



Espresa

Powering Great Workplaces®

2025 Employee Benefit Trends Midyear Update

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A Dynamic Landscape: 2025's Midyear Benefit Look

This guide explores how the landscape of employee benefits continues to evolve. As the midpoint of 2025 passes, ongoing shifts in employee expectations, economic pressures, and total employee wellbeing mean that emerging trends of last year have now solidified into critical pillars of the employee experience.

Forward-thinking organizations continue to strategically adapt their benefit offerings to remain competitive. Fostering a supportive environment and driving sustainable growth with a focus on high-value, cost-effective benefits requires inclusive wellbeing support, robust financial wellness programs, and personalized allowances.



Key Drivers of 2025 Employee Benefit Trends

Shifting employee expectations and inclusive benefits design

Today's workforce is more diverse than ever, with employees from varied backgrounds, life stages, and identities. Traditional benefit offerings no longer cut it. Inclusive and accessible solutions are required to truly meet the needs of every employee.

Employers who don't adapt to changing employee needs—or who overlook any of these groups—risk losing talented team members to forward-thinking competitors. Through inclusive strategies, organizations can create benefit programs that are competitive and reflective of the evolving expectations of their diverse workforce, increasing engagement, loyalty, and overall organizational success.



Economic uncertainty and the push for financial wellness programs

Employees are feeling the impact of economic uncertainty through rising costs of living and financial strain. The Hartford's Future of Benefits Study shows more than half of the workforce is stressed about household finances, living paycheck to paycheck, and seeing their savings decrease.¹ This financial stress doesn't stay at home; it negatively impacts employee wellbeing and productivity. In fact, 72% of U.S. workers report financial stress, and more than 56% say it hurts their workplace performance, costing U.S. businesses an estimated \$183B annually in lost productivity.²⁻³

Economic uncertainty underscores the need for benefits that truly resonate with individual employees' diverse financial situations and life stages. In response, employers are expanding financial wellness programs that support budgeting, debt management, and investment planning. Surveys show that 74% of employees want help from their employer to achieve financial stability, yet many existing benefits go underutilized, revealing a gap between employer intent and employee need.⁴

More companies are responding with debt management workshops, automatic savings features, and flexible financial tools to directly support employees through volatile times. Forward-thinking employers are elevating with programs that meet people where they are—from student loan repayment to smart budgeting and debt management tools—proving that benefits can be a lifeline, not a line item.

Financial Stressors

72%

of U.S. workers report financial stress

74%

want help from their employer to achieve financial stability

56%

say it hurts their work performance

51%

report living paycheck-to-paycheck

¹ The Hartford, Future of Benefits, 2025

² Benefits Canada, 2025

³ Benefits Pro, 2025

⁴ NFEC Survey, 2024

Surging healthcare costs are reshaping employer benefits strategies

Surging healthcare costs are a dominant force shaping employee benefit trends in 2025, compelling both employers and employees to adapt their strategies and expectations.

According to Mercer's Survey on Health and Benefit Strategies, employers project average health benefit costs to grow by nearly 6% this year, and 2026 may be even more challenging.⁵ PwC reports a \$50 billion increase in pharmacy spending in 2024, up from \$20 billion of growth in 2023.⁶

These trends highlight the urgency for employers to rethink how they address affordability while still attracting and retaining talent with a comprehensive benefits program. Employers can lead their peers by leveraging innovative strategies and targeted solutions to address cost, improve health outcomes, and create a workplace people genuinely want to be part of, and stay in.

Rising costs are squeezing both employers and employees, creating pressure on benefits strategies.

Cost Pressures for Employers



5.8%

expected increase in health benefit costs per employee⁵



8%

rise prescription drug costs of 8% in 2025⁷



\$50B

increase in pharmacy spending in 2024, up from \$20B in 2023⁶

Impact on Employees



38%

insured adults delayed or skipped care due to cost⁸



36%

adults forgo needed care due to cost⁹

Ultimately, the 2025 benefits conversation is about making every dollar feel personal and powerful while fully supporting employees.











⁵ Mercer Health & Benefits Survey, 2026 ⁶ PwC, Health Industry Insights, 2026 ⁷ Reuters, 2025 ⁸ Medical Economics, 2025 ⁹ KFF Polling, 2025

Then vs. Now: 2024 → 2025

2025 marks a clear shift in how organizations are funding, structuring, and adopting LSAs. Median funding has declined, but engagement remains strong, and employers are expanding flexibility through periodic funding, carry-forward designs, and broader wallets. At the same time, global adoption has accelerated dramatically.



