

The Hartford's 2025

Future of Benefits Study



U.S. Workers Experiencing Continued Financial Stress
Amid Economic Uncertainty

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Introduction



Amidst a backdrop of economic uncertainty and rapid technological change, financial stress remains high for U.S. workers. Managing money has become particularly challenging due to factors such as rising debt,¹ higher prices,² and a sense of unease about the economic outlook.³ Financial stress permeates all aspects of life, as more than half of U.S. workers report that their financial health is negatively impacting their workplace productivity.

Employers are uniquely positioned to act as a stabilizing force in their employees' lives. They can take steps to address employee well-being, help them protect their finances and make them feel cared for at work. One critical component is a robust employee benefits program, coupled with prioritized benefits education that promotes understanding and utilization. Although many employers offer a variety of benefits and services to support their employees, **a gap between how employers perceive their benefit offerings and how U.S. workers feel about the benefits they receive remains.**



Most employers believe their benefits packages are better than other employers in the marketplace. At the same time, U.S. workers are not as satisfied with their benefits experience as many employers believe, with only half of U.S. workers agreeing their benefits are above average. **This is particularly true for employees at small- to mid-size companies.** While more than one-third of U.S. workers feel overwhelmed by the multitude of benefit choices available during open enrollment, employers are taking steps to simplify the process.

On top of these financial stressors is the ongoing challenge – and opportunity – of leveraging new technologies. Employers are optimistic about artificial intelligence (AI) and human resources (HR) Technology, but U.S. workers still need more convincing.

While the promise of technological advancements enhancing the overall U.S. worker experience is positively received, HR technology tools require developing new skills and result in additional responsibilities for HR professionals. For certain benefits, U.S. workers prefer a human touch over AI tools, creating an opportunity for employers to find the right balance for their workplace.

There is a growing need for more intentional and customized approaches to workplace benefits, no matter the size of the organization.

Small- to mid-size businesses have their own unique set of challenges and opportunities when it comes to workplace dynamics. In an uncertain economic environment, they can operate with more agility and adaptability, yet they may have fewer resources to grow their business. U.S. workers at small- to mid-size companies believe that gaining a clearer understanding of their benefits could alleviate financial stress, and better benefits could help small- to mid-size employers compete with larger companies for talent. Technology solutions have helped streamline benefits administration at small- to mid-size businesses, which bodes well for a future in which employers and employees can enhance their productivity to do more meaningful work.

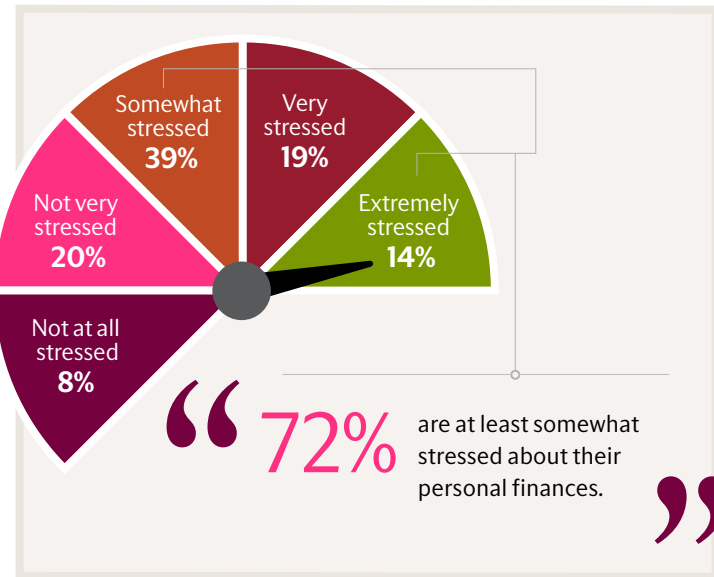
Now in its sixth year, The Hartford's annual Future of Benefits Study provides valuable insights from HR Professionals (employers) and U.S. workers about financial wellness and employee benefits needs, AI and HR technology, as well as a special section devoted to the workplace perspective from small- to mid-size businesses (those with fewer than 500 employees).

