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The State of HR and Employee Benefits

Real insights from leaders on cost pressure, engagement and the future of benefits.

AN HR PULSE SURVEY | CONDUCTED BY NEW BENEFITS

The Current State of Benefits

Employers are being asked to do more with their benefits programs than ever before.

Costs continue to rise, expectations are higher and the pressure to deliver value is constant. At the same time, teams are working to improve engagement, understand what's actually being used and make better decisions with limited visibility into performance.

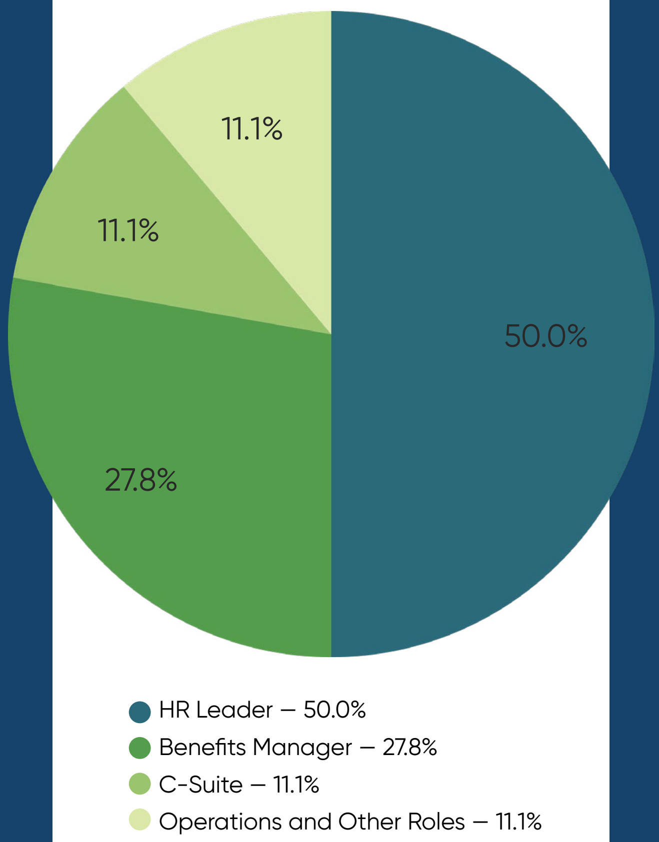
Most HR leaders aren't standing still. Changes already are happening across plan design, communication and benefit offerings. But with so many moving pieces, it's not always clear how everything fits together or what's making the biggest impact.

This report explores how HR leaders are thinking about benefits today — where they're focusing, what's changing and where gaps still remain. Several clear themes emerged:

- Rising costs continue to shape decision-making.
- Employers are taking action, but strategies vary widely.
- Success is measured through both cost and employee experience.
- Engagement and awareness remain inconsistent.
- Many employers lack clear visibility into ROI.
- Brokers continue to play a central role in guiding decisions.

Participants in this survey

Survey respondents primarily were HR leaders and benefits decision-makers, with additional input from executive and operational roles.



HR Perspectives: In Their Own Words

Pulled directly from the 2026 HR Pulse Survey, these quotes reflect how HR leaders and benefits managers are thinking about benefits today.

What is your biggest challenge when it comes to benefits?

"Cost Containment"

"Keeping them affordable for us and our employees"

"Offering rich benefits at a competitive rate"

What makes it difficult to evaluate what's working?

"Lack of data"

"Not having access to usage data"

"Offering rich benefits at a competitive rate"

What would make benefits easier to manage?

