

The vital role of PEOs in delivering employee care

Helping small business employers maintain a happier, healthier workforce.



MetLife is committed to helping PEOs and their clients thrive. Our dedication to the PEO market includes research and reporting on changes in employee-employer dynamics. In this article, we've highlighted some insights from the 7th Annual MetLife PEO Advantage Report that can help you stay ahead of business opportunities in a rapidly changing marketplace.

The challenge

After the upset of the pandemic, small business employers find themselves facing new challenges. Workers feel empowered to put their well-being and family first, and small business employee loyalty has continued to flounder. Approximately 3 in 10 small business employees now say they plan to leave their employer in the next 12 months.¹



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Small businesses are increasingly turning to PEOs for help

Over the past few years, the number of small businesses that are using a PEO has risen sharply. MetLife's 2023 PEO Advantage Report cites an increase from 20% in 2021 to 35% in 2023.¹ And **those employers who use a PEO are seeing improved outcomes:**

73% of PEO worksites say they have **reduced employee turnover**¹



84% say **employee benefits** are an important reason why employees remain with them.²



What is “employee care” and why does it matter?

MetLife defines “employee care” as employers’ genuine demonstration of interest in employees’ overall well-being. Ideally, care delivery will be “always-on” and embedded as an intrinsic feature of everyday operations, impacting every aspect of the employee experience.

To work effectively, continuous employee care requires that employees are aware of the benefits available to them, know where to access those benefits and understand how to use them. PEOs are a vital link in helping employees realize the full value of their benefits and helping their clients achieve return on investment.

MetLife’s 22nd Annual U.S. Employee Benefit Trends Study identified employee care as a powerful driver of satisfaction, loyalty and employee well-being.²

Employees are looking to their employers for additional support

Amid rising costs of living and turbulent times, employees are looking for more financial security and a caring and supportive work environment with attractive benefits. Today, **93% of employees consider workplace well-being to be as important as salary**, an increase of 10 percentage points since 2022.²

Small business employees struggle more with their financial and mental health compared to colleagues at larger organizations. When it comes to inflation and increased living costs, small business employees disproportionately feel pinched. Forty-seven percent of small business employees now report they have poor financial health.¹ Falling financial health has a ripple effect across other aspects of wellness, as financial stress adds to employees’ existing mental health struggles.

For many workers, the financial uncertainty and medical risk of the COVID-19 pandemic brought to the forefront the importance of workplace benefits.³ Beyond offerings like dental, life and disability insurance, employees want benefits that suit their individual needs, such as pet insurance and legal coverage.³ There has also been a surge in interest in plans that can supplement employee medical benefits in case of accidents, critical illnesses or hospitalization.³

PEOs can help small businesses offer “big business” benefits

PEOs provide small businesses with access to benefits programs they otherwise would not have. This broader range of benefits helps employers deliver employee care and improve employee well-being and satisfaction. The more benefits employees are enrolled in, the higher their holistic health.²

77%

of PEO clients say they have access to a broader range of benefits than they would have otherwise¹



When small businesses demonstrate care across the employee experience, their workers are:¹

3.3x

more likely to feel holistically healthy

2.4x

more likely to be satisfied with their job

1.9x

more loyal to their employers

Employee care can positively impact the bottom line

Organizations with holistically healthy employees are much more likely to project annual revenue growth of 11% or more.² In fact, **87% of leaders say that prioritizing employee well-being gives their organization a competitive advantage.**⁴

MetLife helps PEOs and small businesses deliver employee care

We have a long history of serving PEOs and their clients by providing access to a broad range of benefits with the convenience of a single carrier. MetLife’s comprehensive communications strategy helps ensure that employees understand and make the most of their benefits. Talk to your MetLife representative about expanding your PEO’s benefits offering.



¹ MetLife’s 2023 PEO Advantage Report.

² MetLife’s 22nd Annual U.S. Employee Benefit Trends Study 2024.

³ MetLife’s 2022 PEO Advantage Report.

⁴ University of Oxford, Workplace Wellbeing and Firm Performance, 2023.