¹ [Household Debt and Credit Report - Federal Reserve Bank of New York](#)
² [Reuters, May 2025](#)
³ [Glassdoor Employee Confidence Index](#)

Personal finances in an uncertain economic climate

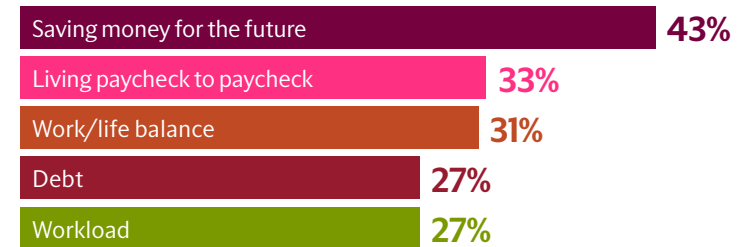
As in previous years, the study shows there continues to be a disparity between employers' perceptions of their employees' personal finances and what U.S. workers say they are experiencing. This year, employers are more apt to say that their employees are not stressed about household finances (**34%** in 2025 v. **28%** in 2024). Yet findings indicate that a significant majority of U.S. workers experience some degree of stress regarding their household finances, with younger workers more prone to financial stress.

How U.S. workers feel about their personal finances:

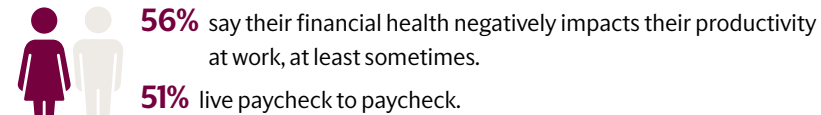


More than half of U.S. workers (**53%**) report a decrease in savings over the past 12 months, and a small but notable percentage (**15%**) say they will never feel financially secure.

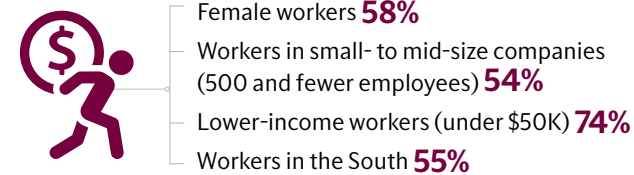
The top factors contributing to stress largely include financial issues:



What U.S. workers say about their financial situation:

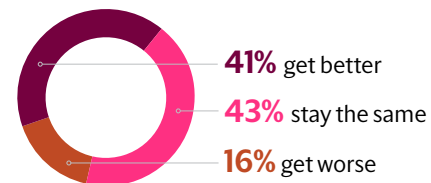


Those more likely to say they live paycheck to paycheck include:



Despite their current financial situation, nearly half of U.S. workers are positive when thinking about the future.

U.S. workers expect their financial situation in the next year to:



Key Takeaways for brokers and employers:

- Acknowledge how much financial stress and the current economic environment can affect employee well-being and productivity.
- Promote financial support services that are available to employees to enhance their financial security.
- Look into income protection benefits that can help employees feel more secure about their income and family obligations in times of crisis.

Workplace dynamics and outlook

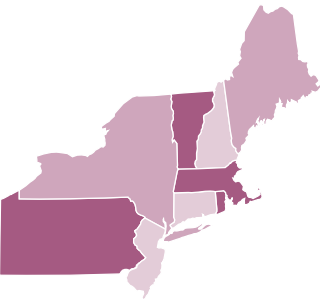


When it comes to job satisfaction, U.S. workers and employers tend to focus on differing priorities, although there is some alignment on concerns for the future of the workforce. Generational differences add another layer of complexity, influencing how job satisfaction is defined and achieved, and making it essential for organizations to adopt a nuanced approach to employee engagement and satisfaction.

Job satisfaction among U.S. workers is up slightly in 2025, yet there is a gap between employers who think their employees are satisfied:

78% of employers believe their employees are satisfied, compared with **75%** in 2024.

47% of U.S. workers say they are satisfied with their job, an increase from **43%** in 2024.



The job-satisfaction gap is more pronounced in the Northeast:

84% of employers in the Northeast say their employees are extremely/very satisfied in their job.

Only **40%** of U.S. workers in the Northeast say they are extremely/very satisfied.

U.S. workers have been with their employer for an average of about six years, and say they plan to stay for another six years, approximately.



