

Adapting to Post-Pandemic Realities: How Employers Can Do More to Support Their Employees

New research report identifies gaps in employers' health and retirement benefit offerings and business practices

LOS ANGELES – August 16, 2022 – Eighty-one percent of employers feel responsible for helping employees maintain their long-term health and well-being, 72 percent cite one or more major concerns about employees' mental health, and 47 percent have found it difficult to recruit new employees, according to [Emerging From the COVID-19 Pandemic: The Employer's Perspective](#), a new survey report from nonprofit [Transamerica Institute®](#) and its [Transamerica Center for Retirement Studies®](#) (TCRS).

"In the wake of the pandemic, employers have been navigating complex issues in a rapidly changing environment, especially in managing the needs of their workforce. However, they can be doing even more to support their employees," said [Catherine Collinson](#), CEO and president of Transamerica Institute and TCRS.

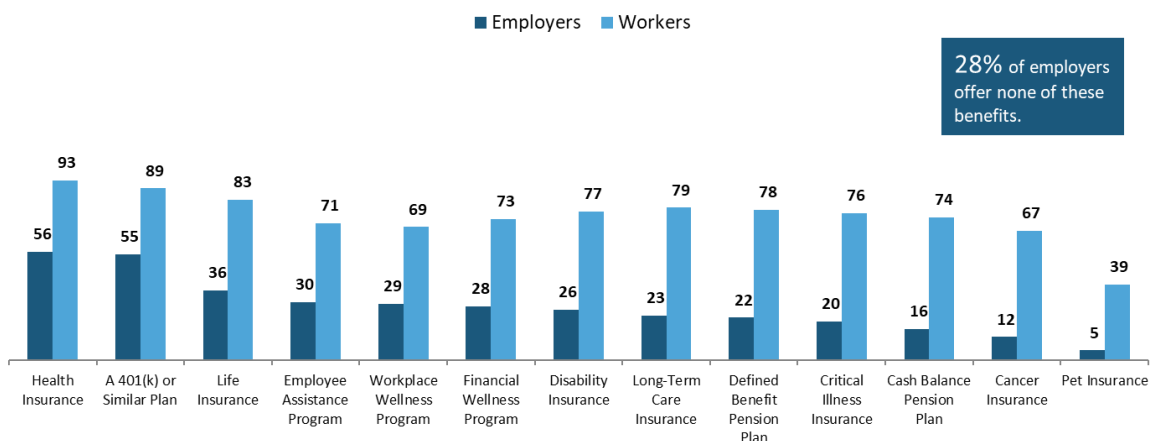
[Emerging From the COVID-19 Pandemic: The Employer's Perspective](#) examines the impacts of the pandemic on employers and their health and welfare benefits, retirement benefits, and business practices. It is based on a survey of more than 1,800 for-profit company employers conducted in late 2021 and offers comparisons by company size, including small (less than 100 employees), medium (100 to 499 employees), and large companies (500 or more employees). It also includes relevant comparisons from TCRS' most recent survey of workers.

Addressing the Employee Benefits Gap

"A robust compensation and benefits package is a win-win situation in the workplace. It can help employers attract and retain talent while providing employees income, work-life balance, and the ability to save for retirement while protecting their health, well-being, and financial situation," said Collinson. Almost two-thirds of employers (64 percent) believe health insurance, retirement benefits, and/or other benefits to be very important in their ability to attract and retain employees.

Despite this emphasis on employee benefits, there is still a sizeable shortfall when comparing the percentage of *employers* that offer specific benefits with the percentage of *workers* who value them as important.

**Employers' Offering of Health and Welfare Benefits
 Compared With Workers Who Say They Are Very/Somewhat Important (%)**



Source: *Emerging From the COVID-19 Pandemic: The Employer's Perspective*, nonprofit Transamerica Institute and Transamerica Center for Retirement Studies, 2022.

"As employers evaluate their benefits offering, they have an opportunity to further support the physical and mental health and the financial well-being of their employees," said Collinson.

The Current State of 401(k)s and Retirement Offerings

“Employer-sponsored retirement plans, including 401(k)s and similar plans, have proven to be the most effective way to facilitate long-term savings among workers. Unfortunately, not all workers have access to these benefits, especially those working for small companies,” said Collinson.

