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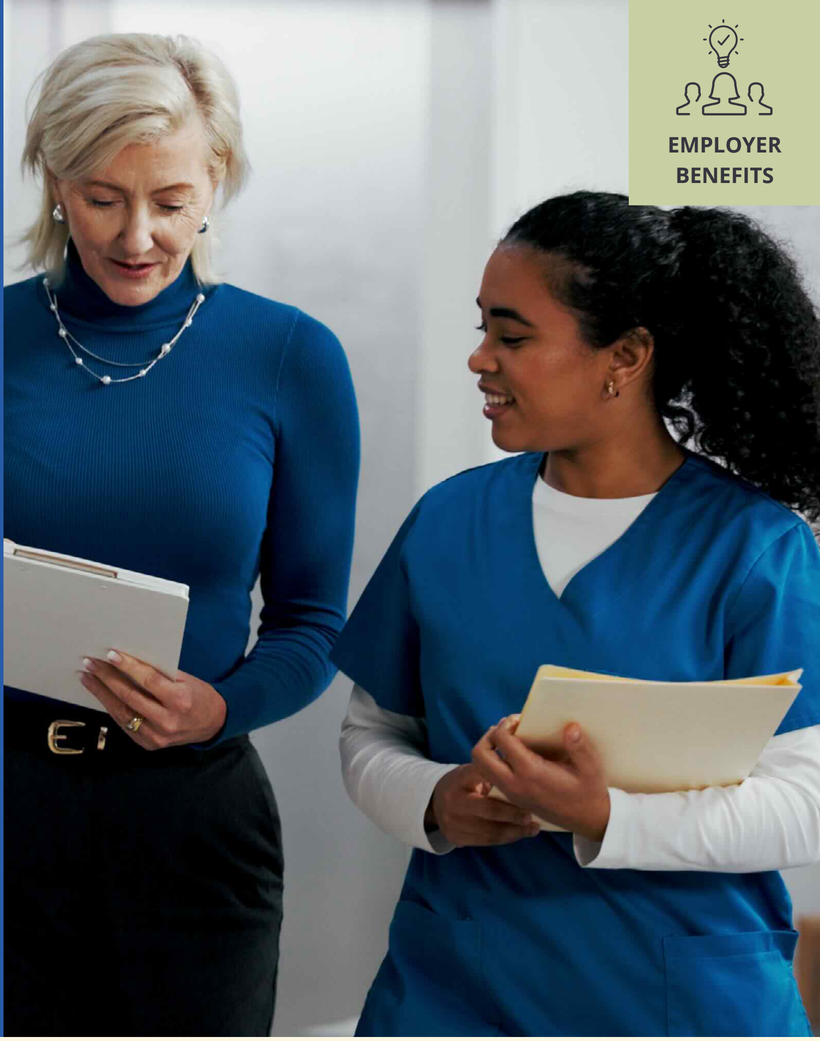
Workplace Benefits in Healthcare

From Challenges to Opportunities for Impact



EMPLOYER BENEFITS

Healthcare employers are navigating a period of increasing complexity. Rising healthcare costs, changing revenue models, persistent gaps in health plan and retirement participation, and growing financial strain among workers are reshaping how benefits leaders think about their offerings and how organizations evaluate their hiring and retention strategies.

This brief explores how healthcare employers can leverage intentional workplace benefits to align with the financial needs of their workforce, particularly for workers earning low to moderate incomes (LMI). It draws on findings from Commonwealth's 2025 national survey of workers earning LMI, alongside interviews with human resources and benefits leaders at ten large healthcare employers (20,000+ employees) conducted in the summer of 2025.

By examining both employee experiences and employer perspectives, this brief highlights where gaps exist between benefit offerings and employee needs—and where more intentional design and delivery can improve outcomes for both workers and organizations.

The Realities Shaping Benefits Strategy in Healthcare

Healthcare employers have complex workforce environments, shaped by variation across roles, income levels, and life stages.

Healthcare employers are navigating a diverse and complex workforce, which complicates benefits decision making. For example, many organizations employ workers across up to five generations, with financial needs that differ significantly based on age, career stage, and personal circumstances.