Work according to Gen Z

Gen Z workers are seen by other U.S. workers as more likely than other generations to switch jobs frequently, expect work-life balance, and desire a remote schedule. Gen Z workers are more likely to say they are different in positive ways, as they self-advocate, think innovatively, and work hard. Other generations view Gen Z in a more critical light, as they are more likely to say they show impatience, have difficulty adapting to workplace norms, and expect the company to solve issues in their lives.

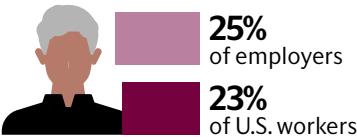
Employers have a more balanced view of the Gen Z workforce overall than U.S. workers in other generations. Employers appreciate Gen Z's adaptability and innovative thinking.

Workplace dynamics and outlook (continued)

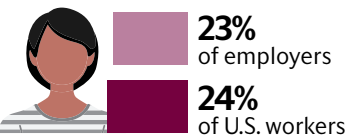
As the workplace continues to evolve, U.S. workers and employers often find themselves focused on different concerns about the future. However, U.S. workers and employers also share some concerns. These perspectives shape how each group approaches change and adaptation in the modern workplace, and shared concerns suggest opportunities for better collaboration, as employers and U.S. workers alike navigate how to build innovative and supportive work environments.

Future concerns - Similarities

Older workers retiring and their skills and historical knowledge leaving the workforce:



Gen Z entering the workforce without the experience/knowledge needed:



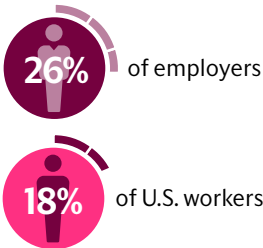
Key Takeaways for brokers and employers:

- Create an inclusive environment where input is encouraged from everyone, even quiet voices.
- Keep the lines of communication open regarding work styles – get to know employees personally.
- Model empathy, curiosity and accountability in the workplace.

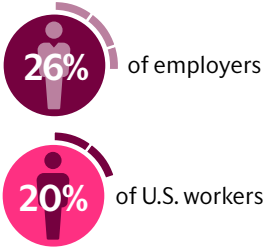
Future concerns - Differences



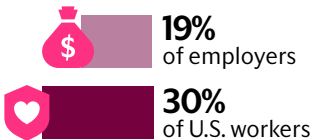
The ability for my company to provide appropriate learning/training on new skills to switch to a different job or role (reskilling):



The ability [for my company] to provide appropriate learning/training on new or improving existing skills to stay relevant in my current job or industry (upskilling):



My company being more focused on profitability than employee well-being:



Benefits offerings, education and perceptions



The Future of Benefits Study tracks U.S. workers' trust in their employers' benefits decisions. Despite saying their benefits meet their needs, U.S. workers often underutilize them, indicating a need for better education to boost participation and utilization.

Employer optimism is also reflected in the increased confidence they feel about their benefits, rating them as "better" than other employers in their marketplace. However, U.S. workers' ratings have not changed, with half saying they are average or below.

There is a difference between how employers and U.S. workers view benefits.



88%

of employers say employees trust them to make the best decisions about the benefits they make available, however, only **60%** of U.S. workers agree.



80%

of employers say benefits their company offers helps employees feel more financially secure, however, only **62%** of U.S. workers agree.

Could benefits be more effective if there were greater awareness of them? Results indicate that could be the case.

69%

of U.S. workers say having a better understanding of how to use benefits would help them feel less anxious about their finances.

36%

of U.S. workers are unsure about how their benefits work together.

35%

of U.S. workers do not understand supplemental benefits offered to them by their employer and what the benefits cover.

71%

of U.S. workers say they want to learn about benefits year-round, not just at open enrollment.

75%

of employers say that workers under-utilize the benefits and services made available.

69%

of employers say that educating workers about benefits is a challenge.

72%

of employers say their company needs better resources to help workers understand their benefits.

However, U.S. workers bearing greater costs may be a headwind, as three in five U.S. workers have seen increases in how much they pay for benefits in 2025, and half of employers have increased employee contributions.

Benefits offerings, education and perceptions (continued)



Both employers and U.S. workers view benefits as an attraction and retention tool.

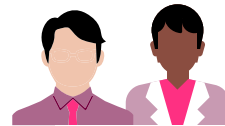


74% of employers say they should offer additional benefits to be more competitive in the marketplace.

