Understanding benefit preferences in a multigenerational workforce

White paper

Boomers, Gen X, Millennials, and Gen Z all make up today's multigenerational workforce.

HR leaders are struggling to find creative strategies to attract and retain top talent of all ages. A one-size fits-all benefits package approach no longer works in today's workplace. We have entered a new era where there is an expectation that benefits fit a wide range of priorities in a multigenerational workforce.

When employers have a clear understanding of the underlying wants and needs of each generation, they can create a culture where all employees, regardless of age, feel supported and stay engaged in their work. However, finding a balance of benefits can be challenging, so leaders must be flexible, look for common ground across age groups, and utilize voluntary benefits to fill in the gaps.

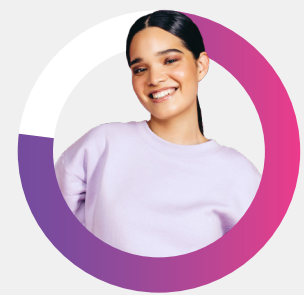| Baby Boomers	Gen X	Millennials	Gen Z
71%	**64%**	**88%**	**77%**
admit they're lagging in retirement savings	expect flexibility in the workplace	value job development	prefer a company aligned with their values

Baby Boomers (1946 - 1965)

Baby Boomers currently make up 18% of today's workforce. With long-term experience and knowledge within the workplace, some Boomers aren't ready to leave their careers. Baby Boomers can be among the most productive employees in an organization as well as serve as mentors to prepare the younger generation for more responsibilities within the business.

18% of today's workforce is currently made up of Baby Boomers

Baby Boomers expect traditional offerings with lower co-pays and fewer unexpected medical expenses. Even so, Boomers have been known to delay care until they qualify for Medicare at age 65, which can result in worsened health outcomes due to a late diagnosis. Expanding access to preventative screenings have shown to significantly improve health outcomes and is a priority for this generation.

Baby Boomers are also looking for assistance in navigating their retirement plans and 63% express a desire for flexible work schedules to help ease their transition[1]. As Baby Boomers approach retirement, achieving financial security before leaving is a priority which is why they tend to participate in 401(k) matching and utilize financial planning support.

What Baby Boomers are looking for:

- Financial assistance and security
- Flexible work schedule
- Retirement planning
- Medical benefits

Generation X (1966 - 1980)

Generation X (Gen X) is the second largest age group, comprising 30% of those contributing to today's workforce. They are characterized by being hard working and professionally ambitious, with a desire for diversity and work-life balance. Gen X are known to appreciate benefits that allow them to juggle their professional and personal responsibilities, as many are caring for both their children and parents.

Gen X employees are seeing an increased need for health care and a utilization of regular primary care visits. It's important organizations offer traditional medical benefits for this age group that also address rising prescription drug costs.

67% of Gen X rate flexible work schedules as extremely important

According to a Marsh McLennan Agency 2024 employee health and benefits trends report, 67% of Gen X workers rate flexible work schedules as extremely important. In addition to flexible work schedules, 32% of Gen X employees feel uncertain about their finances. Offering fair pay and benefits will significantly boost job satisfaction and help alleviate concerns about credit card and mortgage debt.

What Gen X are looking for:

- Remote work benefits
- Retirement planning
- Caregiving benefits
- Medical benefits

Millennials (1981 - 1996)

Millennials represent over one third of today's workforce and are characterized by feeling deeply about their social responsibility in and outside of the workforce. To feel successful in their careers, this generation is driven by personal passions and interests and want to feel connected to their company and managers. Millennials also have the highest prevalence of mental health issues, including depression, anxiety, and ADHD, which makes offering robust health benefits essential. According to the Marsh McLennan Agency trends study, 74% of these individuals place a high priority on finding a job that has mental health benefits to prevent burnout and improve their overall wellbeing.

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Many Millennials are facing high student debt, making financial health, a significant concern for this generation. Unfortunately, adding to their financial strain, Millennials have the highest average out-of-pocket medical expenses, nearly double that of other generations which leads to lower utilization of primary care and preventive services. Consequently, they often resort to urgent care and emergency room visits, which are typically more expensive and less effective for managing health.

For Millennials, offering educational opportunities to enhance their skills for professional development is important. At the same time, a staggering 74% of Millennials rate flexible work schedules as extremely important, reflecting their need to pursue personal interests and time to recharge and prevent burnout.

What Millennials are looking for:

- Flexible work schedule
- Mental health benefits
- Professional education opportunities
- Financial planning assistance

Generation Z (1997 - 2012)

Generation Z (Gen Z) is the smallest cohort, comprising 15% of today's workforce. Being the most recent generation to enter the workplace, these individuals bring a fresh perspective and are driven by diverse and personalized benefits focused on supporting mental, financial, and emotional health.

This generation is particularly vulnerable to work-related burnout. Gen Z workers rate flexible work schedules as extremely important, and they seek a work environment that accommodates work-life balance. Employers must provide mental health resources to help maintain engagement and motivation.

Like the Millennial generation, Gen Z also exhibits low utilization rates for primary care and preventive visits, leading to high urgent care and emergency services usage. This trend underscores the value of comprehensive health and wellness benefits that address both physical and mental health needs. As this generation seeks to grow in their professional lives, individuals seek continuous learning opportunities and growth through mentorship programs, training, and access to online platforms.

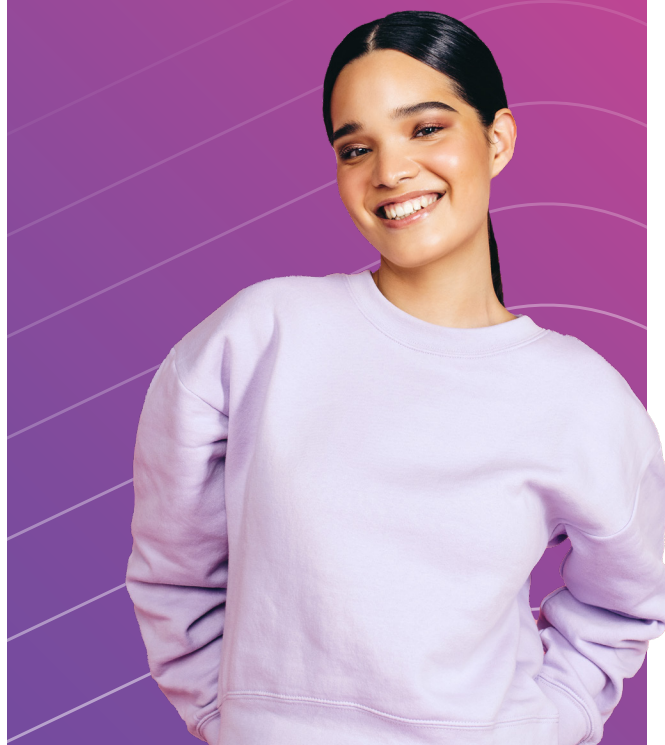## What Gen Z are looking for:

- Career development opportunities
- Health and well-being benefits
- Flexible work schedules
- Financial planning assistance

Learn more

To create a thriving and inclusive workplace, employers must recognize the diverse needs of their multigenerational workforce. Tailoring benefits to address the unique wants and challenges faced by each generation is essential to compete in this economy. While there are common themes across generations, such as the importance of work-life balance and health care coverage, each generation has their own preferences and priorities. Organizations can foster a more engaged, productive, and satisfied workforce, ultimately driving success in an increasingly competitive landscape.

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[1] 2024 Employee Health and Benefits Trends: The Evolving Workplace

Business Insurance
Employee Health & Benefits
Private Client Services
Retirement Services

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