CAPITALIZING ON THE ‘GREAT RESIGNATION’

New survey reveals how employee benefits preferences are changing, and pathways to attract and retain top talent.
Research shows a direct link between flexible benefits and employee satisfaction. As millions change jobs, looking for new opportunities and even new careers, organizations with a compelling, flexible benefits lineup will be better positioned to attract and retain top talent.

For a range of social, cultural and psychological reasons, people are looking for new work and new careers. Some want to pursue more meaningful and rewarding vocations. For others, the pandemic served as a kind of reset, inspiring them to work fewer hours or leave the workforce altogether.

Others want more flexibility to own their schedule or work from home.

One thing is certain: The pandemic exposed gaps in organizations’ benefits lineups. As employees struggled with financial and health-related challenges, many didn’t feel like they had the support from their workplace that they needed.

To better understand these challenges, we partnered with 8Acre Research to survey 1,000+ full-time employees who transitioned to at least part-time remote because of the pandemic. We asked questions designed to reveal:

- Attitudes and preferences regarding remote work
- The evolution of benefits during COVID-19
- Satisfaction with employers’ benefits and support
- Employee prioritization of specific types of benefits

Let’s dive in.

ABOUT THE STUDY

In June 2021, HealthEquity fielded a survey in partnership with the research firm 8 Acre Perspective, polling a national sample of 1,006 Americans who transitioned from onsite working environments to remote working environments at least part-time due to the pandemic. Among other insights, we found that:

- Employee benefits preferences are changing rapidly
- Flexibility is valued even above retirement benefits
- Commuting is a source of employee frustration
- HSAs remain incredibly resilient
- Employee satisfaction is directly correlated with whether an organization shifted to provide support during the pandemic
Although employees report overall satisfaction, only 44% feel their organization made appropriate changes to employee benefits during the pandemic.

Satisfaction with Employer’s Efforts in the Following Areas
(% of respondents)

- **Overall level of support offered to employees during COVID-19**
  - Male: 22%
  - Female: 36%
  - Male: 9%
  - Female: 15%

- **Providing me with all the technology, tools and equipment I need to work remotely**
  - Male: 29%
  - Female: 37%
  - Male: 11%
  - Female: 6%

- **Options offered to employees for when/whether to return on-site**
  - Male: 20%
  - Female: 31%
  - Male: 12%
  - Female: 12%

- **Providing sufficient information about how to use my employee benefits**
  - Male: 19%
  - Female: 32%
  - Male: 11%
  - Female: 11%

- **Making appropriate changes to employee benefits to reflect my new situation**
  - Male: 18%
  - Female: 26%
  - Male: 11%
  - Female: 11%
Employee satisfaction directly correlates with increased benefits flexibility and enhancements.

Expanded Benefits Offered by Employer During Pandemic
(% of respondents who selected “Employer has offered”)

- Employees who are dissatisfied with employer support
- Employees who are satisfied with employer support

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Very satisfied</th>
<th>Somewhat satisfied</th>
<th>Neither satisfied nor dissatisfied</th>
<th>Somewhat dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expanded mental health benefits</td>
<td>34%</td>
<td>38%</td>
<td>18%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Expanded flexibility in work schedules</td>
<td>34%</td>
<td>31%</td>
<td>18%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Expanded childcare benefits</td>
<td>18%</td>
<td>38%</td>
<td>15%</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Home office stipends</td>
<td>7%</td>
<td>3%</td>
<td>20%</td>
<td>9%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Satisfaction with Employer (% of respondents)

- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Very dissatisfied

Employer has expanded at least 1 benefit
- Very satisfied: 34%
- Somewhat satisfied: 31%
- Neither satisfied nor dissatisfied: 36%
- Somewhat dissatisfied: 12%
- Very dissatisfied: 8%

Employer has not expanded any benefits
- Very satisfied: 34%
- Somewhat satisfied: 31%
- Neither satisfied nor dissatisfied: 36%
- Somewhat dissatisfied: 12%
- Very dissatisfied: 8%
Excluding healthcare, “flexible work schedules” ranks #1 in importance among benefits options.

**Most Important Employee Benefits Areas**

(% of respondents who ranked as #1, #2, or #3)

- **Flexible work schedules**: 71%
- **Retirement plan**: 63%
- **Home office stipends**: 33%
- **HSA**: 29%
- **Wellness and fitness benefits**: 29%
- **Mental health benefits**: 20%
- **Commuter benefits**: 18%
- **FSA**: 17%
- **DCRA**: 8%
- **Onsite childcare benefits**: 7%
- **Senior care benefits/support**: 5%

**Priorities Differ for Families with Children at Home**

(% of respondents who ranked as #1, #2, or #3)

<table>
<thead>
<tr>
<th>Benefits Area</th>
<th>Children in Household</th>
<th>No Children in Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible work schedule</td>
<td>67%</td>
<td>74%</td>
</tr>
<tr>
<td>Retirement plan</td>
<td>54%</td>
<td>67%</td>
</tr>
<tr>
<td>Home office stipends</td>
<td>28%</td>
<td>35%</td>
</tr>
<tr>
<td>HSA</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>DCRA</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Onsite childcare benefits</td>
<td>16%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Male: 67%  Female: 75%
Preferences on Returning to Work (% of respondents)

- **43%** “I prefer to work on-site full-time”
- **34%** “I prefer to work remotely full-time”
- **23%** “I prefer to work in a hybrid model”

More than 75% of respondents do not wish to return onsite full time.

