

FUTURIST REPORT SERIES

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SUMMER 2023

FUTURE OF BENEFITS

PRODUCED BY: **VSP GLOBAL INNOVATION CENTER**

| **CBINSIGHTS**

VOL
6

Introducing the Future of Benefits

Since 2020, the modern workforce and workplace have experienced seismic shifts in the U.S., with a new-found level of flexibility that is both freeing and unfettering.

Remote work has led to new opportunities (*and even more questions*), as employers adapt at light speed to these changing employee expectations. This flexibility has triggered unprecedented job movement, with women in particular [leaving roles at record rates](#), and companies struggling to retain younger workers.

However, the always-on nature of remote and hybrid work, coupled with economic volatility, is also contributing to increased employee burnout, with [nearly two-thirds of the workforce saying](#) their work is impacting their mental health.

In response to these workforce trends that are both empowering and exacting, innovations in benefits – *new technologies, models, and segments* – have emerged to help organizations offer holistic, individualized solutions that address an employee's unique situation and needs.

In addition, organizations are balancing this premium on talent retention and attraction, [increasing benefits offerings by 22%](#) since the pandemic, with real inflation-induced cost concerns. The result is new technologies and startups geared toward benefits access, utilization, and engagement.

And it's not just about the *new*; long-standing benefits, such as healthcare and vision care, are evolving with these shifts, investing in and rolling out services and models to meet employee demand.

For example, VSP Vision Care, the leader in health-focused vision care for nearly 70 years, launched its VSP LightCare™ benefit during the pandemic to expand access to blue light filtering products aimed at reducing digital eye strain.

In this report, VSP shines a spotlight on these shifts, introducing five leading employment and technological trends **that are driving the future of benefits**: the changing nature of work, considerations for specific stages of life, expanded access, at-home everything, and gamification.

Change is happening most rapidly at the discretionary level

Legally Required Benefits



Social Security



Medicare



Workers' compensation insurance



Unemployment Insurance



Health Insurance*



Family and medical leave*

Discretionary Benefits

Health



Vision



Dental



Wellness

Financial Wellness



Financial management tools

Work



Remote or hybrid work



Paid parental leave

Lifestyle



Gym membership



Paid app subscriptions

Other



Travel



Education



Volunteering

* Mandatory for companies with [50 or more full-time equivalent employees](#).*

The benefits experience starts at enrollment

Employers are increasingly looking for ways to innovate on the benefits menu they offer their employees. A benefits package helps employers elevate the care and support they provide their workforce. It also enhances the new hire experience, contributing to talent retention in competitive markets.

The benefits experience starts at the point of enrollment, which can be complex for employees. The VSP Global Innovation Center led research alongside global creative agency *frog design* to unearth behavioral archetypes of employees who may be considering vision benefits offered by their employer. The four behavioral archetypes also illustrate the unique needs of today's employees. Some employees make benefits decisions based on rudimentary cost-benefits calculation, while others depend on colleagues for advice.



The Analyst

Looks for detailed information to make the right cost-benefit decisions. Wants to be reached with detailed information about how they can benefit financially.



The Pragmatist

Takes a balanced approach to decision-making and looks for key takeaways from trusted sources. Wants information that is easy to understand and act upon quickly.



The Sense-maker

Cares deeply about their health and thoughtfully considers health decisions. Wants to be reached via the traditional media sources they trust and made to feel valued and protected.



The Explorer

Values the latest wellness trends and welcomes advice from others. Wants to be reached through influencers and be empowered to become an expert as well.

