

Young adults and workplace wellness



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This report was prepared for Bank of America by Georgetown University, McDonough School of Business.

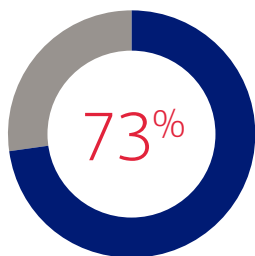
Executive summary

The *Young Adults and Workplace Wellness Survey* (the “Survey”) examines the attitudes and priorities of working age Generation Z members, ages 24 to 26, and younger millennials, ages 27 to 35 (collectively, “young adults”), as they return to work in person following the pandemic. When used in this report with respect to the Survey data, the terms “Gen Z” and “millennials” refer to working Gen Z adults and younger millennials within these age ranges.

Following are key highlights of the Survey.

Flexibility and work-life balance are of paramount importance in all aspects of employment.

Young adults prioritize flexibility and work-life balance in all aspects of employment. A flexible work schedule is a particularly significant factor both in considering a move to another employer (49%) and in remaining with the current employer (38%). When considering benefits, young adults planning to change jobs in the next year cite paid time off (65%) and a flexible work schedule (58%) among the top four benefits influencing their choice of an employer.



Percentage of young adults who prefer to receive benefits that stay with them from job to job

Young adults also seek flexibility in accessing benefits. Nearly three in four young adults (73%) indicate that they’d prefer to receive benefits that stay with them from job to job.

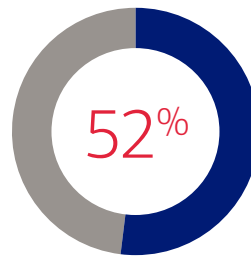
A flexible work schedule and greater work-life balance are also critical to workplace wellness. Young adults rated eight different paid time off (PTO) and flexible work benefits among the top 10 most desired wellness benefits. It’s not surprising, therefore, that the percentage of young adults who rate their overall workplace wellness as good or very good is highest among young adults who indicate the availability of flexible work schedules (72%).

The participation rate of young adults in flexible work (73%) and PTO benefits (89%), when offered, is likewise very strong, equal to and exceeding the rate of participation in health insurance, respectively.

Young adults are struggling financially and have little expectation of fully retiring.

Almost one-half (44%) of young adults indicate that they have outstanding student loans or consumer debt, and 49% of those with outstanding debt say that paying off the debt is a greater priority than saving for retirement. It's therefore not surprising that only 52% of young adults are confident in being able to retire at the age they want, and just one in five young adults (21%) are very confident in being able to do so. While 68% of young adults indicate they'd like to retire before age 65, fewer than one-half (44%) expect that it'll be possible.

Whether due to their lack of confidence in being able to afford to retire at a point in time, or because of their attitudes about work and purpose, many young adults plan to continue working in retirement rather than stopping work altogether.



Percentage of young adults who are confident in being able to retire at the age they want

Only two out of five young adults (40%) plan to fully stop working at their expected retirement before age 65, while fewer than one in three (28%) plan to fully stop working at their expected retirement after age 65.

Young adults expect to fund their retirement through a variety of sources; however, the vast majority (86%) expect to rely wholly or in part on their retirement savings as their main source of income in retirement.

Young adult ties to their employer and work are not strong.

Young adults are still getting settled in their careers and aren't necessarily tied to their jobs or their employer. Two in three young adults (68%) view their work mainly as a way to make a living but not as a major part of their identity or personal fulfillment. Over one-half (54%) of young adults, especially Gen Zers, indicate that they plan to switch to another field or career, are still seeking work in their chosen field, or are unsure what field of work they want to pursue long term.

One in four young adults (24%) indicate that they'll definitely look for a new full-time job in the next year, and another 22% say they probably will do so. The good news is that 82% of the young adults who are settled in their careers indicate they want to stay with their current employer.



24% of young adults indicate that they'll definitely look for a new full-time job in the next year

Increased compensation is the primary factor in considering a change in employment, followed by other priorities.

Young adults overwhelmingly cite increased pay or compensation as the most critical factor both in deciding whether to remain with their current employer (73%) or in considering new employment (68%). After compensation, young adults cite the following priorities in staying with their current employer or in considering new employment:

	Importance in decision to stay with current employer	Importance in considering new employment
Priorities		
Opportunities for promotion or growth	47%	50%
More flexible work schedule	38%	49%
Additional or better-quality benefits	39%	42%
Culture/values aligned with their own	25%	32%

Paid time off, health insurance, flexible work and retirement plans are the most persuasive workplace benefits in deciding whether to move to another employer.

The following workplace benefits are the most likely to cause young adults working in their chosen job or field to choose one employer over another:

	Among those planning to change job/field	Among those planning to stay in current job/field
Benefits that would make you choose one employer over another		
Paid time off	65%	55%
Health insurance	53%	49%
Flexible work schedule	58%	48%
Retirement savings plan	46%	48%

Social/emotional/mental health and tuition support benefits fall further down the list of benefits that affect young adults' choice of employer. However, they weigh more heavily in young adults looking to change jobs or fields (29% and 26%, respectively) than for young adults who are planning to remain with their employer (18% each).

Niche benefits are persuasive in deciding to move to another employer.

While perks and niche benefits directed to a specific need rank significantly lower than the top four persuasive benefits for young adults in considering an employer, they're more highly valued by the cohort of young adults most likely to use those benefits. One in three young adults (31%) who indicate they're likely to go

back to school and just over one in four (27%) young adults with student loans or consumer debt would choose an employer offering tuition support over another employer. Young adults with children would be more likely to choose an employer that offered paid maternity/paternity leave (36%) or child care assistance (42%).

Young adults' satisfaction with workplace benefits is tied to life stage and benefits awareness.

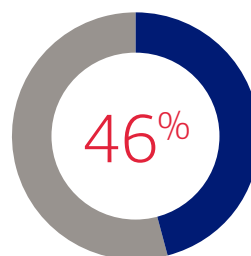
While 70% of young adults reported satisfaction with their workplace benefits, satisfaction is not strong. Fewer than one in three young adults (30%) say they're very satisfied with their benefits package. The degree of satisfaction is stronger among young adults who are settled

in their careers (37% very satisfied) and is slightly higher for young adults with children (33% very satisfied). Similarly, millennials and young adults with children report the highest levels of awareness of their workplace benefits.

Young adults have priorities in workplace wellness benefits; employers have room for improvement.

Almost one-half (46%) of young adults indicate that they find it difficult to manage the stress of work and other things going on in their life (15% strongly agree). It's not surprising, therefore, that young adults rate workplace wellness benefits that support stress management and work-life balance as the ones they'd most like to see from their employer. These benefits include paid sick leave (42%), unlimited PTO (35%), flexible work/work from home schedules (34%) and paid parental leave (25% overall; 31% among young adult parents). Mental health resources was identified by 30% of young adults (40% of those with work stress) as a key wellness benefit and was the only non-PTO

or flexible work benefit to make the top 10 most desired wellness benefits list. Financial wellness in the form of debt management assistance (including student loan payment) was identified by 22% of young adults (33% of young adults with outstanding debt) as a desired benefit.



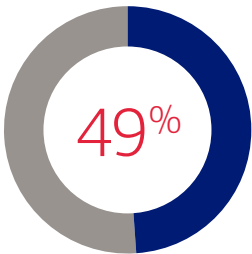
Percentage of young adults who find it difficult to manage the stress of work and other things going on in their life

Employers have room for improvement in offering workplace wellness benefits. While almost two in three young adults (62%) indicate their employer has structures and policies in place to support work-life balance, fewer than one in four young adults (24%) strongly agree with the statement.

The percentage of young adults who rate their overall workplace wellness as good or very good is highest among young adults who indicate the availability of flexible work schedules (72%).

Young adults would like a better understanding of the benefits offered by their employers.

Employers also have room for improvement in educating young adults about their workplace benefits. Three in four young adults indicate a high familiarity/knowledge of their workplace benefits, and 68% said their employer did a good job of explaining the benefits. However, almost one-half (49%) of young adults admit to wishing they had a better understanding of the benefits offered.



Percentage of young adults who wish they had a better understanding of the benefits offered

Benefit participation varies by age, gender, race and level of income.*

As employers continue to attract a diverse workforce and pursue diversity, equity and inclusion policies, they should keep in mind that Gen Z and millennials aren’t a homogeneous group and should pay attention to the different priorities of the various groups. Perhaps the starkest and most concerning of all the Survey results is the different participation rates in

workplace benefits by young adults of color and those with lower income. A significantly lower percentage of low-income, Black/African American and Hispanic/Latino young adults say they participate in health insurance and retirement plan benefits when offered than do white and high-income young adults.

	Low income	High income	Black/African American	Hispanic/Latino	White
Participate in					
Health insurance	46%	72%	53%	59%	62%
Retirement plan benefits	42%	76%	46%	51%	61%

*Low income = Annual household income of less than \$50,000
Middle income = Annual household income of \$50,000 to \$100,000
High income = Annual household income of more than \$100,000

Gen Z workers also have a significantly lower participation rate in health insurance benefits (49%) than millennials (64%). Participation in PTO benefits is significantly lower for low-income young adults (65%) than for higher-income young adults (86%).

Black/African American and Hispanic/Latino young adults and Gen Zers are more likely to change jobs or pursue other opportunities for advancement. Approximately one in three (31%) Black/African American and Hispanic/Latino young adults indicate they plan to look for a new job in the next 12 months, compared to one in five white young adults (21%). Black/African American and Hispanic/Latino young adults are also more likely to pursue additional certification (28% and 23%, respectively) or school (25% and 26%, respectively) than are white young adults

(16% additional certification, 8% school). Black/African American and Hispanic/Latino young adults are significantly more likely to start their own business in the next 12 months (27% and 17%, respectively) than white young adults (8%).

Female young adults are much less likely than males to rate their workplace wellness programs highly (54% and 65%, respectively), presumably given the critical importance of flexible work schedules to wellness. A more flexible work schedule or environment is a much more significant factor for female and low-income young adults in considering a move to another employer (54% and 55%, respectively) than for young adults in general (49%). These young adults likely have greater responsibilities to care for children or other family members and/or are less able to afford to pay for such care.



