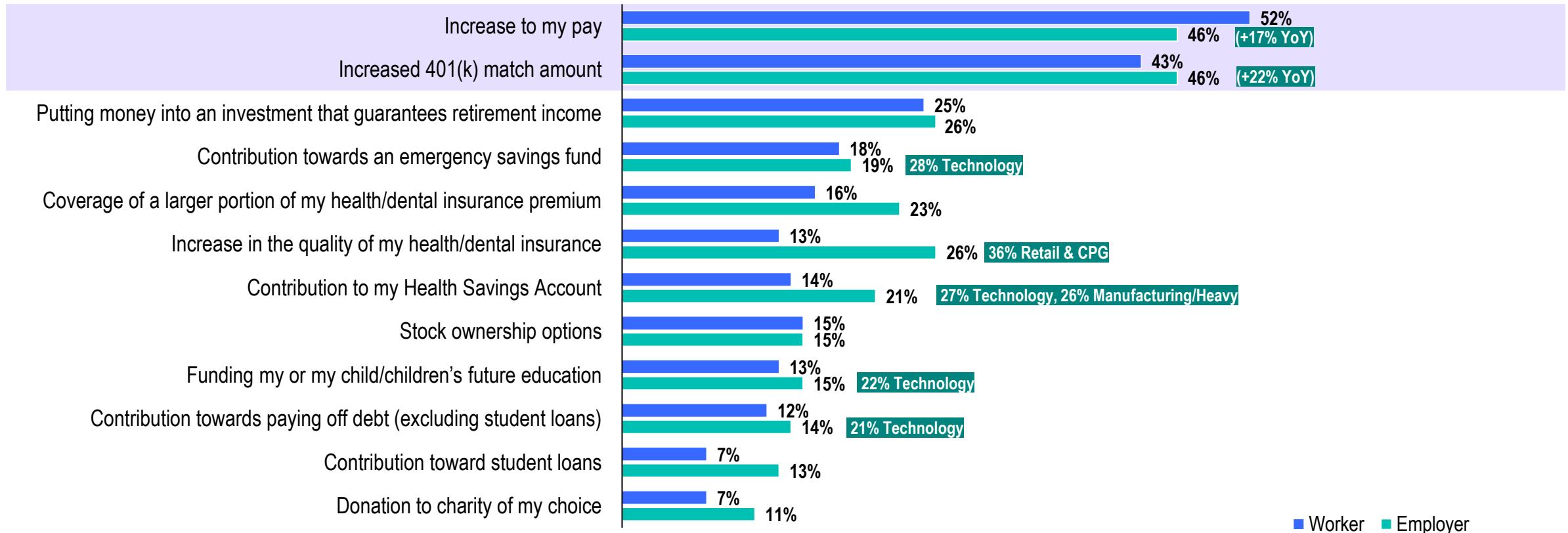
**59%**

**"I don't do enough to fully learn about/maximize my company benefits."**

68% Healthcare

# Increased pay and 401(k) match top the list for both employees and employers

Assuming you have a set amount of money (\$1,000, for example) to spend on salary and/or benefits for each employee which of these would you choose?



Q201: Assuming you have a set amount of money (\$1,000, for example) to spend on salary and/or benefits for each employee, which of these would you choose? (n=1,002 total)

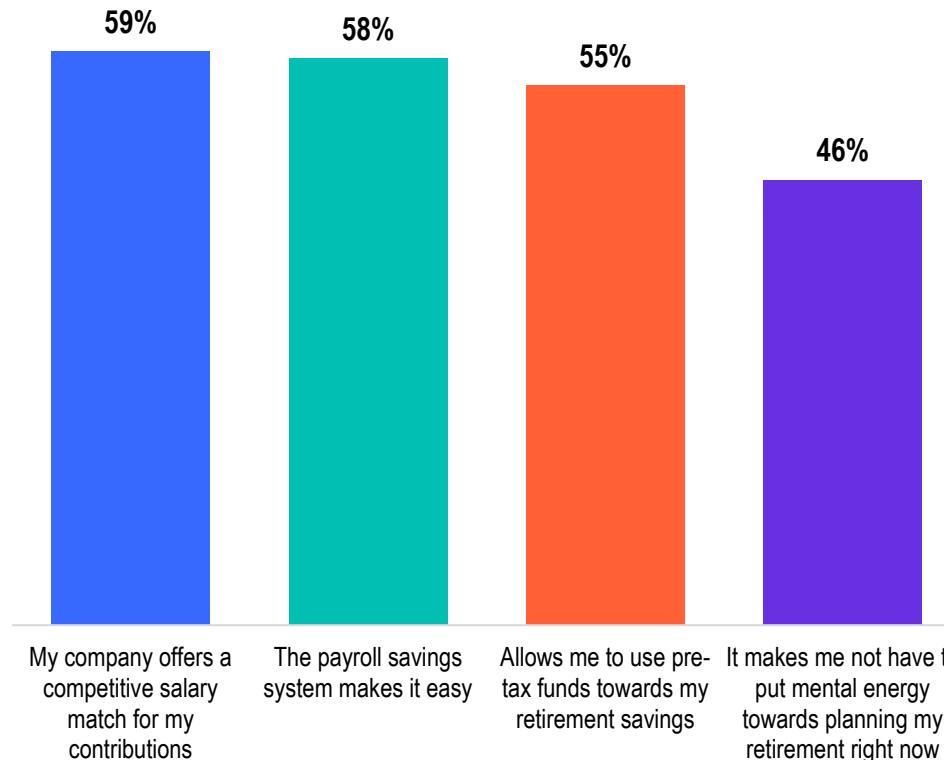
Q302: Assuming your employer has a set amount of money (\$1,000 for example) to spend on salary and/or benefits for each employee, which of these would you most prefer? (n=2,018 total)

# Adoption of 401(k)s linked to competitive perks, while non-users highlight concerns over value and complexity

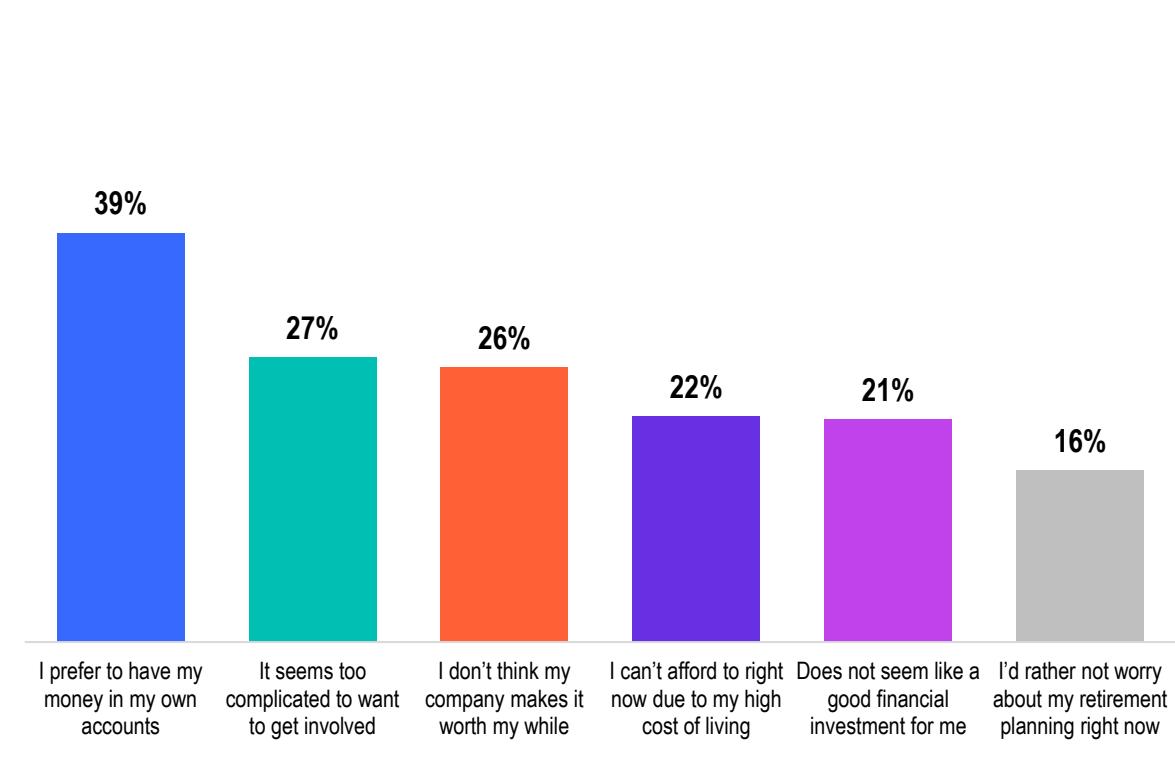


Employees

## Reasons for using company 401(k)



## Reasons for not using company 401(k)



Q200a: You mentioned that your company offers retirement-related benefits (e.g., 401(k), 403(b), etc.) and that you do use it. What are some of the reasons for which you use this benefit? (n=1,360 all whose company offers a 401(k) and uses it)