Employers increasing their investment in benefits is reflected in new funding activity

Venture Data:

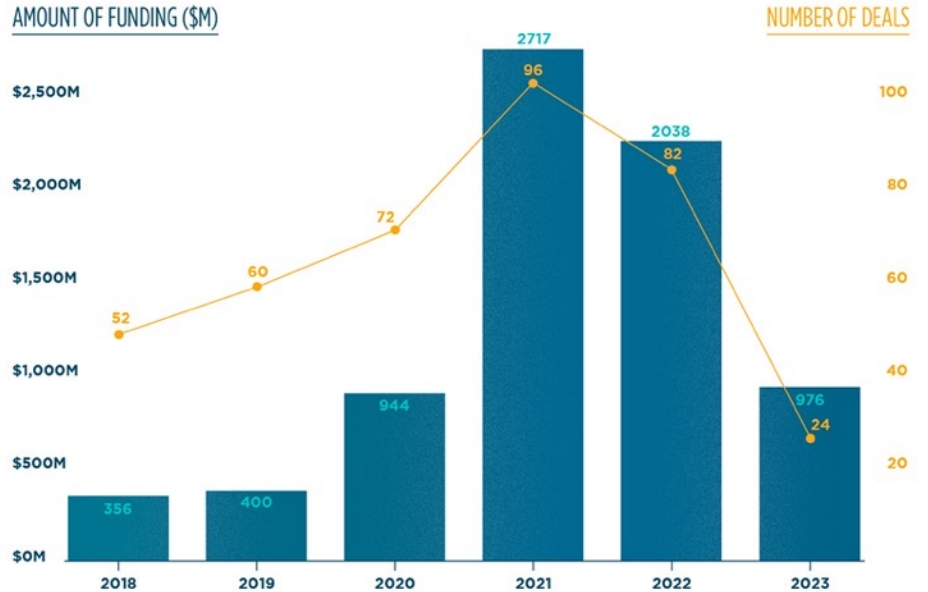
- 2021 was a record year of funding for benefits technologies and solutions, with \$2.7B invested across 96 deals, per CB Insights
- While funding dipped 25% year-over-year in 2022, it remained nearly 4X higher than pre-pandemic levels with \$2.04B. 2023, once again, is on pace to surpass pre-2020 figures. **(2023 data through April)**
- Seed-stage deals grow to 49% of all deals in 2022, underscoring the influx of new solutions into the marketplace.

Employer Data:

- 95% of businesses say they are recalibrating their companies' benefit strategies, according to Care.com's 2023 Future of Benefits Report.
- Per a [2022 Employee Wellness Industry Trends Report](#), 90% of employers reported increasing their investment in mental health programs, with 76% increasing investment in stress management and resilience programs.
- 69% of companies reported increasing their benefit spend considerably during the pandemic, per a Mercer Marsh Benefits (MMB) report.

Equity Funding Activity

From Jan 01, 2018 – April 20, 2023



Source: CB Insights

Five transformative trends of benefits



1

Hybrid work creates an opening for lifestyle benefits



2

Stage-of-life benefits meet worker needs



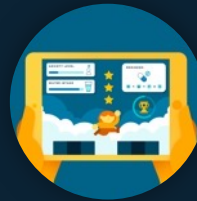
3

Focus on access helps employees navigate an expanded benefits menu



4

Benefits come home



5

Gamification makes benefits stick

Outline of transformative trends addressed

Hybrid work creates an opening for lifestyle benefits

- Mental health platforms tackle burnout with personalized approaches that are easier to access.
- Innovative travel startups help remote workers become digital nomads.
- Corporate volunteering solutions allow organizations to implement purpose-driven benefits.
- Upskilling and reskilling platforms enable employees to gain skills to prepare for the future of work.

Stage-of-life benefits meet worker needs

- With millions of workers providing care to older relatives and young children, caregiving benefit providers help take some of the burdens off their shoulders.
- Workers burdened by student debt can leverage new debt-relief benefits.
- Fertility tech makes family planning more affordable and accessible to more employees.
- Femtech solutions address women's health needs across generations.

Focus on access helps employees navigate an expanded benefits menu

- Employees more easily access and engage with their benefits thanks to benefits navigation tech.
- On-demand pay is possible with earned wage access providers that allow employees to withdraw a portion of their wages before payday.
- Digital front-door solutions enable easy utilization of healthcare benefits on convenient virtual platforms.
- Employers use advanced data analytics to funnel benefit resources to their most vulnerable employees.