"Understanding cost trends and what our population needs"

"Help us with our medical contribution strategy"

"Utilizing AI to assist individuals with learning about their benefits"

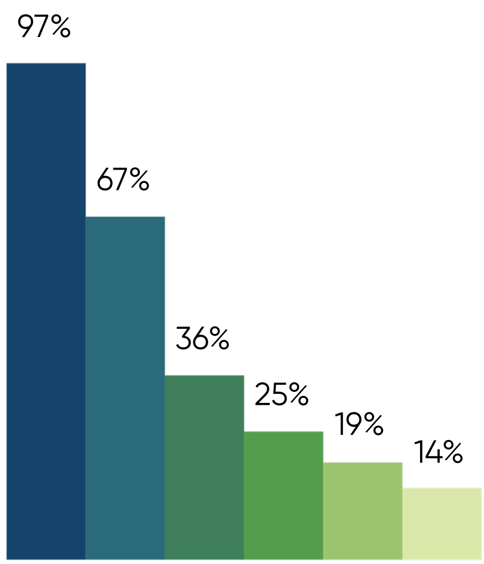
Cost Pressure Is Driving Benefits Strategy

If there's one theme that came through clearly, it's that cost sits at the center of every benefits conversation. Rising healthcare costs continue to put pressure on employers, and that pressure shows up in day-to-day decisions. HR teams are working through tradeoffs — how to manage spend while still offering benefits that feel competitive and relevant to employees.

Where HR is feeling the most pressure

What are the top challenges your organization faces in managing employee benefits?

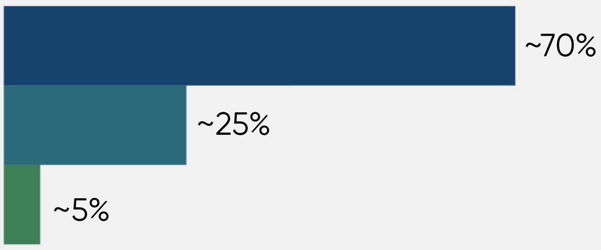
- Rising costs — 97%
- Offering competitive benefits — 67%
- Employee engagement/utilization — 36%
- Compliance/regulatory — 25%
- Communication — 19%
- Administrative complexity — 14%



How intense that cost pressure really is

What are the top challenges your organization faces in managing employee benefits?

- 9–10 (high concern) — ~70%
- 7–8 (moderate concern) — ~25%
- 1–6 (lower concern) — ~5%



Key takeaway: Cost is the starting point

Cost pressure is shaping how employers evaluate plans, prioritize changes and think about new benefits throughout the year.

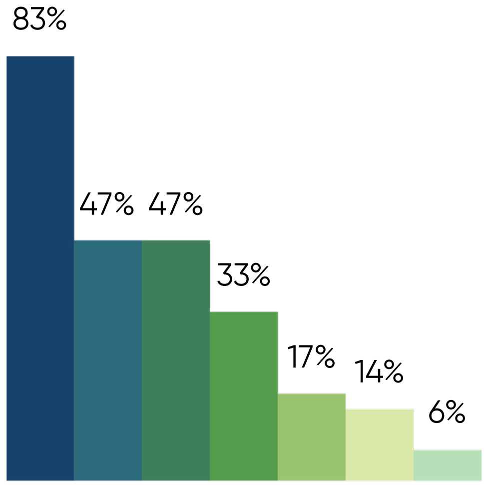
Success Is Measured From Multiple Angles

HR leaders aren't looking at benefits through a single lens. They're tracking a mix of employee satisfaction, cost and performance — often all at once. That creates a moving target. What looks successful in one area doesn't always translate across the board, which makes it harder to evaluate what's actually working.

Defining the success of benefits

How does your leadership team evaluate the success of your benefits program?

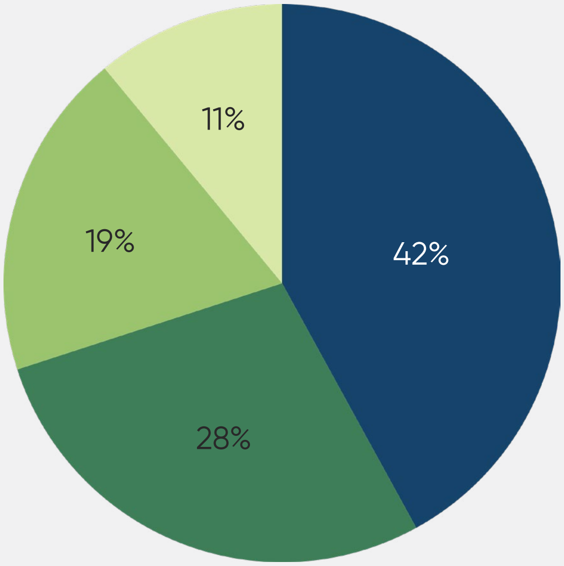
- Employee satisfaction — 83%
- Total cost reduction — 47%
- Utilization metrics — 47%
- Per-employee cost trend — 33%
- No formal evaluation framework — 17%
- Retention metrics — 14%
- Compliance risk — 6%



Confidence doesn't always match the metrics

How confident are you that your benefits program delivers measurable value?

