

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 1,000 business owners⁽¹⁾ about the importance of benefits for their employees and key employees.

Offering benefits can help.

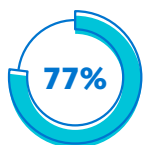
Seven in ten owners say benefits help improve employee retention, recruiting, and productivity.

Benefits help **recruit** qualified employees.



77% of owners say the employee benefits package helps improve their ability to recruit qualified employees.

Benefits are critical for **employee retention**.



77% of owners say employee benefits improve retention.

More owners say benefits **improve productivity**.



74% of owners say employee benefits improve productivity—this percent has grown from 42% in 2015.

Business owners want to offer more employee benefits.



Two-thirds of owners want to offer more employee benefits.

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**.

A record number of owners want to offer more key employee benefits.



65% of owners want to offer more key employee benefits.

Affordability remains #1 goal of key employee benefits.



However, the percentage of owners saying affordability is the number one goal has decreased slightly from 51% in 2024.

A record high number of owners offer key employee benefits.



39% of owners offer key employee benefits, compared to 25% in 2015.

 Let's connect

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

⁽¹⁾ 2025 Principal® Business Owner Insights survey, conducted by Dynata.



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The survey was conducted by Dynata and included 1,000 online interviews conducted in January 2025. Results were weighted based on the number of employees and annual revenue. 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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