Benefits come home

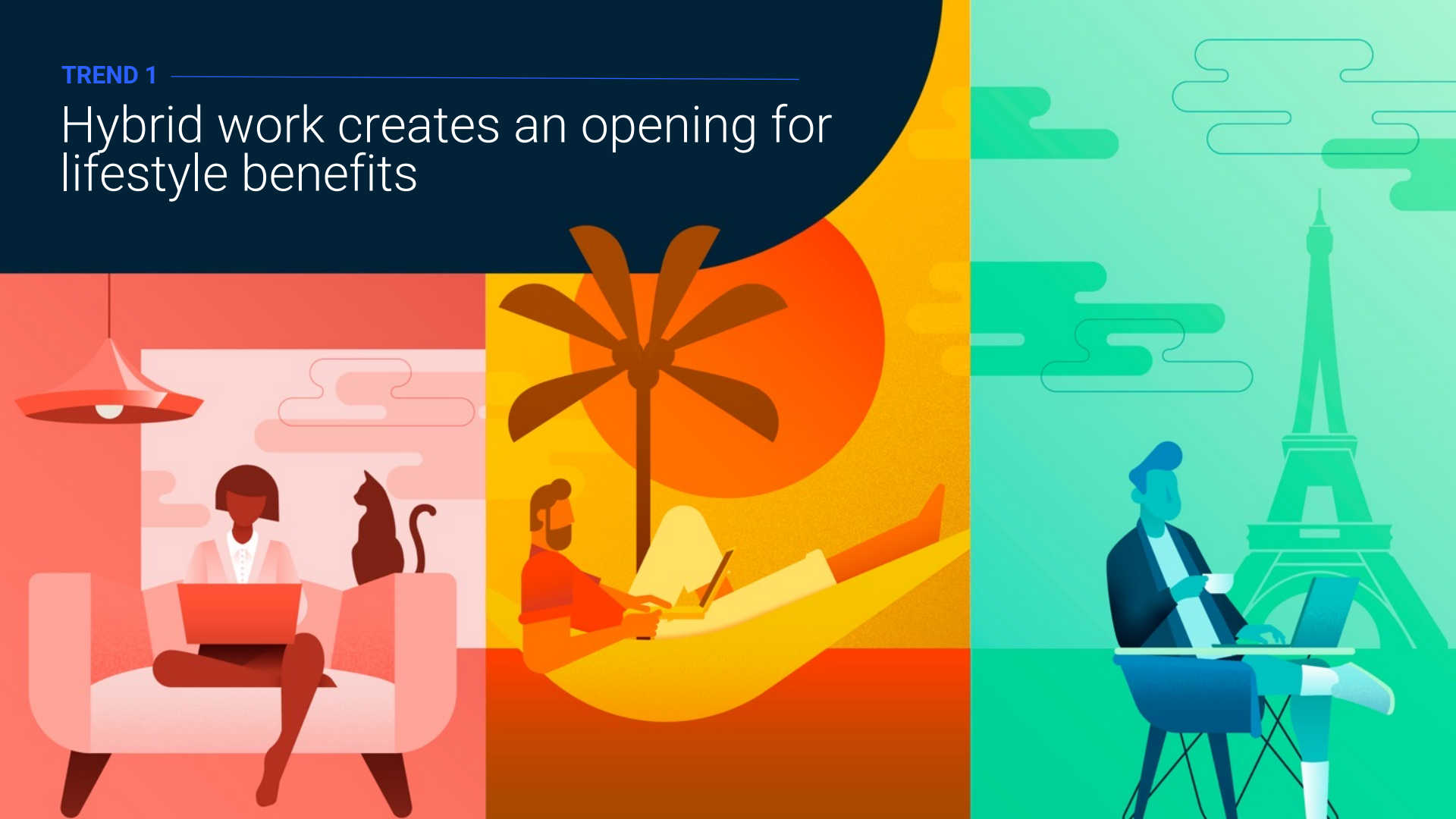
- The office and its culture enter the home, while relocation benefits surge to incentivize hybrid work.
- Payers launch remote patient monitoring (RPM) platforms and devices to offer at-home health tracking to members and employees.
- At-home testing and technology deliver more convenient employee screening.