Full report

Introduction

Young adults are widely considered to be seeking purposeful lives and meaningful careers.¹ They came to adulthood in a world of rapid social, climate and technological change, which has influenced the way they work and live. The pandemic lockdown and technology accelerated the changing nature of work and introduced young adults and all workers to the flexibility of working from anywhere, free from long commutes and workplace routines.



Young adults also face significant pressures and stressors. School shootings, suicides and a deteriorating planet have instilled fears of an uncertain future. Skyrocketing student loan and consumer debt, an uneven job market, and inflated rental and home prices have resulted in increased financial insecurity and concerns of never being able to “catch up.”

The pandemic has exacerbated the challenges young adults have faced and, consequently, their stress levels. Many millennials who were just beginning to get settled in their careers after experiencing unemployment during the Great Recession found themselves once again in a difficult job market. Gen Zers who entered the workforce during the pandemic had trouble finding work or lost work soon after. Millennials with children have had the

double challenge of remote work without child care and taking on home-schooling responsibilities.² The pandemic lockdown also resulted in a disassociated world for all young adults, and Gen Z adults in particular.³

Those who were able to work during the pandemic are burned out, resulting in the Great Resignation in 2022,⁴ and now significant numbers admit to “quietly quitting.”⁵

It’s against this backdrop that employers must consider the types and delivery of workplace benefits that will attract and retain young adult workers as well as reduce young adult stress and boost their productivity and engagement at work.

Employers who establish sustainable policies and programs that appropriately support workers’ mental, emotional and social well-being will succeed in creating a culture in which workers can grow and are more engaged and committed to their work. Yet in our Survey, employers receive middling grades for workplace wellness. Employers may be relying too much on traditional benefits to attract and retain workers, but young adults are looking for something different.

The findings

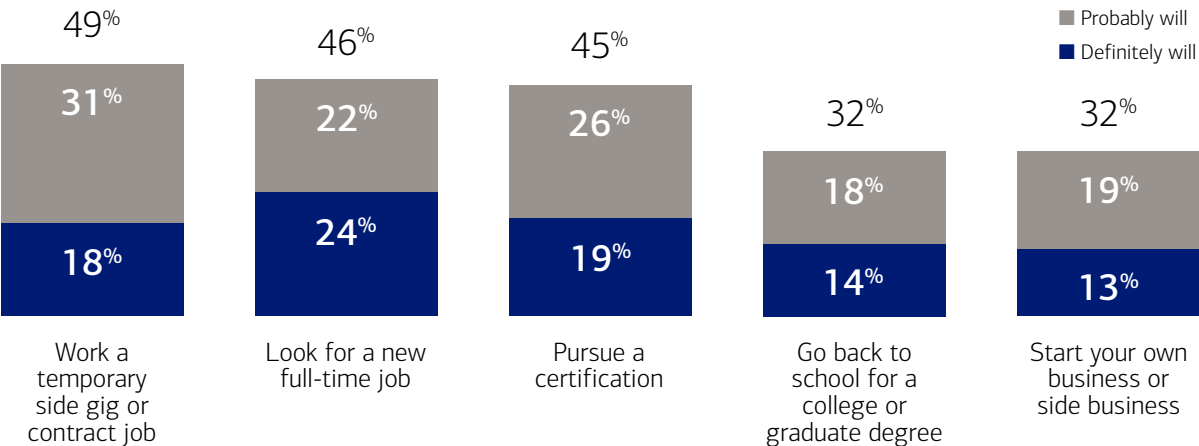
Young adults are not tied to their current jobs or defined by their work.

More than two-thirds of young adults (68%), especially Gen Z workers and workers in larger companies, report that they either strongly or somewhat view their work as a way to make a living but not a major part of their personal fulfillment. For this reason, and because of the workforce disrupters over the last few years, it’s not surprising that many young adults’ commitment to their jobs is tenuous.

Just under one in four millennials (24%) are looking to change jobs in the next year, and the

percentage rises to just under one in three (31%) of Gen Zers, low-income young adults, and Black/African American and Hispanic/Latino young adults. Pursuit of certification or schooling (both graduate school and college) rank highly after looking for a new job, especially among Gen Zers and Black/African American and Hispanic/Latino young adults. Black/African American young adults are almost as likely to leave a job in the next year to start a business as they are to pursue additional certification.

Near future: 12-month plans



% Definitely	Gen Z	Young millennial	White	Black/ African American	Hispanic/ Latino	Asian
Work a side gig	22%	17%	15%	27%	22%	15%
Look for a new full-time job	31%	22%	21%	31%	31%	18%
Pursue certification	25%	18%	16%	28%	23%	14%
Go back to school	24%	12%	8%	25%	26%	9%
Start a business	13%	13%	8%	27%	17%	9%

Apart from job changes, many young adults continue to search for a meaningful career. Over one-half (54%) of young adults indicate that they plan to switch to another field or career, are still seeking work in their chosen

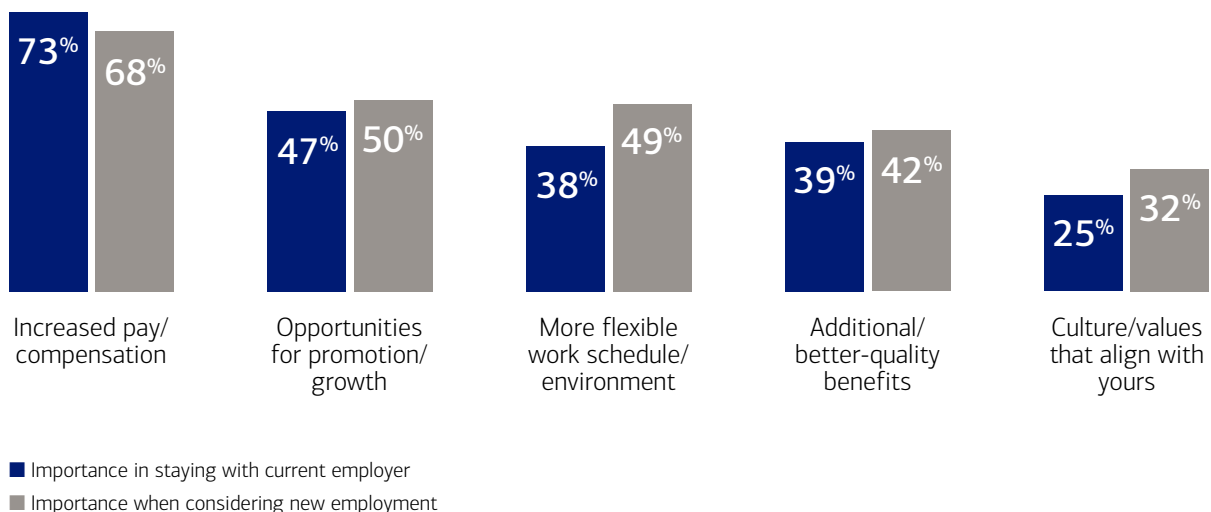
field, or are unsure what field of work they want to pursue long term. The good news is that 82% of the young adults who are settled in their careers indicate they want to stay with their current employer.

Young adults have priorities when choosing an employer.

Young adults overwhelmingly cite increased pay or compensation as the most critical factor both in deciding whether to remain with their current employer (73%) or in considering new employment (68%). Opportunities for promotion or growth, a more flexible work schedule, additional or better-quality benefits, and culture/values, in that order, rank next in importance when considering an employer. A more flexible work schedule or environment, in particular, is a much more significant factor in considering

a move to another employer than in remaining with the current employer (49% and 38%, respectively), and even more so for women than men (54% of female young adults vs. 44% of male young adults). Fewer than one in three young adults (32%) consider alignment of an employer's culture/values with their own to be a significant factor when thinking about new employment, and only one in four young adults (25%) find cultural alignment important in deciding whether to remain with their own employer.

Importance in employee retention or hiring



Flexibility is keeping work in perspective

The underlying factor is the employer realizing that work isn't and shouldn't be the main priority in an employee's life. [It's] allowing flexibility, with leaving in the afternoon and making up that work later in the evening, or taking shorter days and longer days. I think it's just realizing that people have other things they need to do between the hours of 9 and 5 that aren't just sitting in front of their computer or something directly related to work.

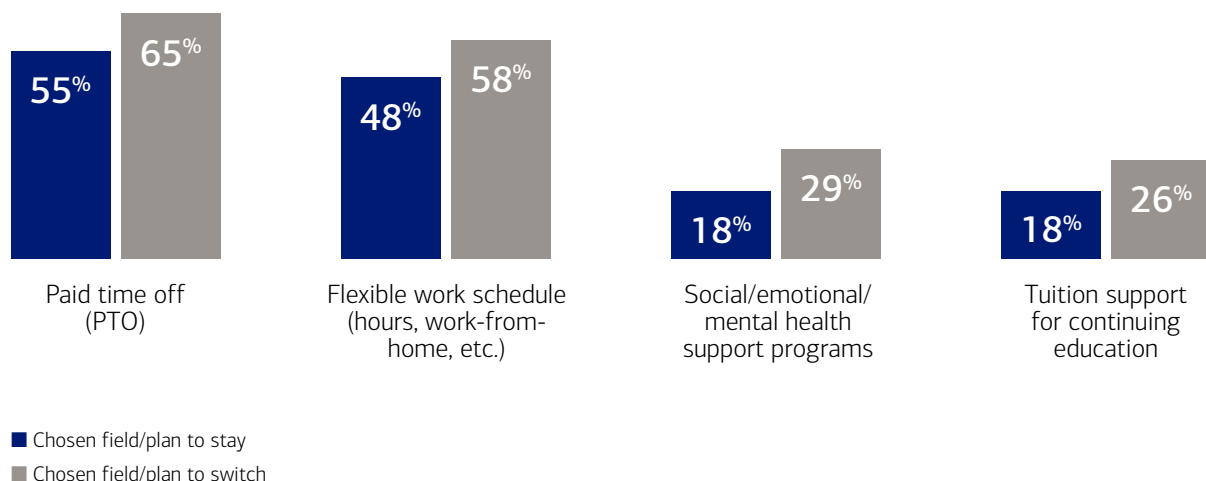
—Young adult at company of 100+ employees

Paid time off, health insurance, flexible work and retirement plans are the most persuasive workplace benefits in deciding whether to move to another employer.

