



# Lifestyle Benefits Benchmarking Report: Emerging Trends in 2024



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# EXECUTIVE SUMMARY & KEY INSIGHTS



# INTRODUCTION

**WELCOME TO 2024** – where routine employee benefits like health insurance, long-term disability, gym reimbursements, etc. no longer guarantee workplace success. HR leaders need agility to navigate **shifting priorities, evolving work models, and rising employee expectations.**

Understanding the vital role of tailored and impactful lifestyle benefits is essential, and that's where our report comes into play. Our comprehensive report is more than a source of insights. It provides in-depth information and expert guidance for navigating this **intricate and evolving landscape.**

Think of this report as a retrospective look at the past but also as a forward-thinking guide. It equips you with the knowledge to **create and manage lifestyle benefit programs** that deeply connect with your team, fostering a culture of engagement and productivity. Together, let's redefine the boundaries of what's possible in employee engagement and workplace culture.



# KEY INSIGHTS

The analysis you'll find in the report draws on 2023 customer data and insights. These numbers tell the compelling story of today's workforce - their shifting priorities, desires, and needs in a **rapidly transforming work environment**. The findings reveal the effectiveness of choice and inclusivity with **more categories of stipends being offered**, the **changing dynamics of employee expectations** in the workplace, as well as focus on employee **well-being and productivity**.



## Higher Utilization with Multiple Stipend Categories:

Our data reveals that offering a stipend program with **5-9 categories on a quarterly basis** shows a 20% higher utilization rate\* compared to monthly or annual options. The diversity of stipend categories fosters inclusivity, and the quarterly cadence blends the regular engagement of shorter cycles with the anticipation of longer ones.



## Big Budgets aren't Required:

We've noticed that **smaller budgets are able to garner 90%+ engagement**, with engagement being defined as when users log into the platform and submit their claims. Having a larger budget does not necessarily equate to better utilization. It all comes down to how your program is designed.

\* [percentage of dollars used in a given stipend program](#)

# KEY INSIGHTS



## **Dominance of Food and Health & Wellness Benefits:**

Food and health & wellness benefits remain prominent, accounting for nearly **50% of total employee spending**. Despite the tax implications of certain stipends, employees overwhelmingly prefer to allocate their resources to meet their daily needs in these categories, highlighting their significance.



## **Employees Desire Diversity and Popularity in Vendors:**

Our data reveals that employees are increasingly **seeking diversity and choice** in their vendor options. This is evident from the usage data of benefit platforms, where there was a jump to **over 70,000 unique vendors** being utilized in 2023, up from 40,000 in the previous year.



## **Stipend Software Massively Boosts Engagement Rates:**

Stipend software is rapidly becoming a preferred approach for delivering meaningful benefits. In fact, Compt data shows an impressive **93% employee engagement rate**, second only to payroll software. This trend suggests that when benefits platforms align closely with employee needs and preferences, they can achieve remarkable levels of ongoing user involvement.



# TOP BENEFIT CATEGORIES



# TRENDS IN STIPEND OFFERINGS

The **dominance of all-inclusive/LSAs\*** suggests a higher utilization for broader purpose stipends, indicating a desire for flexibility in a comprehensive benefits package.

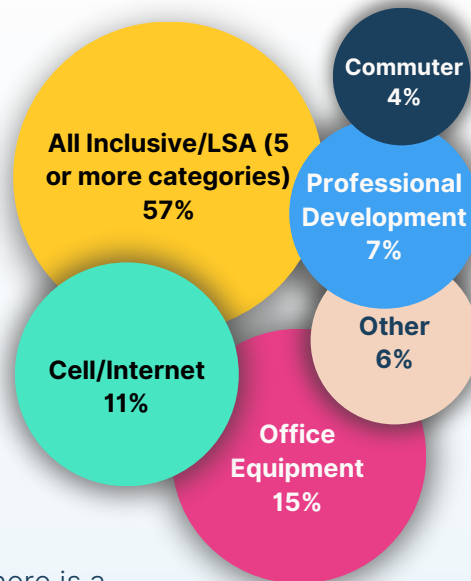
**Office equipment** is the second most popular, indicating a considerable need to support employees with their office setup.

Connectivity is key, with **cell/internet** stipends highlighting the importance of staying connected in the modern work environment, with some US states even mandating it.