Q200b: You mentioned that your company offers retirement-related benefits (e.g., 401(k), 403(b), etc.) and that you do not use it. What are some of the reasons for which you don't use this benefit? (n=226 all whose company offers a 401(k) and does not use it)

# Employer health insurance leads at the top, with newer benefits such as weight-loss drug prescriptions at the bottom



Employers

As an organization, we offer...

| Benefit  | Percentage |
|--|------------|
| Health insurance                                       | 92%        |
| Retirement-related benefits                            | 89%        |
| Match of contributions to retirement plan <sup>1</sup> | 87%        |
| Life insurance   | 86%        |
| Health-related savings plans                           | 86%        |
| Mental health resources                                | 83%        |
| Paid family leave                                      | 82%        |
| Disability insurance                                   | 81%        |
| Employee social events                                 | 81%        |
| Professional development                               | 81%        |
| Automatic enrollment in retirement plan <sup>1</sup>   | 80%        |
| Financial planning tools                               | 79%        |
| Voluntary plans  | 78%        |
| Education-related benefits                             | 77%        |

Q200a+Q200b: As an organization, we... (n=1,002 total | Top 2) | 1=employer-sponsored

| Benefit  | Percentage |
|--|------------|
| Virtual primary care                                     | 77%        |
| Access to a financial professional                       | 73%        |
| Non-retirement financial-related education and resources | 72%        |
| The option to work on a hybrid basis                     | 71%        |
| Social impact initiatives                                | 69%        |
| Specialty pharmacy                                       | 68%        |
| Legal services   | 68%        |
| Employee sabbaticals                                     | 67%        |
| Commuter benefits  | 65%        |
| Gym membership or wellness programs                      | 64%        |
| The option to work on a fully remote schedule            | 62%        |
| Childcare assistance                                     | 61%        |
| Fertility benefits                                       | 60%        |
| Weight-loss drug prescription offerings                  | 51%        |

# Offerings and usage are tracking downward for many benefits, but majority of employees have access to health plans



| Benefit  | Offered    | Offered YoY | Using      | Using YoY  |
|--|------------|-------------|------------|------------|
| Health insurance   | 81%        | -9%         | 64%        | -7%        |
| Retirement-related benefits                                | 79%        | -10%        | 67%        | -10%       |
| <b>Retirement contribution match<sup>1</sup></b>           | <b>71%</b> | <b>-10%</b> | <b>59%</b> | <b>-7%</b> |
| Life insurance   | 70%        | —           | 54%        | —          |
| Paid family leave  | 68%        | -9%         | 41%        | —          |
| Health-related savings plans                               | 67%        | -13%        | 43%        | —          |
| <b>Automatic enrollment in retirement plan<sup>1</sup></b> | <b>67%</b> | <b>-10%</b> | <b>53%</b> | <b>-8%</b> |
| Disability insurance                                       | 65%        | —           | 38%        | —          |
| Mental health resources                                    | 59%        | -12%        | 30%        | —          |
| Financial planning tools                                   | 58%        | -11%        | 37%        | -6%        |
| Professional development                                   | 58%        | —           | 40%        | —          |
| Virtual primary care                                       | 52%        | —           | 32%        | —          |
| Option to work on a hybrid basis                           | 51%        | -5%         | 35%        | —          |

| Benefit                                      | Offered | Offered YoY | Using | Using YoY |
|--|---------|-------------|-------|-----------|
| Access to a financial professional           | 50%     | -12%        | 29%   | —         |
| Education-related benefits                   | 46%     | -11%        | 22%   | —         |
| Non-retirement financial education/resources | 44%     | -11%        | 22%   | —         |
| Employee sabbaticals                         | 43%     | —           | 29%   | —         |
| Option to work fully remote                  | 43%     | -5%         | 28%   | —         |
| Social impact initiatives                    | 43%     | —           | 27%   | —         |
| Specialty pharmacy                           | 42%     | —           | 27%   | —         |
| Legal services                               | 41%     | —           | 22%   | —         |
| Gym membership or wellness programs          | 41%     | —           | 23%   | —         |
| Commuter benefits                            | 38%     | —           | 20%   | —         |
| Childcare assistance                         | 36%     | —           | 16%   | —         |
| Fertility benefits                           | 33%     | —           | 15%   | —         |
| Weight-loss drug prescription offerings      | 28%     | —           | 14%   | —         |

\*Q301+Q203. How would you describe your access and use, if any, of the following benefits through your company? (n=2,018 total) | 1=employer-sponsored

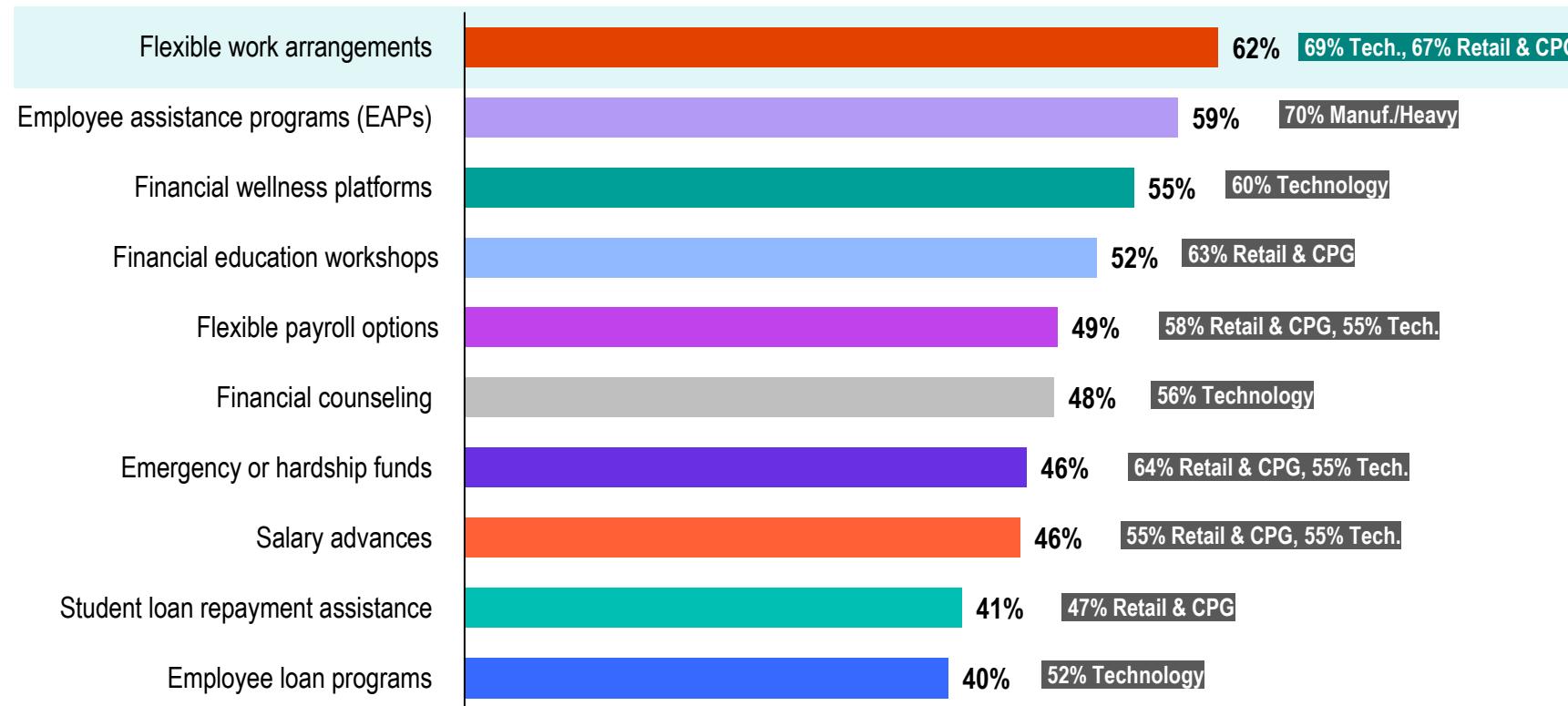
\*Due to changing responses, only Q301 was trended for YoY data.