82% of U.S. workers say benefits are a key part of their decision when considering a new job.

58% of U.S. workers would consider a new job if the company offered a more comprehensive benefits package.

Some employers have added benefits this year or plan to next year.



34% added benefits in 2025.

53% will add benefits in 2026.

U.S. workers who are unhappy with their work situation are also dissatisfied with the benefits offered. As a result, dissatisfied U.S. workers are likely to seek employment elsewhere where they believe better benefits are available.

Key Takeaways for brokers and employers:

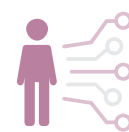
- Offer benefits that are accessible and aligned with the needs of today's workforce.
- Provide robust, year-round benefits education to help employees better understand the benefits you offer and become better prepared for annual enrollment.
- Explain how the benefits complement each other, and which are most suitable for different generations.



Digital split around AI and HR technology



Technology and AI-driven solutions have become important tools in the workplace, offering greater personalization and improved decision-making. Employers are embracing the advancements and are gaining greater comfort with technology as they learn new skills and adapt to the rapidly changing environment.

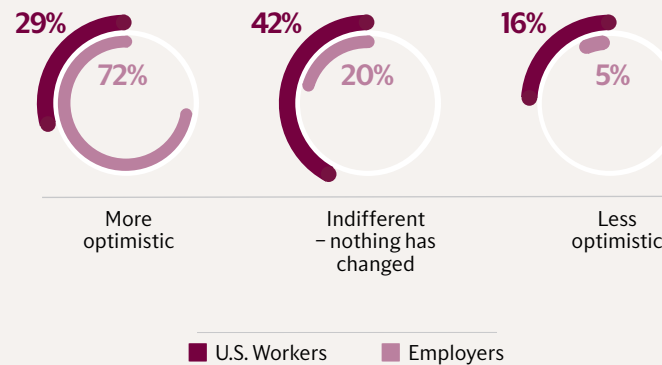


80% of employers are still exploring how to most effectively use AI at their organizations, but they are optimistic.

79% of employers say AI is making them more efficient compared with **41%** of U.S. workers.

This speaks to the need for balance. Employers should involve employees early in AI adoption plans and offer training and upskilling so employees can use AI as a tool to leverage, not fear.

How do you feel about the use of Artificial Intelligence (AI) in your workplace compared to a year ago?



Tech solutions are also changing how employee benefits are communicated and delivered. However, there is some skepticism, and a noticeable disparity in trust between employers who are excited about the potential of the technology, and U.S. workers who report feeling more uncertain.

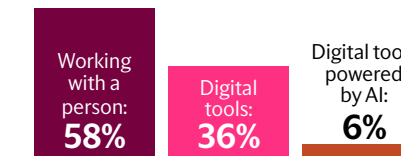


76% of employers say they would trust AI to make benefit recommendations.

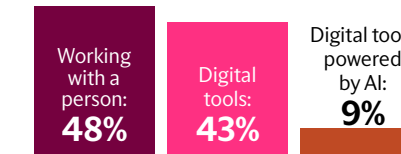


35% of U.S. workers say they would trust AI to make benefit recommendations.

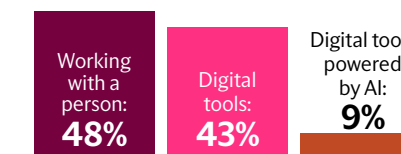
In some circumstances, U.S. workers prefer to talk to a person for benefits tasks. When requesting a leave of absence, U.S. workers prefer:



When learning about benefits during enrollment, U.S. workers prefer:



When filing an insurance claim for non-medical benefits, U.S. workers prefer:



Digital split around AI and HR technology (continued)