Differences by Demographic Groups

<table>
<thead>
<tr>
<th></th>
<th>On-Site Full Time</th>
<th>Hybrid</th>
<th>Remote Full-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>28%</td>
<td>44%</td>
<td>28%</td>
</tr>
<tr>
<td>Female</td>
<td>18%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $50K</td>
<td>28%</td>
<td>36%</td>
<td>36%</td>
</tr>
<tr>
<td>$50K-$100K</td>
<td>20%</td>
<td>43%</td>
<td>37%</td>
</tr>
<tr>
<td>$100K+</td>
<td>24%</td>
<td>46%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Children in Household</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>30%</td>
<td>41%</td>
<td>29%</td>
</tr>
<tr>
<td>No</td>
<td>19%</td>
<td>45%</td>
<td>37%</td>
</tr>
<tr>
<td><strong>College Degree</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>22%</td>
<td>37%</td>
<td>41%</td>
</tr>
<tr>
<td>No</td>
<td>23%</td>
<td>45%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Women with Children in household</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>23%</td>
<td>41%</td>
<td>35%</td>
</tr>
<tr>
<td>No</td>
<td>16%</td>
<td>43%</td>
<td>41%</td>
</tr>
</tbody>
</table>
Why is remote work preferred? Commuting is expensive and takes too much time, employees say.

Unfortunately, compared to other benefits, commuter benefits are not commonly offered.

Access to Benefits Through Employer (% of respondents)

- Employer offers, I participate
  - HSA: 33%
  - FSA: 26%
  - DCRA: 8%
  - Commuter Benefits: 11%

- Employer offers, and I have participated in the past
  - HSA: 14%
  - FSA: 18%
  - DCRA: 24%
  - Commuter Benefits: 14%

- Employer offers, I have never participated
  - HSA: 32%
  - FSA: 33%
  - DCRA: 30%
  - Commuter Benefits: 13%

- Unsure if my employer offers
  - HSA: 9%
  - FSA: 9%
  - DCRA: 27%
  - Commuter Benefits: 49%

- Employer does not offer
  - HSA: 14%
  - FSA: 14%
  - DCRA: 14%
  - Commuter Benefits: 14%
Many employers found success using new legislation to increase flexibility for Healthcare and Dependent Care Flexible Spending Accounts.

Expanded Access to Benefits During COVID-19
(% of respondents)

- Flexibility for DCRA: 62% offered, 17% unsure, 21% not offered
- Enhanced flexibility in work schedules: 62% offered, 12% unsure, 27% not offered
- Flexibility for FSA: 43% offered, 22% unsure, 35% not offered
- Expanded mental health benefits: 39% offered, 24% unsure, 36% not offered
- Home office stipends: 27% offered, 12% unsure, 61% not offered
- Enhanced childcare benefits: 16% offered, 31% unsure, 52% not offered
- Enhanced senior care benefits: 13% offered, 34% unsure, 52% not offered

Legend:
- ■ Employer offered
- □ Unsure if my employer offers
- □ Employer does not offer
Health Savings Accounts showed incredible resilience, as members increased engagement and account use throughout the pandemic.

HSA Usage Since the Start of the Pandemic
(% of respondents who responded either strongly or somewhat agree)

- “I increased the amount I contributed to my HSA account”
  - 46%

- “I increased the amount of my HSA funds that I hold in an investment account”
  - 37%

- “Having an HSA helped give me peace of mind over the past year”
  - 77%

- “I took advantage of the contribution deadline extensions to contribute additional funds to my HSA”
  - 37%

- “I increased spending from my HSA account for healthcare expenses”
  - 40%

Investments are subject to risk, including the possible loss of the principal invested, and are not FDIC or NCUA insured, or guaranteed by HealthEquity, Inc. Investing through the HealthEquity investment platform is subject to the terms and conditions of the Health Savings Account Custodial Agreement and any applicable investment supplement. Investing may not be suitable for everyone and before making any investments, review the fund’s prospectus.
Families with children at home are more likely to use an HSA.

