

Wellness@Work:

Major trends for 2022

GROUP BENEFITS THOUGHT LEADERSHIP
WHITE PAPER



Assessing the benefits landscape



Perhaps more than ever before, today's professionals are reassessing what's most important to them in their lives and careers. A legacy of the pandemic, preference for work flexibility and remote work remains high, while younger generations in particular are looking for more innovative benefits options from their employers. And the "Great Resignation" — fueled by increasing levels of market demand — has inspired countless workers to make career changes, with a record-shattering 47.4 million people¹ voluntarily leaving their jobs in 2021 alone.

Lincoln Financial Group's 2022 Wellness@Work Study provides insights into how these major social and economic trends are affecting workers' decisions about workplace benefits. Our goal is to understand how satisfied employees are with what's offered, the things they wish they understood better, and more. The study is based on a national survey of 2,503 full-time workers who have access to insurance benefits through their employer. Quotas were established by generation (including Gen Z, millennials, Gen X, and baby boomers) and by certain ethnic/racial backgrounds to ensure comparability and representation.

¹ Liu, Jennifer, "Roughly 47 Million People Quit Their Jobs Last Year: 'All of This Is Uncharted Territory,'" CNN, February 1, 2022, <https://www.cnn.com/2022/02/01/roughly-47-million-people-quit-their-job-last-year.html>.

A closer look at key findings

We asked respondents how they feel about job satisfaction, flexibility and leave benefits, stress and mental health, and the enrollment and benefits decision-making process. Unless otherwise noted, all information provided in this article is from the 2022 Wellness@Work Study. Major findings by topic include:



Job satisfaction

- A majority of workers are highly satisfied with both their employer and the benefits that they receive at work. In fact, **61%** feel extremely or very satisfied with both.
- Most people would like to stay with their current employer, but **2 in 3** have contemplated a major career change — a consequence of the Great Resignation.



Flexibility and leave benefits

- The pandemic has increased the importance of work flexibility for at least **50%** of respondents.
- **62%** of employees are extremely or very satisfied with their paid time off (including vacation, sick, and disability leave benefits).



Stress and mental health

- A third of respondents have been extremely or very stressed, with younger generations and Gen Z in particular (**49%**) more likely to be highly stressed.
- **3 out of 4** respondents have seen a positive impact from their employer-offered wellness resources.



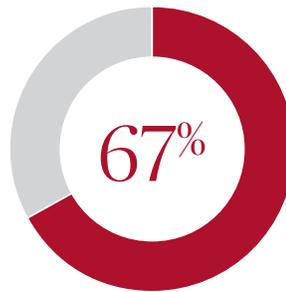
Enrollment and benefit decision making

- A lack of education around benefits is a major barrier to wider adoption. Some **54%** of respondents would enroll in more benefits if they understood them better.
- Interest in supplemental benefits is high, even though only **30%** of employees are currently enrolled. A widespread perception that supplemental benefits are unaffordable is a major contributing factor.

Job satisfaction

Fueled by strengthening labor demand in the recovering economy, the Great Resignation has inspired a record number of U.S. professionals to quit their jobs and pursue new opportunities.

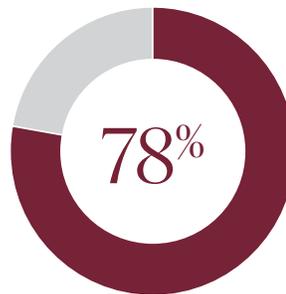
Among our survey respondents, **2 in 3** have made or contemplated a career change, and this trend is more prevalent among younger generations: **84%** of Gen Z have considered or made a career change, compared with **74%** of millennials, **62%** of Gen X, and **50%** of baby boomers.



of all survey participants have made or considered a career change

Loyalty remains high

However, despite testing the waters, a majority of respondents would strongly prefer to stay in their current jobs.



of respondents would strongly prefer to stay with their current employer

Yet, the desire to stay is highly dependent on generation. Some **60%** of boomers report a strong desire to remain in their current job, compared with just **31%** of Gen Z professionals.

What can help improve retention?

