

Benefits Breakdown

February 2024

5 Key Employee Benefits Trends in 2024

Attracting and retaining employees has been a challenge for employers since the onset of the COVID-19 pandemic. In 2024, the labor market is expected to cool slightly; however, competition for talent will remain. Here are five key benefits trends employers are focusing on in the new year to find and keep employees:

1. **Managing health care costs**—Many employers will plan and implement multiple cost-saving strategies in 2024 to mitigate rising health care costs.
2. **Increasing personalization and flexibility**—This year, employers will increasingly offer personalized and flexible benefits to address the unique needs and expectations of individual employees.
3. **Prioritizing employee mental health**—Given the impact employees' mental health can have on an organization, savvy employers will continue prioritizing employee mental health in 2024.
4. **Expanding family-building and reproductive health benefits**—Numerous employers will continue to expand reproductive health and family-building benefits to meet employee needs and remain competitive.
5. **Balancing flexibility with return-to-office mandates**—Proactive employers will focus on balancing employee expectations and needs with the benefits of having employees in the office.

Reach out for more tips on attracting and retaining employees.

2024 Attraction and Retention Trends to Monitor

This year, the labor market is expected to ease somewhat, although employers will likely still struggle to attract and retain talented employees. Here are four attraction and retention trends employers should watch in 2024 to prepare their strategies for the next year:

1. **Skills-based hiring**—Many employers are refocusing their hiring efforts on finding employees with the right skills rather than a specific education or experience.
2. **Generation Z**—As Generation Z employees comprise a growing percentage of the U.S. workforce, employers may prioritize a company culture that will appeal to these workers.
3. **Pay Transparency**—Developing pay transparency laws will likely challenge employers in 2024, especially those with workers across multiple jurisdictions.
4. **Keeping up with pay**—Many employers plan to increase wages this year. Additionally, employers are increasingly offering attractive benefits to improve the employee experience.

Employers can remain competitive in an evolving labor market by monitoring employees' current and prospective needs and wants in 2024. Contact us for more information about employee attraction and retention trends.