Here’s how this year compares to last year’s data:

From Last Year to This Year: What Changed?			
Category	2024	2025	Change
 Funding Median (PEPY)	\$750	\$650	 Decrease
 Participation	>80%	>80%	 Stable
 Periodic Funding	~75%	~75%	 Stable
 Global Coverage Client Base			 Growth YOY

¹⁰ Espresa Benchmark Trends Report 2024

Deeper Dive: Engagement, Flexibility, and Industry Trends

Organizations are rebalancing LSAs by investing slightly less per employee while keeping participation high. Even with median funding dropping from \$750 in 2024 to \$650 in 2025, participation rates remain above 80% – with engagement proven at funding levels as low as \$600.



70%

customers offered a flexible, broad coverage wallet



3x

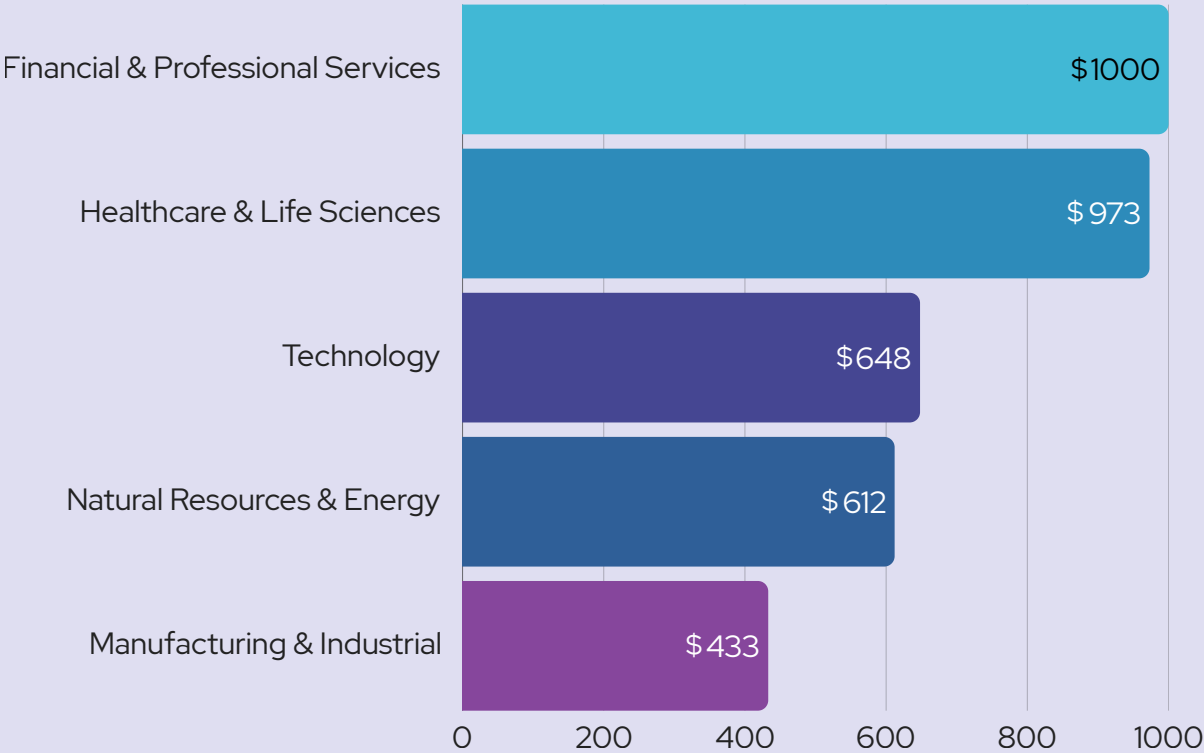
global eligible LSA client base grew more than 3x in 2025



2x

marketplace adoption nearly doubled in 2025

How Industries Invest in LSAs (2025 Median Funding)



The Rise of Holistic Wellbeing as an Employee Benefit

Comprehensive wellbeing benefits are inclusive, equitable, and accessible. Design benefits programs that support the whole person: mind, body, and soul. Robust mental health support and comprehensive wellness initiatives address diverse employee concerns.

Women's health resources, specifically menopause support and fertility and family-forming benefits, continue to top the list of trending employee wellbeing needs.



12%

of couples
require infertility
treatment to
achieve
pregnancy¹¹



\$20-25k

average out-of-
pocket cost for
one IVF cycle¹²



>2M

women enter
perimenopause
each year¹³



1M+

of U.S. women
enter menopause
annually¹³

Expanding mental health support and stress management resources

According to Mercer, nearly half (45%) of U.S. employees feel stressed most days at work.¹⁴ In response, more than 75% of large employers plan to offer digital stress management or resiliency resources in 2026, such as mindfulness and meditation apps, or apps grounded in cognitive behavioral therapy.