**Professional development** is valued, showing that there is a recognition of the importance of continual learning and skill enhancement.

Stipends like **commuter, charitable giving, out-of-state care, business expenses,** and **co-working** grouped under 'Other' indicate that these are more specialized stipends that apply to specific circumstances or preferences of employees.

## Category Breakdown



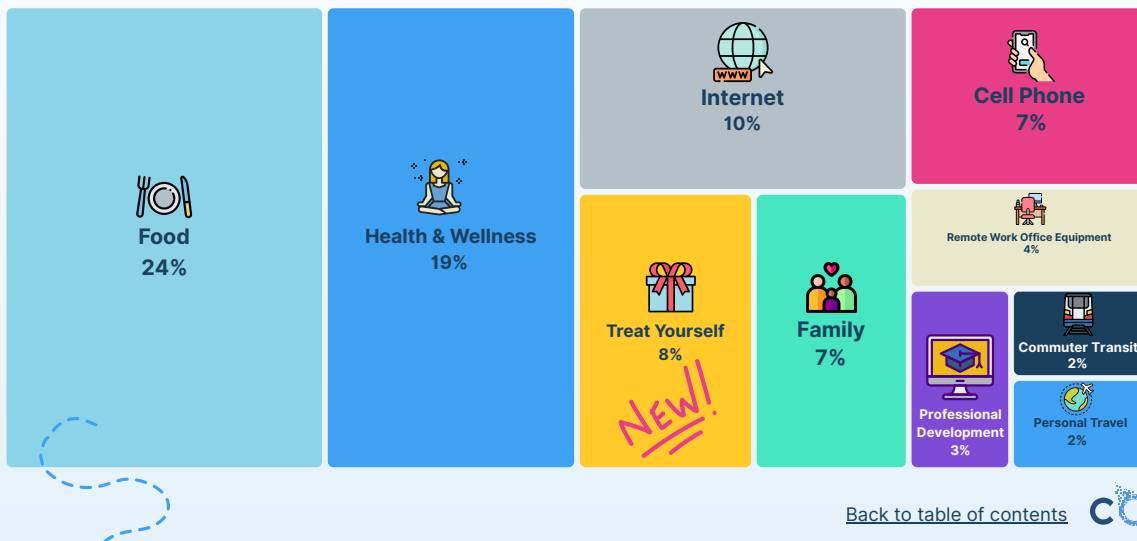
\* lifestyle spending accounts



# TOP 10 CATEGORIES - # OF CLAIMS SUBMITTED

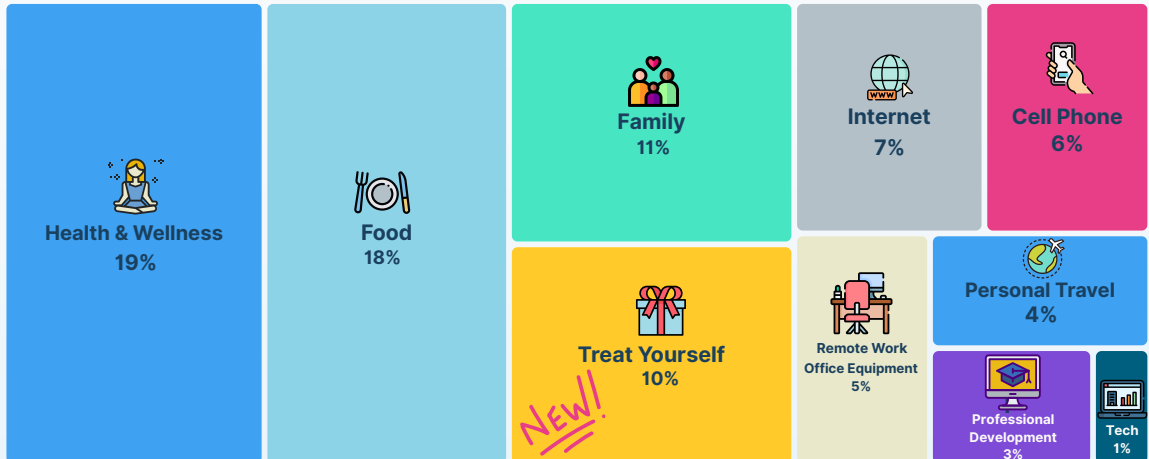
The data shows **food and health & wellness expenses comprise nearly half of all reimbursement claims**, suggesting that nourishment and well-being are valued by employees and employers alike. This trend has continued for the last two years.