Gamification makes benefits stick

- Gamification accelerates engagement within health and wellness benefits and services, increasing stickiness.
- Gamification turns rote financial discipline into engaging activities to incentivize utilization.
- Benefits administrators deploy employee engagement tech to improve retention, loyalty, and productivity.

TREND 1

Hybrid work creates an opening for lifestyle benefits



How is the future of work informing innovation in benefits?

The 'future of work,' a forward-looking concept meant to help employers anticipate the coming evolution of work, found itself reflecting the present at the start of the pandemic.

Suddenly, organizations had to grapple with the switch to remote and hybrid work arrangements. In addition to the pandemic, other forces such as digitization, the increased need for upskilling and reskilling, employee demand for purposeful work, and unrelenting burnout are all bringing the future of work into the present.

Benefits must now catch up to these rapid developments. Job postings that include relocation benefits [are up 75%](#) compared to 2022, as many employers seek to encourage employees to go back to the office. To combat the always-on nature of remote work, vision care providers like VSP Vision Care offer blue light filtering solutions to support employees' eye health throughout increased screen usage. And various travel startups have also emerged to enable digital nomads' frequent changes of location and help combine business trips with leisurely ones.

Personalizing future-of-work benefits will be key to accommodating the various needs of employees. This includes providing the right upskilling resources at the right time, offering corporate volunteering opportunities that align with the social causes employees are passionate about, and delivering benefits targeting both physical and mental health.

"When it comes to benefits that support whole-body wellness, employees expect more from their employers," said [VSP Vision Care](#) president Kate Renwick-Espinosa. "Companies must meet the moment to keep employees satisfied and attract new talent. It's good for employee health and business health."

"The workforce benefits marketplace continues to change at a transformational scale and accelerated pace, thanks in part to the widespread disruption of the working world since 2020, the rise of nontraditional workers and the growing demand for new types of benefits."

Chris Morbelli, Life & Group
Insurance Transformation
Leader, [EY*](#)

Where is the momentum now?

The pandemic has changed the way we work for good. Now, organizations are focusing on funding programs to create a workplace that supports the future of work.

Remote and hybrid work is here to stay.



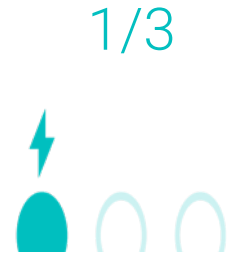
Over a [third \(35%\) of US workers](#) whose jobs can be performed remotely already work from home full time, while 41% are hybrid workers. On average, remote workers are [20% happier](#) than those who work from the office.

Organizations allocate more of their budget to support the future of work.



In 2023, future-of-work investments will [reach nearly \\$1B](#). This is more than an 18% increase from 2022.

Employers plan better mental health support.



Roughly a [third of US employees](#) experience burnout and distress at work. In response, [67% of employers](#) plan to prioritize mental health solutions in the next three years.

Workplace benefits chase a swiftly changing nature of work

The following startups offer solutions that support employers in this process.



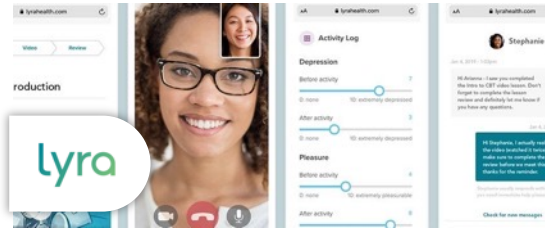
Venture-backed mental health platforms take on rising employee burnout

According to the [Harvard Business Review](#), mental health support has gone from a nice-to-have to a true business imperative; mental health startups have responded with new innovative solutions.