Employers who focus on making mental health support more accessible and stigma-free recognize that diverse groups may face different barriers to seeking care. An inclusive approach to wellbeing fosters a sense of belonging, ensuring that all employees feel seen and supported in their health journeys.

¹¹ Maven Clinic, 2025

¹² American Society Reproductive Health, 2025

¹³ National Institute of Health, 2018

¹⁴ Mercer, Benefit Costs 2026

Comprehensive women's health and wellbeing benefits

Women often navigate distinct health journeys throughout their lives, from reproductive health to midlife transitions, and comprehensive support is a strategic imperative.

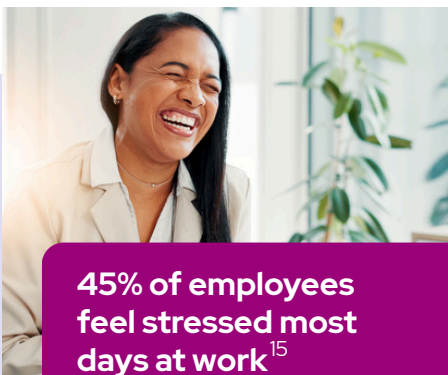
Key areas of focus for women's health support include access to robust perimenopause and menopause support, acknowledging the unique health challenges women face. According to the National Institutes of Health, in the United States, over 1 million people enter menopause each year, joined by over 2 million people entering perimenopause.¹⁵ By addressing such pervasive women's wellbeing needs, employers alleviate significant personal and financial burdens for their female employees.

With regulations varying widely across regions, medical travel benefits significantly enhance employee health and wellbeing by removing geographical and financial barriers to specialized care. Ensure employees' access to high-quality medical interventions, including those for complex conditions or reproductive health issues, that may not be locally available or affordable.

Family-forming benefits

Around 12 in 100 U.S. couples require infertility treatment to achieve pregnancy.¹⁶ The evolving landscape of family structures, coupled with individuals delaying parenthood, has significantly increased the demand for diverse family-forming pathways, including assisted reproductive technologies like IVF, fertility preservation, adoption, and surrogacy.

Family-forming benefits directly address significant emotional, mental, and financial burdens that can accompany the family-building process for many employees. By providing financial assistance and access to expert guidance, employers can alleviate stress and enable individuals to focus on their work without the added strain of navigating complex and costly personal challenges.



¹⁵ National Library of Medicine, 2025

¹⁶ Maven Clinic, 2025

¹⁷ Mercer, Benefit Costs 2026



Lifestyle Spending Accounts: A Personalized Benefits Revolution

As employees navigate family need, financial challenges, and lifestyle changes, personalization has emerged as the next critical pillar in benefits.

Lifestyle Spending Accounts (LSA) are the ultimate personalized benefit. Forget rigid, one-size-fits-all plans. LSAs put the power directly in your employees' hands, letting them choose the perks they truly value. More than flexibility, it's about empowerment, boosting satisfaction, and ensuring every single dollar is well spent.

Recent graduates can put LSA funds toward student loan payments, while new parents use theirs for much-needed childcare. One employee might invest in a gym membership for their physical health, and another could prioritize their mental wellbeing with a therapy app. These personalized choices celebrate the diverse needs of today's workforce, making your benefits package a dynamic, exciting part of your company culture.

Design benefits that work for everyone.

Our guide to Lifestyle Spending Accounts shows how to balance flexibility with cost control, so you can deliver personalization at scale.



Redefining Family Support and Workplace Flexibility

Beyond traditional parental leave, companies are increasingly offering comprehensive support for diverse family structures, including adoption and surrogacy assistance, grandparent leave, and flexible caregiving options. This support extends to providing leave for significant life events that may not fit conventional categories, recognizing the varied personal circumstances of employees.

Flexible and equitable leave policies empower all employees to manage personal and family responsibilities without sacrificing their careers, fostering a truly inclusive work environment. These policies acknowledge the diverse needs of employees who may be caring for elderly parents, siblings with disabilities, or non-traditional family members.

Financial Literacy Through Targeted Solutions

Financial stability benefits are also being reshaped by a deeper understanding of diverse economic realities. While student loan debt remains a significant concern for younger generations, each employee faces unique financial challenges, such as eldercare costs for sandwich generation employees, or the need for financial literacy programs tailored to different income levels and cultural backgrounds.

Offering a broader array of personalized financial tools and resources is trending in 2025. Emergency savings programs, earned wage access, and financial coaching provides flexible financial benefits to address the economic pressures faced by a diverse workforce. Ensuring equitable access to financial planning and support promotes employee financial resilience.