- Somewhat confident — 42%
- Neutral — 28%
- Very confident — 19%
- Somewhat unsure — 11%



Key takeaway: Success isn't always clearly defined

Employers are measuring benefits in multiple ways, but their confidence in results doesn't always match how success is defined. That gap makes it harder to evaluate performance and make informed decisions.

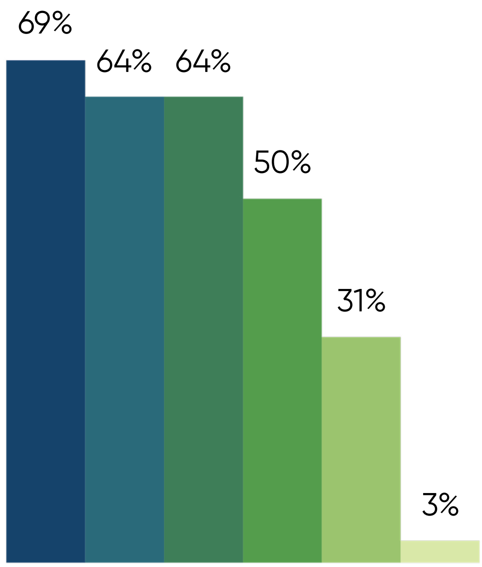
Employers Are Taking Action

Most HR leaders already are making changes to how their benefits are structured, pulling from a mix of familiar strategies and newer options. What stands out is how many approaches are happening at once. There isn't a single path. Teams are layering solutions as they try to manage costs and keep offerings competitive.

A mix of strategies are in play

What strategies are you currently using or considering to manage rising healthcare costs?

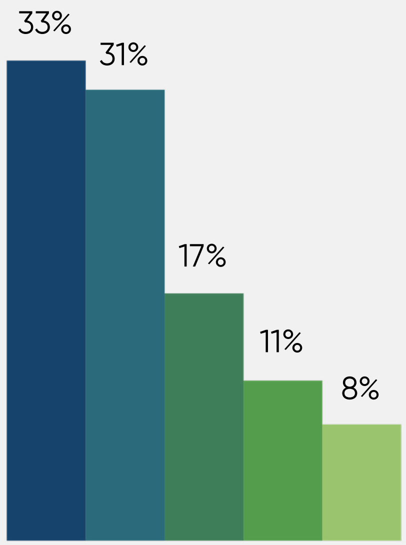
- Negotiating with providers – 69%
- Telemedicine/wellness programs – 64%
- Cost-sharing with employees – 64%
- Plan design changes – 50%
- Adding non-insured benefits – 31%
- No changes planned – 3%



When non-insured benefits enter the mix

What primarily drives your decision to add a non-insured benefit?

- Cost-effectiveness – 33%
- Employee demand – 31%
- Retention impact – 17%
- Ease of administration – 11%
- Broker recommendation – 8%



Key takeaway: There's no single game plan

Employers are trying different approaches at the same time, which makes it harder to see how everything fits together.

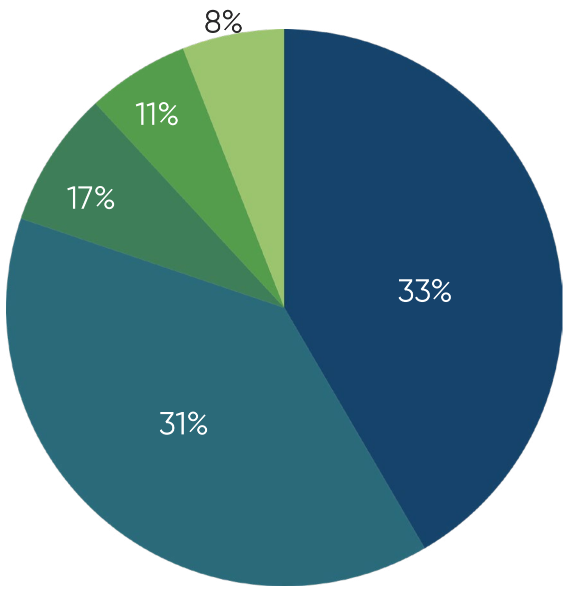
Benefits Only Work If Employees Use Them

