Principal® Survey Reveals the Effects of Caregiving on Work and Employee Retention

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New research finds employees value a variety of benefit options, especially those who identify as caregivers

DES MOINES, Iowa--(BUSINESS WIRE)--Sep. 10, 2024-- The landscape of employee benefits is evolving as employers are faced with managing five generations in the workplace. A recent survey from Principal Financial Group® reveals employees find value in a variety of benefit options, and those options can influence retention in their workplace. The value of these benefits are magnified for employees who serve as caregivers for children, dependent adults, or those in a "sandwich generation" caring for both a dependent child and adult.

Caregiving impacts on employee retention

Family caregivers make up approximately 20% of the U.S. labor force[1]. According to the Principal Financial Well-Being Index℠, over one in five workers (24%) who are in a caregiving role for both a child and dependent adult are more likely to say they want to leave their current job. Additionally, 22% of caregivers in a "sandwich generation" have left a previous job due to caregiving responsibilities.

Caregivers across all categories are more likely to be concerned about feeling burnt out at work, their own mental health and well-being, and their caregiving responsibilities. Among those currently caring for a child, adult, or both, benefits such as life insurance and paid family and medical leave are the most valued.

"There are unique opportunities for employers to support those who are caregiving," said Amy Friedrich, president of Benefits and Protection at Principal®. "It starts with understanding your employee population and their wants and needs in a benefits program. With over half (54%) of the workforce identifying as a caregiver at some point in their life, feeling financially protected and supported at work is becoming increasingly important."

Employees value benefits in addition to healthcare and retirement

Employees place a high value on benefits beyond health insurance, paid time off, and retirement savings plans. Specifically, employees see life insurance (64%), paid family and medical leave (63%), and disability insurance (52%) as "extremely valuable". Further, the survey finds that higher job retention is associated with more benefit options.

The survey also finds that 43% of employees reported receiving communication about benefit options from their employers only one time or less per year. Additionally, the research found that the frequency of communication about benefits influences employee understanding. The fewer times an employer reaches out to employees about benefits, the less likely employees are to know what benefits are available to them.

"It's probably not surprising, but communication is essential to ensuring employees understand the benefits employers are offering," said Friedrich. "For small-to-midsized businesses with no HR department, it can be challenging to effectively communicate these benefits. Being intentional about the ways you communicate, and how often, is an important step in your benefits program."

Business owners seeing growth and expansion but identify rising concerns around inflation, the economy

While most businesses (69%) report the financial health of their business is growing, a Well-Being Index℠ post-pandemic high, employees and employers agree the stability of the U.S. economy is an increasing concern. Employees and employers are aligned in ranking the stability of the U.S. economy as a significant concern, second only to economic inflation.

Even amid economic concerns, the outlook for hiring and retention has stayed positive. Businesses continue to expand staff (55%), employees are seeing wage increases (70%), and most employees are satisfied with their current employment (87%).

Business owners are optimistic about future growth yet continue to flag interest rates as a barrier. According to the report, 69% of business owners say they are likely to need more capital in the next 12 months and are increasingly looking to funding sources beyond a business checking or savings account. At the same time, most business owners (76%) report high interest rates as being a barrier to capital access, a 13-point increase over this time last year.

See all results and insights from the latest Principal Financial Well-Being Index℠ (PDF).

About the Principal Financial Well-Being Index℠

The Principal Financial Well-Being Index℠ surveys business owners, decision makers and business leaders aged 21 and over who work at companies with 2-10,000 employees and offer either health insurance or retirement as an employee benefit. The nation-wide survey, commissioned since 2012, examines the financial well-being of American workers and business employers. In 2020, the Well-Being Index was transformed from an annual survey to a regular pulse, offering three waves, revisiting questions and measuring sentiment regarding timely issues in the small and midsized business marketplace. In the first pulse of the Well-Being Index in 2022, the employee audience was added to the survey to compare and contrast key sentiment from employers. The survey was commissioned by Principal® and conducted online by Dynata from June 28 – July 10, 2024, with a total of 500 business owners, decision makers, and business leader participants and a total of 500 employee participants. The research report focuses on providing a holistic perspective on key trends and timely issues in the small and medium business market.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with nearly 20,000 employees[1] passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we're helping more than 62 million customers[1] plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2023 World's Most Ethical Companies® by Ethisphere[2], a member of the Bloomberg Gender Equality Index, and a "Best Places to Work in Money Management[3]." Learn more about Principal and our commitment to building a better future at principal.com.

[1] As of March 31, 2024
[2] Ethisphere, 2024
[3] Pensions & Investments, 2023

References:
[1] Lerner, D. (2022). *Invisible Overtime: What employers need to know about caregivers.* https://rosalynncarter.org/wp-content/uploads/2022/03/Invisible-Overtime-White-Paper.pdf

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