# In the race to attract and retain talent, employers are introducing unique offerings like tenure benefits and flexible work options

## Employers

### Which of the following employee resources do you offer?

We currently offer this



**77%**

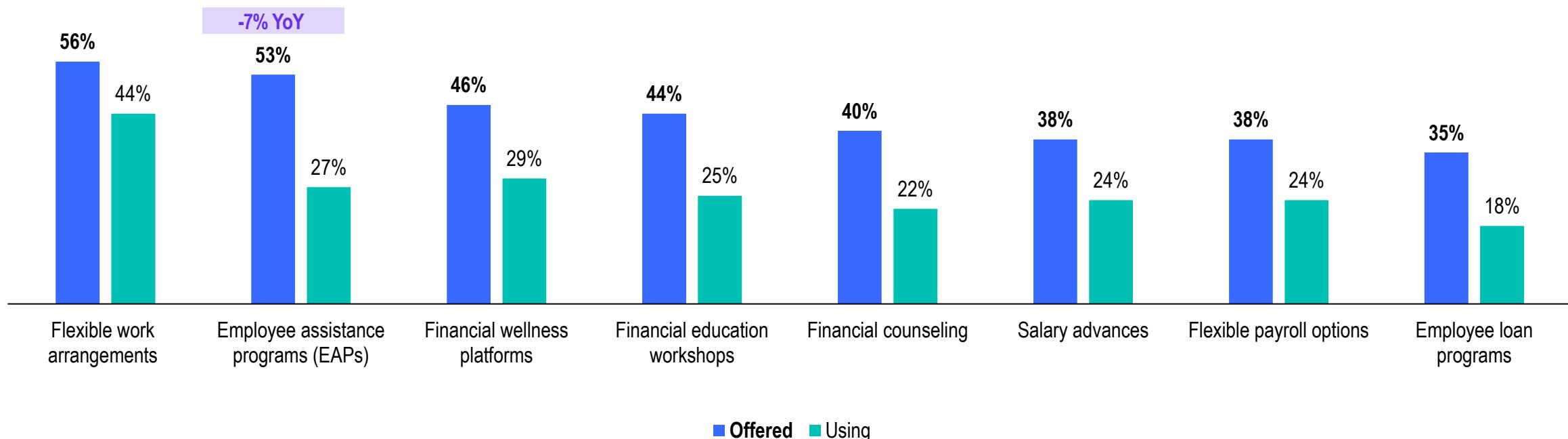
“Our employees get **additional timed** benefits on top of their annual package (e.g., after three years at the company employees can purchase stock plan at discount, after five years an employee sabbatical, etc.).”

88% Technology

# Flexibility reigns as employees' top resource in navigating economic challenges



Describe your access and use, if any, of the employee resources aimed to help navigate the current economic environment



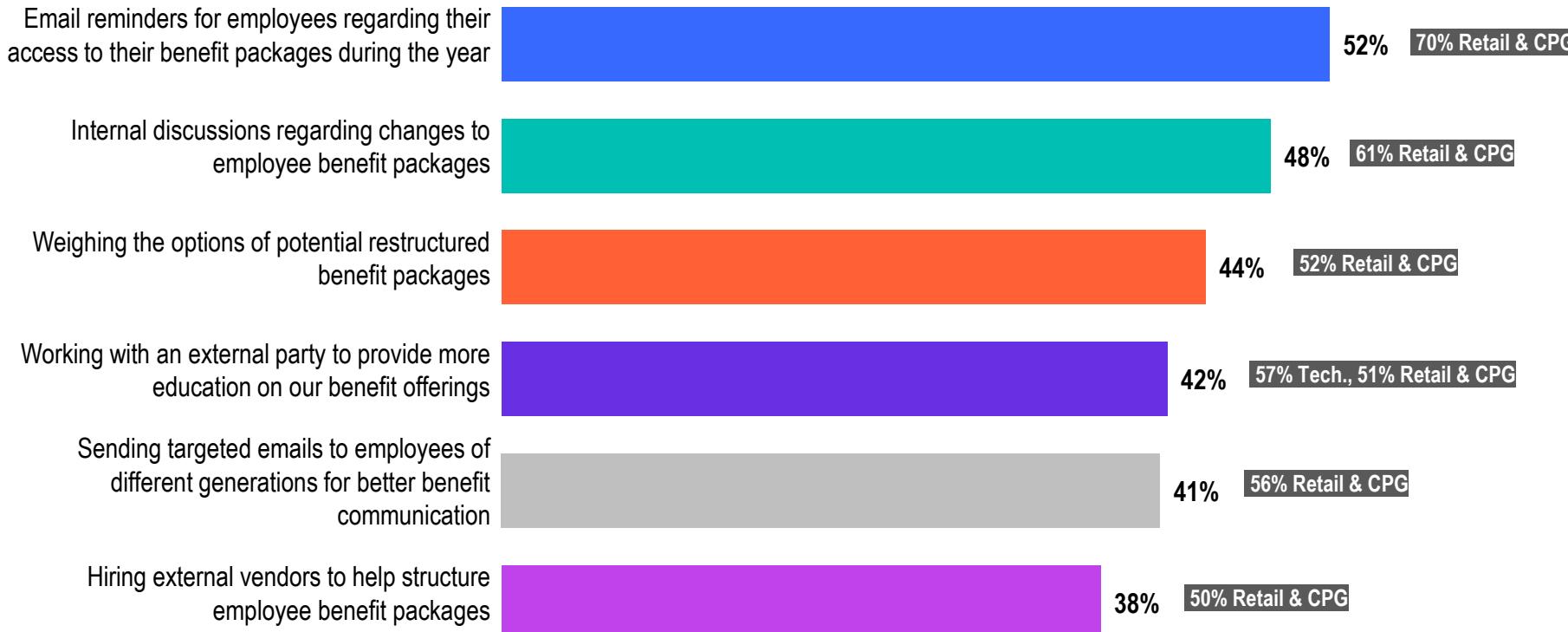
Q304. How would you describe your access and use, if any, of the employee resources aimed to help you navigate the current economic environment? (n=2,018 total)

# Internal discussions and email reminders are essential tools for employers to convey benefit information to employees



## Employers

### What kind of actions are you taking as an employer with regards to employee benefits?



- **94% of employers** are taking actions with regards to employee benefits

Q207: What kind of actions are you taking as an employer with regards to employee benefits? (n=1,002 total) | Q203\_norm: Please select one statement from each pair below. – NORMALIZED (n=1,002 total)