> "We have employees in their twenties all the way up to their seventies...each age group has their different financial needs."

In addition to generational diversity, healthcare systems often include a wide range of roles—from entry-level and support staff to physicians and executives—resulting in significant variation in income and benefits needs. Healthcare also includes wired and non-wired employees, which demand different approaches to benefits communication. These intricacies make it difficult to design benefits that are relevant and accessible -across the workforce.

Healthcare employers also noted that benefits often vary based on role, tenure, or union status, adding further complexity to decision making.

> "The eligibility actually varies more so by bargaining unit. [Our organization] is heavily union-based..."

Collectively, these factors create a challenging environment for benefits design. Employers are not only balancing diverse needs, but also trying to ensure that benefits are equitable, competitive, and practical across a highly segmented workforce.

Healthcare affordability is impacting employers and employees alike; benefits cost is the top challenge even in healthcare systems.

Cost is consistently cited as one of the most pressing factors shaping benefits decisions. Rising healthcare costs are putting pressure on organizational budgets while increasing out-of-pocket costs for employees.

> "We're seeing double-digit increases every year on medical plans…"

This pressure is felt by both healthcare employers and the healthcare workforce. Employers must balance offering competitive benefits with managing costs, while employees are increasingly sensitive to premiums, deductibles, and overall affordability. Employees often prefer higher-tier plans that offer more comprehensive coverage, but these options come at a significantly higher cost, creating additional tension in plan design.

In practice, this affects both access and participation. Some workers decline benefits altogether due to cost, while others underutilize available offerings.

> "If you were looking at our entry-level workers…most of them have declined the insurance based on cost."

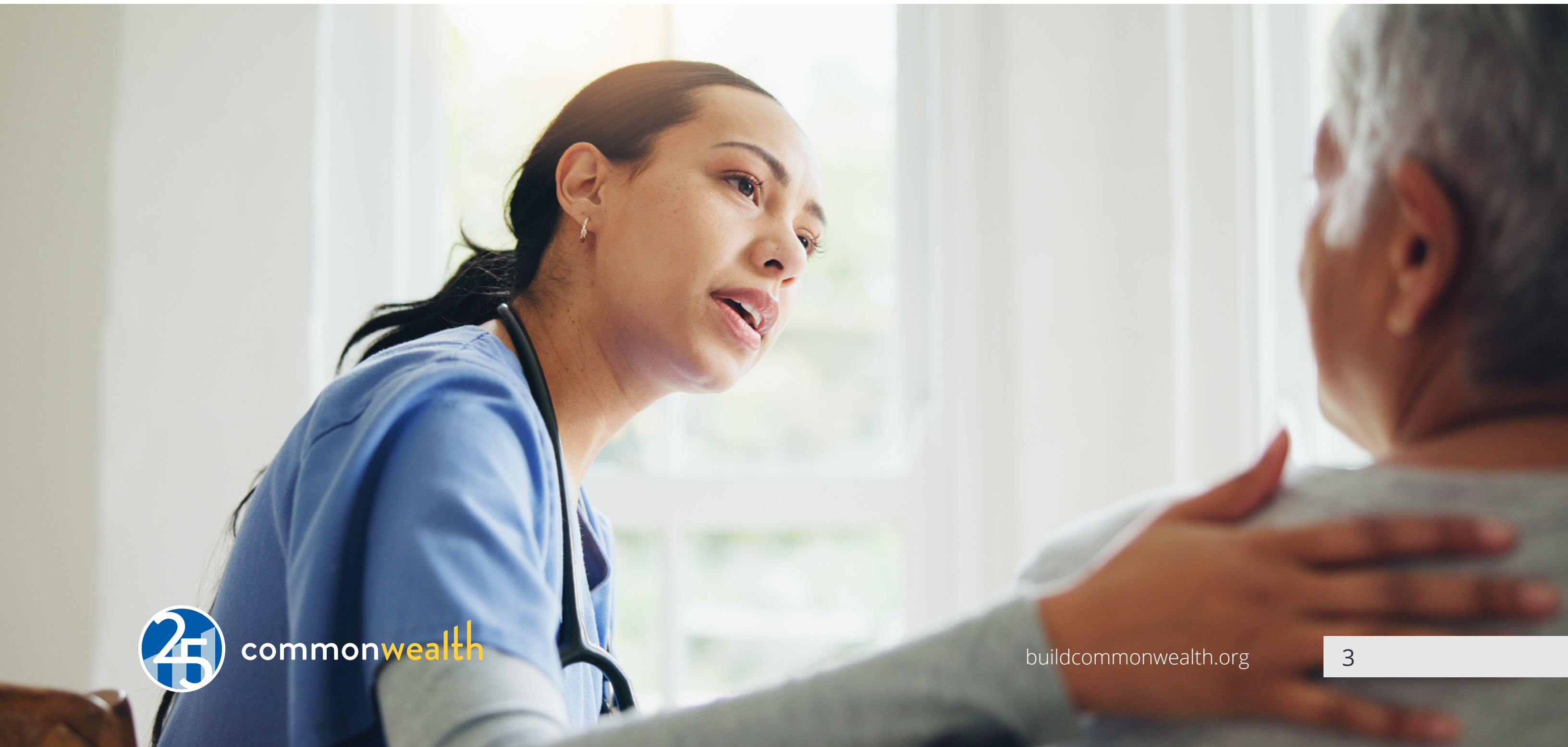
This reflects a broader pattern: affordability directly shapes how, and whether, the healthcare workforce engages with benefits.