Paid time off (PTO), health insurance, a flexible work schedule and retirement savings plans are the top four benefits, in that order, cited by young adults overall as impacting their choice of an employer. However, it should be noted that among young adults planning to change jobs in the next year, PTO and flexible work schedules weigh most heavily in their choice

of an employer (65% and 58%, respectively). In addition, while social/emotional/mental health and tuition support benefits fall further down the list of benefits that impact their choice, they weigh more heavily in young adults looking to change jobs (29% and 26%, respectively) than for young adults who are planning to remain with their employer (18% each).

Four persuasive benefits

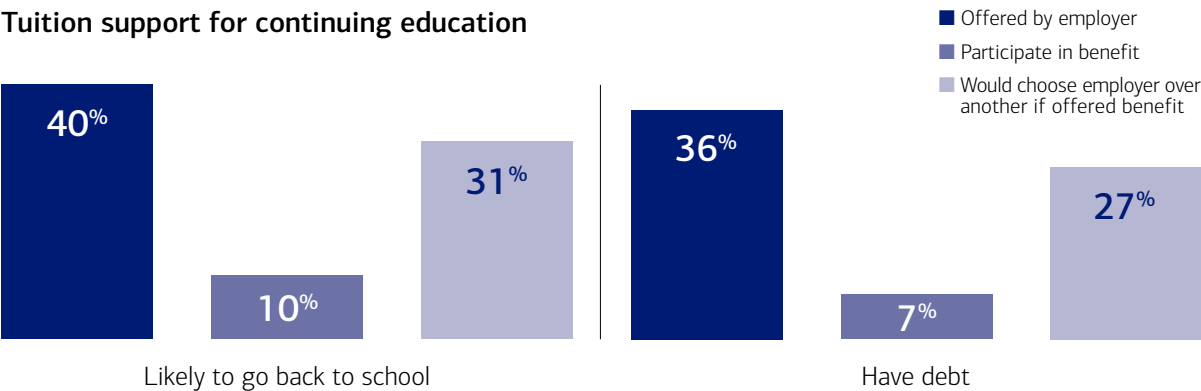


Niche benefits are persuasive in addressing specific needs for young adults.

Benefits directed to a specific need (“niche benefits”) rank significantly lower than the top four persuasive benefits for both young adults looking to change jobs and those who plan to remain in their current jobs. Niche benefits, however, are more highly valued by the cohort

of young adults most likely to use those benefits. One in three young adults (31%) who indicated they’re likely to go back to school and just over one in four (27%) young adults with student loans or consumer debt would choose an employer offering tuition support over another employer.

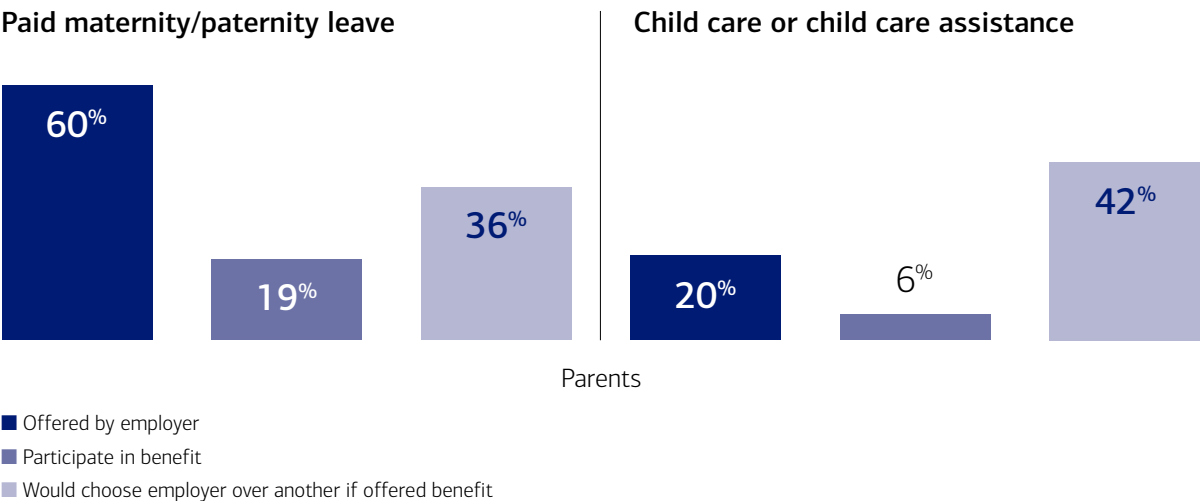
Tuition support for continuing education



Young adults with children value child care assistance as a benefit that would make an employer stand out, even more so than paid maternity/paternity leave. The higher value given to child care assistance (42%) than paid parental leave (36%) points to the high cost

of child care relative to compensation for so many working parents. Few young adults (6%) cite adult caregiving/eldercare assistance as a benefit that would make an employer stand out, likely because they don’t see a need for eldercare benefits at this point in their life.

Paid maternity/paternity leave





While nearly half (44%) of young adults report outstanding student or consumer debt, only 27% indicate that assistance with student loan payments would cause one employer to stand out over another. Several reasons may explain this difference: Student loan assistance is rarely offered by employers (21% of young adults indicate that their employer offers this benefit) and is therefore not an expected benefit.

In addition, young adults may have benefited from suspension of student loan payments during the pandemic or are waiting to see if the U.S. Supreme Court upholds the legality of the White House loan forgiveness plan. Finally, the percentage of young adults holding student loan debt is outweighed by those holding credit card and other personal debt.⁶

Reports of mental health challenges in young adults are widespread, and 42% of young adults surveyed indicate a strong interest in access to mental health therapists. However, only three in 10 young adults (29%) likely to switch jobs in the next year rank emotional and mental health benefit programs a significant factor in considering an employer. Young adults who admit to work stress are more likely to cite mental health resources as a desired wellness benefit than young adults in general (40% vs. 30%).

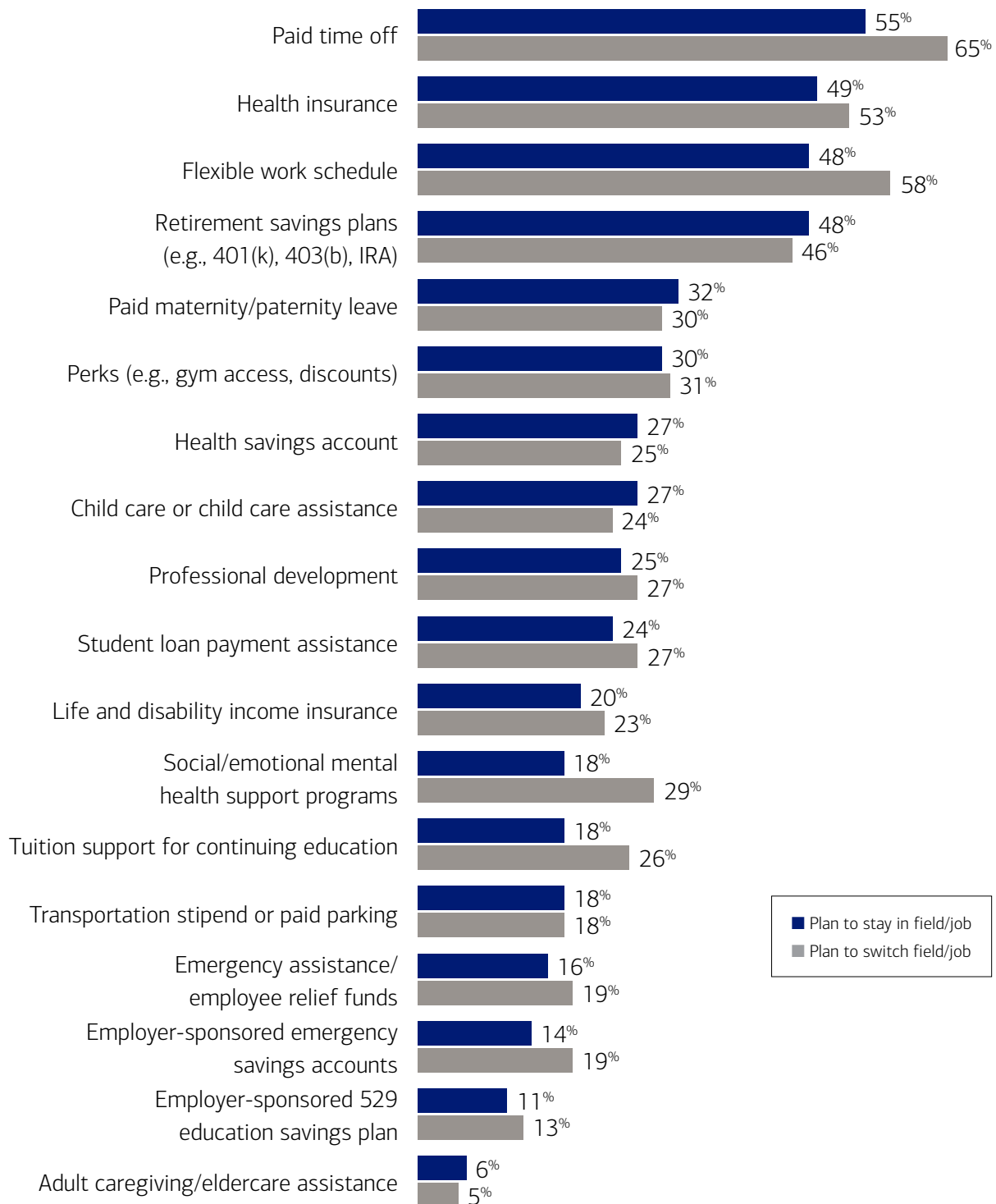
All but one of these top desired workplace wellness programs are for paid leave, time off or flexible work hours

Top wellness programs young adults would like to see from an employer		
Paid sick leave	42%	
Four-day work week	41%	
Unlimited paid time off	35%	
Flexible working hours and/or employees can work from home	34%	
Mental health resources	30%	40% among those with work stress
Paid time off on your birthday	28%	
Paid time off for health screenings	28%	
Summer Fridays (e.g., limited work hours on Fridays)	25%	
Paid parental leave	25%	31% among parents