Even with more benefits available, many HR leaders are running into the same issue: employees aren't using them. Awareness and utilization continue to come up as the biggest challenges. If employees don't understand what's available or how to use it, the value rarely shows up.

Where engagement is breaking down

What are the top challenges with non-insured benefits?

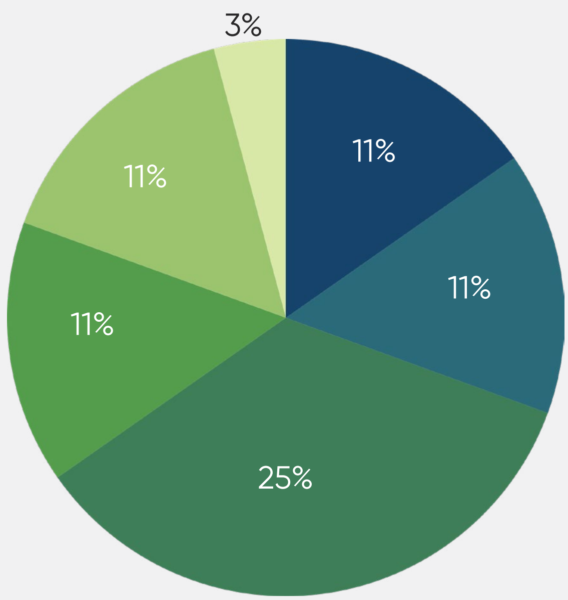
- Cost-effectiveness – 33%
- Employee demand – 31%
- Retention impact – 17%
- Ease of administration – 11%
- Broker recommendation – 8%



Satisfaction with usage is mixed

How satisfied are you with employee utilization of non-insured benefits?

- Very Satisfied – 11%
- Somewhat Satisfied – 11%
- Neutral – 25%
- Somewhat Dissatisfied – 11%
- Very Dissatisfied – 11%
- Unsure – 3%



Key takeaway: Low engagement limits impact

When employees don't understand or use their benefits, it becomes difficult for employers to see a return on what they're offering.

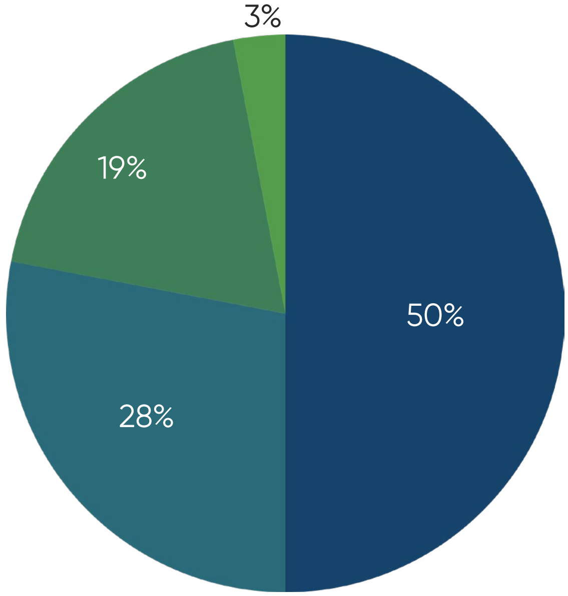
Limited Visibility Into Utilization and ROI

Many HR leaders don't have a clear line of sight into how their benefits actually are performing. Some are reviewing data from time to time, but consistent tracking isn't the norm. At the same time, most agree that better visibility would make it easier to evaluate what's working and what needs to change.

Utilization tracking is inconsistent

How do you currently track utilization of non-insured benefits?