Total funding: [\\$130M](#)

- A behavior change platform founded and led by Arianna Huffington that aims to have a positive impact on employee well-being and productivity.
- The platform helps identify potential burnout and provides employees with six “journeys” to improve their wellness, such as movement, food, and recharging.
- Employers can integrate Thrive’s platform with Slack, Teams, and other workspace tools



Total funding: [\\$906.1M](#)

- A mental-health benefits provider that includes family care, preventative care, personalized care (including therapy), and specialized care for conditions such as substance abuse.
- Employees are able to access care in [180 countries](#).
- The platform offers in-person and virtual appointments alongside continuous assessments to measure an employee’s progress.



Total funding: [\\$367.2M](#)

- A mental health solution for employers, healthcare providers, and health plans.
- Spring Health uses machine learning to offer various care options based on employee data, such as their family history, diagnostic criteria, etc.
- Care includes access to health providers as well as virtual exercises.

Innovative travel startups help employees make the most of virtual workspaces

The remote-working generation increases demand for flexible accommodation and a new approach to travel, while 'bleisure' startups help turn business trips into leisurely ones.



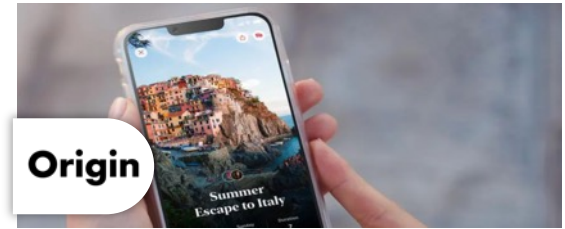
Total funding: [\\$3.3M](#)

- Travel startup that allows companies to offer travel as a benefit.
- The platform includes “travel designers” to help employees plan their vacations.
- Employers [can invest](#) in vacation funds with milestone bonuses, matching of an employee’s contributions, one-time rewards, and assigning vacation budgets to managers who then reward their direct reports.



Total funding: [\\$12M](#)

- Short-term housing rental marketplace for digital nomads and remote workers.
- All apartments are fully furnished, including a workspace and high-speed internet.
- Employees can rent an apartment for a minimum of 30 days.
- The corporate housing solution allows employers to directly provide housing to their remote workers.



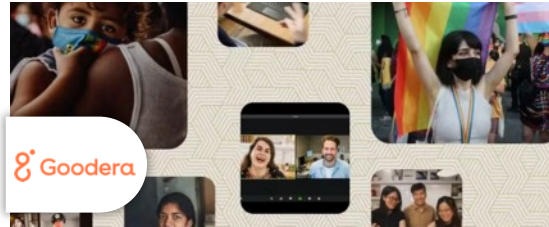
Total funding: [\\$5M](#)

- ‘Bleisure’ travel, which combines business with leisure, had emerged pre-pandemic but is poised to [grow in 2023 and beyond](#).
- Capitalizing on this trend, Origin, a travel startup using machine learning to curate trips, has been creating more itineraries that address adding work days to leisure trips.
- The Amsterdam-based, seed-stage company raised \$5M in 2022 to fuel its growth.

Corporate volunteering startups infuse benefits with purpose

With employees increasingly wanting to make a social impact, the future of work will also be driven by purpose, not just pay. Employers tap corporate volunteering solutions to help connect the workplace with meaningful ways to give back, while other organizations opt to launch their own platforms in-house.

For example, VSP Vision launched its charitable giving platform [VSP® Hearts at Work](#) in 2022, enabling employees to earn volunteer rewards and track hours, donate to causes, and request matching funds.



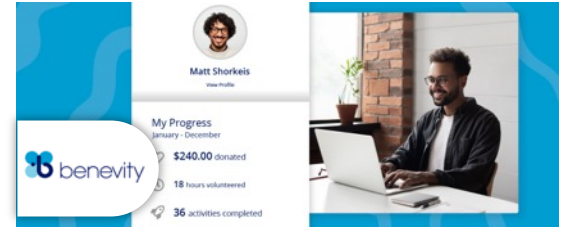
Total funding: [\\$27.7M](#)

- Platform for developing indoor, outdoor, on-demand, and remote volunteering programs.
- The programs are available in over 500 cities across the world.
- In addition to selecting volunteering opportunities for the team, Goodera handles event hosting and execution.