External pressures are also contributing to this strain. Ongoing federal budget pressures on Medicare and Medicaid are expected to have downstream impacts on healthcare systems, particularly for organizations that rely heavily on these programs. In home health settings, where margins are already thinner, these pressures can be even more acute.

In this environment, employers are under pressure to demonstrate the value of any new benefits they introduce. Establishing a clear return on investment (ROI) is a key consideration, particularly as organizations look to optimize existing offerings rather than add new costs.

> "They're asking, how do we optimize what we already have?"

As a result, many employers noted that they are increasingly looking to existing vendors and benefits structures to improve impact, rather than expanding benefit suites without a clear business case.



Emerging Opportunities to Strengthen Benefits and Engagement

Employers are increasingly recognizing their role in supporting employee financial stability and its direct impact on productivity, retention, and quality of care. This shift is key for supporting healthcare workers because increased financial stress impacts how they show up to work, which can put patients' health and safety at risk.

Financial wellness is gaining traction as a priority for benefits leaders.

While healthcare and retirement benefits remain the foundation of most offerings, employers are beginning to explore how financial wellness benefits can better support their workforce and maximize the impact of these core offerings.

Workers report ongoing financial strain that extends beyond healthcare coverage and retirement savings. Many are managing day-to-day expenses while also trying to save, and a significant share report living paycheck to paycheck.

Emergency savings stands out as a critical gap between what workers need and what is currently available. When zooming in on the healthcare sector cut within Commonwealth's national survey, only 6% of healthcare workers report having access to an employer-supported emergency savings program, while 27% rank it among their most valuable benefits.

This gap highlights a clear disconnect between employee need and current offerings—one that makes it harder for workers to manage short-term financial shocks and contribute to long-term savings.

WHAT WE HEARD FROM EMPLOYERS

During our research, employers acknowledged growing interest in financial wellness, but many noted that it has not yet reached the same level of priority as the core benefits of healthcare and retirement. That said, employers anticipate that demand for financial wellness benefits will continue to grow.

> "I would say that the wellness initiatives are sneaking up...people are more interested and more aware."

Several described a "no one-size-fits-all" reality, where workforce needs vary widely and require more tailored approaches. Many are actively trying to better understand employee needs by conducting engagement surveys, analyzing benefits usage, and tracking interactions with benefits platforms.

Employers consistently pointed to a few key areas of need, including emergency savings and solutions to support with managing student debt.

Across these areas, employers also raised important considerations around cost, implementation complexity, and fairness—particularly when introducing benefits that may not be relevant to the entire workforce.

THE OPPORTUNITY

Financial wellness benefits can offer a practical way to address immediate financial needs while strengthening participation in core benefits.

