The Future of Work: Addressing Employer-Worker Disconnects Could Lead to Better Outcomes for All

New research reveals major gaps between employer’s offerings and workers’ needs

LOS ANGELES – May 2, 2023 – Sixty-nine percent of employers cite one or more workforce-related issues as major concerns for their company’s leadership, and more than six in 10 (61%) reevaluated their health, retirement, and other benefit offerings in 2022, according to a new survey report by nonprofit Transamerica Institute® and its Transamerica Center for Retirement Studies® (TCRS).

“Employers are grappling with workforce issues ranging from attracting and retaining talent to productivity, flexibility, and return-to-work policies. In today’s rapidly evolving environment, many are reevaluating their business practices and benefit offerings, but the question is whether they are in sync with employees’ needs,” said Catherine Collinson, CEO and president of Transamerica Institute and TCRS.

Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce examines employers’ benefit offerings, identifies employees’ unmet needs, and outlines recommendations. It is based on a survey of 1,800 for-profit U.S. employers including small, medium, and large companies (<100, 100 to 499, 500+ employees, respectively), and it features comparisons with a survey of 5,700 workers in for-profit companies.

Employers’ Sense of Responsibility for Their Employees

Employers feel responsible for their employees. Across company sizes, more than eight in 10 employers similarly share a sense of responsibility for helping their employees keep their skills up-to-date and relevant, and achieve work-life balance, according to the survey’s findings.

Larger companies are more likely to feel responsible for helping employees maintain their mental health and their long-term health and well-being. Strikingly, 87% of companies with more than 100 employees feel responsible for helping their employees achieve a financially secure retirement, compared with just 67 percent of small companies.

Employer-Worker Disconnects in Need of Attention

“Employers have an opportunity to increase their understanding of employees’ needs,” said Collinson. “By comparing and contrasting employers’ offerings with workers’ perspectives, our research reveals glaring gaps.”
Based on the research findings, employers could address disconnects by:

- **Encouraging work-life balance.** More than nine in 10 employers (96%) believe they are helpful in supporting their employees' work-life balance, but only 75% of workers feel their employers are helpful in this way.

- **Emphasizing professional development.** While 88% of employers feel responsible for helping their employees keep their job skills up-to-date, only 17% place a great deal of emphasis on professional development among employees of all ages, including those age 50 and older. At the same time, only 49% of workers indicate they are keeping their job skills-up-to-date so they can work as long as they want and need.

- **Expanding health and welfare benefit offerings.** There is currently a mismatch between the percentage of workers who value these benefits compared with employers’ offering them. For example, 95% of workers value health insurance as an important benefit, but only 63% of employers offer it to their employees.

- **Promoting physical health and workplace wellness.** Eighty-six percent of employers are concerned about their employees’ physical health, a well-founded concern because 69% of workers are concerned about their physical well-being. In contrast to their concern, only 34% of employers offer a workplace wellness program to support their employees’ health and well-being.

- **Supporting mental health.** Most employers (85%) are concerned about their employees’ mental health. These concerns are well-founded as the majority of workers (61%) are concerned about their own mental health. Forty-three percent of workers indicate they often feel anxious and depressed. Yet only one-third of employers (33%) offer an employee assistance program (EAP).

- **Cultivating an age-friendly work environment.** Amid today’s multigenerational workforce, an “age-friendly” employer offers opportunities, work arrangements, and training and tools for employees of all ages to be successful. Eighty-three percent of employers consider themselves to be age-friendly, compared with just 67% of workers who feel that way about their employers.

“Larger companies have more comprehensive benefit offerings than small companies, but companies of all sizes have room for improvement, especially considering today’s multigenerational workforce,” said Collinson.

**Employer Support for Workers’ Retirement Security**

“Employer-sponsored retirement plans, including 401(k)s and similar plans, are the most effective way to promote long-term savings among workers. Yet millions of workers do not have access to these benefits, especially those working for small companies,” said Collinson. “Thankfully, the SECURE 2.0 Act of 2022 makes it easier and more affordable for employers to establish new plans. It also provides new ways for employers to enhance their plans and for workers to increase their retirement savings.”