Total funding: [\\$12M](#)

- Corporate social responsibility platform where employers can access a library of social impact events.
- Visit.org collects employee engagement data, enabling organizations to easily measure how their workforces are responding to the events.

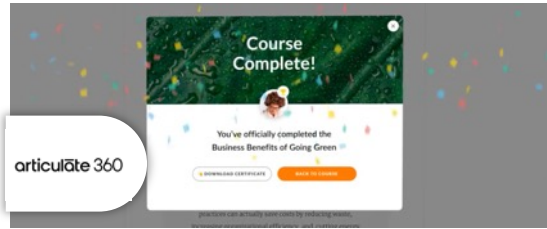


Total funding: [\\$69.2](#)

- Corporate purpose software that supports donations, volunteering, and custom activities centered around company values.
- With Benevity, employers can also quickly provide disaster and crisis relief and support vetted non-profit organizations.

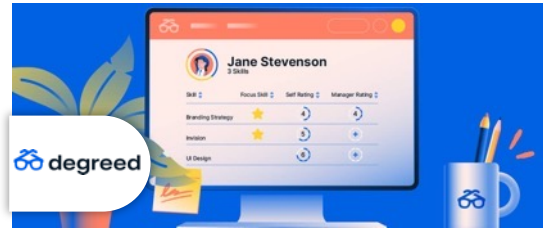
Employers counter the ever-increasing pace of change with upskilling benefits

Upskilling, reskilling, and employee-training startups help the workforce keep up with rapid technological advancements. This includes providing employees with new skills for career growth or supporting their transition into a new role.



Total funding: [\\$1.5B](#)

- Workplace e-learning platform that enables organizations to create their own online courses.
- Includes two solutions: Articulate 360, geared toward enterprises, and Rise, for small to medium-sized businesses.
- Both solutions are equipped with templates that streamline course creation.



Total funding: [\\$436.9M](#)

- Learning platform that also tracks employee skills, providing organizations with a real-time overview of skills gaps and strengths.
- Degreed integrates with various talent, learning, and work platforms. It also connects to [more than 45 learning content providers](#), such as TED@Work.



Total funding: [\\$643.2M](#)

- Learning platform that connects employees with career coaching and learning resources.
- The learning marketplace includes smaller, skills-based courses and degree programs.
- Organizations can make tuition payments directly to the employee's school.

TREND 2

Stage-of-life benefits meet worker needs



How are life stages driving benefits innovation?

The US workforce has never been more diverse age-wise. According to the Bureau of Labor Statistics, [one in four workers](#) is over the age of 55, compared to just one in seven in 1979.

In addition to Baby Boomers, four other generations are part of the workforce – the Silent Generation, Gen X, Millennials, and Gen Z. Organizations that aim to offer tailored benefits must focus on employees' stages of life.

Instead of taking a universal, all-purpose approach, stage-of-life benefits include programs that address the various challenges employees of different generations face.

[VSP](#), for instance, personalizes vision care with a portfolio of benefits for different age groups to support them as their eyesight changes, while also offering enhancements, like VSP [EasyOptions](#), that enables members to personalize their very own benefits. In addition, VSP also offers individual plans for those without employer-sponsored benefits and employees planning to retire.

The same approach can be applied to all benefits. Whether it's tackling student debt or supporting maternal health, family planning, and eldercare, these stage-of-life benefits allow employees to tap into a menu of options designed to support their unique needs.

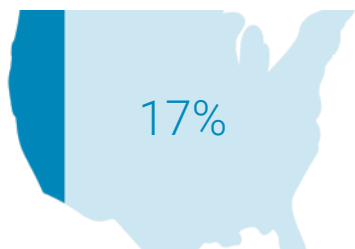
“Employee retention and recruitment are top priorities for our clients. In today’s economy, employers also want benefits that offer the best value for the price. To achieve that, they’re seeking personalized benefits to meet each employee’s unique life stage and needs. By adding value for employees of all generations, they’re building a strong foundation for long-term employee loyalty and engagement – which ultimately boosts the bottom line.”

