Are You Getting a Real Return on Your Employee Benefits Investment?

How to Maximize the ROI of Your Six- to Seven-Figure Benefits Spend

Every year, employers invest hundreds of thousands, or even millions of dollars in employee benefits.

The expectation is straightforward: healthier employees, stronger retention, higher productivity, and a more competitive business.

But is that actually happening?
For many employers, the answer is uncertain.

Healthcare costs continue to rise year after year, yet many organizations struggle with employee turnover, low benefits utilization, and ongoing budget pressure. Benefits have become one of the largest investments a company makes, but many employers have no way of knowing whether they're receiving an acceptable return.

The good news is that employee benefits absolutely can deliver exceptional ROI, but only when they're designed to produce measurable business outcomes.

This guide will help you determine whether your current benefits strategy is paying off and identify opportunities to generate greater value from every dollar you invest.

In This Report, You'll Learn:

+ Why employee benefits can deliver an exceptional return on investment
+ How to tell whether your benefits are actually paying off
+ Why spreadsheets alone don't lead to better decisions
+ Four ways to increase ROI without cutting benefits

What Employers Should Expect from Their Benefits Investment

Employee benefits aren't just another business expense. They're an investment. Like every investment, the goal isn't simply to spend money; it's to generate measurable returns. When structured strategically, employee benefits can deliver value in several critical areas.

- **Stretch every compensation dollar.** Sure, you could just give your workers cold hard cash, but benefits can be most cost effective. Because employers can negotiate discounted rates and receive tax incentives, they get more bang out of each buck, helping limited compensation budgets go further.

  $1 = $1.47 financial benefit

  For every $1 spent on health insurance, employers can expect to get an average of $1.47 in financial benefits, according to Avalere Health.

- **Build a healthier, more productive workforce.** Most employee benefits support physical, mental or financial health. When employees are able to take care of themselves, they're less likely to miss work and better able to focus on their jobs.

  By improving wellbeing, employers can boost productivity by an average of 10%, according to Harvard Business School.

- **Reduce the high cost of turnover.** A comprehensive benefits program can be a huge draw for job seekers, and workers may be more likely to stay loyal to an employer if they depend on the benefits. Due to the high cost of employee turnover, investing in employee benefits in order to retain workers can make financial sense.

  The cost of replacing an employee can cost 1.5 to 2 times an employee's annual salary, according to Gallup. If you're spending less than that on benefits, and if those benefits boost retention, you're likely coming out ahead.

The question isn't whether benefits cost money. The real question is whether they're producing results that justify the investment.

How to Tell Whether Your Employee Benefits Are Paying Off

Every investment should be measured by results. Employee benefits are no different. The question isn't whether you're spending enough; it's whether your investment is producing the business outcomes your organization needs.

To assess your return, you need to ask:

What is the participation rate? A low participation rate can kill your ROI. If you spend time and money putting together a benefits package, and then most of your workers decide not to enroll, your resources have been wasted, and you're unlikely to see any improvements in things like productivity or retention.

Example: You compare health plan options, and they're all much more expensive than you would like, but you select the best one. You pay a large share of the premiums, but the payroll deductions are still significant. Most workers choose not to enroll because of the cost, and some of them are unhappy that they were offered benefits they can't afford.

What is your participation rate? Low participation can destroy ROI. If employees don't enroll because coverage is too expensive or doesn't meet their needs, the time, effort, and money invested in building your benefits program produce little value.

What is the utilization rate? If your employees aren't seeing real value from their benefits, they're unlikely to experience an improvement in wellbeing or productivity, and the benefits probably won't help with retention. In fact, employees may become frustrated, hurting workplace morale.

Example: You offer a high-deductible health plan with reasonable premiums. However, the out-of-pocket costs are exceedingly high, and many things aren't covered at all until the deductible is met. Many of your workers enroll, but then they avoid using their coverage even when they're sick because they're afraid of the costs.

ROI Reality Check

Do employees …

- Actually enroll in your plans?
- Regularly use their benefits without financial hardship?
- Express satisfaction with their benefits?

Do you feel that …

- Renewals are predictable and manageable?
- Employee turnover is decreasing?
- Recruiting is becoming easier?

What is your retention rate? If your employees are quitting, they're unhappy about something, and it might be the benefits and overall compensation you offer. People work to support themselves and take care of their families, and if you're not helping them do that, they might feel they have no choice but to leave.