Specialty Allowances Resource Guide



Discover How Leading Companies Are Turning Flexibility Into Reality

Explore our Specialty Allowances Guide to learn how companies are designing personalized, compliant allowances for caregiving, financial wellness, lifestyle support, and more. It's a practical roadmap for building benefits that meet employees where they are—while staying globally consistent and cost-effective.



**JM Family
Enterprises**

Case Study: Empowering Choice & Value

JM Family Enterprises, a diversified automotive company with 5,000+ associates, sought to modernize wellness and reimbursement programs. By consolidating into a single platform with Lifestyle Spending Accounts (LSA), they created a flexible, high-value benefits experience.

[Read the Full Case Study](#) 

High-Impact Results



Budget Neutrality

Smarter spending by consolidating



87% Associates Accessed

The platform (record-high usage)



Flexibility & Choice

Employees direct funds where they need most



78% Submitted

At least one claim



Dual Model Impact

55% reimbursement vs. marketplace split delivers both freedom and curated value

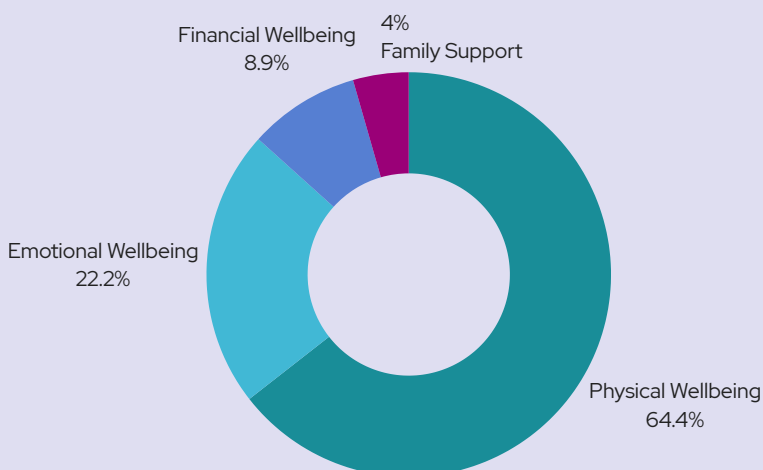


92.1% MSAT

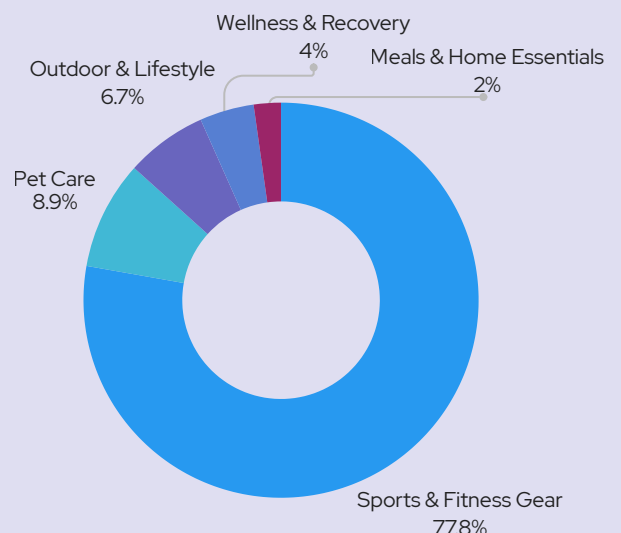
Member Satisfaction

Key Outcomes

Reimbursement Flexibility



Marketplace Trends



Espresa's Vision for Employee Benefits

Looking ahead, the employee benefits landscape in 2025 and beyond will continue its profound transformation, shifting away from rigid, standardized offerings. Personalization is no longer a luxury but a strategic imperative. Companies that embrace this shift will attract and retain top talent—cultivating a more engaged, productive, and resilient workforce.

To future-proof their benefit strategies, companies must prioritize agility and an unwavering employee-centric approach. Espresa helps companies utilize advanced analytics to understand employee preferences, track utilization, and proactively tailor offerings. Data-driven insight allows for continuous refinement and ensures benefits are truly impactful.

By offering a unified platform for Lifestyle Spending Accounts, total wellbeing, recognition, and community, Espresa enables organizations to create flexible, globally-inclusive, and impactful benefit programs that meet the evolving demands of the modern workforce, ensuring companies remain competitive and employees thrive.

**Future-proof your benefits strategy.
Let's build programs that employees
love and organizations can sustain.**

If you are an employer
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Future-proof your benefits strategy.

Download Espresa's 2024 Benchmark & Trends Report to see how leading companies are shaping flexible, inclusive, and impactful employee benefits strategies while balancing cost control and personalization at scale.



**Sign up now to be the
first to access 2025
Benchmark data.**