The areas employers and workers identified as key needs are particularly well-positioned for impact:

Emergency savings programs can help address short-term financial instability in a more structured and scalable way. Employers consistently described emergency savings as foundational, noting that commonly offered hardship funds are not a substitute for employee-owned savings. This aligns with findings from Commonwealth's national survey, which show a clear gap between access and demand: among healthcare workers, demand exceeds access by 19% (more acute than the 16% gap across workers in all sectors).

Employer-supported solutions—both in-plan and out-of-plan emergency savings accounts—enable workers to build and access funds independently, helping to close this gap while complementing existing benefits rather than replacing them.

Employers also raised questions about how these programs might interact with retirement savings. However, research with a large healthcare employer shows that access to short-term savings can support, rather than reduce, long-term retirement participation, strengthening the overall benefits ecosystem.

DEMAND FOR EMERGENCY SAVINGS PROGRAMS

19% gap between access and demand among healthcare workers versus

16% gap across workers in all sectors

Student loan support provides a targeted approach to addressing a key barrier to financial progress. Our national survey data shows that healthcare workers report this need at higher rates than the overall workforce: 12% report paying off student loans as a financial priority and 10% cite student debt as one of their biggest financial challenges. At the same time, access remains limited, with only 4% reporting access to employer-sponsored student loan support.

This dynamic is particularly relevant in the healthcare sector, where many roles require postsecondary education and advanced degrees, certifications, and ongoing training, often resulting in workers entering and remaining in the workforce with significant debt.

Employers noted this tension, recognizing both the financial burden on employees and the potential impact on retention. Programs such as student loan retirement match allow employees to reduce debt while continuing to build retirement savings, helping to extend the value of existing retirement benefits and support participation and retention, as evidenced by a large healthcare employer.

More targeted approaches, such as tuition reimbursement or direct loan assistance, may also support retention in a sector where the cost of turnover can be significant—an important consideration raised by employers when weighing the cost of these benefits.

DEMAND FOR STUDENT LOAN SUPPORT

12% report paying off student loans as a financial priority

10% cite student debt as one of their biggest financial challenges

4% report access to employer-sponsored student loan support

Health Savings Accounts (HSAs) represent an important opportunity given the widespread offering of high-deductible health plans (HDHPs)— with 50% of workers having access to them in 2024, up from 38% in 2015. HDHPs can be appealing to workers because they offer lower premiums, increasing take-home pay. At the same time, they can create financial hardship in the event of urgent or preventative medical care, resulting in high out-of-pocket costs before the deductible is met. Research shows that without HSA savings, the financial health impact of having an HDHP is the same as not being insured, making well- funded HSAs a critical design feature of HDHPs.

Many organizations offer HSAs, while fewer actively incentivize their use. More intentional design, such as employer contributions, incentives, and clearer communication, can improve adoption and effectiveness—particularly when employers are offering an HDHP to workers who may not have sufficient savings to cover out-of-pocket costs.

Beyond these three opportunities, additional strategies can further strengthen the benefits ecosystem:

- 529 college savings programs, when paired with payroll integration or employer incentives, can serve as a differentiator in talent attraction and retention
- Tax-time support, which may help workers maximize refunds and access available public benefits
- Financial coaching support, which is effectively integrated within the wider benefits offering and may help with benefits navigation, selection, and engagement
- Caregiving and transportation benefits, such as childcare or roadside assistance, that directly address potential absences

When designed intentionally, these approaches can strengthen employee financial stability while advancing employer goals related to retention, engagement, and workforce well-being.

Reaching a distributed workforce—including employees without consistent digital access—is critical to driving benefits engagement

Even when the right benefits are in place, reaching the healthcare workforce and ensuring they understand and act on them, remains a significant challenge in an industry where access to communication channels varies widely. Therefore, communication must be designed to both reach employees across different roles and access points and ensure messaging resonates with their financial needs.

WHAT WE HEARD FROM EMPLOYERS

Employers consistently described communication and engagement challenges in terms of reach and effectiveness—not just whether information is shared, but whether it is received, understood, and acted on.