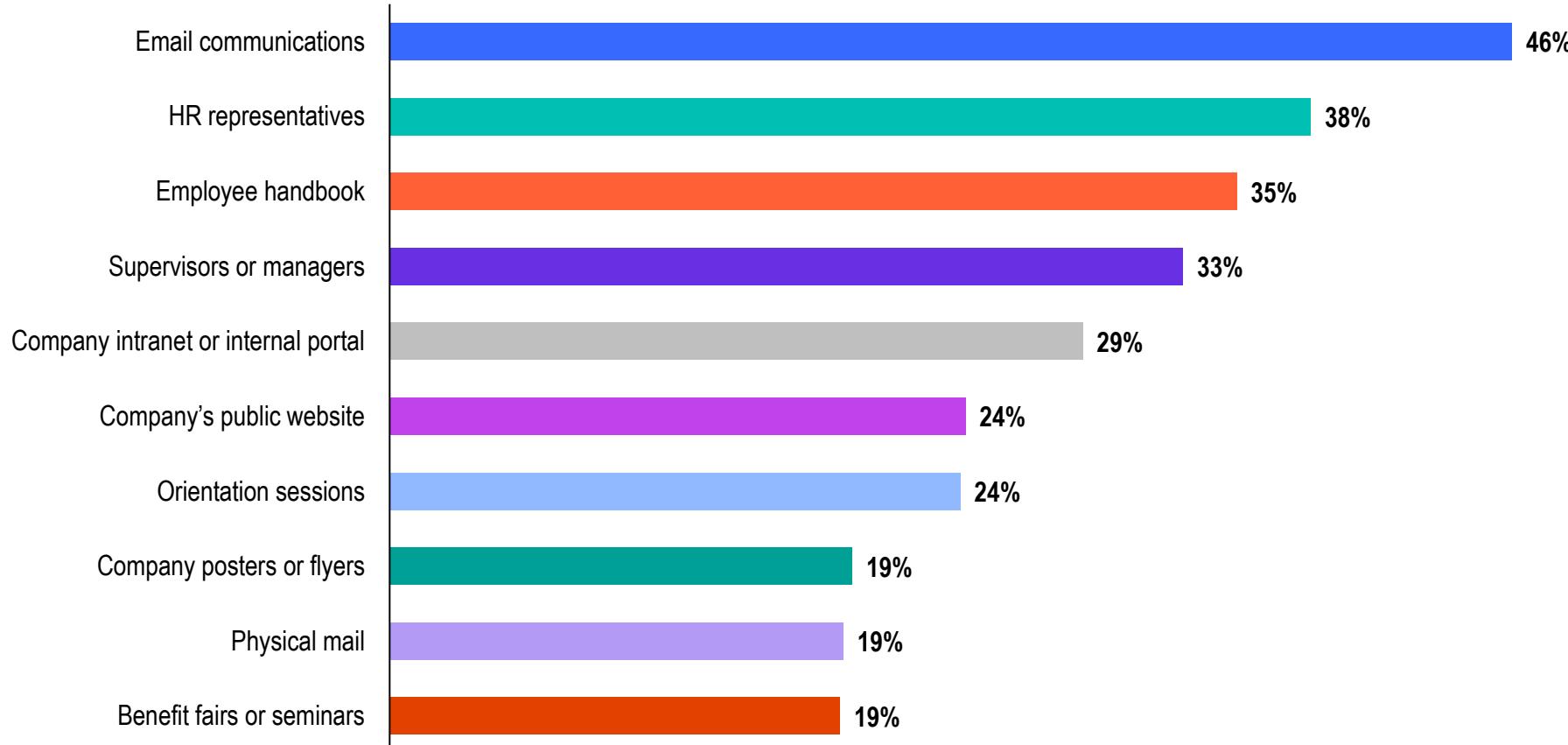
**46%**

“Employees are asking for more **benefits that are higher quality.**”

# Emails, HR representatives, and handbooks remain the go-to resources for understanding benefits



## Which of the following ways do you typically learn about your employer's offered benefits?



**95%**

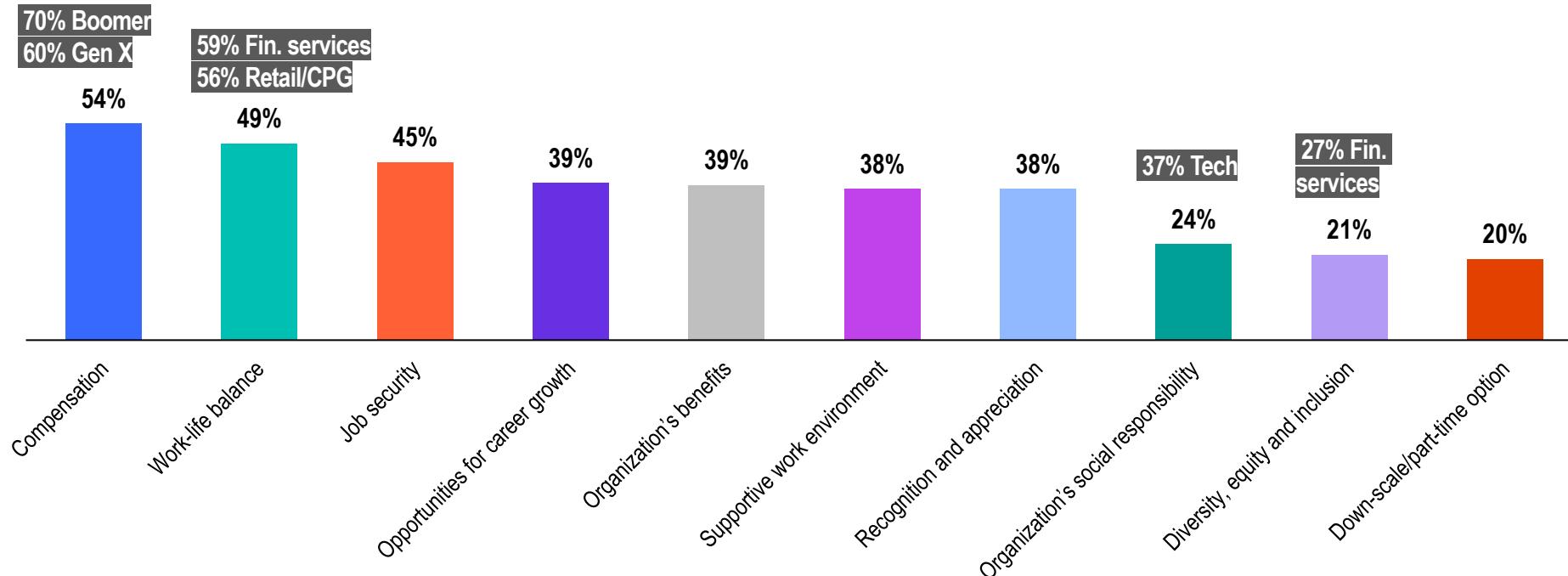
Of employees learn about employer benefits through at least one method

# What makes employees stay: Pay, balance, security and benefits drive retention



- 100% of American workers say there are things that could convince them to stay longer in the company.

When thinking about your job, which of the following could your employer improve to convince you to stay longer in the company?



Q202. When thinking about your job, which of the following could your employer improve to convince you to stay longer in the company? (n=2,018 total) | Q305: How much do you agree or disagree with the following statements? (n=2,018 total)  
| Top 2=Strongly/somewhat agree

# Part 3

## Summary

A balanced effort between employers and employees is essential to effectively support financial security and company loyalty.

### Key takeaway

**Employers and employees must collaborate to best understand and leverage the most impactful benefit offerings for each employee.**

Employees are increasingly seeking education on their financial benefits, and companies are responding by enhancing communication and providing more resources. Pay, 401(k) match and health insurance are critical for retention. Additionally, there is a growing emphasis on foundational benefits and employee engagement in understanding and maximizing these offerings. Direct feedback from employees on what resources would best help them understand what's available will continue to improve the employer/employee relationship.

# Summary



## Part 1

Addressing talent retention, sustaining a competitive edge and managing benefit expansion within budgets are among the top challenges for employers today.



## Part 2

American workers are navigating a complex blend of financial pressures, mental health concerns and the desire for workplace adaptability.



## Part 3

A balanced effort between employers and employees is essential to effectively support financial security and company loyalty.