**Access to HSA Through Employer (% of respondents)**

- Employer offers, I participate: 31%
- Employer offers, and I have participated in the past: 12%
- Employer offers, I have never participated: 35%
- Unsure if my employer offers: 9%
- Employer does not offer: 13%

**Changes to HSA Accounts During COVID-19 (% of respondents)**

- Children in Household
  - Increased the amount of my HSA that I hold in an investment account: 45%
  - Increased spending from my HSA for healthcare expenses: 51%
  - Took advantage of the contribution deadline extensions: 50%
  - Increased the amount I contributed to my HSA: 55%

- NO Children in Household
  - Increased the amount of my HSA that I hold in an investment account: 31%
  - Increased spending from my HSA for healthcare expenses: 33%
  - Took advantage of the contribution deadline extensions: 28%
  - Increased the amount I contributed to my HSA: 40%
HSAs are also significantly valued among HSA members. Those who have an HSA, love it—and prefer it to most other benefits options.

### Most Important Employee Benefits Areas

(*% of respondents who ranked as #1, #2 or #3)*

<table>
<thead>
<tr>
<th>Benefit Area</th>
<th>HSA Participants</th>
<th>Non-HSA Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexible work schedules</td>
<td>70%</td>
<td>72%</td>
</tr>
<tr>
<td>Retirement plan</td>
<td>61%</td>
<td>64%</td>
</tr>
<tr>
<td>HSA</td>
<td>52%</td>
<td>18%</td>
</tr>
<tr>
<td>Home office stipends</td>
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<td>35%</td>
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</tr>
<tr>
<td>Senior care benefits</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Top 5 ways to enhance your benefits lineup

01 THINK BEYOND PRE-TAX COMMUTER BENEFITS
Commuting is a significant source of frustration for employees. By expanding commuter benefits to include post-tax options, organizations may be able to increase employee engagement and entice more employees to visit the office more regularly.

02 PRIORITIZE HEALTH SAVINGS
Employees who have an HSA, love it. Offering an HSA and incentivizing participation with an employer contribution is a great way to empower employees with the resources they need to manage unexpected medical expenses.

03 EXPAND CHILDCARE SUPPORT
Many employees prefer remote work because it enables them to more effectively manage childcare. Organizations could increase their appeal by offering enhanced childcare benefits, including DCFSA contribution matching and subsidized onsite daycare services.

04 MAXIMIZE FSA FLEXIBILITY
Flexible spending accounts have flexibility right in the name! So, make sure to maximize your offering. According to our internal data, organizations that offer carryover options see significantly increased participation.

05 PROVIDE HOME OFFICE SUPPORT
There’s no doubt, millions who worked remotely last year want to keep it that way indefinitely. So, businesses who empower remote workers will stand to benefit most from the Great Resignation. Among other things, businesses may need to consider offering subsidies for office furniture, internet, phone, and other day-to-day basics. As an added bonus, weekly lunch allowances and childcare subsidies could significantly enhance remote work perks.
This quantitative survey was fielded among a national sample of 1,006 full-time employees who transitioned from onsite working environments to remote working environments at least part-time due to the pandemic. The survey was fielded June 2021.

PARTICIPANT PROFILE

<table>
<thead>
<tr>
<th>Gender</th>
<th>Sample Size</th>
</tr>
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<tbody>
<tr>
<td>Female</td>
<td>n=552</td>
</tr>
<tr>
<td>Male</td>
<td>n=454</td>
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<tr>
<td>TOTAL</td>
<td>n=1,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Sample Size</th>
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</thead>
<tbody>
<tr>
<td>18-34 Years Old</td>
<td>n=295</td>
</tr>
<tr>
<td>35-54 Years Old</td>
<td>n=516</td>
</tr>
<tr>
<td>55+ Years Old</td>
<td>n=195</td>
</tr>
<tr>
<td>TOTAL</td>
<td>n=1,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Children in Household</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>n=344</td>
</tr>
<tr>
<td>Male</td>
<td>n=662</td>
</tr>
<tr>
<td>TOTAL</td>
<td>n=1,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50K</td>
<td>n=149</td>
</tr>
<tr>
<td>$50K - &lt;$100K</td>
<td>n=449</td>
</tr>
<tr>
<td>$100K+</td>
<td>n=408</td>
</tr>
<tr>
<td>TOTAL</td>
<td>n=1,006</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Degree</td>
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<tr>
<td>No College Degree</td>
<td>n=760</td>
</tr>
<tr>
<td>TOTAL</td>
<td>n=1,006</td>
</tr>
</tbody>
</table>
**Simplify**
Imagine the power of single-source simplicity

**Be confident**
Build on 20+ years industry leadership

**Make a difference**
Wow your people with a fully cohesive experience

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**BUNDLE YOUR BENEFITS**

HSA-qualified health plans are a great way to reduce premiums and help your people build long-term health savings. You can also complement an HSA with a Health Reimbursement Arrangement (HRA) to help offset premium increases and make HSAs more appealing.

But why stop there? Avoid the headaches and hassle associated with multiple vendors and let HealthEquity manage everything end to end. Our Total Solution brings a powerful lineup of integrated benefits, delivering unrivaled simplicity and convenience. We’ll help you unlock economies of scale and get bundled pricing you won’t find anywhere else.

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