In 2023, Compt introduced a **new category called “Treat Yourself”**. Its rank at number 4 out of the top 10 categories, highlights self-care and morale as being a priority.



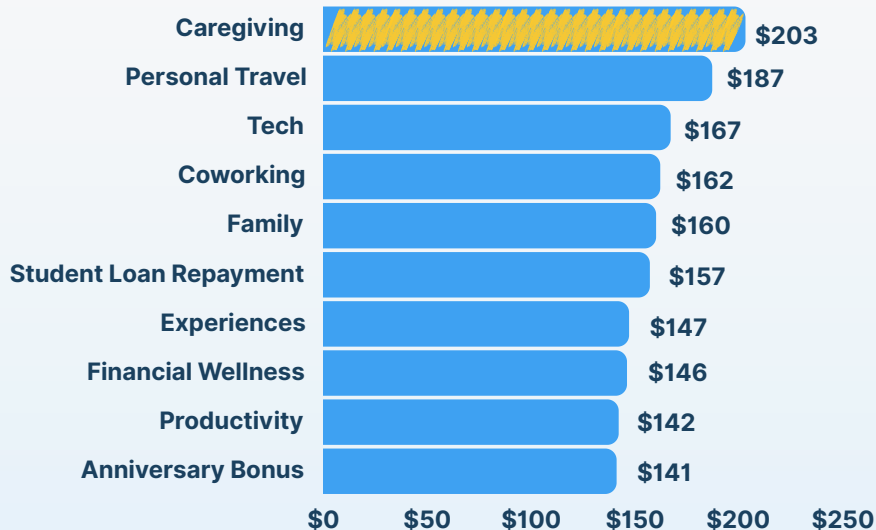
# TOP 10 CATEGORIES - AMOUNT OF MONEY SPENT

As shown above, people are submitting reimbursement claims for health & wellness and food more frequently, and our data shows that they're also spending more money on these two categories.



# TOP 10 AVERAGE CLAIM SIZE PER CATEGORY

Despite food and health & wellness being popular spending categories, their average claim amounts are less (\$79 and \$109, respectively). However, **caregiving claims are at the top**, with an average of \$203 claim size. A personalized stipend program allows employees to allocate funds towards areas where costs are higher, such as caregiving, personal travel, and technology.

