

How to Fund Your Employee Programs for Maximum Engagement

As diversity and inclusion become more important, companies that focus on employee engagement through workplace programs are learning a few important lessons. Espresa's customers have learned through their platform analytics that the funding model dramatically affects engagement.

Generally, companies have three options to fund their employee programs: offer no subsidies, subsidize some programs, or adopt an allowance model.

UNSUBSIDIZEDSUBSIDIZEDALLOWANCESImage: Description of the second seco

Unsubsidized refers to when a company offers employee programs and the employee pays to participate. Although having onsite programs increases convenience, employees are not incentivized, so engagement rates will be around 10%. Companies generally will subsidize some employee programs like health and fitness. Those that offer a wide variety of workplace programs, but only subsidize a few should expect an employee engagement rate of about 37%. Choosing to subsidize a few programs limits inclusion and diversity by addressing the needs of less than half of the employee population. Allowances are extremely popular because they provide employees with the freedom to choose the programs they value most and still receive support from the company. There are two ways to administer allowances. The traditional model is reimbursements, meaning an employee pays out of pocket first for the program and then submits an expense report. The newest model is the "employee wallet."



Employee Wallet: The Future of Allowances

An allowance model can also be administered via an employee wallet, where funds are distributed into an Employee Programs Automation platform, like Espresa, to be used on the workplace programs that the employee chooses. It allows companies to continue engaging employees at scale, reduce administrative burdens, and provide a superior employee experience. It's no wonder why companies that deploy an employee wallet model can expect an employee engagement rate near 100%.