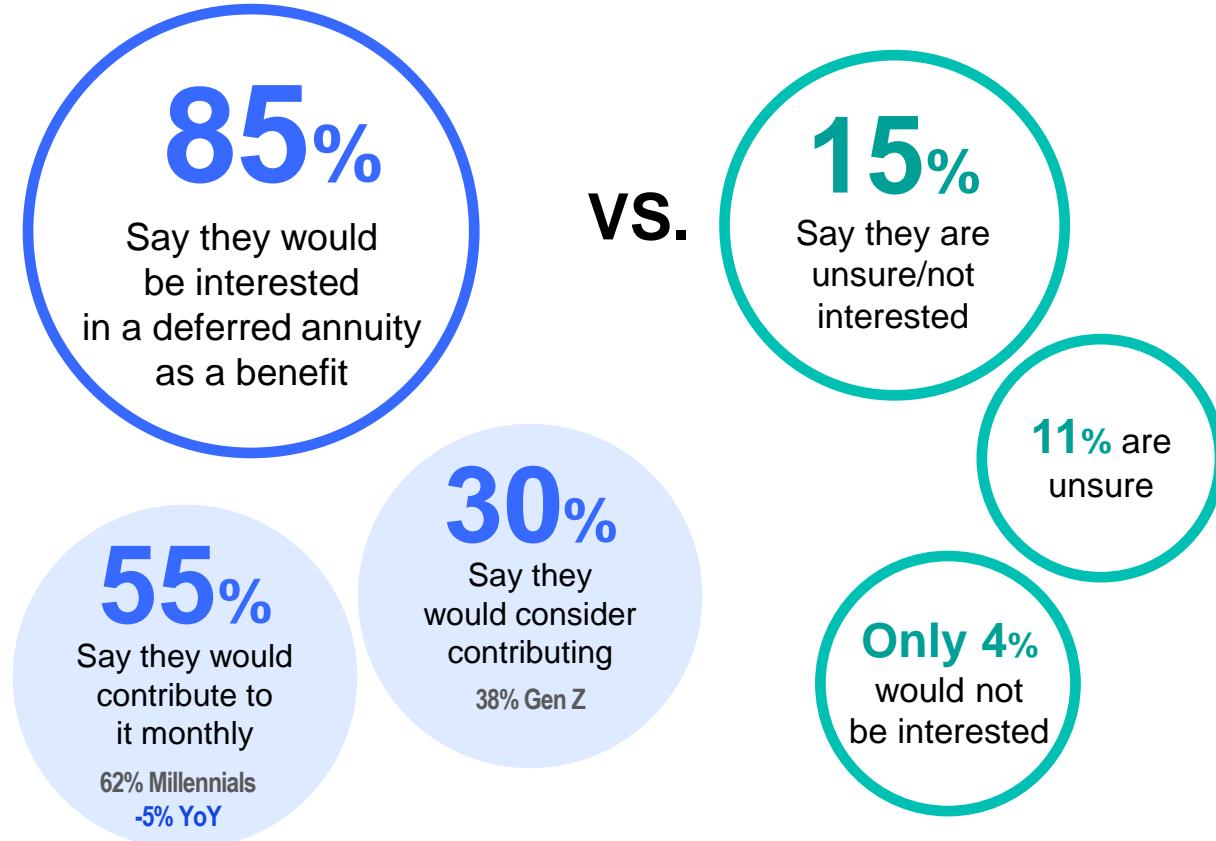
# Appendix



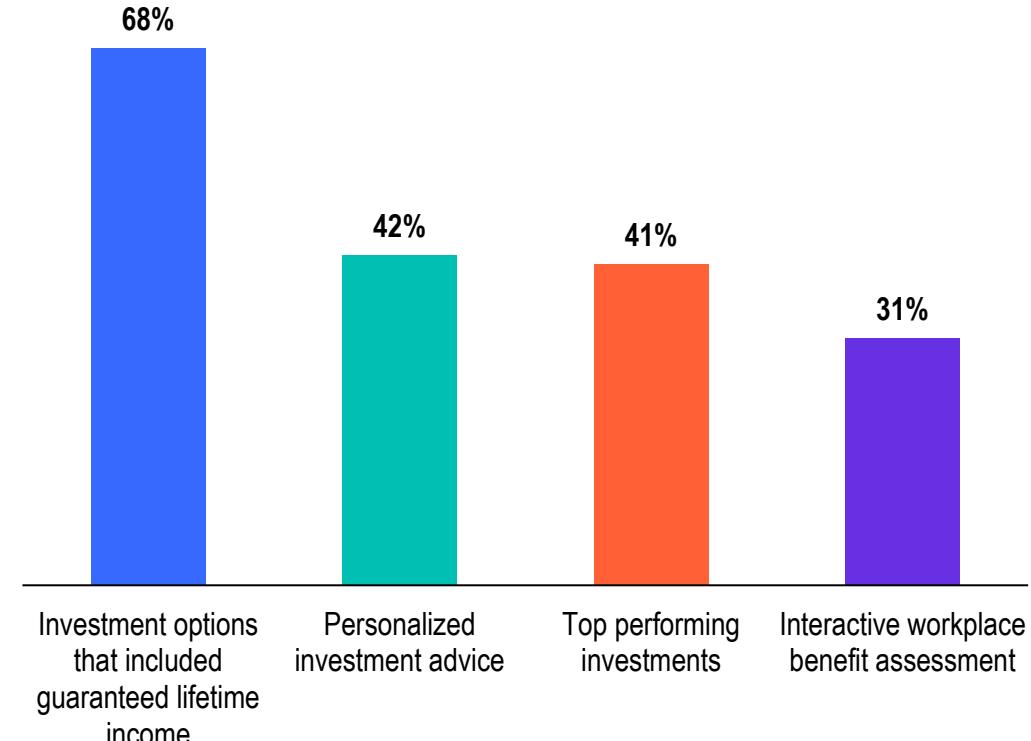
# Employees express overwhelming interest in guaranteed lifetime income benefits



## Lifetime income stream interest



## Reasons for interest in lifetime income stream benefit



Q306a: How would you feel about a guaranteed lifetime income stream (i.e., you and your employer contribute to a deferred annuity that pays you a consistent sum after a set date) as part of your retirement plan through your employer? (n=2,018 total)

Q204: You mentioned that you are interested in using and contributing to a guaranteed lifetime income stream. What are some of the reasons for which you use this benefit? (n=1,707 all those interested in a guaranteed lifetime income stream)

# Employers who indicate not offering a guaranteed income solution largely attribute this to high costs and fees

## Employers

### No guaranteed income solution

You indicated earlier that your organization currently doesn't offer a guaranteed income solution in your retirement plans for our employees and are not planning to do so in the future. Which of the following reasons impact your decision?

| Reasons for not offering   | Percentage |
|--|------------|
| Cost considerations (i.e., fees for products are too high)   | 67%        |
| Complexity (e.g., too complex or time consuming, etc.)   | 34%        |
| Risk (e.g., volatility; investment returns can be unpredictable, etc.)   | 27%        |
| Lack of employee interest  | 20%        |
| Potential legal ramifications (e.g., lawsuits, etc.)   | 19%        |
| Educational barriers (e.g., concern about employees' lack of financial literacy to understand the complexities of these plans, etc.) | 14%        |
| Other (please specify)   | 8%         |

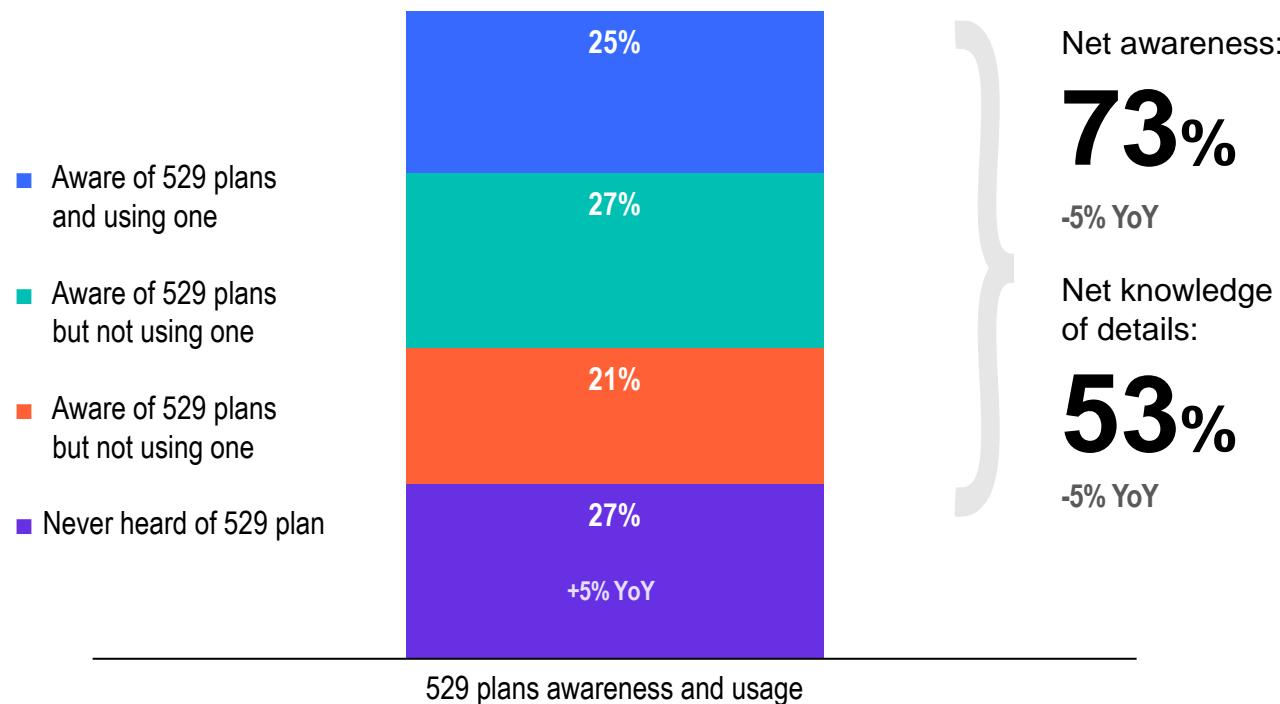
Q204: You indicated earlier that your organization currently doesn't offer a guaranteed income solution in your retirement plans for our employees and are not planning to do so in the future. Which of the following reasons impact your decision? (n=93\* employers who do not offer/not sure) | \*Caution: small base size (n<100); use for directional purposes only.