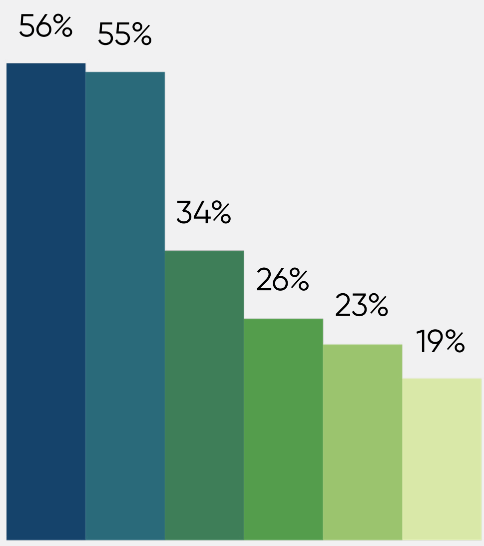
- Occasional review – 50%
- Do not track – 28%
- Regularly track – 19%
- Unsure – 3%



Clearer ROI and feedback would improve decision-making

What would make evaluating and implementing employee benefits easier?

- Clearer ROI and cost-benefit analysis – 56%
- More employee feedback on desired benefits – 55%
- Simpler implementation processes – 34%
- Stronger guidance from my broker – 26%
- Case studies or success stories – 23%
- Leadership buy-in and support – 19%



Key takeaway: It's hard to measure what you can't see

Without consistent tracking and clear reporting, employers are left making decisions without a full picture of how their benefits are performing.

DEFINING SUCCESS

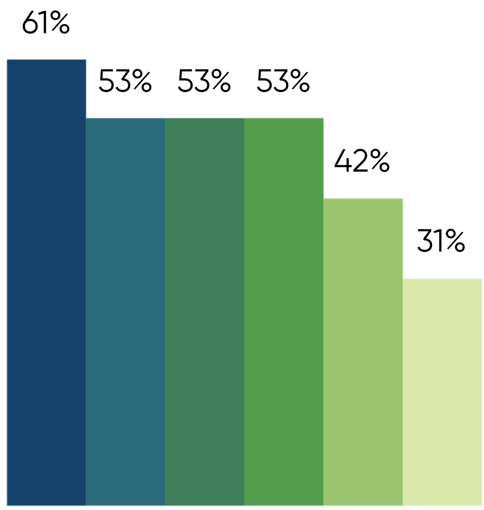
Communication Still Shapes Engagement

HR leaders are using a mix of formats to communicate benefits, from in-person meetings to digital tools. Even with all those touchpoints, many still feel that employees don't fully understand what's available or how to use it. That gap shows up in both engagement and feedback.

No single channel does all the work

What communication formats are most effective for engaging employees about benefits?

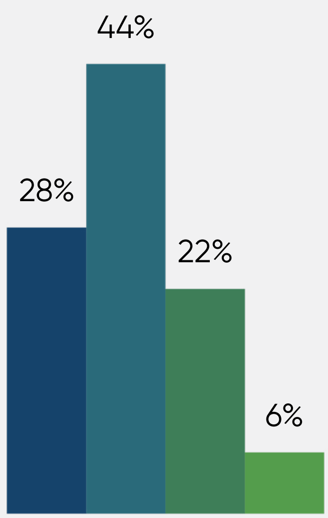
- In-person meetings – 61%
- Virtual meetings – 53%
- Printed materials – 53%
- One-on-one conversations – 53%
- Email campaigns – 42%
- Mobile app/portal – 31%



Open enrollment is helpful, but not enough on its own

How effective is your current open enrollment process for educating employees?

- Very effective – 28%
- Somewhat effective – 44%
- Neutral – 22%
- Somewhat ineffective – 6%



Key takeaway: Communication needs to happen more than once

Open enrollment plays a role, but it's not enough by itself. Ongoing, repeated communication is what helps employees understand and actually use their benefits.