We found that several key factors can enhance employee loyalty:

- High satisfaction with projects, co-workers, and salary
- A strong sense of job security
- Generous paid time off (including vacation, sick, and disability leave benefits)



3 in 4 respondents would be more likely to stay in their current jobs if there was a significant increase in paid leave



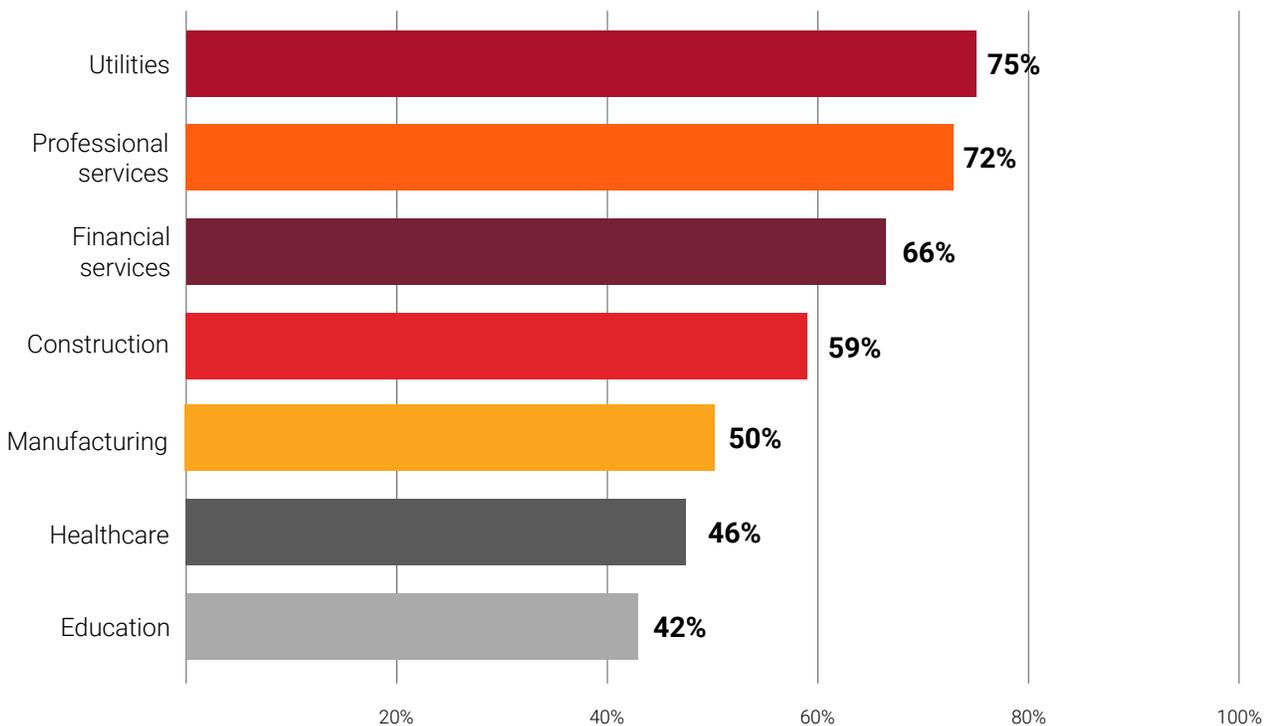
Flexibility and leave benefits

Respondents are generally pleased with their leave and flexibility benefits, but the figures reveal a nuanced picture, with differences in response across industries.

For example, **6 in 10** respondents are highly satisfied with their leave and flexibility benefits, but workers in the healthcare and education sectors are much less satisfied than others. Satisfaction with flexibility is also highly contingent on what respective employers allow – respondents who are offered little or no flexibility in their jobs are, unsurprisingly, far less likely to be satisfied.



