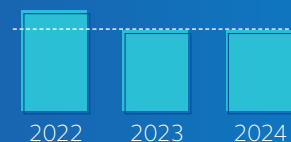


Importance of benefits for employees and key employees

How do you attract and retain the right talent? Offering benefits shows employees you value them. We asked over 1,000 business owners¹ about the importance of benefits for their employees and key employees.

Employee turnover has stabilized.

More than 20% of owners said employee turnover has increased over the past year—compared to 26% two years ago.



Offering benefits can help.

Seven in ten owners say benefits help improve employee retention, recruiting, and productivity.

Benefits help recruit qualified employees.



71% of owners say the employee benefits package helps improve their ability to recruit qualified employees.

Benefits are critical for employee retention.



71% of owners say employee benefits improve retention.

More owners say benefits improve productivity.



70% of owners say employee benefits improve productivity—this percent has grown from 42% in 2015.

Business owners want to offer more employee benefits.



6 in 10 owners want to offer more employee benefits.

When asked how they'd fund additional benefits, the top three responses were: use company profits, growth, or they don't know.

Benefit affordability is critical.

#1 "Affordability of employee benefits" is the #1 concern of owners among various workforce issues.

Key employees

When you think about the success of your business, chances are you have select key employees who play important roles in your organization.

In fact, **98%** of owners report having **at least one key employee.**

Almost half want to offer more key employee benefits.



46% of owners want to offer more key employee benefits.

Affordability remains #1 goal of key employee benefits.



The percentage of owners saying affordability is the number one goal has decreased slightly from 54% in 2023.

Businesses are offering key employee benefits at record levels.



87% of owners offer key employee benefits, compared to 74% in 2017.

 Let's connect

Contact your financial professional or go to principal.com/ownerinsights.

¹ 2024 Principal® Business Owner Insights survey, conducted by Dynata.



principal.com

The survey was conducted by Dynata and included 1,020 online interviews conducted in January 2024. Results were weighted based on the number of employees and annual sales. Potential respondents for this survey were selected from among those who have agreed to participate in Dynata surveys. Because the sample is based on those who agreed to be invited to participate, no estimates of theoretical sampling error can be calculated.

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