DEFINING SUCCESS

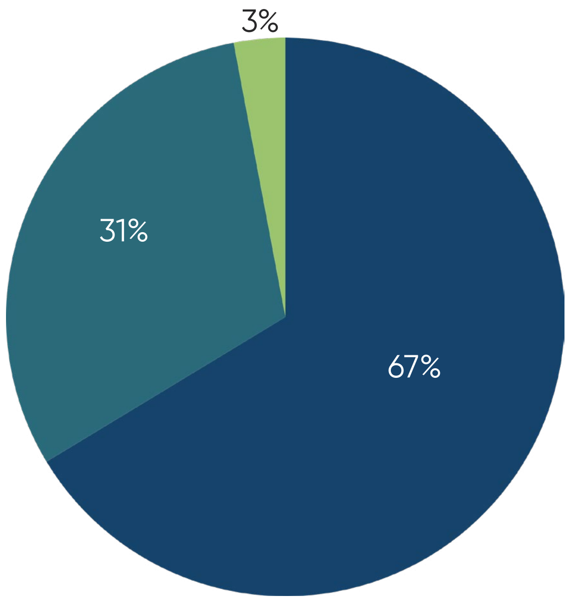
Brokers Continue to Play a Central Role

HR leaders continue to rely on brokers as a key source of guidance, from selecting benefits to supporting communication and implementation. At the same time, expectations are shifting. Many employers are looking for more support beyond recommendations to help connect decisions, simplify the process and make the overall strategy easier to manage.

Brokers remain a primary source of guidance

How much do you rely on your broker for guidance on non-insured benefits?

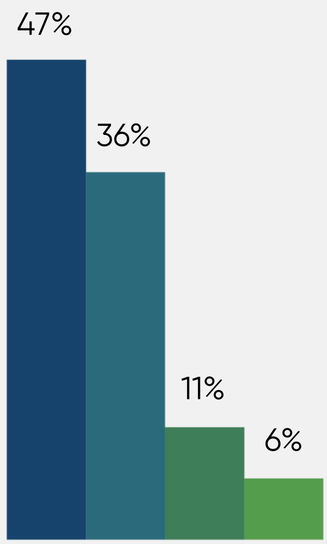
- A great deal – 67%
- Somewhat – 31%
- Not at all – 3%



Proactivity varies across broker relationships

How proactive is your broker in bringing you new benefit ideas?

- Very proactive – 47%
- Somewhat proactive – 36%
- Not proactive – 11%
- Reactive – 6%



Key takeaway: The broker role is broadening

Employers still rely on brokers, but more are looking for support that goes beyond recommendations and helps bring their overall benefits strategy together.

Ready to take the next step? We can help.

Non-insured benefits are only part of how we create advantage

How we **drive** member **engagement** and ROI:

Mobile App and Web Portal

With online benefit access, education and communication at their fingertips, members are empowered to better utilize and securely engage with your program.

Marketing and Member Communication

New Benefits brings 30+ years of benefits marketing experience to every engagement and the results speak for themselves, with an **average open rate over 30%.**

NB marketplace

An e-commerce storefront, purpose-built for benefits, empowers members to engage with services from anywhere, at any time to drive off-cycle ROI.

How we measure and optimize **engagement**:

Client**Portal**

This central hub puts data at your fingertips to drive the best outcomes for your customers. Manage groups, track commissions and pull utilization data – all in a single location.

- Visualized Analytics
- Dynamic Reporting
- Member Management
- SOC 2 Type 1 Security

How we **streamline** onboarding and administration:

Account Management – Client Success Team

We're committed to a first-class experience beyond our curated benefits, provided by a Client Success Team delivering dependable service and support.

- Implementation Services
- Onboarding Support
- Product Launches
- Ongoing Training

Helping You Turn Insight Into Action

The data makes one thing clear: Brokers remain central to how employers navigate benefits decisions. Expectations are shifting as HR leaders look for more connected strategy, better visibility and simpler ways to manage an increasingly complex benefits landscape.

New Benefits helps brokers and employers build stronger, more effective benefits programs. From expanding offerings to improving engagement and reporting, our solutions are designed to support better outcomes across the entire benefits experience.

New Benefits brings everything together in one place

one | trusted partner
agreement
platform

- Curated, non-insured benefits without added complexity
- Support for engagement, communication and reporting
- Built to scale with your clients and your business

Connect with a **New Benefits** expert to learn more.

new**benefits**.com

newsales@new**benefits**.com