

Generational Differences of Employee Benefit Preferences



Three generations are roughly equally represented in the workforce today. Find out what each of them values most in employee benefits, so you can better inform your company's benefits strategy.

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Three generations have roughly equal representation in the workforce today: millennials, generation X, and baby boomers.

In this Paychex blue paper, you'll see what each of them values most in employee benefits, so you can better inform your company's benefits strategy.

Here's What You'll Learn

-  Overview of the millennial, generation X, and baby boomer generations
-  Differences and similarities between the generations when it comes to benefits
-  Which benefits each generation values most

Defining the Generations

Before a company can tailor its benefits to meet the desires of a multigenerational workplace, it must understand each generation on a broader level.

Millennials (born about 1981-1997) and to some extent, post-millennials—have been perceived favorably as highly adaptable, collaborative, and tech-savvy. However, they've also, at times, been more negatively depicted as feeling entitled and possessing less company loyalty.

There are over 53 million millennials in the workforce, more than any other generation.

Generation X (born about 1965-1980) can be considered the generational bridge. These individuals were growing up right as the first computers were being introduced, meaning they can relate to millennials' comfort with new technologies, but also empathize with the workplace changes baby boomers have experienced.

Over 52 million gen Xers are working in the U.S. today.

Baby Boomers (born about 1946-1964) were once the largest generation in history, until millennials broke the record. This cohort is characterized as hardworking team players, but they were noted to be less adaptable and collaborative as leaders according to an Ernst & Young study.

Although thousands of boomers are retiring every day, there are still around 44 million of them employed throughout the country, and they remain an influential segment of the workforce.

What Do the Generations Have in Common?

Research has found that most employees are looking for similar things in an ideal workplace, such as respect, recognition, and feeling part of a team.

Also, while an Ernst & Young study found that while millennials and gen Xers were most perceived as being entrepreneurial, baby boomers were not far behind. And when it came to being problem-solvers, all three were viewed strongly, with baby boomers having only a slight edge over millennials.

One area where the commonalities between the generations can break down is when ranking their most valued employee benefits.

Let's take a look at them individually and you'll learn which benefits each generation finds most valuable, and why.

What Are the Most Valued Benefits You Can Offer Employees?



Baby Boomers

About 10,000 baby boomers are retiring every day. Being the closest generation to retirement age, it makes sense that they would value retirement and health benefits offered by their workplace.

In order of preference, baby boomers value health-care related benefits, bonuses, and 401(k) matching, where an employee contributes a percentage of the employee's salary above and beyond the employee's own contributions.



Generation X

While not as close to retirement, generation X is in planning mode for what's to come in the next few decades. The benefits they value are determined by key drivers such as salary, advancement within the company, job security, and work-life balance, and include health care, bonuses, and flexible work arrangements.



Millennials

Millennials are mostly in the beginning to early-mid stages of their careers, and as such value diverse benefits that affect their working lives, including paid time off, the ability to work remotely, control over their schedules, professional development, and health care and wellness initiatives.



Employee Retention Benefits, by Generation



Baby Boomers



Generation X



Millennials

Inexpensive, quality health care	Inexpensive, quality health care	Bonuses
Bonuses	Bonuses	Inexpensive, quality health care
Paid sick days	Work-from-home days	Paid sick days
401(k) matching	Paid sick days	Work-from-home days
Dental plan	Flexible schedules	Flexible schedules

While each generation is made up of individuals with their own ideas and goals, some general trends tend to emerge, as in the results of this Paychex survey.

Next Steps

Now that you understand the generational similarities and differences in employee benefit preferences, you're on your way toward developing a strategic benefits offering that may help you recruit and retain employees of all generations. Here are some additional resources that may help you make informed decisions on your employee benefits portfolio.

1. [White Paper: Unlocking Generational Productivity](#)

The workforce is evolving rapidly, driven by trends in employee preferences and a changing of the guard as baby boomers retire and generation X and millennials grow their careers. Here are some ways your business can unlock the secrets of generational productivity.

<https://www.paychex.com/a/d/white-papers/mms/Unlocking-Generational-Productivity-Secrets.pdf>

2. [Infographic: How Each Generation Views Employee Benefits](#)

This infographic gives you a quick look at what drives each generation in the workplace, along with another view on which benefits they find most valuable.

<http://www.paychex.com/articles/hcm/infographic-generation-views-employee-benefits>

3. [White Paper: The Value of Integrating Administration for All Employee Benefits](#)

Regardless of the size of your business, you have to navigate the complex, ever-changing rules and regulations governing group health insurance and other employee benefits. This white paper shows what you may gain from choosing a fully-integrated benefits system.

<https://www.paychex.com/a/d/white-papers/human-resources/bluepaper-wellness-programs.pdf>

4. [Article: Employee Retention: What Makes Employees Stay or Leave](#)

Talent can make or break a business. It's also the toughest thing to hold on to, which is why we asked 2,000 employees across a variety of industries, age groups, and regions to tell us why they left their previous jobs. Discover our detailed findings and some insights that can help you hang on to your company's best and brightest employees.

<https://www.paychex.com/articles/human-resources/employee-retention-what-makes-employees-stay-leave>

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- 700,000 retirement services participants in 70,000 401(k) plans (1 of every 10 in the U.S.), with \$23.5 billion in plan assets serviced.
- Named nine times to the Ethisphere® Institute's list of the World's Most Ethical Companies.
- Named one of the World's Most Admired Companies by *Fortune* magazine.

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