SmartPath

The Generational Divide: Why Benefits Customization Is INEVITABLE

As Gen Z comes of age, employees now represent four distinct generations, spanning more than 60 years. With these demographic differences come wildly different expectations when it comes to benefit options. Now more than ever, "benefits customization" is the word on everyone's lips. Rather than buying standard group options for every benefit, employers can offer reimbursement for a variety of benefits, which empowers each employee to handpick a package that best suits their lifestyle.

- How do you make a package that pleases a diverse workforce?
- What does each generation want out of their benefits?
- How do you care for your employees and make them feel valued?

Check out the infographic below for a glance at what each generation is looking for when it comes to benefits, and how to help them get exactly what they need.

BOOMERS
Late Career



1946–1964

Profile:

Even though this generation has been working a long time, they may continue to work, at least part-time, even into their 60s either because they enjoy their work or have insufficient retirement savings.

Priorities:

- Safety and confidence in investing and retirement strategy
- More time to care for personal health

Key Concerns:

- Insufficient retirement savings
- Potential recession and/or loss in investments over time
- Identity theft
- Navigating Medicare
- Health and wellness, specifically related to aging
- Expense of healthcare, especially preventative treatment
- Estate planning
- Expense of caring for much older parents

Key Benefits:

- 401(k) match
- 401(k) education, especially information about catch-up contributions
- HSA
- Gym stipend
- Telemedicine benefits
- Preventative coverage
- Estate planning education
- Elder-care benefits

GEN X
Mid-Late Career



1965–1980

Profile:

This generation is experienced in their careers, but due to the cost of raising kids, paying for college, or helping aging parents, they may have significant financial struggles.

Priorities:

- More time with family
- Mentorship
- Rest to refuel for the next stretch of their career

Key Concerns:

- Retirement planning
- Balancing kids' college and also contributing to retirement
- Getting on the same page with spouse about finances
- Concerns about refinancing mortgage
- Caring for elderly parents
- Work-life balance

Key Benefits:

- 401(k) education that focuses on how to prioritize savings
- Caretaker benefits
- Financial advisor
- WFH opportunities
- Increased vacation days or a sabbatical
- College and FAFSA solutions

MILLENNIALS
Early-Mid Career



1981–1996

Profile:

This group is approaching the middle of their career, and wondering how to take the next step to level up professionally. They are also thinking more about family life and the added costs of more dependents.

Priorities:

- Career advancement
- Recognition for a job well done
- Getting out of debt and/or buying a home

Key Concerns:

- Professional development to be able to advance at work
- Prioritizing financial goals, especially when paying off student loan debt
- Other high-interest debt (payday loans, credit cards, medical, etc.)
- Cost of healthcare, especially when adding dependents
- Cost of raising children

Key Benefits:

- Student loan/401(k) match
- Financial wellness/ coaching
- Professional development and/or career coaching
- Flexible working arrangements
- Healthcare options that cover dependents
- Generous parental leave
- Dependent Care Assistance Program (DCAP)
- Wellness stipend
- Pet insurance

GEN Z
Early Career



1997–2013

Profile:

This generation is inexperienced professionally and as a result, tends to worry a lot about job security. They also worry about finances more broadly, especially how to make good choices with their money. They are the most prone to struggle with mental health.

Priorities:

- Personalization and flexibility in working arrangements
- Prompt feedback on work projects
- Mental health care

Key Concerns:

- Retirement planning
- Student loan support
- Mental health
- Burnout and stress at work
- Financial stability
- Job security
- Making the wrong choices with money

Key Benefits:

- 401(k) education, especially explaining the match and how to get started early
- Student loan/401(k) match
- Mental health stipend or other resources
- WFH opportunities
- Financial wellness/ coaching
- Wellness stipend
- Pet insurance

Personalized benefits through Benefits Expense Cards or Lifestyle Savings Accounts (LSA) allow each employee to get exactly what they want out of their benefits package, with little to no extra lift for the HR team. It may seem daunting at first to do everything for everyone, but offering flexible plans that let employees pick and choose what matters to them will help you hire and retain top talent across generations.

What is a Lifestyle Spending Account?

Some companies now offer a Lifestyle Spending Account (LSA) as a way to allow employees to pick what matters to them, without breaking the bank. This type of account empowers employees by letting them choose between a variety of voluntary benefits (like gym memberships, travel, work-from-home setup, or professional development) and design a package that fits their lifestyle.

About SmartPath

SmartPath is the leading provider of comprehensive financial education solutions in the country. Its robust offering includes daily educational classes, one-on-one coaching, and digital tools that empower individuals on the journey to financial freedom. Founded in 2010 and supporting over 700,000 individuals, SmartPath delivers its financial education solutions in partnership with financial institutions, fintech companies, and employers nationwide. For more information, visit www.joinsmartpath.com.

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