Satisfaction with flexibility by industry





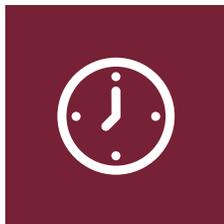
Satisfaction with paid leave benefits:

62%
extremely or very satisfied



Satisfaction with remote work flexibility:

56%
extremely or very satisfied



Satisfaction with work hours flexibility:

56%
extremely or very satisfied

Assessing the impact of COVID-19

When asked how the pandemic influenced how they feel about work flexibility, at least **50%** of respondents said that flexibility has become more important. This is especially true for younger generations, with millennials more likely than boomers to value flexibility. But what does that flexibility look like? For the majority, it's the freedom to determine their own hours and schedule.

In terms of the kinds of leave benefits that workers prefer, younger generations, along with Black, Asian, and Hispanic respondents, indicated that they view paid leave for caregiving or elder care as a must have or very important.

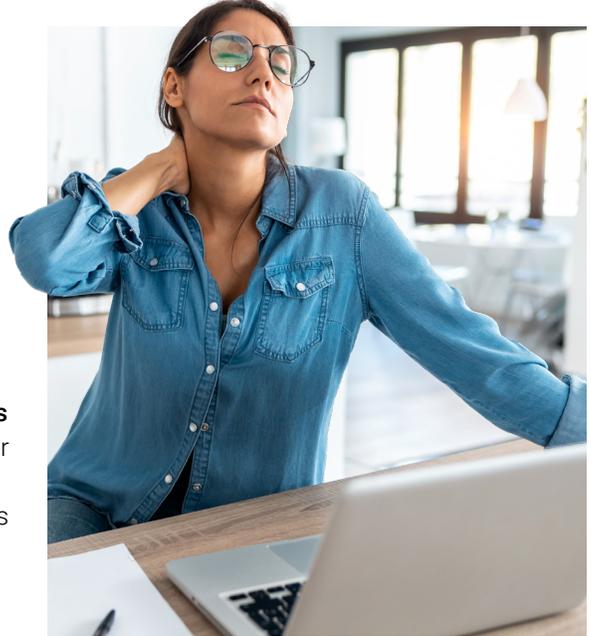
The COVID-19 effect



55% say the importance of allowing remote work has increased

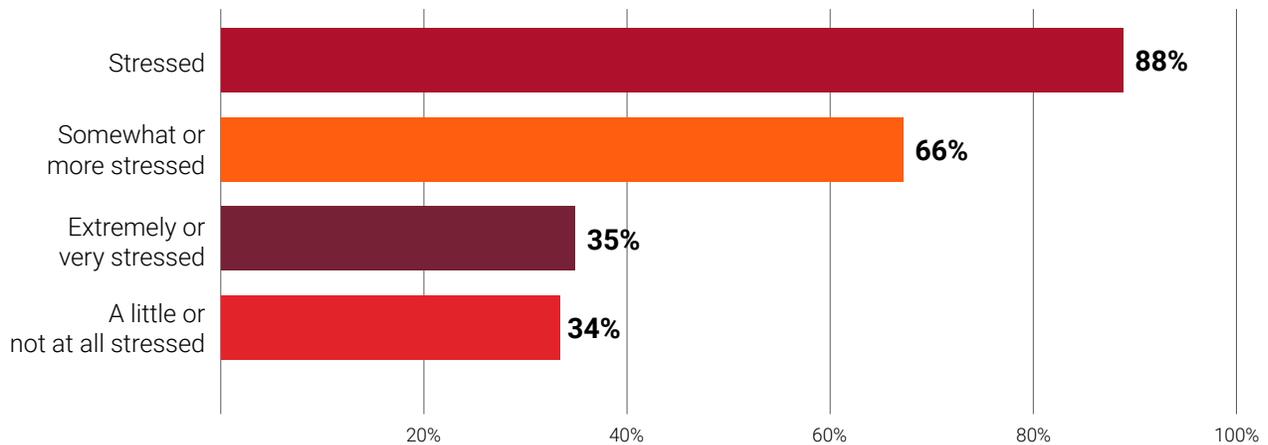
53% say the importance of the ability to determine their own hours or schedule has increased

Stress and mental health



With the ongoing pandemic, social and political turmoil, and rising inflation, it's no surprise that a majority of U.S. workers report being stressed. **Our survey found that more than a third of all respondents have felt extremely or very stressed in the past six months.** Younger workers, however, and Gen Z in particular (49%), reported that they were the most likely to be highly stressed. In fact, workers in their 20s are more than two times as likely to report high levels of stress than workers in their 60s.