Mental health support benefits come in many forms. Many young adults access mental health coverage through their employer-

provided health insurance. In addition, PTO and flexible work schedules are widely offered to reduce stress and improve mental health.⁷

Would choose one employer over another if offered benefit

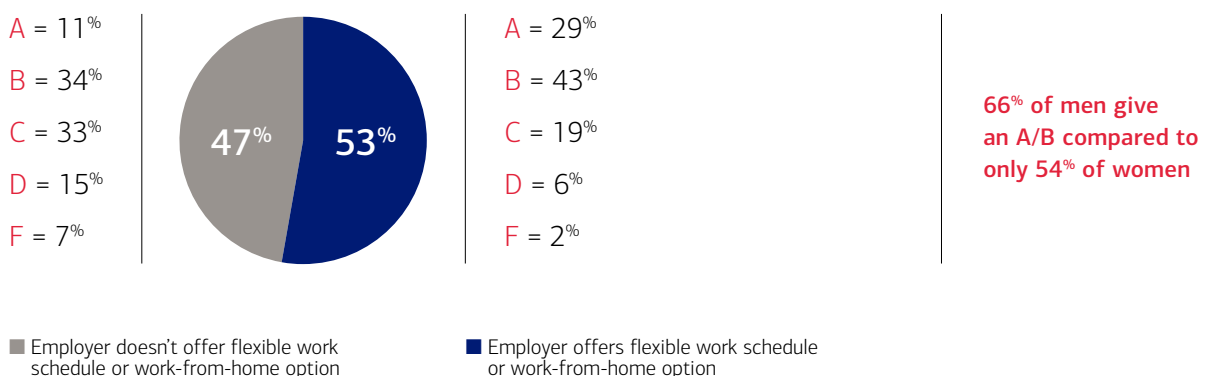
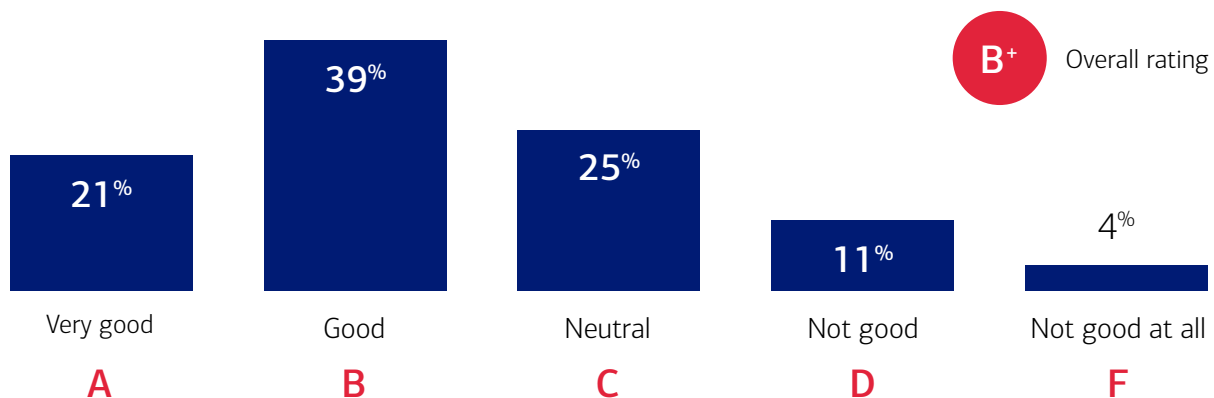


Workplace wellness benefits help manage stress and improve work-life balance.

While young adults generally have a positive outlook about work and their employer, they also express feeling stressed and not supported — red flags for employers concerned about their workers’ mental and emotional health. Workplace wellness programs include and go beyond standard benefits such as health insurance, paid time off and retirement plans. Specifically, workplace wellness is the idea that companies have a culture and policies/ programs that promote or support positive employee, social, physical, mental or financial

health, resulting in more engaged and productive workers. One in five young adults (21%) rate their workplace’s wellness very good and another 39% rate it good — a B+ grade on a traditional A-to-F scale. The percentage of young adults who rate their overall workplace wellness as good or very good is highest among young adults who indicate the availability of flexible work schedules. A greater percentage of young adult males (66%) than females (54%) rate their workplace wellness programs a B grade or higher.

Employer’s workplace wellness rating

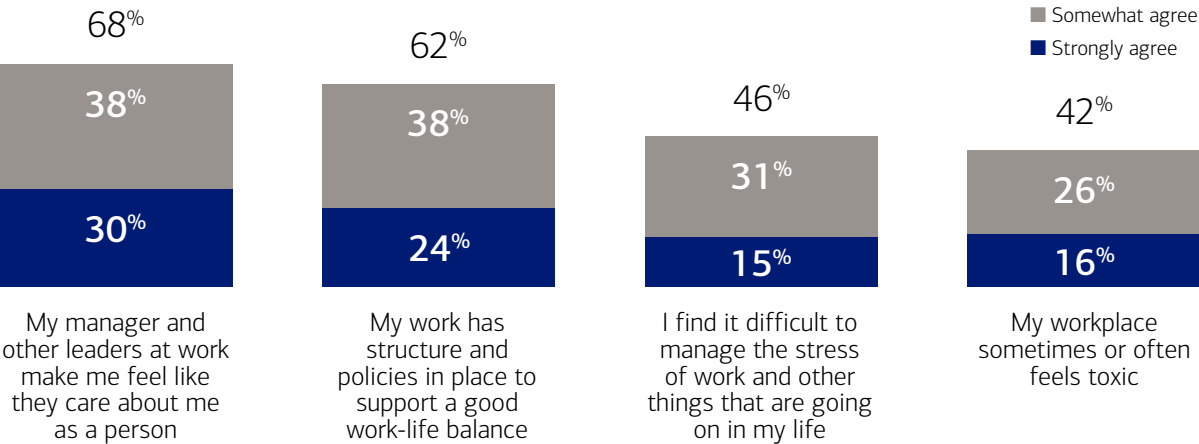


Almost one-half (46%) of young adults indicate that they find it difficult to manage the stress of work and other things going on in their life (15% strongly agree). Those who are managing work stress well are more likely to say they feel cared about by their managers, have opportunities to grow, and the company has structures and policies in place to support work-life balance. While more than two in three young adults (68%) agree that their manager and other leaders at work make them feel like they care about them as a person, less than one in three young adults (30%) strongly agree with the statement. Furthermore, four in 10 young adults



say their workplace always or sometimes feels toxic (16% strongly agree).

Workplace feelings



	Gen Z	Young millennial
My manager and other leaders at work make me feel like they care about me as a person	30%	30%
My work has structure and policies in place to support a good work-life balance	25%	23%
I find it difficult to manage the stress of work and other things that are going on in my life	17%	15%
My workplace sometimes or often feels toxic	13%	16%

Strongly agree

Young adults rate workplace wellness benefits that support stress management, greater work-life balance, flexibility and time off as the ones they'd most like to see from their employer. These benefits include paid sick leave (42%), unlimited PTO (35%), flexible work/work from home schedules (34%), paid time off for health

screenings (28%) and paid parental leave (25% overall; 31% among young adult parents). The availability of mental health resources was identified by 30% of young adults (40% of those with work stress) as a key wellness benefit, and mental health resources was the fifth most desired wellness benefit.

Time off and flexible work perks dominate the wellness wish list for all ages

	Total	Gen Z	Young millennial
Paid sick leave	42%	35%	44%
Four-day work week	41%	41%	40%
Unlimited paid time off	35%	36%	35%
Flexible working hours and/or employees can work from home	34%	29%	35%
Mental health resources	30%	34%	29%
Paid time off on your birthday	28%	32%	28%
Offer paid time off for health screenings	28%	28%	28%
Summer Fridays (e.g., limited work hours on Fridays)	25%	21%	27%
Paid parental leave	25%	20%	27%
Discounts to retailers, dining or travel brands	22%	26%	21%
Debt management assistance (including student loan repayment)	22%	21%	22%
Complimentary healthy meals or snacks	21%	24%	21%
Offering socially responsible investments as options in the retirement savings plan	21%	17%	22%
Subsidize or pay for gym memberships	21%	25%	19%
Emergency savings accounts	21%	23%	20%
Financial advisors to help with budgeting and financial planning	20%	21%	20%
Community involvement or volunteer opportunities including paid time off for engaging in volunteer activities	19%	25%	17%
Employer-paid access to financial coaching	16%	19%	15%

Just over one in five (22%) young adults identify financial wellness benefits such as debt management assistance (including student loan payment) and other financial assistance/planning benefits as desired wellness benefits, although 33% of young adults with outstanding debt indicated that debt management assistance programs are

a desired benefit. While young adults generally provide similar ratings to identified workplace wellness benefits regardless of age, millennials show a greater interest in PTO and flexible work benefits, while Gen Z workers rate mental health benefits, community involvement and physical fitness/nutrition benefits more highly.

Young adults identify range and priority of benefits offered by employer size.