Kate Renwick-Espinosa,
President, [VSP Vision Care](#)

Where is the momentum now?

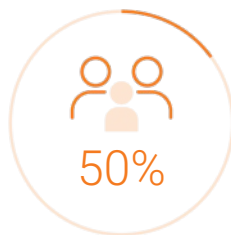
Employee needs are always evolving, giving rise to unique stage-of-life solutions spanning femtech, fertility treatments, caregiving, and debt assistance.

An aging population drives the need for caregiving.



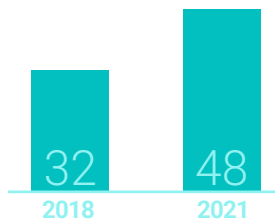
Seventeen percent of the US population is 65 or older, an increase of **38%** compared to **2010**. Although the exact number of informal caregivers in the US is unknown, some estimate as many as **43.5M Americans** are unpaid caregivers to an adult family member.

Startups scaling access to childcare attract funding



About 50% of American families live in a childcare desert, where there are more than three kids for every daycare slot. As a response, funding has flocked to childcare startups; **\$516M was invested in childcare tech** in 2021, up from \$171M in 2020.

A growing number of companies are helping employees tackle student loans.



In 2018, **32% of employers** offered or planned to offer assistance with student loan debt. The figure grew to **48%** by late 2021.

Femtech is a billion-dollar market.



The femtech market is an estimated \$500M to \$1B. Despite tumultuous market conditions, femtech startups raised \$1.16B in 2022 – an increase of **133%** compared to 2020.

Stage-of-life benefits tackle debt, caregiving, family planning, and women's health

Startups are providing holistic solutions to the most pressing challenges facing employees of different age groups face.

ELDER AND CHILD CARE



STUDENT LOAN REPAYMENT



FERTILITY

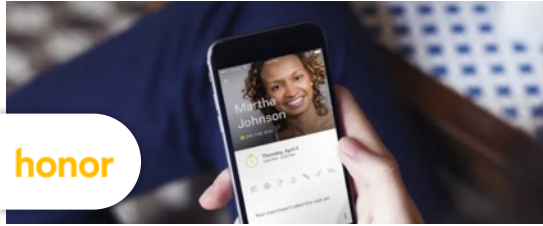


FEMTECH



Startups scaling elder and childcare benefits free up time for working caretakers

Millions of workers in the US are caregivers to their adult relatives, giving rise to caretaker benefits to help them stay productive at work. In addition, childcare benefits are adopting a marketplace approach to aid young parents.



Total funding: [\\$622M](#)

- Honor, a senior care network and tech platform, brings workforce management and technology expertise together with high-touch, personalized care to improve the in-home care experience.
- In 2021, Honor, [acquired](#) Home Instead, the largest network of independently owned and operated care-giving franchise owners in the world, to transform the care experience for caregivers and older adults.
- In 2021, Honor [raised](#) \$370M, reaching Unicorn status as a private company valued over \$1B.



Total funding: [\\$108.5M](#) (Pre-Acquisition)

- Care.com, the world's largest online marketplace for finding and managing family care, offers services for both child care and senior care.
- In recent years, Care.com has expanded its offerings to help families address the lifecycle of care needs they go through, adding tutoring, pet care, housekeeping, and more.
- Founded in 2006, the startup was [acquired](#) in 2020 by IAC, the owner of Angie's List, People, Shape, and a number of other media and service brands.



Total funding: [\\$12M](#)

- Benefits startup Kinside is a childcare marketplace, offering membership to access childcare, concierge support, and saving for working parents.
- Allows the nationwide network of daycares and preschools to connect working parents with available childcare that works for their lives and budgets.
- Kinside graduated from the Y Combinator accelerator and raised a \$12M round in 2022

Student loan repayment solutions help employers lift a key workforce burden

Startups take on the [\\$1.7T in student loan debt](#) with new approaches to income share agreements, debt refinancing, and employer contributions.