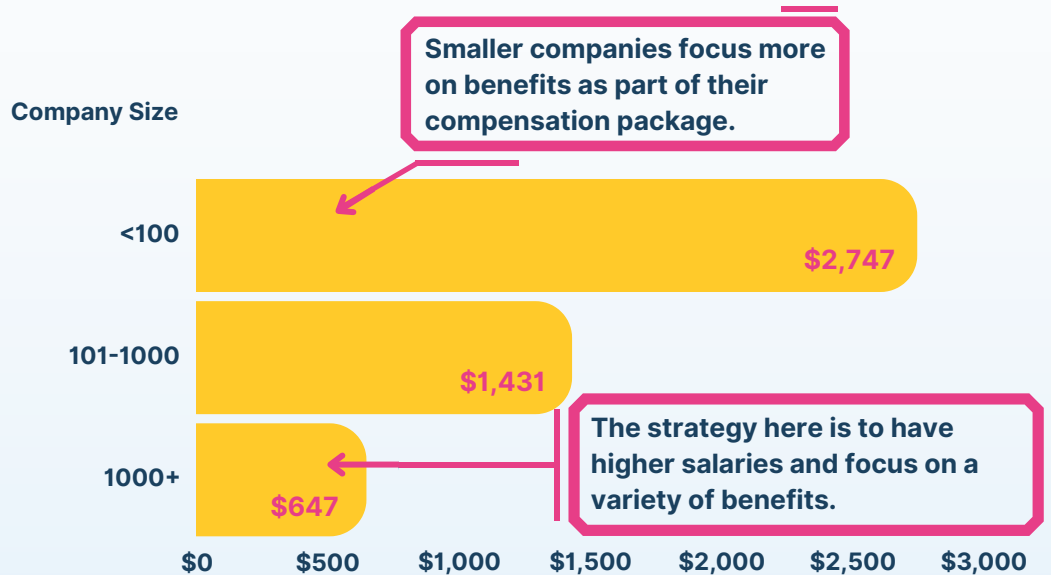


# ANALYSIS OF BENEFITS



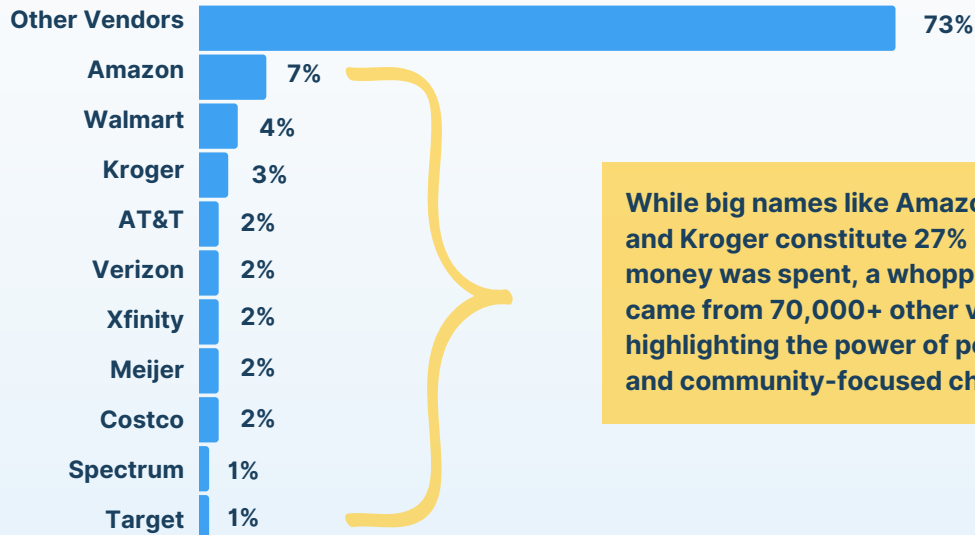
# COMPANY SIZE

Let's delve into the intriguing world of how much companies spend per employee per year based on the number of employees they have.



# 10 MOST POPULAR VENDORS BY AMOUNT SPENT

While Amazon is the single most popular vendor, it's the collective strength and diversity of the **70,000+ "Other Vendors"** on our platform that truly show the real power of lifestyle benefit programs. And how they can cater to individual needs.



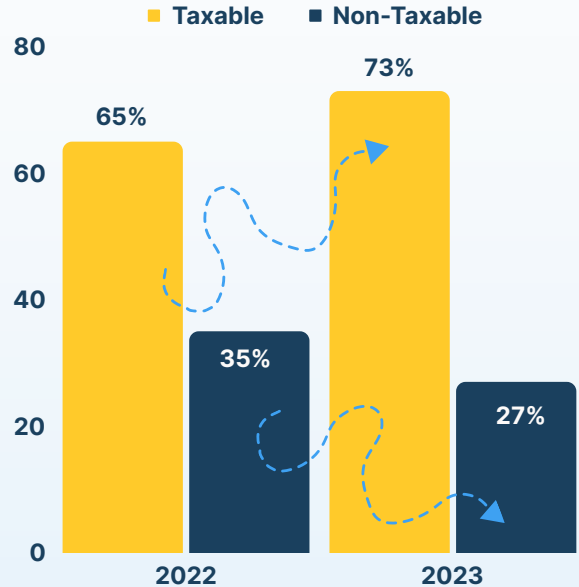
While big names like Amazon, Walmart, and Kroger constitute 27% of where money was spent, a whopping 73% came from 70,000+ other vendors, highlighting the power of personalized and community-focused choices.

# NON-TAXABLE CLAIMS DECREASE

In 2023, we saw an increase in taxable claims from employees on categories like health & wellness and food, and a decrease in non-taxable categories like work office equipment and professional development.

Employees returning to the office may be resulting in fewer claims for cell, internet, and office equipment.

Economic factors like inflation might be nudging employees to prioritize taxable benefits.



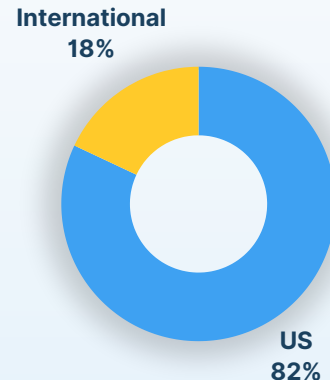
# HOW TO SUPPORT YOUR INTERNATIONAL TEAMS

Navigating employee benefits across various countries is a complex task. You are on a quest for a **cohesive company culture** while being on the lookout for local tax compliance, preferences, and vendors. If you aren't already, offering inclusive stipends simplifies this complexity, allowing you to **engage employees globally** while allowing employees to select benefits that best align with their personal values and needs.