# Overall awareness and knowledge of 529 plans dropped slightly over the past year



Employees

## Awareness and use of 529 plans

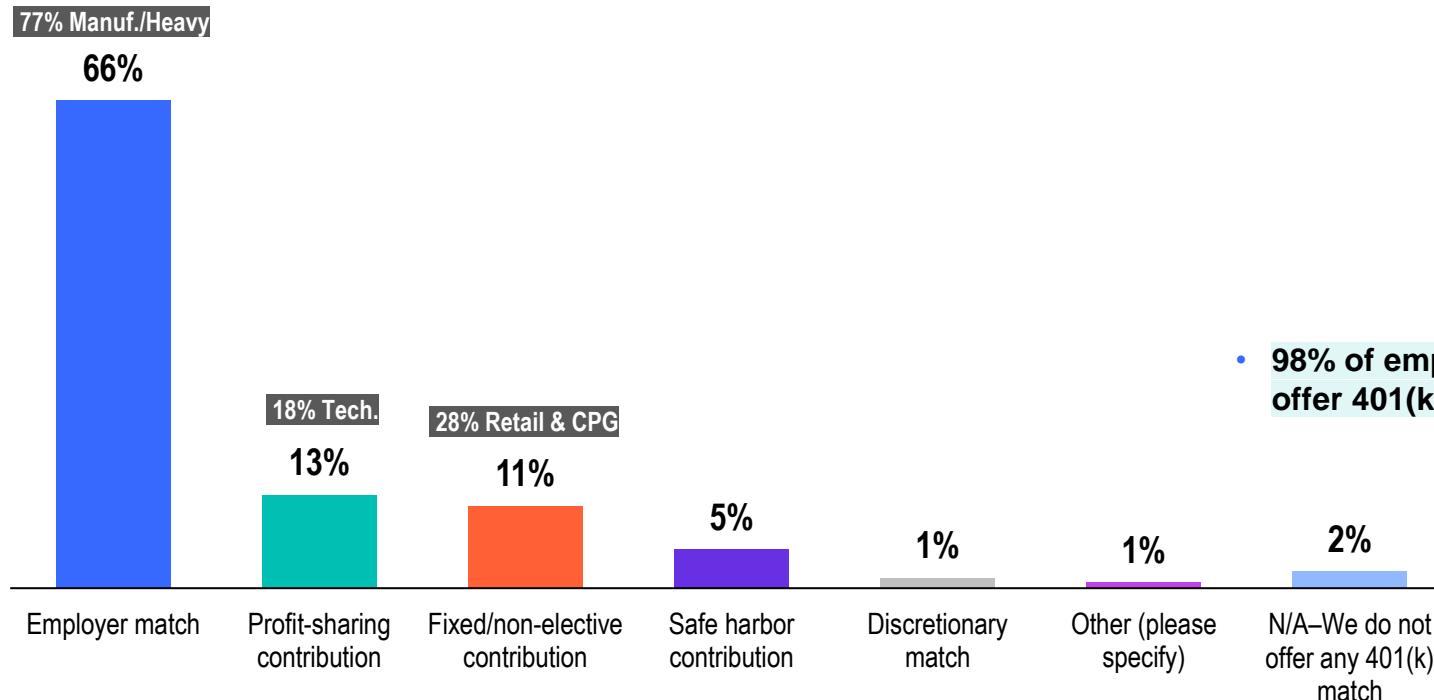


Q208: Are you aware of tax-advantaged 529 plans which are used for educational expenses? (n=2,018 total)

# Employer match is the most common 401(k) benefit, with employers typically contributing up to 25%

## Employers

What kind of 401(k) match do you offer as an employer?



Up to what employee contribution do you match?

**25%**

Is the **average** employee contribution employer's match.

- 98% of employers offer 401(k) today.

# Encouraging participation and easier investing are primary reasons employers offer target date funds



## Target date funds

Why do you currently offer target date funds?

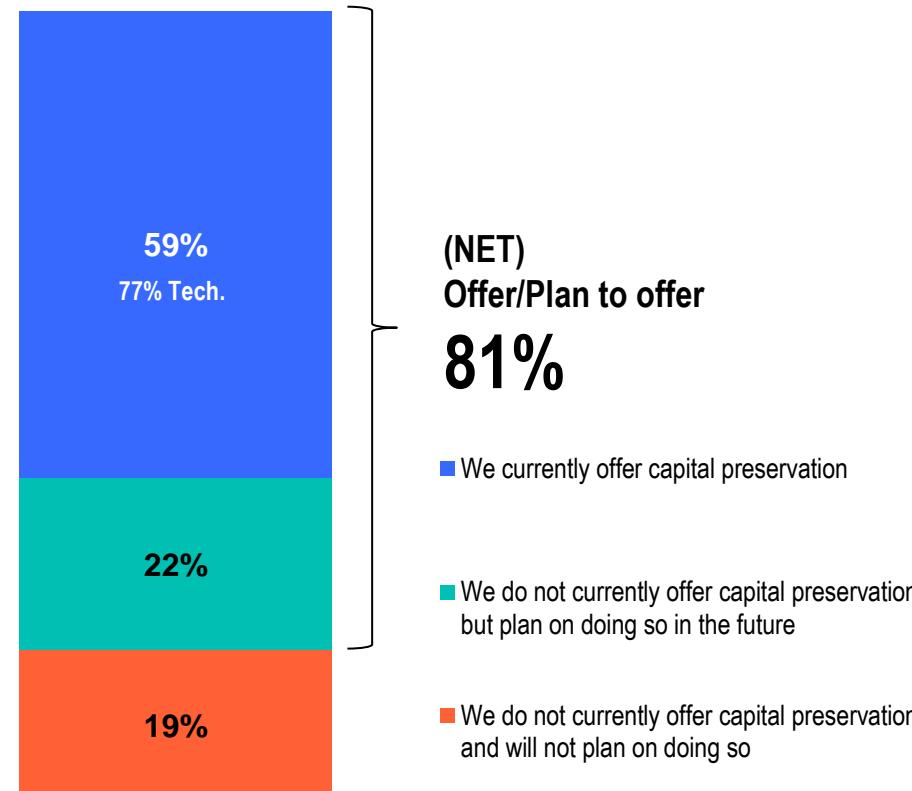
| Reasons for offering   | Percentage |
|--|------------|
| Simplified investing <span style="background-color: black; color: white; padding: 2px 5px;">66% Retail &amp; CPG, 63% Technology</span>                      | 54%        |
| Encourages participation <span style="background-color: black; color: white; padding: 2px 5px;">58% Retail &amp; CPG</span>                                  | 51%        |
| Risk management <span style="background-color: black; color: white; padding: 2px 5px;">56% Retail &amp; CPG</span>   | 43%        |
| Compliance and fiduciary responsibility, etc. <span style="background-color: black; color: white; padding: 2px 5px;">50% Technology, 45% Manuf./Heavy</span> | 38%        |
| We do not currently offer target date funds  | 14%        |

# Capital preservation is gaining traction among employers as a future benefit



## Capital preservation

How likely are you to offer capital preservation?



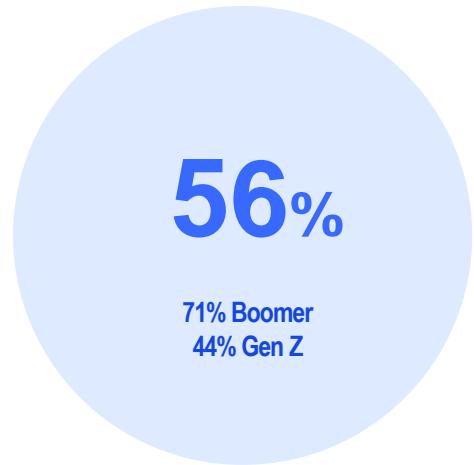
# Gen Z employees hope to be more valuable; Boomers hope to not become outdated; employees overall have no real sway



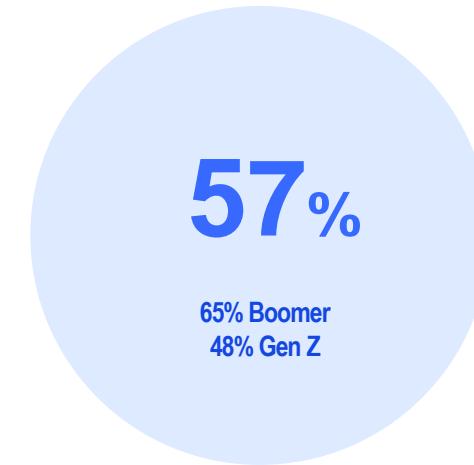
On a scale from 1–10, how would you rate the value you bring to your company:

Top 2

Right now



12 months from now



vs.

# Employers are leveraging AI with growing enthusiasm, considering it an indispensable asset in the workplace

## Employers

8 in 10 employers acknowledge the transformative potential of AI in enhancing their organization's operations and employee benefits.

### AI's influence in the workplace

**81%**

**"We are excited about the potential of AI in my organization."**

91% Technology  
87% Retail & CPG

**79%**

**"AI is proving essential in powering our operations."**

89% Technology

**76%**

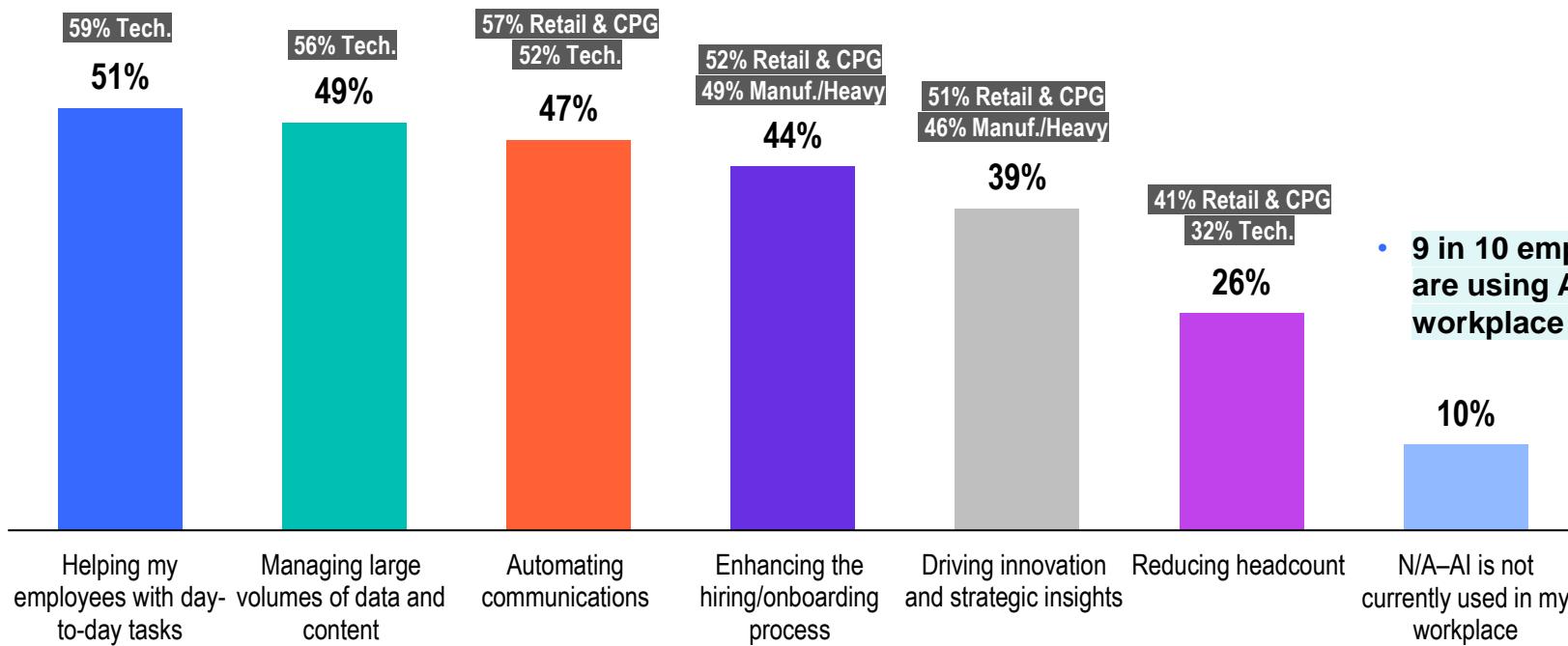
**"AI has been helpful in how we manage or personalize our benefit packages."**

81% Retail & CPG

# AI technology is already implemented in various ways to enhance and streamline the workplace

## Employers

In which areas, if any, has AI started to play a role in your workplace?



**59%**

**“We are utilizing AI in enhancing our benefits offerings and communications.”**

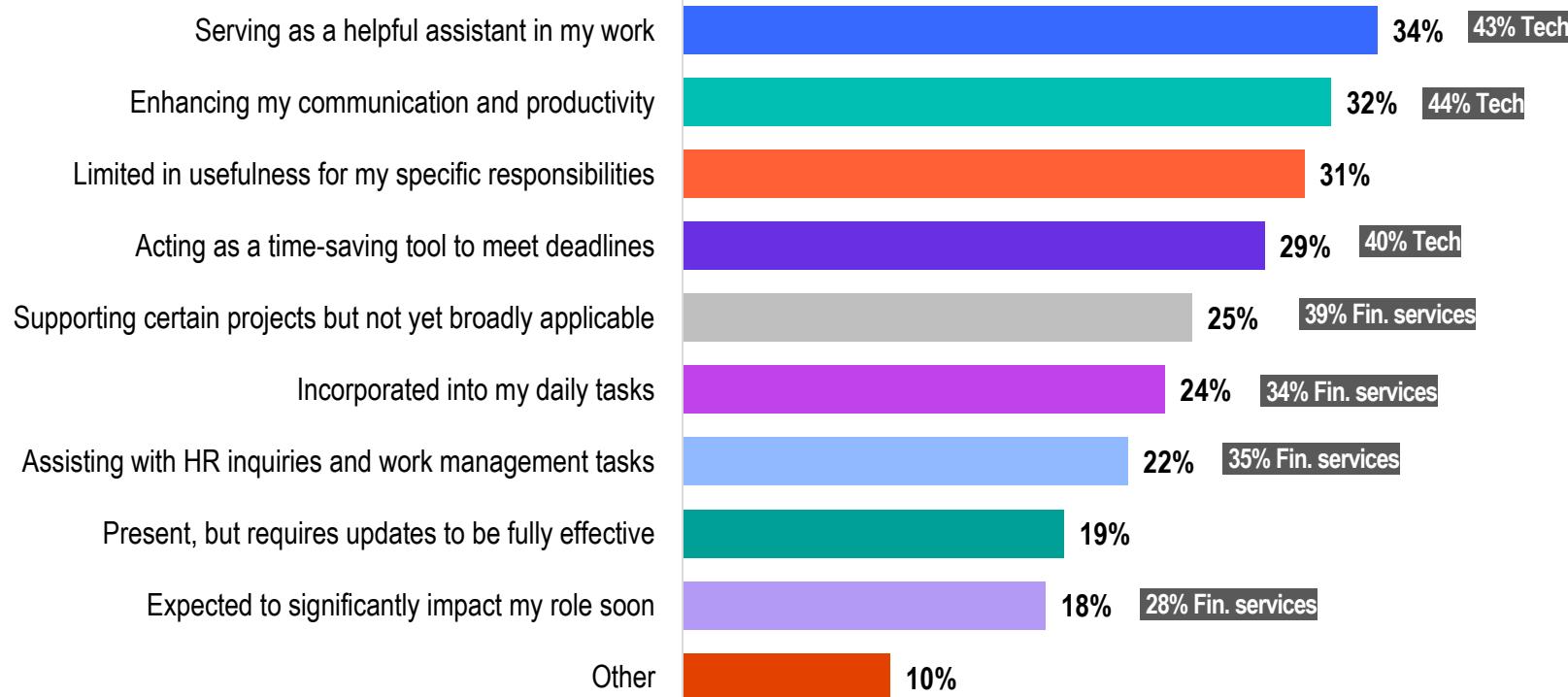
**66% Retail & CPG  
61% Technology**

- **9 in 10 employers are using AI in the workplace today.**

# Assisting, enhancing and time-saving are the best descriptors of AI's role for workers today



## How is AI currently used in your role at work?



Q106: How is AI currently used in your role at work? (n=2,018 total)