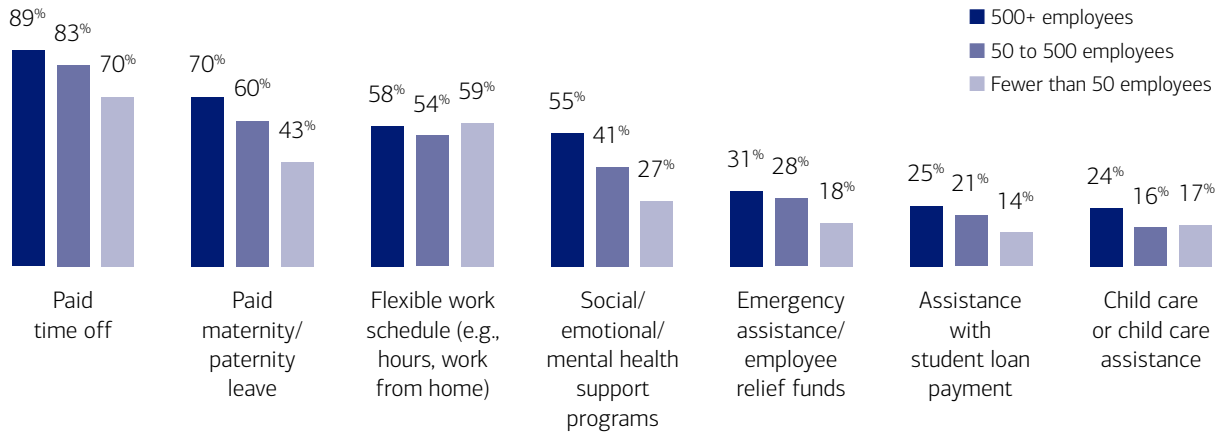


Not surprisingly, young adults working for small employers (fewer than 50 employees) identify far fewer benefits offered by their employers than do young adults working for midsize (50 to 500 employees) and large employers (500+ employees). While health insurance, PTO and retirement savings plans are the three standard benefits offered across the board, young adults working for small employers are more likely to report being offered PTO (70%) than either health insurance (61%) or retirement savings plans (60%). Flexible work schedules are reported by similar percentages of young adults working for large and small employers (58% and 59%, respectively). However, while flexible work schedules constitute the most frequently offered benefit by small employers after health insurance, PTO and retirement plans, it falls to the eighth most frequently offered benefit,

according to those who work for large employers. Young adults say large and midsize employers prioritize offering paid maternity/paternity leave, life and disability insurance, health savings accounts (HSAs), and professional development over flexible work schedules. They say small employers offer professional development benefits and paid maternity/paternity leave as the most frequently offered benefits after flexible work schedules—all of which are highly attractive to young adults.

Interestingly, despite the significant media attention given to both the financial and social/emotional/mental stress of workers, specialized benefits directed at financial and mental wellness aren't widely offered across the board, according to young adults. They report financial assistance with student loan debt, emergencies and child care are offered by less than one-third of employers, regardless of size. More employers offer social/mental wellness benefits than financial assistance, but even those benefits don't constitute a predominant benefit offering. Only 55% of young adults at large employers, 41% at midsize employers and 27% at small employers say they're offered such programs separate and apart from reimbursement of mental health services through the companies' health insurance plans.

Benefits offered by employer size

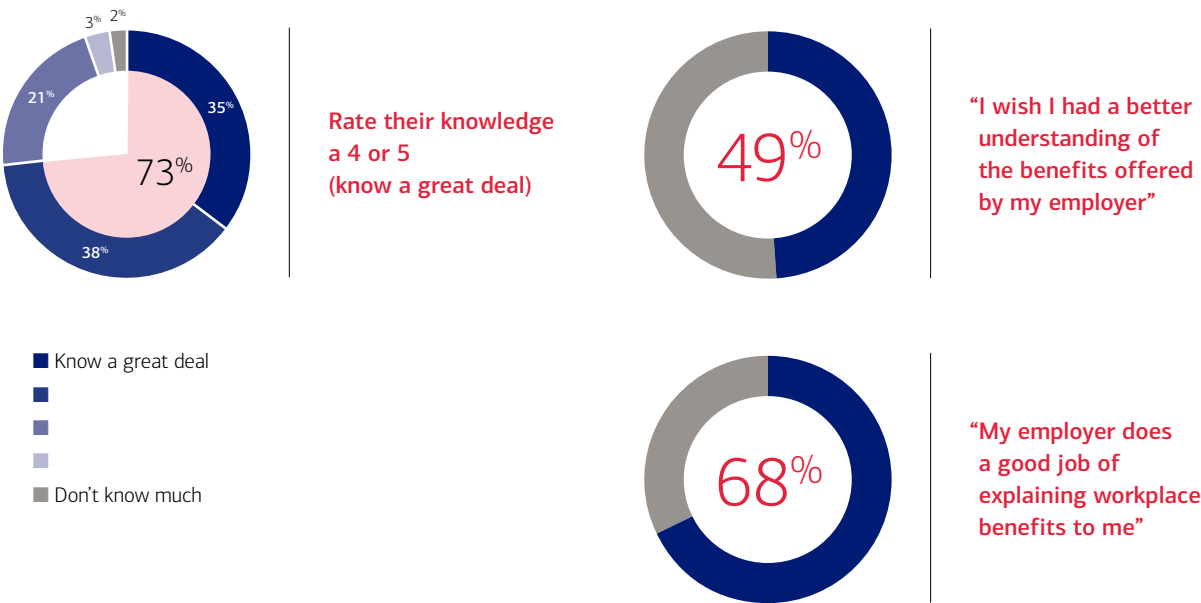


No one source of benefits information is a go-to, and many young adults wish they understood their benefits better.

Three in four young adults indicate a high familiarity/knowledge of their workplace benefits, and 68% said their employer did a good job of explaining the benefits.

However, almost one-half (49%) of young adults admit to wanting a better understanding of the benefits offered.

Awareness or knowledge of workplace benefits



So how do young adults learn about their workplace benefits, and how do they decide whether to participate? Young adults learn about their benefits through a wide variety of sources, including from HR, the benefits manager, a supervisor, the benefits website, work colleagues and benefit providers.

Differences in sources of information that young adults rely on depend more on whether they have children, the size of their employer and their debt load, rather than their age. Young adults working for larger employers are more likely (40%) to rely on HR and benefits managers as well as the benefits website or

portal. Small employers often entrust HR and benefit matters to managers in addition to their business responsibilities in lieu of a separate HR function. It's therefore not surprising that young adults working for small employers are more likely (53%) to rely on supervisors. It should be noted that 43% of young adults working for small employers also indicate they'd like a better understanding of their company benefits. Therefore, extra care should be taken to ensure that an official source of information exists and/or supervisors providing information have the proper training.

Benefits information sources

	Generation		Parent		Number of employees			Have debt	
	Gen Z	Millen.	Yes	No	<50	50–500	500+	Yes	No
Employer benefits manager/HR personnel	39%	42%	46%	38%	29%	49%	40%	43%	40%
My supervisor	38%	32%	31%	34%	53%	30%	26%	30%	35%
My work colleagues	36%	25%	23%	31%	33%	27%	25%	33%	22%
Employer benefits website or portal	34%	31%	28%	34%	17%	29%	40%	30%	32%
Written, emailed or online materials sent/given to me by my employer	33%	30%	33%	29%	25%	34%	31%	33%	29%
Employer orientation or new employee onboarding session	30%	31%	33%	29%	18%	31%	37%	34%	27%
The provider(s) of the benefits (e.g., the health insurance company, the financial services company)	26%	23%	25%	24%	23%	23%	26%	27%	21%
Employer webinar(s) or online video(s)	14%	13%	16%	11%	9%	11%	16%	12%	13%

Those at smaller employers are more likely to rely on supervisors, while those at larger employers have HR and benefits resources to consult.

In deciding whether to participate in the benefits offered, young adults similarly don't consistently turn to any one source for help, but rely on a variety of resources, from their spouse or partner, HR or benefits manager, or benefits website. In this case, age does matter. Gen Z workers are likely to look to

their parents (27%), while millennials are more likely to look to their spouse or partner. Young adults working for smaller employers are more likely to rely on their supervisor or work colleagues, while those working for larger employers are again more likely to turn to their HR or benefits manager for advice.

Benefits decision influencers

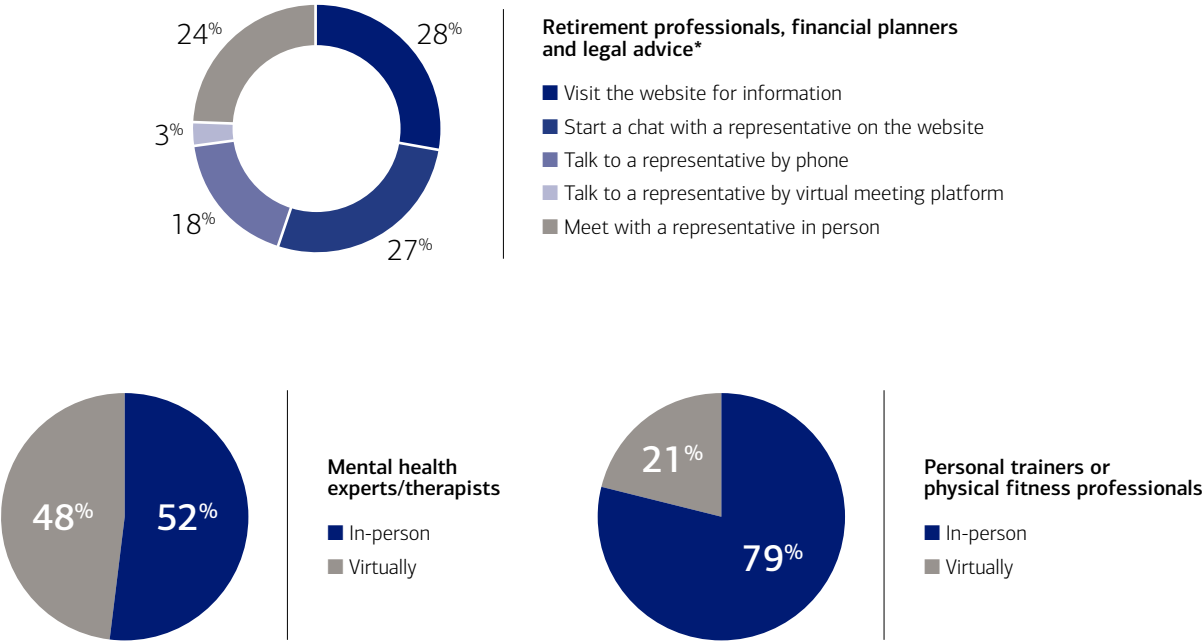
	Generation		Parent		Number of employees			Have debt	
	Gen Z	Millen.	Yes	No	<50	50 – 500	500+	Yes	No
Parent(s)	27%	15%	12%	22%	17%	18%	18%	22%	15%
Employer benefits manager/HR personnel	25%	26%	27%	25%	16%	31%	27%	28%	24%
My work colleagues	24%	20%	17%	24%	30%	17%	20%	18%	24%
My supervisor	23%	16%	16%	19%	23%	14%	19%	16%	19%
Spouse or partner	21%	30%	38%	22%	34%	25%	27%	31%	26%
Online research	21%	21%	20%	22%	21%	21%	21%	17%	24%
Employer benefits website or portal	18%	25%	27%	20%	13%	23%	31%	23%	23%
The provider(s) of the benefits (e.g., the health insurance company, the financial services company)	18%	20%	20%	19%	16%	21%	20%	18%	20%
Employer orientation or new employee onboarding session	17%	15%	16%	15%	10%	17%	17%	18%	13%
Friends	17%	13%	14%	14%	14%	13%	15%	16%	12%
Written, emailed or online materials sent/given to me by my employer	16%	18%	19%	17%	14%	17%	21%	20%	16%
Other family member(s)	10%	8%	12%	7%	6%	12%	7%	10%	8%
Advertisements	7%	2%	4%	3%	4%	2%	4%	2%	4%
Financial advisor or accountant	6%	7%	8%	7%	6%	9%	6%	6%	8%
Employer webinar(s) or online video(s)	5%	10%	10%	8%	7%	6%	13%	8%	9%

Mental and physical health benefits, along with financial planning benefits, are offered in a variety of ways — in person, virtually, online or through referral to various resources — and preferences of young adults in receiving benefits vary according to the benefit. For retirement, financial and legal advice, young adults are fairly evenly split among visiting a website (28%), starting an online chat with a representative (27%) and meeting with a representative in person (24%). Phone and virtual meetings are the least preferred channels. For mental health, young adults are fairly evenly divided between

in-person (52%) and virtual sessions (48%). Fitness training is preferred to be in person.