As an international team, you can:

- ✓ **Design equitable benefits** across countries, regardless of their location.
- ✓ Let your **employees choose what they really want** to spend on, fostering inclusivity.
- ✓ **Be vendor-free**; so support that local bodega in Spain, take a class at the yoga studio around the corner in India, or sign up for Muay Thai classes in Thailand.

**Compt's Customer Distribution:  
Across the Globe**





# EMPLOYEE SPENDING PREFERENCES



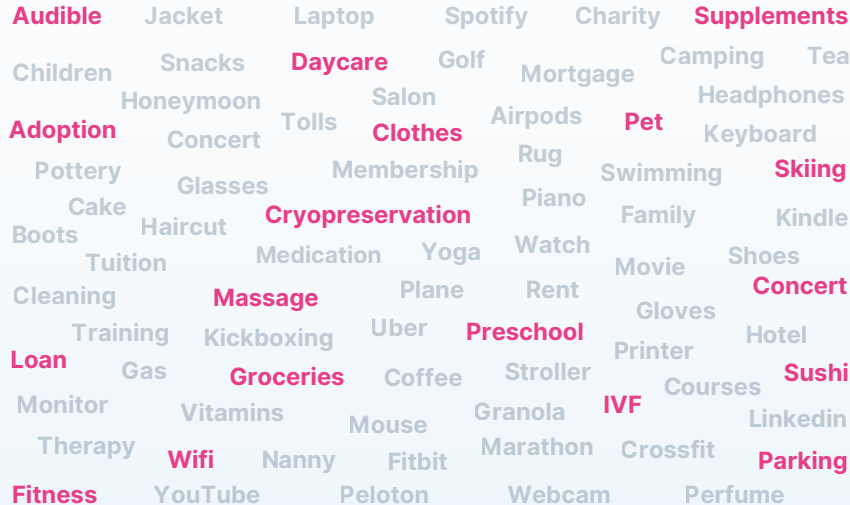
# DISCOVER THE MAGIC BEHIND FREEDOM OF CHOICE

Prepare to dive into the diverse and sometimes surprising ways employees utilize their company stipend. It's not just about what's bought – it's about who they are. It's about creating the **art of work-life balance** through their individual personalities and lifestyles.

It also serves as a reminder that when it comes to employee benefits, there is no one-size-fits-all approach. Your company has its own **unique culture and values**, which should be mirrored in your stipend policies. Craft policies that resonate with your team's aspirations and align with your organizational ethos. This is about more than just compensation; it's about connection, understanding, hearing your employees, and the freedom to choose.



# EMPLOYEES ARE SPENDING ON...



Compt helps our team members to be aware of the stipends that we're offering and empowers them to make the choices that make the most sense for them and their loved ones.

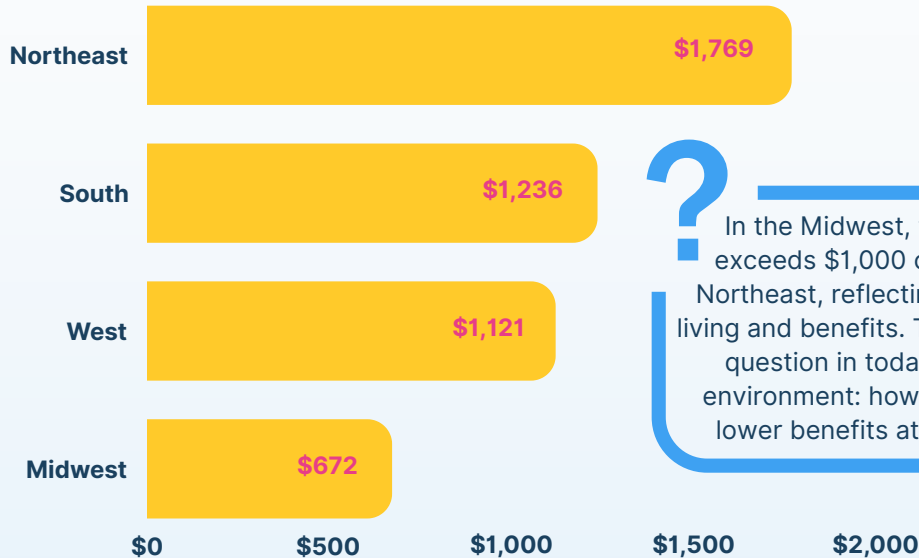
**Melissa Theiss** | Head of People Operations | Column

# HOW TO BUILD A GREAT STIPEND PROGRAM



# AVERAGE PROGRAM BUDGET\* BY REGION IN THE US

When managing budgets for lifestyle benefits spending accounts, it's crucial to understand how program budgets vary across different US regions.



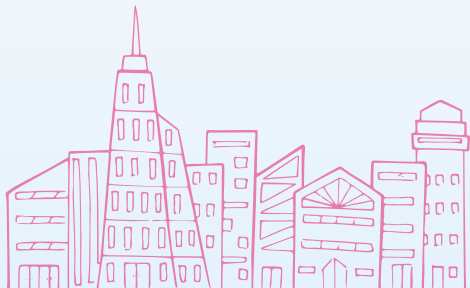
In the Midwest, the budget gap exceeds \$1,000 compared to the Northeast, reflecting a lower cost of living and benefits. This raises a critical question in today's hybrid work environment: how can regions with lower benefits attract top talent?

\* budget is per person per year

# WHERE TO BEGIN? THE JOURNEY FROM 0 1

Creating stipend programs requires careful thought and planning. These tips will help you meet the diverse needs of your employees while fostering a culture of appreciation and inclusivity within them.

- 1 Consider the impact you aim to make** with your program, whether it's employee retention, candidate attraction, or general employee satisfaction. Optimize for outcomes.
- 2 Conduct a needs analysis survey** to gather data on your employees' preferences and needs. Use this data to shape the stipend program.
- 3 Determine a budget** that aligns with these goals and is sustainable for your organization.



# WHERE TO BEGIN? THE JOURNEY FROM 0 1

- 4 **Communicate the program's purpose and its intent.** Align the program to your company's values. Encourage questions and feedback to ensure clarity and engagement.
- 5 Regularly **review the program's effectiveness.** Get feedback from employees on how it's going and any areas that need improvement.
- 6 Leverage data to **see the performance** of your program. Check for patterns of disengagement or high utilization.
- 7 **Celebrate and share success stories.** Highlight how employees are using their stipends.

84%

of Compt survey users believe that the stipend(s) offered through Compt are a valuable benefit that makes them feel appreciated.



# BOOST YOUR STIPEND SUCCESS

You've implemented a stipend program that your employees value and appreciate. That's fabulous! Here are some simple tips that will enhance your utilization rate and increase the success of your program.

- 1 Consider **adjusting the amount or categories offered** (we've seen that 5-9 categories have the highest utilization) in that stipend to increase its utilization.
- 2 Consider adjusting the **frequency of the category stipend** to quarterly, as we've seen that yields the best utilization.
- 3 Encourage team members to **share how they use their stipends** on your team chat.

Compt has been instrumental for us to be able to increase employee satisfaction and utilization rates far higher than we could have ever achieved with our old perks approach.

**Melissa Salcius** | Director of People Operations | Fictiv



# HOW TO MAKE A GREAT STIPEND PROGRAM?

Here are some questions you need to answer to help you understand what makes a great stipend program.



## **Are you flexible with your stipend categories?**

*Some employees would prefer a health and wellness stipend over pet insurance. Give your team access to the benefits they actually want and need.*



## **Do you have good control over spending?**

*Choose the frequency of stipends wisely. Quarterly may work better than a monthly cadence.*



## **Are you using a user-friendly program that is also tax-compliant?**

*Utilize technology solutions to streamline your process while keeping the admin load on your colleagues light. Bye-bye Excel sheets, hello automation.*



## **Are you transparent and reliable with your communication?**

*Communicate the benefit details and promote the program regularly to hit high utilization of stipends.*



## **Does your program reflect your company's values and culture?**

*Whether it's prioritizing wellbeing, family, or continuous learning, every stipend category should reflect your company's ethos.*

# COMPT CUSTOMER SHOWCASE

## A Social Network's Wellness Win

A large neighborhood-focused social networking company revamped its employee lifestyle benefits with Compt, **replacing gym memberships with a wellness stipend** usable worldwide. This change led to **90% of their staff actively using** various health and wellness perks, **increasing overall job satisfaction** and **making benefit management easier**, particularly in a global setting.

# 700

employees



Compt deployed in 8 countries

# 90%

employee engagement



# COMPT CUSTOMER SHOWCASE

## Enhancing Lifestyle Benefits for a Nationwide Remote Team

A leading global fertility healthcare company adopted Compt to **enhance its employee lifestyle benefits** in a competitive labor market. By offering a **diverse range of stipends** to their fully remote staff, including tech equipment and productivity aids, they **boosted employee satisfaction** and streamlined the administrative process of benefits management, catering to their team spread across 40 US states.

**300**

employees

**2 weeks**

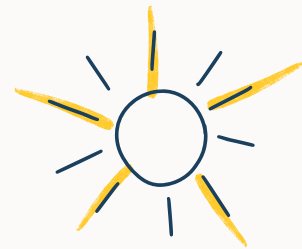
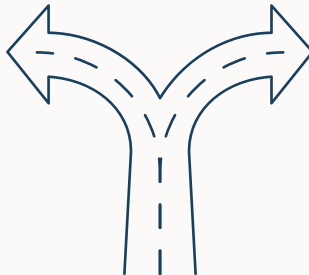
to launch

**97%**

employee engagement



# 2024 PREDICTIONS & TRENDS



# WHAT'S IN STORE FOR 2024

**Personalization of benefits** is more important than the amount allocated per employee. Smaller amounts given to employees but with a vision that they can **spend on what matters to them** will have higher credence - keeping your employees (and your CFO!) happy.



Companies who **work with a broker** to implement a stipend program through a software like Compt, have a **20.4% higher utilization** on average across all stipends. This is a strong indicator of the effectiveness of brokers in aligning stipend programs with employee interests and needs. As well as them having the expertise and insights that lead to more effective stipend design and communication strategies.



In Covid's wake, **professional development**, once sidelined, is back with a bang. **Career growth** now stands as a pivotal investment for forward-thinking employers. Dramatic program overhauls are underway, **turning upskilling into a strategic tool for employee retention**. This trend highlights the growing importance of continual learning in the workplace.



## WHAT'S IN STORE FOR 2024

Companies with **recognition programs** in addition to lifestyle benefit stipends, see a higher engagement with their stipend program. It creates more ways to engage with employees as well as higher visibility of the various programs. As companies increasingly embed sustainability into their core values, transitioning to '**green perks**' in recognition programs is not just a trend but a reflection of a deeper organizational commitment to global well-being.



Emphasis on **mental health** and personal well-being will continue to remain a top priority for employers. In addition, we are seeing a greater focus on **financial health** as well. This holistic approach to wellness recognizes that financial stress can significantly impact mental health, and vice versa, hence the importance of a unified strategy that addresses both aspects concurrently.

# HELPFUL RESOURCES



# INTERESTED IN LEARNING MORE?

Here are some top picks on learning more about creating and maintaining employee lifestyle benefits.

## How to Create an Effective Employee Benefits Strategy

Understand the importance of a mix of core benefits, fringe benefits, and companywide programs, covering various aspects like benefit types, costs, program design, legal compliance, and employee satisfaction assessments to attract and retain talent effectively.



## 7 Trends to Watch in Benefits and Compensation in 2024

How emerging trends in employee benefits and compensation, including GLP-1 drug coverage, increasing focus on financial wellness and mental health, rising salary levels to match inflation, efforts to control healthcare costs, growing emphasis on pay transparency, and a potential resurgence of pension plans will be some key focus points in the HR industry.





## THE END? OR JUST THE BEGINNING...

So, you made it to the finish line of our benchmark report! We hope you found some eye-openers, a few nods of agreement, and maybe even the occasional "Aha!" moment along the way.

Now, we don't want to be the nosy neighbor peeking over the fence, but if those gears in your head are turning about stipend programs or software to manage your existing one, consider us your friendly (and quite knowledgeable) folks next door.

We're not ones to toot our own horn, but...



Our G2 reviews are quite impressive (4.8/5)



Our customers LOVE us

So if you're curious, just pondering, or ready to dive deep into the world of Compt, we're here.

[Talk to sales](#)