## AI usage rates

- **57%** use AI in *at least one way* at work  
**75% Boomer · 64% Gen X · 62% Women**
- **20%** use AI in *at least two ways* at work
- **23%** use AI in *at least three ways* at work  
**32% Gen Z**
- The average American worker uses AI in **2.4 ways** at work  
**2.7 Millennial · 2.7 4-year degree+ · 2.6 Gen Z**

# Employees find meaning in flexibility and purpose-driven initiatives, boosting morale and livelihoods



Employees

## 84% Employees

“Flexible work options empower me to **balance my personal and professional life effectively.**”

## 66% Employees

“**Opportunities to engage in DEI initiatives add purpose to my work.**”

81% Black

75% Technology

74% People of color

74% Financial services

71% Manufacturing

# The American workplace thrives on trust, as clear leadership and supportive environments fuel workplace morale



Employees

**90% Employees**

**“Clear, honest communication from leadership is essential to my job satisfaction.”**

**87% Employees**

**“A supportive work environment is just as crucial as job security for me.”**

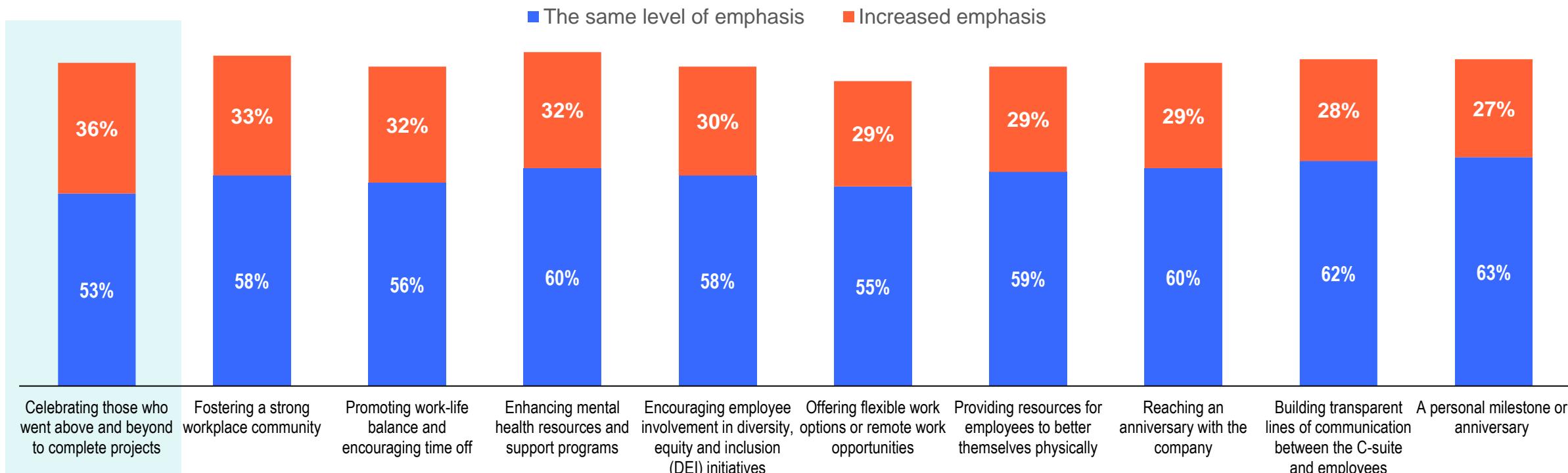
**92% Manufacturing**

**92% Technology**

# Recognition rises to the top, as over a third of employers doubled down on celebrating achievements over the last year



Over the last 12 months, what level of emphasis has your employer placed on any of these?



# Recognition is the new currency of workplace motivation, and workers are swift to notice the positive changes



## 86% Employees

“Recognition for my efforts motivates me to **go above and beyond**.”

## 76% Employees

“I feel **recognized and valued for my work** (e.g., receiving constructive feedback, thoughtful gestures, personal milestones, etc.).”

90% Technology

81% Financial services

81% Manufacturing

- **Adapting to technological changes:** rapid technological advances such as AI, upskilling the workforce, adjusting business model, etc.
- **Adapting to the current economic environment:** making the right decisions while keeping in mind the market environment, etc.
- **Alumni networking and social activities:** organizing networking or social opportunities, etc.
- **Benefit offerings:** offering a competitive and comprehensive slate of benefits, etc.
- **Career advancement:** frequent/regular ability to be promoted within the organization, etc.
- **Climate change and sustainability:** implementing sustainable practices, being socially responsible, etc.
- **Compensation growth:** competitive, cost-of-living-conscious pay, etc.
- **Corporate social responsibility:** expecting employers to contribute positively to the community, environment, society, etc.
- **Data security:** protective sensitive data from cyber-attacks, etc.
- **Debt reduction initiatives:** providing low-interest loan options or debt counseling, etc.
- **Diversity and inclusion:** creating diverse and inclusive workforce, equitable workplace.
- **Emergency fund contributions:** matching funds set aside for the emergency fund.
- **Employee assistance programs (EAPs):** access to counseling, legal advice, and other support services.
- **Employee referral programs:** employees who successfully refer their colleagues to financial planning services or educational programs receive bonuses or incentives.

- **Financial retirement planning:** access to services such as financial professionals to help manage savings, investments, and expenses in retirement.
- **Financial wellness platforms:** online financial wellness platforms or apps that offer tools, resources, and calculators to help budget, save, invest, etc.
- **Healthcare costs:** cost of insurance premiums, deductibles, out-of-pocket expenses, etc.
- **Homeownership assistance:** providing down payment assistance or low-interest mortgage programs.
- **Job automation and displacement:** AI, ability to keep up with new trends and technologies in my industry, new generation of workers, etc.
- **Job burnout:** pressure to meet work demands, fast-paced environment, etc.
- **Job security:** providing job stability and reassurance during uncertain times, etc.
- **Long-term care insurance:** covering the costs of assisted living facilities, in-home care, nursing homes, etc.
- **Opportunities for career growth:** having a clear path for career advancement and skill development, etc.
- **Organization's benefits:** healthcare, retirement plans, etc.
- **Organization's social responsibility:** commitment to social and environmental responsibility, including community outreach programs, environmentally conscious initiatives, etc.
- **Paid time off payouts:** ability to cash in unused PTO days upon retirement.

- **Personalized benefits:** customized benefits allow employees to select benefits that best suit their personal and professional goals. This can include flexible spending accounts, lifestyle spending accounts and other customizable options.
- **Professional development:** opportunities for continuous learning, skill development, etc.
- **Recognition and appreciation:** regular feedback, recognition for their contributions, etc.
- **Retiree health insurance:** either fully or partially subsidized premiums.
- **Supportive work environment:** workplace culture that fosters an environment in which employees feel valued and respected, etc.
- **Voluntary benefits:** additional benefits that employees can choose to opt into, beyond the basic benefits package offered by their employer. These benefits often include options like life insurance, supplementary vision or dental insurance, gym memberships and more.
- **Work-life balance:** encouraging a healthy work-life balance by offering flexibility when it comes to hours, remote options, and paid time off, flexible work schedules, remote work options, balancing my personal life with my professional life, encouraging a healthy work-life balance by offering flexibility when it comes to hours, remote options, and paid time off, addressing employees' needs by promoting policies that support it.

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