Levels of stress over the past six months



Interestingly, despite high levels of stress, a majority (62%) of respondents rate their mental and emotional well-being as **excellent or very good**



6 in 10
report being
very or extremely
satisfied with the
wellness benefits
they receive

Wellness resources are popular, but adoption is low

Employers are increasingly offering mental and physical wellness resources to help combat the stress epidemic, and a majority of respondents — **6 in 10** — report being very satisfied with the wellness benefits they receive.

Among those who have used wellness benefits, a majority have seen a positive impact:

- **77%** saw a positive impact to their physical health, and **32%** saw a significant positive impact
- **74%** saw a positive impact to their mental health, and **31%** saw a significant positive impact
- Among those who used more than two wellness resources, **85%** reported a positive impact on their physical health, and **84%** reported a positive impact on their mental health

Despite their efficacy, however, overall usage of wellness resources remains relatively low.

- **67%** of respondents say their employer offers at least one mental or physical wellness resource, but less than half (**49%**) say that they've used them.
- Only **15%** of respondents have used more than one mental or physical wellness resource.

To increase adoption of wellness resources, employers must find ways to boost awareness and education around available offerings. After all, some **23%** of respondents report that they wish they better understood their wellness benefits, and that number is higher among younger workers. Gen Z workers, for example, rank mental and physical wellness benefits among the top three benefits they want to better understand.

To help boost enrollment, employers should:



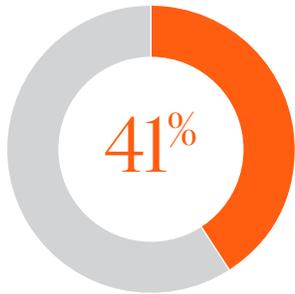
Prominently display information about wellness resources on the organization's intranet



Conduct educational sessions aimed at helping employees understand the full range of available wellness resources



Enhance advocacy efforts by enlisting managers' help in communicating the importance of the organization's wellness resources and tools



would prefer that their employer offer new and innovative benefits

Enrollment and benefits decision-making

On the whole, respondents are pleased with their benefits, and **7 in 10** are extremely or very satisfied with the options provided by their employers.

Interestingly, we found that workers are more likely to prefer that their employer find new and innovative benefits as opposed to improving core benefits like retirement and health insurance. However, this preference varies dramatically across generations: Gen Z would prefer more innovative benefits over core benefits (**40% to 17%**), while boomers favor core benefits. (**43% to 29%**).

How do employees feel about supplemental benefits?

For many, the pandemic has emphasized the importance of planning for the unexpected, which likely accounts for the strong overall interest in supplemental benefits. The supplemental benefits that respondents are most interested in include:



Critical illness insurance	89%
Access to a team of healthcare, benefits, and behavioral health experts who can provide one-on-one support	86%
Hospital indemnity insurance	86%
Accident insurance	86%

When asked to describe what they'd most like a supplemental benefit to cover, the top answer among respondents was chronic or serious illness (47%), and particularly cancer (27%). In their responses, workers discussed how having personal experience with these diseases made them aware of the emotional, physical, and financial costs.

However, despite high levels of interest in supplemental benefits, just 30% of respondents are enrolled in at least one supplemental benefit (19% accident insurance, 14% critical illness, 11% hospital indemnity). The biggest barrier to widespread adoption? Cost. The perception that supplemental benefits are unaffordable is the #1 reason workers choose not to enroll. Conversely, among those who are enrolled, the most common reason for enrollment was affordability (41%). There is also a notable misconception among 54% of workers that supplemental benefits are designed only for people who already have specific health issues.

Low rates of adoption are especially concerning given that 49% of workers believe it would be difficult for them to pay for treatment of a serious illness with their existing health insurance.

A closer look at the enrollment process

With regard to the benefits enrollment process, a majority (6 in 10) of respondents find the open enrollment process easy. Younger generations, however, are less likely to find the open enrollment process straightforward. For example, 29% of Gen Z respondents claim that they find the enrollment process difficult compared to just 12% of boomers who report the same.