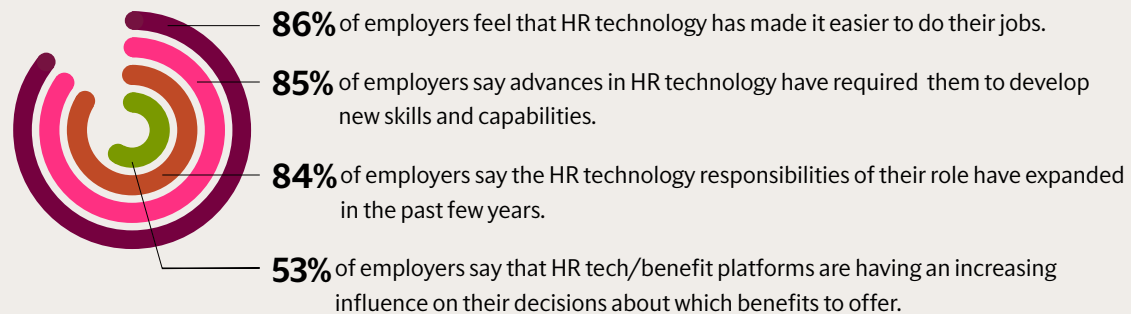
While there is trepidation about AI, U.S. workers recognize the technology is here to stay and they are looking for ways to upskill and gain knowledge.



of U.S. workers wish their companies had more training on AI, making it clear that U.S. workers want to understand AI to become more productive and thrive in a changing economy.

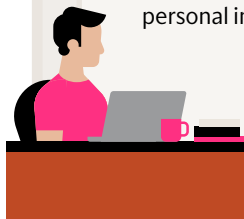
HR Technology

Employers have a positive view of HR technology, which has streamlined benefits management for employers, and improved experiences for U.S. workers.



However, employers are somewhat concerned that the increased use of technology might reduce personal interactions between workers and HR.

58% of employers say with all their updated HR technology and systems, they worry employees will lose the personal touch they used to provide.



Key Takeaways for brokers and employers:

- Make efforts to bridge the gap between employer confidence and employee trust in technology tools by keeping a human in the loop, which will promote transparency and ensure that digital enhancements are intuitive, reliable and truly beneficial.
- Encourage training and development opportunities to allow employees to be more comfortable with technological changes, including AI in selecting benefits. Providing a supportive environment for employees to acquire new skills will enhance their productivity and foster loyalty.



U.S. workers and mental health



The current state of mental health in the workforce reflects a complicated landscape in which awareness and initiatives are increasing, yet challenges persist. Depression and anxiety are prevalent in today’s workforce, presenting employers with the opportunity to offer support and reduce stigma associated with the mental health crisis.

29% of U.S. workers struggle with depression/anxiety at least a few times per week.

Gen Z	Millennials	Gen X	Baby Boomers
40%	34%	25%	10%

15% of U.S. workers say they struggle most days with depression/anxiety.

Mental health is taking a financial toll on employers and budget constraints continue to be an issue in offering more support.



71% of employers agree the mental health of employees negatively impacts the financial health of their company.



64% of employers say they would like to add more mental health resources, but they do not have the budget to do so.

Employers vastly overestimate the power of the mental health tools that they provide to U.S. workers, as well as the role stigma plays in keeping staff from seeking help:

81% of employers agree mental health has improved thanks to company-provided resources.

35% of U.S. workers agree mental health has improved thanks to company-provided resources.

71% of employers agree stigma prevents employees from seeking help or getting support.

36% of U.S. workers agree stigma prevents them from seeking help or getting support.

Key Takeaways for brokers and employers:

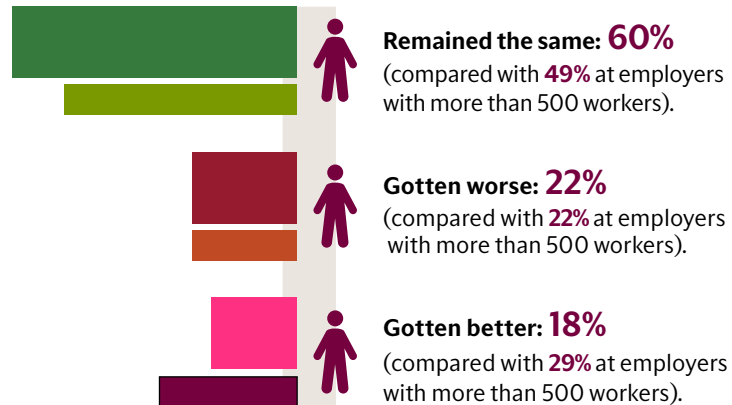
- Mental health education and frequent communication about resources can help eliminate stigma, biases and stereotypes in the workplace, encouraging employees to seek help when needed.
- Many workplace accommodations that employers can provide to support employee mental health are relatively inexpensive, such as breaks or schedule changes.
- Nonprofit and community organizations can help support the mental health of employees and their families. For example, the National Alliance on Mental Illness (NAMI) and Active Minds raise awareness about mental health conditions and provide free education and support.