The survey findings outline employers’ retirement benefits and identify opportunities for expanding coverage and enhancing plan features. Key findings include:

- **Retirement plan sponsorship rates are lower among small companies.** Fifty-five percent of employers offer a 401(k) or similar plan to their employees. These employee-funded plans are more commonly offered by large and medium companies (92 percent, 89 percent, respectively), compared with small companies (46 percent) where the opportunity for expanding retirement plan coverage is greatest.
- **More employers may offer a retirement plan in the future.** Among employers that do not offer a 401(k) or similar plan, 43 percent say they are likely to begin doing so in the next two years. Moreover, 27 percent of employers unlikely to offer a plan say they would consider joining 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 necessary action steps for employees to enroll in and start contributing to the plan. Instead, it automatically enrolls employees into their plan with the ability for them to opt out and stop contributing. Twenty-three 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 access to a financial advisor (44 percent), education about transitioning into retirement (41 percent), and educational resources (40 percent).

The survey finds a sizeable gap in retirement savings among *workers* by company size. This gap illustrates the impact that access to workplace retirement benefits can make. Workers of large companies have saved \$96,000 in total household retirement accounts and those of medium companies have saved \$73,000, while small-company workers have saved just \$41,000 (estimated medians).

Looking Toward the Future: Best Practices for a Multigenerational Workforce

“Today, four generations in the workforce bring diverse skills, expertise, and life experiences to their jobs. Employers that implement best practices for a multigenerational workforce can potentially increase productivity while supporting the professional growth and work-life balance of their employees,” said Collinson.

Most *employers* (84 percent) consider their companies to be “age-friendly” by offering opportunities, work arrangements, and training and tools needed for employees of all ages to be successful. However, only 65 percent of *workers* consider their employers to be age-friendly. The survey finds many employers are embracing a multigenerational workforce in some respects but, in other ways, they have not yet addressed the opportunity. For example:

- **Only 34 percent of employers have adopted a formal diversity and inclusion policy statement referencing age** among other demographic characteristics.
- **Nine in 10 offer one or more types of alternative work arrangements (92 percent)**, including flexible work schedules (60 percent), the ability to adjust work hours as needed (54 percent), and the ability to work remotely (51 percent).
- **Eight in 10 offer one or more programs to support caregiving employees (80 percent)**, including unpaid leave of absence (37 percent), paid leave of absence (31 percent), online resources and/or tools (27 percent), an employee assistance program that offers counseling and referral services (23 percent), and a benefit that offers referrals to backup care (22 percent).
- **Three in 10 have a formal phased retirement program with specific provisions and requirements (31 percent)**. Regardless of whether they offer a formal program, some employers have work-related programs to help pre-retirees transition including flexible work schedules and arrangements (44 percent), the ability to reduce hours and shift from full-time to part-time (36 percent), and the ability to take on less stressful or demanding jobs (34 percent).

“Employers play a vital societal role by providing employment, employee benefits, and the ability for workers to save and invest for a secure retirement. Especially now, amid the ongoing effects of the pandemic, employers need support from policymakers to make it as easy as possible to modernize their business practices, expand their benefit offerings, and address the evolving needs of their employees,” said Collinson.

[*Emerging From the COVID-19 Pandemic: The Employer’s Perspective*](#) includes in-depth findings about health and welfare, workplace wellness, and retirement benefits, as well as recommendations for employers, workers, and policymakers. Transamerica Institute has done extensive work on [age-friendly workplaces](#) and [workplace wellness programs](#). Visit www.transamericainstitute.org. Follow on [Twitter](#), [LinkedIn](#), and [Facebook](#).

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About the Surveys

The analysis contained in [*Emerging From the COVID-19 Pandemic: The Employer’s Perspective*](#) 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 8 and 24, 2021 among a nationally representative sample of 1,874 U.S. business executives with specific titles who make decisions about employee benefits at their for-profit company and employ one employee or more across all locations (“employers”). Data were weighted based on D&B business database for employee size, company revenue, industry, and state where necessary to align them with their actual proportions in the population. **Worker Survey:** A 28-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between October 28 and December 10, 2021 among a nationally representative sample of 5,493 U.S. adults age 18+, who work full- or part-time in a for-profit company employing one or more employees (“workers”). Data were weighted based on Census data for education, age by gender, race/ethnicity, region, household income, marital status, and size of household where necessary to align them with their actual proportions in the population. The weighting also adjusts for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not.

Percentages are rounded to the nearest whole percent.