Preferred channels for receiving services



*Preferred channels are consistent for accessing retirement professionals, financial planners and legal advice.

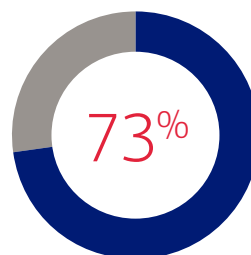
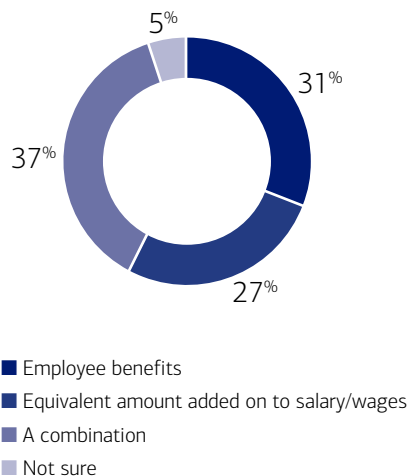
Young adults value workplace benefits but desire flexibility.

Young adults value workplace benefits. Three in 10 (31%) say they'd choose workplace benefits in a tradeoff with higher pay, while nearly the same amount (27%) would choose to forgo workplace benefits altogether in favor of a dollar equivalent of the benefits added to their pay. Interestingly, a plurality (37%) indicate that they value the opportunity to choose a combination of workplace benefits and higher pay over simply higher pay.

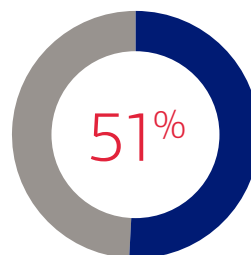
Young adults seek both flexibility and choice in the benefits they receive. Given their high rates of uncertainty in their career or field and high

likelihood of changing jobs, it's not surprising that 73% of young adults across the board (and 82% of young adults who plan to switch jobs in the next 12 months) say they'd prefer to receive benefits that aren't tied to their employer but which they can take with them when they change jobs. In addition, one-half (51%) of young adults believe they can purchase benefits in the open market that are as good, both in terms of quality and value, as those offered by their employer — pointing to a lack of understanding of the price and delivery efficiency of benefits offered on a group basis.

Workplace benefits vs. higher pay



"I would rather have benefits I can choose and that stay with me from job to job rather than benefits that are tied to what a specific employer offers"



"I believe I can purchase benefits on my own that are as good, both in quality and value, as what my employer offers"

Young adults’ satisfaction with workplace benefits is tied to life stage and benefit awareness.



While 70% of young adults reported satisfaction with their workplace benefits, satisfaction isn’t strong. Fewer than one in three young adults (30%) say they’re very satisfied with their benefits package. The degree of satisfaction is strongest among young adults who are settled in their careers and with their employer (37% very satisfied) and young adults with children (33% very satisfied). Young adults looking to change jobs are the least likely to be very satisfied with their benefits (25%) and, in addition, report higher levels of being very unsatisfied or neutral about their benefits (9% and 19%, respectively).

Benefit satisfaction

	Generation		Parent		Number of employees			Have debt		Career journey	
	Gen Z	Millen.	Yes	No	<50	50 – 500	500+	Yes	No	Chosen field/ plan to stay	Chosen field/ plan to switch
Very satisfied	33%	29%	33%	27%	24%	33%	30%	30%	29%	37%	25%
Somewhat satisfied	36%	41%	38%	41%	39%	38%	42%	40%	40%	43%	41%
Neutral/mixed	18%	18%	17%	18%	20%	18%	16%	17%	18%	12%	19%
Somewhat unsatisfied	10%	6%	7%	7%	9%	6%	8%	7%	7%	6%	7%
Very unsatisfied	3%	6%	4%	6%	7%	5%	4%	6%	5%	1%	9%
Not sure	2%	0%	0%	1%	1%	1%	1%	0%	1%	1%	0%

It's not surprising that millennials and young adults with children report the highest levels of awareness of their workplace benefits (37% and 41%, respectively, compared to 30% of Gen Z workers and 32% of young adults without children), as they're likely more settled in their

careers and planning for their family as well as themselves. It's worth noting that the higher levels of benefits awareness among these subgroups is consistent with their higher degree of satisfaction with their benefits and work overall.

Awareness or knowledge of workplace benefits

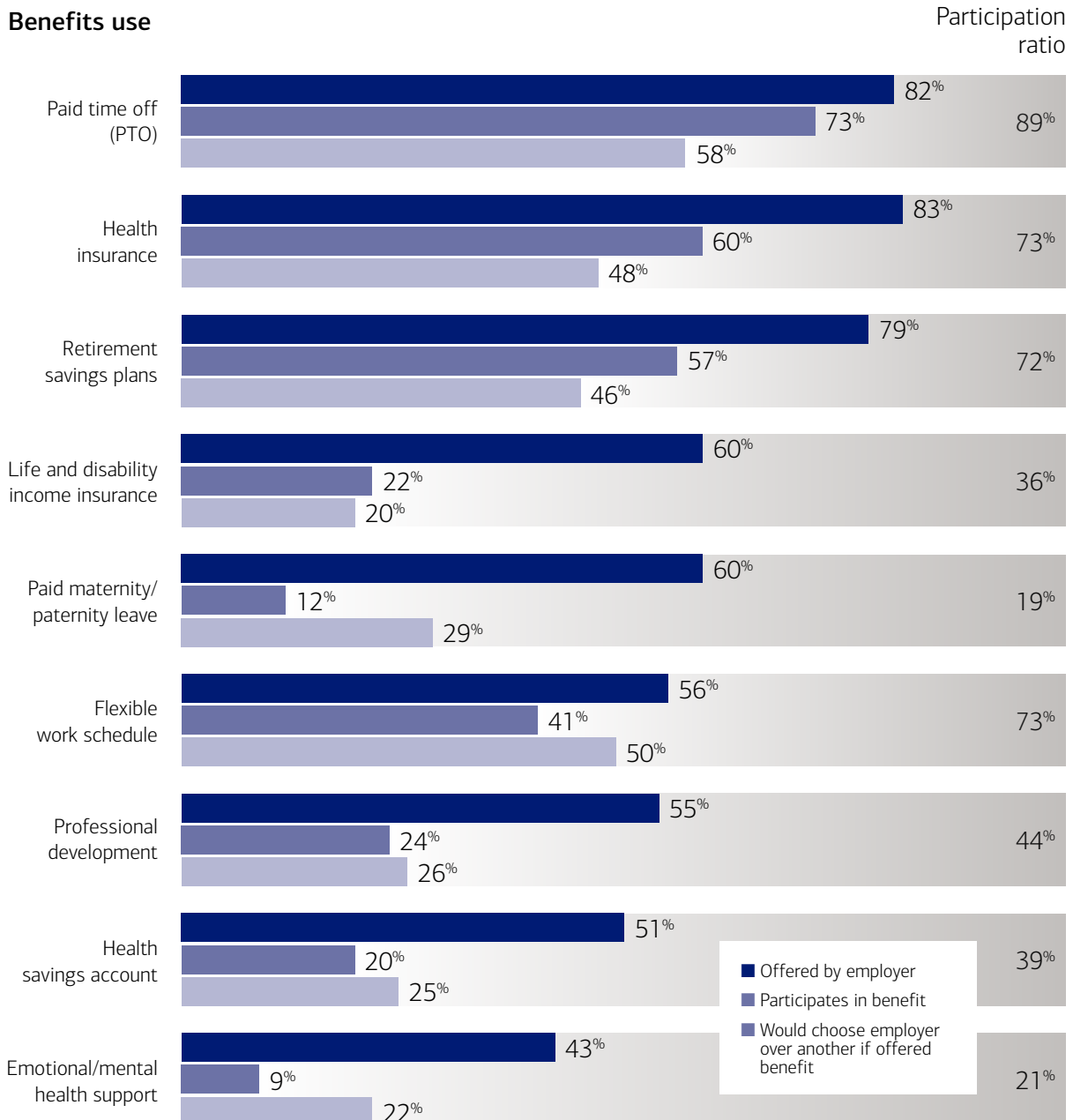
	Total	Generation		Parent		Number of employees		
		Gen Z	Millen.	Yes	No	<50	50 – 500	500+
5 — Know a great deal	35%	30%	37%	41%	32%	39%	36%	32%
4	38%	37%	38%	36%	39%	32%	37%	43%
3	21%	27%	20%	19%	23%	24%	22%	19%
2	3%	3%	3%	2%	4%	3%	2%	4%
1 — Don't know much	2%	3%	2%	2%	3%	3%	3%	2%



Benefit participation is consistent with stated priorities of young adults.