A focus on small- to mid-size businesses

Like large employers, small- to mid-size businesses (those with fewer than 500 workers) are facing challenges with persistent economic uncertainty. These headwinds have dampened their outlook in addition to a tightening labor market with unfilled job openings,¹ the lowest since January 2021, contributing the most to the decline in optimism. U.S. workers at small- to mid-size businesses are less likely than U.S. workers at larger companies to say their financial situation has gotten better this past year. However, there is an opportunity for benefits to improve their financial situation with the right education and utilization.

What U.S. workers at small- to mid-size businesses say about their financial situation:



54% of U.S. workers at small- to mid-size businesses live paycheck to paycheck, compared with **48%** of U.S. workers at large businesses (more than 500 workers).



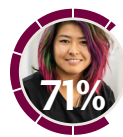
U.S. workers at smaller businesses are looking for support to better understand their benefits.



U.S. workers at small- to mid-size businesses:

- 65%** say having a better understanding of how to use their benefits would help them feel less anxious about their finances, compared with **71%** of U.S. workers at large employers (500+ workers).
- 35%** are not sure how all the benefits they are offered work together, compared with **37%** of U.S. workers at large employers (500+ workers).
- 31%** don't understand the supplemental benefits offered to them by their employer and what they cover, compared with **37%** of U.S. workers at large employers (500+ workers).

This highlights an opportunity for small- to mid-size businesses to communicate how benefits can support financial stability and their employees' everyday needs. A key concern among small- to mid-size businesses is the perceived inadequacy of their benefits packages, which may impact their ability to attract and retain talent.



71% of small- to mid-size businesses say their company should be offering additional benefits to be more competitive in the marketplace, compared with **77%** of U.S. workers at large employers (500+ workers).

¹ NFIB Small Business Optimism Index, April 2025



A focus on small- to mid-size businesses (continued)



Small- to mid-size business employers are concerned about benefits utilization and education.



74% of small- to mid-size employers say their employees underutilize the services, benefits and programs available to them.



69% of small- to mid-size employers say educating their employees about benefits is a challenge.

HR technology presents opportunities and challenges for employers at small- to mid-size businesses, who report a widespread appreciation for its advantages. Many agree it has streamlined their work and enhanced the lives of their employees.

Agreement about HR Technology

% Completely/Strongly/Somewhat Agree

HR Technology improves the overall online experience for my employee and me.

86%

The technology experience (e.g., portal, website, mobile app) provided through our benefits carriers makes it easy for our employees to manage benefits.

86%

HR technology has made it easier for me to do my job.

85%

Eight in ten small- to mid-size employers that have HR technology systems say they face difficulties, such as vendor management, system complexity and lack of training. Nevertheless, small- to mid-size employers recognize the value of HR technology. As with larger employers, small- to mid-size employers trust AI to make benefit recommendations, but their employees are skeptical of these offerings.



70% of small- to mid-size employers trust AI to make benefits recommendations.

33% of U.S. workers trust AI to make benefits recommendations.

Employers will need to find ways to instill trust in digital tools and technology enhancements, while providing personalized guidance and engagement strategies that encourage year-round benefits utilization.



Key Takeaways for brokers and employers:

- Offer flexibility with schedules, remote work, or time off, when possible. This shows trust and respect and can go a long way in improving job satisfaction.
- Recognize and reward contributions. By regularly acknowledging employees' efforts, you can boost morale and reinforce a positive work culture without a large budget.
- Invest in growth and development. Employees are more likely to stay with an organization when they feel like they are growing professionally.

Survey Methodology:

The Hartford's 2025 Future of Benefits Study was fielded March 4-28, 2025, and included 701 employers and 1,000 U.S. workers. The employers surveyed were HR professionals who manage/decide employee benefits, and U.S. workers surveyed were actively employed. The margin of error for employer responses is +/- 3% and for U.S. workers is +/-3% at a 95% confidence level.



The Hartford

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