Example: You offer a health plan that doesn't provide particularly good coverage and has high out-of-pocket costs because it's the best you can afford. Some of your workers have health problems or families to support, and they need better coverage, so they end up switching jobs as soon as possible. Your best workers are the first to go.

Why You Need to Go Beyond the Spreadsheet

Every renewal season follows a familiar pattern: Your broker compiles a spreadsheet to compare health insurance options. You see the premiums, deductibles, copays, and out-of-pocket maximums. It's clean, it's organized, it's simple… but it's not always helpful.

A spreadsheet only compares the options available. It doesn't tell you whether any of those options are actually good. Many employers spend weeks comparing plans only to choose the least disappointing option. The following year, premiums increase again, employees remain frustrated, and the entire process repeats itself. That's not optimization. That's repetition.

If employees don't value the benefits you're providing, participation suffers, utilization declines, and the return on your investment disappears, regardless of how attractive the spreadsheet looked.

Instead of asking:
"Which insurance plan costs the least?"

Start asking:
"What's the best way to deliver affordable, high-quality healthcare to our employees?"

Those are very different questions and they often lead to very different solutions. Sometimes improving ROI requires moving beyond the traditional insurance model entirely.

+ If insurers charge too much, consider self-funding your health plan.
+ If standard plan designs don't meet employee needs, design a plan that does.
+ If provider networks limit access or drive unnecessary costs, contract directly with high-quality providers in your community.

Small adjustments rarely solve a fundamentally broken system. Sometimes meaningful improvement requires a different approach.

Four Ways to Increase the Return on Your Benefits Investment

According to The Hill, many small businesses are shifting costs to workers or cutting benefits completely in the face of rising costs. Others eliminate benefits altogether. While these strategies may reduce costs in the short term, they often create bigger problems: higher turnover, lower morale, increased absenteeism, and reduced productivity.

Instead of cutting benefits, consider improving the way your benefits program is designed.

1. **Take control of how your plan is funded.** How you fund your health benefits makes a huge difference in everything from your costs to the plan design. A traditional fully funded health plan put the insurance company in control, and you end up paying for the insurer's administrative costs and adding to their revenue. Self-funded plans put the employer in control, giving the employer great control over plan design and the ability to control costs.

2. **Improve access while reducing costs.** The whole point of a health plan is to give plan members access to care, so how your plan approaches provider access is important. Employers typically use insurance networks to provide access to healthcare providers, but this isn't the only option. Employers can contract directly with community healthcare providers to provide access to high-quality care.

3. **Cover what employees actually value.** If a plan doesn't cover the types of care your employees need, they're not going to get much benefit out of it, and you won't see the return you're hoping for. When you self-fund your plan, you can design a plan to cover the things that matter most to your workers – for example, newborn delivery with no out-of-pocket costs – to boost plan satisfaction.

4. **Guide employees toward higher-value care.** Where you receive care can have a huge impact on costs, but the average person doesn't always know how to compare prices for care effectively, and if their out-of-pocket costs are the same regardless, they might not be concerned. You can steer plan members toward high-quality, cost-effective care options with a tiered plan design. For example, if you're using a self-funded direct care plan, you can have a $0 deductible when plan members use contracted providers and a $1,000 deductible when plan members use providers who have not contracted with the plan.

Are your premium dollars making health insurance companies rich?

UnitedHealth Group reported a profit of $6.3 billion in the first quarter of 2026.

Source: Forbes

Are You Getting a Good Return on Your Employee Benefits Investment?

Employers often assume rising healthcare costs are simply the cost of doing business. They're not. The organizations generating the strongest ROI aren't just negotiating harder with insurance companies. They're redesigning the way healthcare is delivered.

If your healthcare costs continue rising while employee participation, satisfaction, and retention remain flat, your current benefits strategy may not be delivering the return your business deserves.

Health2Business helps employers rethink traditional healthcare by connecting them directly with high-quality community providers and giving them greater control over costs, plan design, and the employee experience.

The results speak for themselves:

+ 24% average first-year savings
+ Average premium increases of just 1.9% during years two through four
+ Approximately 90% lower out-of-pocket costs for employees

Lower costs. Better benefits. Healthier employees. A stronger return on every benefits dollar.

If you're investing six or seven figures in employee benefits each year, you should know whether you're getting the return you expect.

Contact Health2Business to learn whether a direct partnership model could help your organization maximize the ROI of its employee benefits investment.