In terms of deciding which benefits to enroll in, a majority (95%) reported being at least somewhat confident about their choices. However, a notable minority of respondents (48%) believe that it's easier to file taxes than decide which benefits to enroll in. Confidence levels also vary significantly across gender, generation, and race. For example, Gen Z respondents are the least likely to report being very confident about their benefit choices (36%), while boomers are most likely (53%).



of respondents would enroll in more benefits if they understood them better

Some of the biggest challenges respondents face when trying to navigate the benefits selection and enrollment process include:

- Understanding the benefits process overall and the value of individual benefits
- Determining cost
- Knowing which benefits to prioritize and how certain benefits work together

How can employers boost benefits enrollment?



Our study identified a number of possible strategies that employers can adopt to enhance benefits education and increase enrollment:



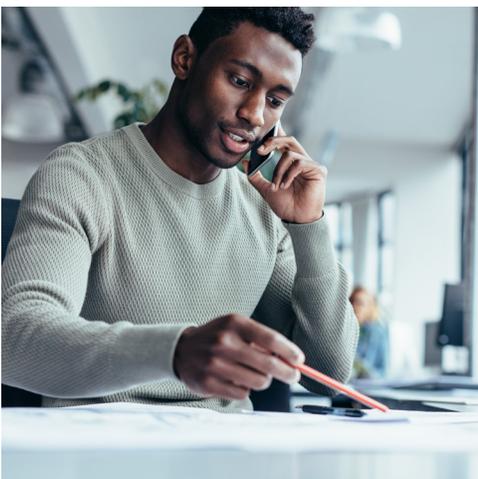
Connect employees directly to benefits carrier

Employees appreciate receiving expert advice, with **9 in 10** respondents reporting that they would be very or somewhat interested in receiving communication directly from a benefits carrier.



Highlight affordability

Many respondents aren't aware how affordable supplemental health benefits can be — and in fact, widespread misperceptions about their affordability are the #1 reason they don't enroll. Employers need to find ways to better communicate the affordability of both regular and supplemental health options.



Explore a variety of education options

Respondents are varied in how they prefer to receive benefits education. A quarter prefer self-service digital tools, a quarter prefer speaking directly to experts, and **4 in 10** are somewhere in the middle. When asked about the possibility of a self-service tool that includes the option to speak to an expert via live chat, **86%** expressed interest, and **46%** reported that they were very interested.



Flexibility, innovation, and education are essential

Our 2022 Wellness@Work Study presents a complex picture of today's benefits landscape, with several key themes emerging:

- A majority of respondents are happy with the benefits they receive, although levels of satisfaction vary across generations.
- Respondents increasingly value flexibility and paid leave benefits, and younger generations want their employers to provide more innovative benefit options.
- There are a number of barriers to more widespread benefits adoption, but it ultimately boils down to education. A significant number of respondents indicated that they would enroll in more benefits if they better understood their value.



How can Lincoln help?

We're here to make it easier for you — and your employees. At Lincoln, we're incorporating lessons learned from our inaugural Wellness@Work survey to improve the customer experience and drive positive outcomes. Contact your Lincoln representative or visit [LincolnFinancial.com](https://www.lincolnfinancial.com) to see how we can help you.

About Wellness@Work

The 2022 Wellness@Work Study is based on a national survey of 2,503 full-time workers who have access to at least one of the following insurance benefits through their employer: disability, life, dental, vision, critical illness, accident, or hospital indemnity. Greenwald Research, a third party market research firm, conducted the study on behalf of Lincoln Financial Group. Greenwald Research is not associated with Lincoln Financial Group. Online interviews took place from January 28 to March 1, 2022. Data is weighted by demographics to mirror the total population.

Wellness@Work is a platform for research and viewpoints on central issues related to group benefits. The program seeks to identify forward-thinking ways to help brokers, employers, and employees. As part of the program, Lincoln sponsors both proprietary and third party research, with an emphasis on what drives better benefit outcomes

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