> "The last survey we did...60% said they have access to a smartphone...so 40% don't have access to an app...don't have email...don't have computer access."

Employers noted that no single communication channel is sufficient, and that even when information reaches the entirety of their workforce, ensuring it is understood and acted on remains a challenge. More active forms of face-to-face engagement are often more effective but difficult to scale.

Timing and accessibility also emerged as key barriers. While open enrollment remains the primary communication window, it is often focused narrowly on healthcare benefits. Employers also raised challenges related to language barriers and concerns about overwhelming employees with too much information, even as engagement remains uneven.

THE OPPORTUNITY

Communication strategies that reflect how employees actually work and access information can improve both awareness and utilization of benefits.

Employers are already using a mix of channels, but these approaches are often fragmented and not designed for how employees actually access information. Additionally, some employers may limit communication frequency out of concern for overwhelming their workforce. However, this caution may contribute to gaps in awareness, particularly among employees who are harder to reach.

Research suggests that employees are open to more frequent communication, especially when it is relevant and actionable, pointing to an opportunity to communicate more intentionally across channels and moments that matter.

Several approaches stand out:

Coordinated, multi-channel communication strategies can help address gaps in access across a distributed workforce. In practice, this means combining digital tools with physical and on-site communication methods. Printed materials, such as postcards and bulletin boards, can help reach the healthcare workforce without consistent access to email or intranet platforms, while mobile apps may be effective for segments of the workforce that are connected. Layering channels can improve overall reach and visibility.

Active engagement at key moments can make benefits more timely and actionable. Employers noted an opportunity to engage the healthcare workforce beyond open enrollment, at other key moments throughout the year. Tax season, compensation changes, and targeted savings campaigns were identified as points when employees may be more receptive to information and more likely to take action.

Direct, in-person engagements can drive deeper understanding and action. Employers consistently noted that group meetings, huddles, and one-on-one conversations are more effective than passive communication in helping the healthcare workforce understand and use benefits. While these approaches are more resource-intensive, they can be used strategically during key moments, such as new benefit rollouts, to complement broader communication efforts.

Accessible and inclusive communication can reduce barriers to participation. Language barriers and complex materials can limit understanding, even when benefits are available. Ensuring that core information is clear, concise, and accessible across languages, age groups, and income levels can help expand access, even when underlying products may be more complex.

Tech-enabled communication tools can help employers manage communication more effectively at scale. Some employers pointed to the potential role of emerging tools—including AI-enabled tools— to support communication and engagement efforts, though adoption remains early and there is hesitation around overreliance.

This creates an opportunity to use technology more intentionally to improve how benefits information is delivered and accessed, particularly in reaching different segments of the workforce and supporting more timely communication.

When communication strategies are designed with both access and relevance in mind, they can help ensure that benefits not only reach employees, but are understood, valued, and used.

What's Next?

These findings highlight opportunities for healthcare employers to strengthen the impact of their benefits strategies—by aligning offerings more closely with employee needs and ensuring they are accessible, relevant, and well understood.

For healthcare employers interested in exploring these approaches further, Commonwealth's Benefits for the Future initiative offers support to design, test, and implement intentional workplace financial benefits. This includes research, strategy, and implementation support tailored to the needs of participating employers. Thanks to philanthropic support from JPMorganChase, this work can be offered at no additional cost to participating employers.

If your organization would like to explore what a tailored collaboration could look like, please reach out to Commonwealth at info@buildcommonwealth.org.

Acknowledgments

Founded in 2001, Commonwealth is a national nonprofit celebrating 25 years of building financial security and opportunity for low and moderate income households through innovation and partnerships. For a quarter of a century, Commonwealth has designed effective innovations, products, and policies enabling nearly 2.5 million people to save nearly $9 billion. Commonwealth collaborates with consumers, the financial services industry, employers, and policymakers. Because Black, Latin, and women-led households disproportionately experience financial insecurity, we focus especially on these populations. The solutions we build are grounded in real life, based on our deep understanding people living on how and moderate incomes and how businesses can best serve them. To learn more, visit us at www.buildcommonwealth.org.

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