Young adults' stated participation rates in benefits (when offered by their employer) are generally aligned with their stated priorities in choosing an employer. The participation rate of young adults in PTO benefits offered

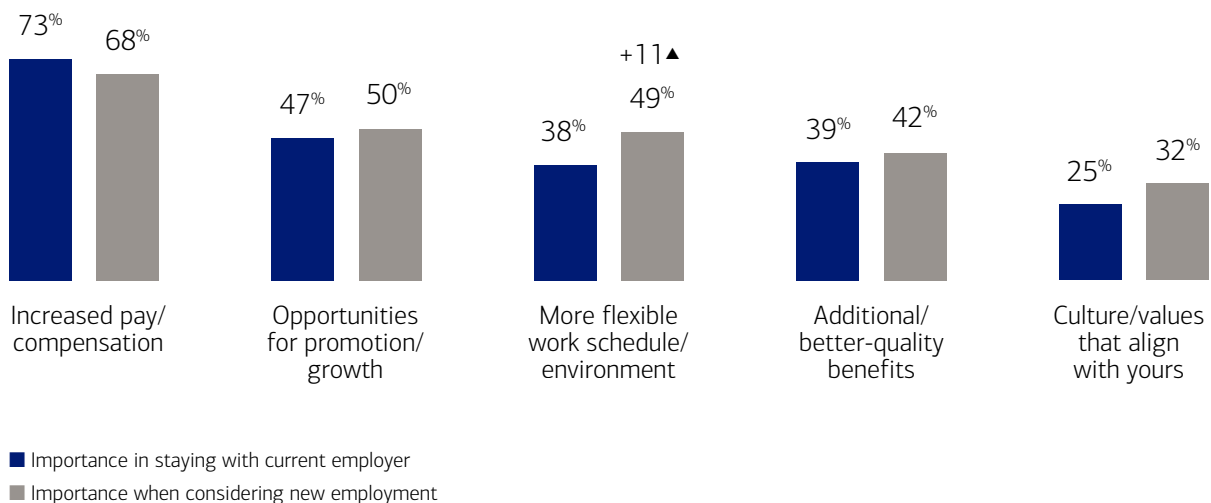
by their employer (89%) exceeds that in health insurance (73%) and retirement plans (72%) when offered. Young adults participate in flexible work schedule benefits at the same rate as in health insurance when offered.



An anomaly of note is the 44% participation rate of young adults in professional development programs offered by their employer compared to only 26% of young adults placing this in their top 10 factors that would make them choose one employer over another. However, the participation rate is consistent with the importance young adults assigned to opportunities for promotion/growth in staying with their current employer (47%) or in considering new employment (50%).



Importance in employee retention or hiring



Benefit participation varies by age, race and income level.

Significant differences in benefit participation rates appear by age, race and income level. These differences are perhaps the starkest and most concerning of all the survey results. In particular, participation by low-income and Black/African American young adults in health insurance (46% and 53%, respectively) and retirement plan benefits (42% and 46%, respectively) is significantly lower than for high-income and white young adults (72% and 62% for health insurance, respectively,

and 76% and 61% for retirement plans, respectively). Gen Z workers also show significantly lower participation in health insurance benefits at 49% than millennials (64%). Participation in PTO benefits is also significantly lower for low-income young adults (65%) than for high-income young adults (86%). Finally, participation rates in all of the top standard benefit offerings are lower for young adults employed by smaller companies, with the exception of flexible work schedules.

Benefits participation

		Gen Z	Young millen.	White	Black/ Afr. Am.	Hisp./ Latino	Asian	<50	50 – 500	500+	<\$50K	\$50K – \$100K	\$100K+
Health insurance	Offered	79%	84%	82%	83%	83%	91%	61%	87%	92%	74%	87%	90%
	Participate	49%	64%	62%	53%	59%	72%	39%	65%	69%	46%	67%	72%
Paid time off	Offered	78%	84%	84%	81%	79%	88%	70%	83%	89%	75%	83%	93%
	Participate	71%	74%	77%	63%	68%	81%	63%	74%	79%	65%	75%	86%
401(k)/ retirement plan	Offered	80%	78%	78%	79%	79%	86%	60%	82%	87%	70%	82%	89%
	Participate	52%	58%	61%	46%	51%	71%	42%	55%	68%	42%	61%	76%
Flexible work schedule	Offered	55%	57%	53%	64%	59%	57%	59%	54%	58%	55%	58%	56%
	Participate	42%	41%	41%	43%	43%	43%	47%	37%	43%	38%	41%	47%

Young adults have little expectation of retiring on time or fully stopping work.



Young adults' overall wellness and work-life preferences directly impact their financial and retirement security. Young adults are struggling financially.⁸ Almost one-half (44%)

indicate that they have outstanding student loans or consumer debt, and 49% of those with outstanding debt say that paying off the debt is a greater priority than saving for retirement. However, despite the prevalence of outstanding debt, over one-third (35%) of young adults indicate that paying down debt and saving for retirement are equal priorities, while 15% indicate that saving for retirement is a greater priority. More than one-half (57%) of young adults surveyed indicate that they're participating in a retirement savings plan, but the participation percentage increases to 72% of those working for an employer that offers a retirement savings plan.

Paying debt vs. saving for retirement

Nearly half of young adults have student loan or consumer debt

Women, parents and those who have pursued higher education are more likely to be saddled with debt

Total	
Gen Z (24 – 26)	43%
Young millennial (27 – 35)	44%
Female	52%
Male	36%
Parents	48%
Not parents	42%
College/some college	49%
High school	16%

Paying down debt outweighs saving for retirement among young adults with student loan or consumer debt

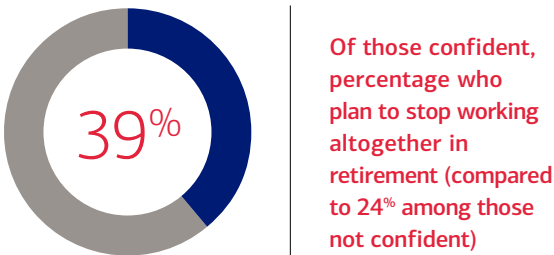
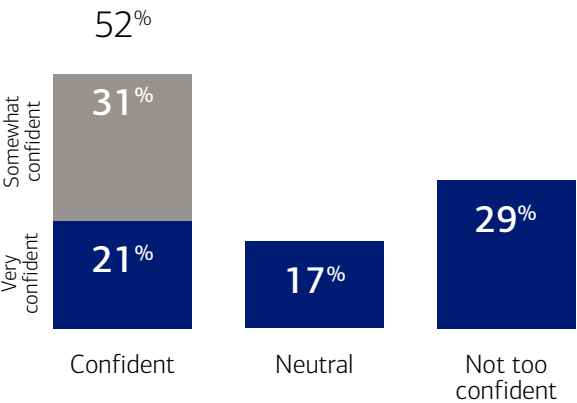
Priorities are consistent across subgroups

Among those who have debt	
Paying off student loans/paying down debt is more of a priority than saving for retirement	49%
Both are equal priorities	35%
Saving for retirement is more of a priority than paying off student loans/paying down debt	15%

Given the financial struggles of young adults and the percentage of young adults prioritizing debt repayment over saving for retirement, it's not surprising that only 52% of young adults are confident in being able to retire at the age they want, and just one in five young adults (21%) are very confident in being able to retire at the age they want. While 68% of

young adults indicate they'd like to retire before age 65, less than one-half (44%) expect they'll be able to do so. Young adults who are male, college-educated, have no outstanding debt, are higher earners or are saving in an employer retirement savings plan have greater confidence in being able to retire at the age they want.

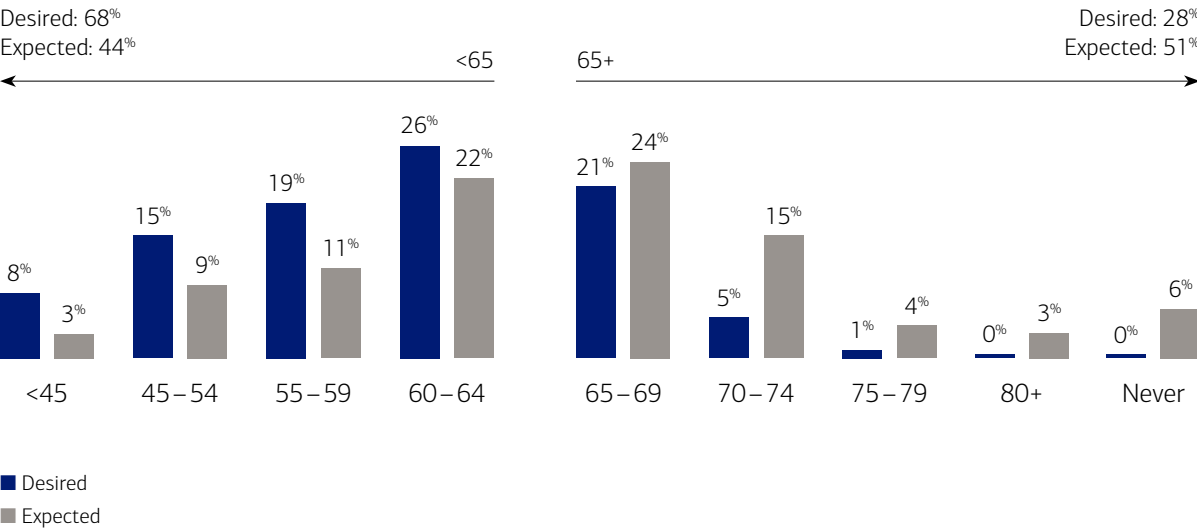
Confidence in being able to afford to retire at the age you want



Also, whether because of their lack of confidence in being able to afford to retire at a point in time, or because their attitudes about work and purpose differ from those of prior generations, young adults' concept of retirement differs from the traditional association of retirement with stopping work. A greater number of young adults plan to continue working in retirement than to stop

working altogether — and the percentage grows the further out their predicted retirement age. Only two out of five young adults (40%) plan to fully stop working at their expected retirement before age 65, while fewer than one in three (28%) plan to fully stop working at their expected retirement after age 65. The remainder indicate that they either plan to continue working in some capacity or aren't sure.