The survey findings outline employers’ retirement benefit offerings prior to the passage of SECURE 2.0:

- **Retirement plan sponsorship rates are lower among small companies.** Fifty-eight percent of employers offer a 401(k) or similar plan to their employees. Most large and medium companies offer them, compared with small companies where the need to expand coverage is greatest (92%, 84%, 51%, respectively).

- **More employers may offer a retirement plan in the near future.** Among employers that do not offer a 401(k) or similar plan, 42% say they are likely to begin doing so in the next two years, and 54% say they would consider joining a pooled plan arrangement such as a multiple employer plan (MEP), pooled employer plan (PEP), or group of plans (GoP).

- **Automatic enrollment can make it more convenient for workers to save** because it eliminates the upfront paperwork and action steps for employees to enroll in and start contributing to the plan. Instead, it automatically enrolls employees with the ability for them to opt out and stop contributing. Fifteen percent of plan sponsors have adopted automatic enrollment.

- **Plan sponsors could do more to help workers financially transition to retirement.** Pre-retirees face complex financial decisions. Relatively few plan sponsors provide educational resources (38%), education about transitioning into retirement (36%), and seminars about transitioning into retirement (35%).

The survey findings illuminate a large gap in retirement savings among workers by company size, which helps show the impact of having access to workplace retirement benefits. Workers of large companies have saved $115,000 in total household retirement accounts and those of medium companies have saved $69,000, while
small-company workers have saved only $36,000 (estimated medians).

“Employers play a vital societal role by providing employment, employee benefits, supportive business practices, and the ability for workers to save and invest for retirement. By stepping up and seeking out beneficial ways to further support their employees, employers could improve outcomes for current and future members of the workforce. By doing so, they could also improve outcomes for themselves in terms of innovation, productivity, and competitiveness in the marketplace,” said Collinson.

Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce report includes detailed findings about health and welfare benefits, workplace wellness programs, and retirement benefits, as well as recommendations for employers and workers. Transamerica Institute has done extensive work on age-friendly workplaces and workplace wellness programs. Listen to our weekly podcast ClearPath – Your Roadmap to Health & Wealth™. Visit www.transamericainstitute.org. Follow on Twitter, LinkedIn, and Facebook.

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About Transamerica Institute®
Transamerica Institute® is a nonprofit, private foundation dedicated to identifying, researching, and educating the public about retirement security and the intersections of health and financial well-being. It is the parent organization of Transamerica Center for Retirement Studies® (TCRS) which conducts one of the largest and longest-running annual retirement surveys of its kind. Transamerica Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates. The information provided here is for educational purposes only and should not be construed as insurance, securities, ERISA, tax, investment, legal, medical, or financial advice or guidance. Please consult independent professionals for answers to your specific questions. [www.transamericainstitute.org](http://www.transamericainstitute.org)

About the Surveys
The analysis contained in Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce was prepared internally by the research team at Transamerica Institute. **Employer Survey:** A 20-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between November 22 and December 9, 2022 among a nationally representative sample of 1,879 employed adults age 18+ who are decision makers for employee benefits at their for-profit company and employ one or more employees across all locations (“employers”). Data was weighted where necessary by the number of employees, revenue, industry, and state to bring them in line with actual proportions in the population. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured using a Bayesian credible interval and the employer sample data is accurate within +3.4 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent. **Worker Survey:** A 22-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between November 8 and December 13, 2022 among a nationally representative sample of 5,725 U.S. adults age 18+, who work full- or part-time in a for-profit company employing one or more employees (“workers”). Data was weighted where necessary for age by gender, race/ethnicity, region, education, marital status, household size, household income and propensity to be online to bring them in line with their actual proportions in the population. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval and the worker sample data is accurate to within +1.7 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent.