

Mid-Year Lifestyle Benefits Benchmark Report [2024]

A mid-year check-in on lifestyle
benefits trends and insights.



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Introduction

Earlier this year, our benchmarking report on lifestyle benefit programs highlighted the critical role they play in driving employee engagement and productivity. As we reflect on the first half of this year, we can see from Compt user data that supporting employee lifestyle benefits through **lifestyle spending accounts (LSAs)** has emerged as a powerful tool for organizations to support their workforce's holistic well-being.

85% of Human Resources leaders believe personalized benefits are a must*

At Compt, we're always looking into the data that our lifestyle benefits platform provides. This mid-year check-in, drawing insights from Compt user data, isn't just another set of statistics. It's a window into the future of work, showcasing how innovative companies are redefining employee support. We've distilled **key insights and emerging trends** that demonstrate the transformative power of flexible benefits programs.

Whether you're fine-tuning your current offerings or exploring new ways to support your team, this report provides a roadmap for staying competitive in today's evolving workplace landscape.



*Mercer Study

Key Insights

In our 2024 Lifestyle Benefits Benchmarking Report released earlier this year, our customer data unveiled compelling trends in employee benefits and workplace dynamics.



Variety Drives Participation

The data revealed that offering a diverse range of stipend categories (5-9) each quarter significantly boosted utilization rates.



Smart Program Design Trumps Budget

Interestingly, larger budgets didn't always lead to better outcomes. Well-designed programs, even with smaller budgets, also achieved high program participation.



Food and Wellness Takes the Lead

Food, health & wellness, and treat yourself categories consistently top the list of where employees choose to spend, underscoring their priority on well-being.



Vendor Diversity Matters, 70,000 Times Over

Employees value having a broad selection of vendors, as broad as 70,000 vendors.



Stipend Software Leads

Notably, a stipend platform like Compt with a 93% utilization rate, stands out as a powerful tool for delivering impactful and meaningful benefits.



This mid-year analysis will examine how our 2024 insights have evolved and uncover trends shaping the future of lifestyle benefits.

Join us as we delve deeper into the data.

Stipend Utilization and Categories

All-Inclusive Stipends for the Win

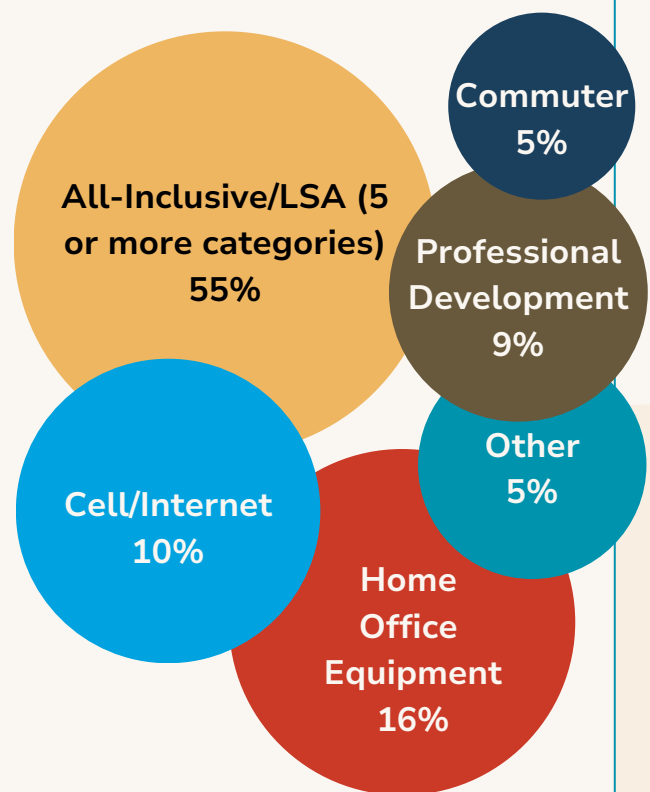
For the first half of 2024, our data shows a clear trend emerging: in the evolving landscape of employee benefits companies are **embracing flexibility and empowerment**.

The data from the top 5 categories employers offer reveals a continued preference for **all-inclusive stipends** and **lifestyle spending accounts (LSAs)**, with 55% of programs designed in Compt leveraging this all-inclusive approach. This popularity likely stems from LSAs putting decision-making power directly in the hands of employees.

Remote work is no longer a temporary shift but a permanent fixture of our professional lives. This reality is reflected in the **sustained focus on home office equipment allowances** being the second most popular stipend (at 16%) offered to employees, ensuring workers have the tools they need to thrive in their workspaces.

In our hyper-connected era, **cell phone and internet allowances have transcended mere perks to become essential components** of a competitive benefits package. This is why they remain a key focus, ranking as the third most popular stipend, with 10% of programs offering this benefit. Forward-thinking companies recognize this, and some U.S. states even mandate employer coverage of these costs.

Top 5 Stipend Categories



Professional Development Resurge

Empowering employees is powering businesses. This realization is driving an increase in **professional development** budgets (up to 9% in 2024, up from 7% in 2023). Businesses are investing in their people, understanding that their success is directly tied to employee potential.

But the best employers go further, adding specialized benefits in the 'other' category. These include **commuter assistance**, **charitable giving** programs, **out-of-state family care**, **business expense** coverage, and **co-working space** allowances.

“Of all our partners, Compt has been my personal favorite to work with. And let's be honest, it's my favorite to use, too! It's like Christmas every day.”



Andrea Srock
HR Manager, Healthpeak



Stipend Utilization and Categories

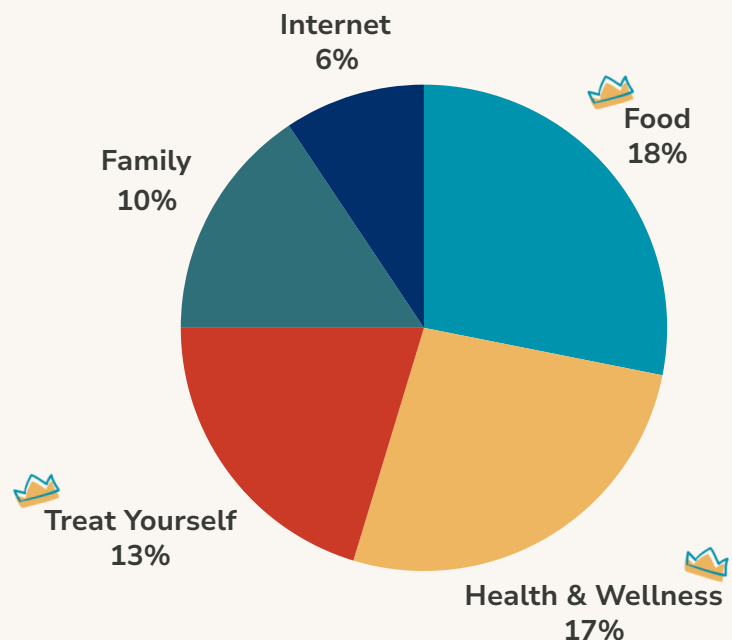
Food and Wellness Take the Lead

Our analysis of employee spending trends shows that food, health & wellness, and treat yourself categories dominated stipend usage in the first half of 2024. These insights highlight a workforce focused on holistic well-being, with a strong emphasis on physical health, mental wellness, and personal fulfillment.

Top 5 Categories By Spend

From 2023, we've noticed a slight decline in the amount spent on health & wellness (down from 19% in 2023) and family (down from 11%). While there is a 3% increase in the treat yourself category (up from 10% in 2023).

This suggests that employees may be placing more emphasis on personal well-being and self-care over family-related expenses.



From the traditional to the unexpected, companies are offering a wide range of stipend options. Here are some of the most popular categories at Compt:



Family



Treat Yourself



Health & Wellness



Tech



Caregiving



Team Events



Professional Development



Pets



Remote Work



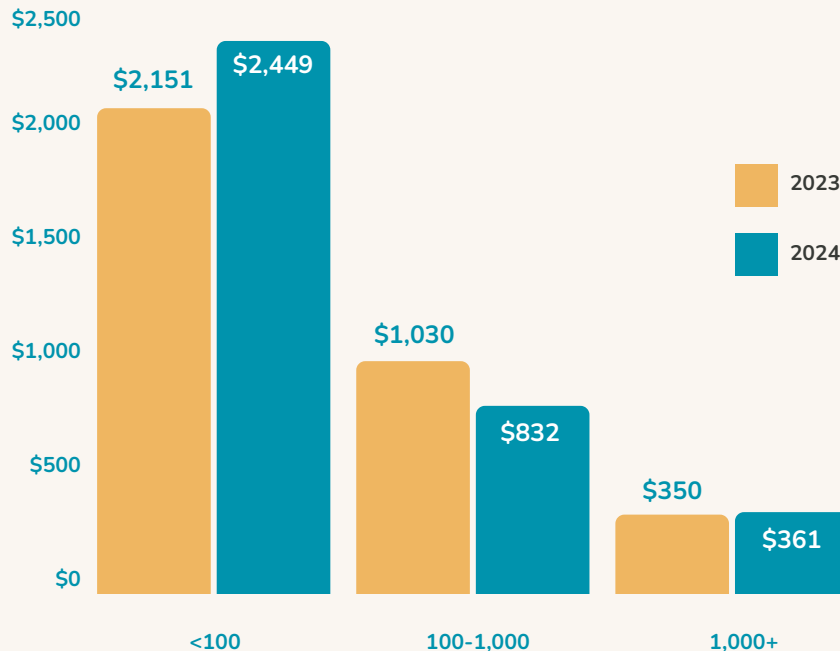
Student Loan Repayment

Stipend Program Design

Small Firms Ramp Up Spend by 14%

Budgets for a stipend program* as compared to last year, suggest that smaller companies (<100 employees) are investing more heavily in employee **benefits to attract and retain talent**, while mid-sized companies (100-1,000) might be optimizing their spending toward **reallocating resources** or are facing **budget constraints**. Large companies (1,000+) however, are maintaining a **steady approach**.

Average Budget for a Stipend Program



For small companies, spending has increased significantly by almost 14%.



In contrast, large companies experienced a smaller increase of about 3%.



Mid-sized companies, on the other hand, saw a decrease in spending by about 19%.

*Spend per employee per year

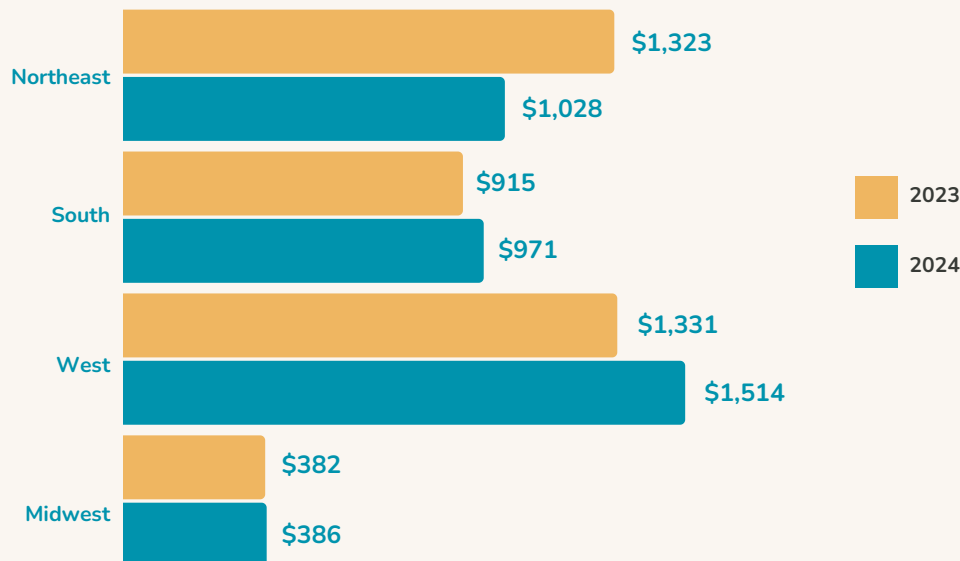
Stipend Program Design

The Midwest Trails by 292%

When managing stipend budgets, regional differences are jarring. In the program budget by region*, the West leads with a 14% budget increase from 2023 to 2024, while the Northeast sees a 22% decrease. The South and Midwest remain steady, showing only minor changes in their approach to benefits.

There is a 292% difference between average stipend budgets in the West versus the Midwest.

Average Program Budget by Region*



Tailoring stipend programs to regional needs is crucial. Companies adapting to these differences **optimize benefits, support their workforce, and maintain competitiveness** in evolving markets.

*Budget per employee per year

Vendor Diversity

37,000 Vendors and Counting

In the first half of 2023, our users showed us something remarkable. Given the freedom to choose, they spent their benefits at over **40,000 different vendors**. That's not just a number—it's a clear message that one-size-fits-all benefits are a thing of the past.



Fast forward to 2024, and we're still seeing impressive variety. In just six months, users chose from about 37,000 vendors.

While slightly lower than the same time last year, this figure proves that personalized benefits aren't just a trend—they're the new standard.

When given the choice, employees naturally spend on their preferred vendors rather than those chosen for them because they already have their favorite brands and services.

What does this mean for your company? Simply put, trusting employees to make their own choices leads them to select what truly matters to them. This results in happier, more engaged teams who feel valued and understood.

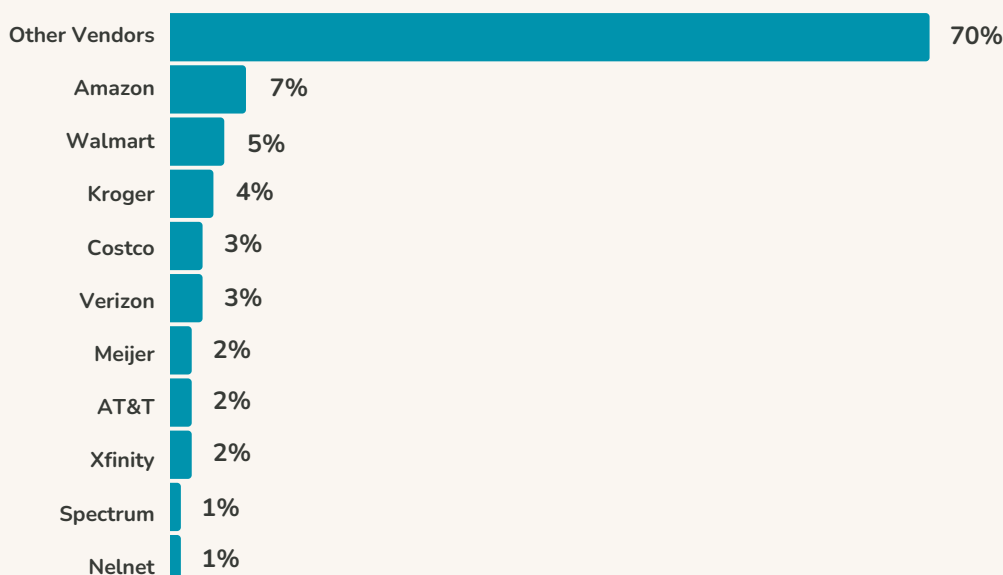
Forward-thinking companies are catching on. They're moving away from rigid benefit packages and embracing flexibility. Whether it's for learning new skills, setting up a comfortable home office, staying healthy, or achieving a better work-life balance, the most successful benefits programs let employees choose what works best for them.



Vendor Diversity

Beyond the Top 10

The top 10 most popular vendors tell one story, but a deeper narrative emerges when considering the 37,000+ “Other Vendors” accessed during the first half of this year on our platform. Amazon is hands-down the most popular choice, but the true strength of lifestyle benefit programs is revealed in the vast diversity and collective power of these other vendors. This range highlights the remarkable flexibility and personalized impact that well-designed benefits programs can deliver.



A notable change from last year is Nelnet, the student loan payment platform, entering the top 10 vendors.

Employees are using their benefits more to tackle financial stress, especially student loan debt. This trend highlights the rising importance of financial wellness in overall employee well-being.

“Makes me feel great when I can explore new things, and it is covered by Compt!”
VTS Employee

Vendor Diversity

Some Employee Spend Examples

Office/Work

Printer - Wifi - Monitor
YouTube - Keyboard
LinkedIn - Laptop
Webcam - Audible
Headphones

Health/Wellness

Kickboxing - Fitbit
Supplements - Yoga
Peloton - Acupuncture
Massage Therapy
Skiing - Oura Ring
Medications

Family

Groceries - Nanny
Daycare - Adoption
Preschool - Petcare
Caretaking - IVF
Stroller

Misc.

Cryopreservation
Comedy Show - Improv
Language Learning
Car Battery - Rent
Moving Expenses
Dehumidifier
Electricity

Employees continue to value vendor diversity in their benefits programs because they already utilize a wide spectrum of retailers in their personal lives, underscoring the critical need for flexibility and choice in benefits programs. This diversity signifies a company's commitment to personalization and inclusivity, enhancing employee satisfaction and fostering deeper engagement and loyalty.

Software Boosts Engagement to 93%

Using stipend software can transform a company's benefits strategy. **Compt's platform, with a 93% employee engagement rate**, highlights the power of personalized benefits.

This high engagement boosts job satisfaction, helps attract and retain talent, and creates a more positive work culture.

Stipend software reduces HR workload and allows companies to quickly adapt to workforce needs by:



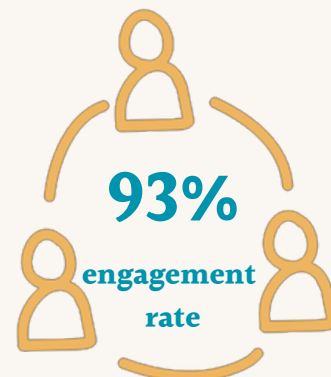
Simplifying administration



Offering data-driven insights



Providing flexibility



The result is a **cost-effective benefits solution** that employees value and use regularly, creating a win-win situation where staff feel appreciated and companies see real returns on their investment in employee well-being.

A recent Compt survey delivers a powerful message about the impact of personalized benefits.



90% of respondents strongly agree or agree that the stipends offered through Compt are a valuable benefit that makes them feel appreciated.

What to Expect

- 1** **Personalization of employee benefits** continues to emerge as the key to employee satisfaction, often surpassing the importance of the amount allocated per employee. Imagine a company where employees receive smaller, yet thoughtfully allocated stipends tailored to their personal preferences. This approach not only keeps employees engaged but also satisfies CFOs by optimizing budgets.

TIP: Invest in understanding your employees' unique needs and preferences.

- 2** As we move beyond the pandemic's disruptions, **professional development** has made a powerful comeback. Career growth is now a cornerstone of forward-thinking companies, transforming upskilling into a strategic tool for retaining top talent. This shift underscores the increasing value placed on continuous learning in the workplace.

TIP: Make continuous learning a core part of your company culture.

- 3** Companies that **partner with brokers** to implement stipend programs using platforms like Compt see a notable 20.4% increase in employee participation. This statistic highlights how brokers' expertise in aligning stipend programs with employee needs leads to more effective and engaging benefits.

TIP: Speak to your broker about wellness funds or credits to fund your wellness program.

What to Expect

4

The rise of **green perks** in employee recognition programs highlights a commitment to sustainability and global well-being. Companies are increasingly aware of their environmental impact and are aligning their actions with global sustainability goals. By offering perks that match employees' preferences and needs, businesses reduce waste from unnecessary items, making their sustainability efforts more effective and meaningful.

TIP: Incorporate eco-friendly perks into your employee recognition program.

5

While mental health and personal well-being continue to be top priorities, employers are also focusing more on **financial health**. This comprehensive approach recognizes the intertwined nature of financial and mental wellness, emphasizing the need for a unified strategy that addresses both aspects together.

TIP: Invest in programs that support both mental and financial well-being.



The End or Just the Beginning?

The Takeaway is Clear

Companies that will attract and keep the best people are those that offer benefits that can be tailored to each employee's needs. They understand that supporting employees as whole people leads to better work and happier teams. The current trends in employee benefits lie in crafting programs that are:



Personalized



Flexible



Sustainable

This shift from transactional to experiential benefits fosters a stronger emotional connection between employees and their workplace, leading to increased loyalty and productivity.

Moreover, a thoughtfully designed benefits strategy serves as a clear reflection of a company's values and culture. It communicates to both current and prospective employees that the organization is committed to their holistic well-being and long-term success.

As we look to the future, the most successful organizations will be those that view benefits not as a cost to be managed, but as a **strategic investment in their most valuable asset – their people.**

By leveraging insights from comprehensive benchmarking and staying attuned to evolving employee needs, companies can create benefits ecosystems that drive engagement, foster innovation, and ultimately propel the organization towards sustained success.

Today's workforce demands an evolved approach to employee benefits. Are you ready to join?

65%

of employees say they're **more likely** to stay at their company because of the benefits offered through Compt!

Talk to a stipend specialist!