Retirement expectations

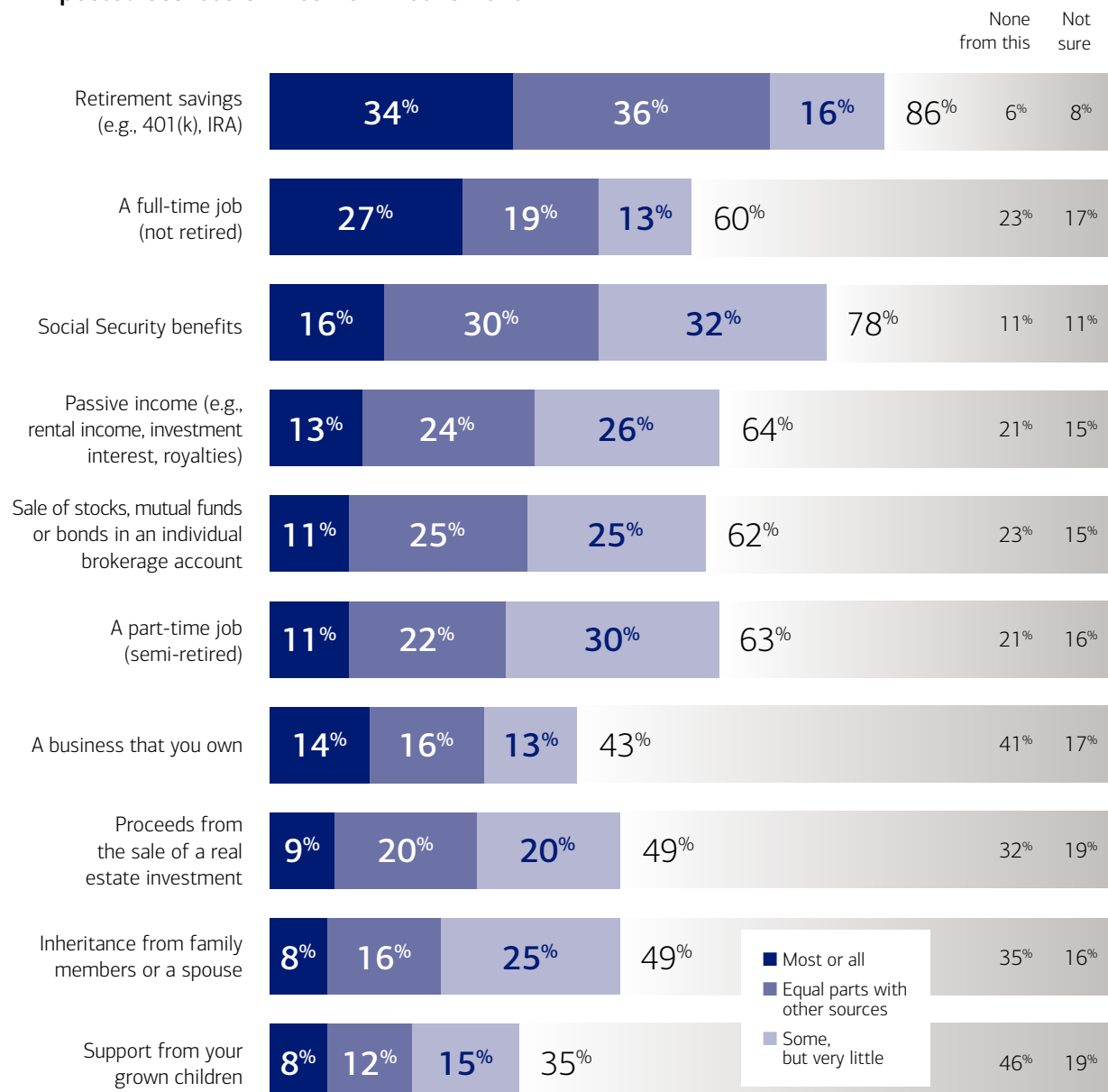


	Desired retirement age		Expected retirement age	
	<65	65+	<65	65+
Plan to fully retire	36%	29%	40%	28%
Not fully retire	37%	45%	37%	43%
Not sure	27%	25%	23%	29%

While most young adults (86%) expect to rely wholly or in part on their retirement savings as their main source of income in retirement, they also cite various other sources. Six in 10 (60%) expect to continue working full time to help fund their retirement, while 63% expect to work part time (however, those who expect to work part time are less likely to rely on working income as a major source of their

income in retirement). Social Security benefits are also a widely cited source of retirement income, but fewer than one-half (46%) expect to rely on Social Security benefits as a significant source of retirement income. Passive income from real estate rentals and investments, sales of securities and real estate, inheritance, and support from children also factor in as additional sources of retirement income from young adults.

Expected sources of income in retirement



Males and young adults with children are significantly more likely to cite income from a range of sources to fund their retirement. Young adults with higher incomes are more likely to predict retirement income from

retirement savings, passive income and sales of securities, while young adults with lower incomes are more likely to anticipate needing a full-time job or support from their children to help fund their retirement.

Recommendations for employers

While young adults value increased compensation, PTO and flexible work, as well as the more standard health and retirement benefits, their employer and benefit priorities are as varied as their life stages. Some young adults are settled in their careers and looking for advancement, are married with children, and saving for retirement. Others are still seeking their preferred career paths, saddled with student and other debt, and don't envision

being able to save enough to retire when they want. Racial and ethnic minorities exhibit differences in all categories. The vast majority all want flexibility in benefit choice. Therefore, it's recommended that employers who are looking to design a benefits package to retain and recruit younger employees, as well as to assist employees in managing their stress and improving their work satisfaction and commitment:

- 1

Survey their employees to better understand the benefits they value, as well as their desired mode of delivery.
- 2

Provide a menu of benefits from which employees can choose and, for the softer benefits or perks such as gym memberships, transportation stipend and healthy snacks, offer the choice of compensation in lieu of benefits.
- 3

Provide a platform for delivery of benefits in various modes to enable employees to access the benefit in the form they want.
- 4

To the extent possible, offer benefits that are portable and transcend particular jobs and work environments.
- 5

Create a culture that celebrates wellness and fosters inclusion, professional advancement and success, as well as an overall sense of caring.
- 6

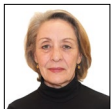
Promote benefit awareness and provide benefit education in a variety of forms, from one-on-one sessions to online, and through website or benefit portals, and offer assistance in structuring a benefits package that's tailored to a particular employee's needs. However, ensure that there's one official source of information that employers can point to.

(continued)

- 7 Promote greater participation of low-income, Black/African American and Hispanic/Latino workers —as well as other minority populations— in benefits designed to increase their overall wellness. Understand and address the challenges of these populations to benefits access and usage.
 - 8 Include the dollar value of benefits offered along with information on the cost of similar benefits if purchased by individuals in the open market.
 - 9 Provide incentives for continuity in benefits use, especially wellness benefits, to ensure best results in addressing stress, mental health and financial challenges of young adults, and greater engagement of young adults at work.
 - 10 Embed flexibility in benefits and in all aspects of work. Large employers in particular should consider offering more flexible work arrangements as a retention and recruiting tool for young adults.
 - 11 Track benefits participation and usage and tie benefits usage to increased productivity and wellness.
 - 12 Provide child care or child care assistance to the same or greater extent as paid maternity/paternity leave, especially to young adult parents, when considering a return to the office.
-

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- ¹ Bruce Horowitz, *Employers Take Note: Young Workers Are Seeking Jobs with a Higher Purpose*, *Time*, May 13, 2022.
- ² Kyle T. Ganson, Alexander C. Tsai, Sheri D. Weiser, Samuel E. Benabou and Jason M. Nagata, *Job Insecurity and Symptoms of Anxiety and Depression Among U.S. Young Adults During COVID-19*, Elsevier Inc., 2020. This study, conducted with June 2020 data from the U.S. Census Bureau, determined that 59% of young adults ages 18 to 26 had experienced direct or household unemployment since the start of the pandemic, and 38% were anticipating such a loss in the next four weeks.
- ³ “Young Americans continue to struggle,” American Psychological Association, March 11, 2021. “Gen Z adults (46%) were the most likely generation to say that their mental health has worsened compared with before the pandemic.”
- ⁴ Job Openings and Labor Turnover Summary, U.S. Bureau of Labor Statistics, January 2023. The monthly number of Quits by American workers topped 4 million per month toward the end of 2021 and continuing in 2022.
- ⁵ According to a new study conducted by Axios and the research firm The Generation Lab, 82% of young workers say that doing the minimum required for their job appeals to them.
- ⁶ Kamaron McNair, “Debt by Generation: How Non-Mortgage Debt Breaks Down for Gen Zers, Millennials, Gen Xers and Baby Boomers,” LendingTree, Aug. 9, 2021. According to an analysis of 3 million anonymized credit reports from LendingTree users who live in the 100 largest metropolitan statistical areas in 2021, 52.8% of Gen Zers and 69.7% of millennials in the 100 largest metro areas carry credit card debt, compared with 28.5% and 37.5%, respectively, who carry student debt.
- ⁷ *Mental Wellness Benefits: Barriers to Access*, Securian Financial, September 2022. The survey found that mental health days off is the top mental health wellness benefit used by young adults.
- ⁸ *Gen Z and Millennial Survey: The Pandemic Perfect Storm—One Year Later*, prepared for Bank of America by Georgetown University, McDonough School of Business, Bank of America Corporation, 2022. Forty-one percent of millennials report that they are just getting by financially, and nearly half (48%) say they are living paycheck to paycheck.

Methodology and references

The *Wellness Benefits Survey* was fielded January 30–February 10, 2023, and was conducted by the AgingWell Hub at Georgetown University’s Business for Impact at the McDonough School of Business in partnership with Bank of America. It was designed and executed by Edge Research utilizing an online panel to produce a nationally representative sample across the U.S., with 1,032 full-time employed respondents, ages 24 to 35, across all genders, age bands, geographies, and education and income levels. Sufficient samples of races/ethnicities and marital, parent and student statuses were collected. The survey follows two focus groups held on December 12 and 13, 2022, with full-time employed young adults ages 24 to 35. One focus group was held with employees of companies with fewer than 100 employees and one group with employees of companies with 100+ employees. The focus groups were two hours in length, with five participants per group.

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