Total funding: [\\$16M](#)

- A platform for managing and repaying student loans.
- It uses automation to analyze an employee's income and student debt to provide them with a personalized repayment plan.
- With Summer, employers can also offer student loan contributions.

Total funding: [\\$180.57M](#)

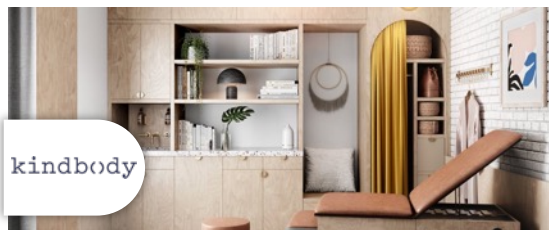
- A company that provides income-based repayment plans.
- On its marketplace, income share agreement investors fund student loans issued by participating schools.
- Students may borrow a maximum of \$15K per academic year and up to \$25K during the entirety of their college education.

Total funding: [\\$25.8M](#)

- A merit-based student loan provider with no FICO or Cosigners
- Rather than relying on credit score and income to make lending decisions, Funding U uses its own proprietary scoring system based on academic progress and success.

Birth of fertility tech powers family-planning benefits

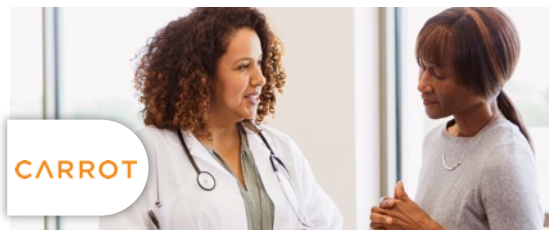
Advances in holistic fertility technology and treatments make them more accessible to a greater number of employees.



kindbody

Total funding: [\\$307M](#)

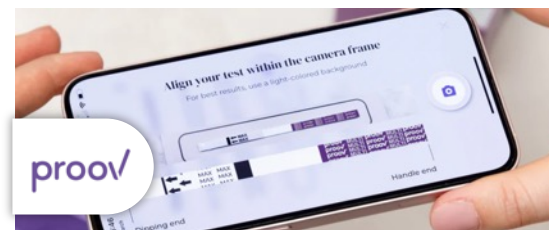
- A network of fertility clinics and providers of fertility benefits.
- Among its services are egg freezing, IVF, and virtual wellness care.
- Employers can partner with Kindbody to offer families virtual, at-home, and in-person fertility care.



CARROT

Total funding: [\\$114.9M](#)

- Fertility care platform that supports IVF, egg and sperm freezing, low testosterone treatment, and other types of fertility support.
- The Carrot platform leads employees to the most cost-effective, personalized care, which includes virtual consultations.



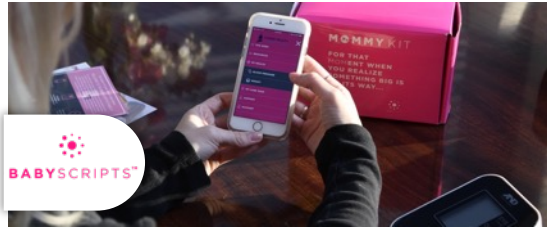
proof

Total funding: [\\$10.7M](#)

- A provider of at-home fertility tests to measure sperm motility, ovarian reserve, and other factors that contribute to infertility.
- The [Proof app](#) allows users to track their fertility data and get a “hormone report card” with custom recommendations for improving their fertility health.
- While Proof does not currently offer employee benefits, it is reflective of the fertility tech that is gaining traction in market, which may result in employee demand in the future.

Femtech startups tackle the gender health gap

While women make up 51% of the U.S. population, women's health research [accounts](#) for only 10.7% of all basic research funding. To help counter this disparity, new technologies and startups launch to address women's health issues at every stage of life.



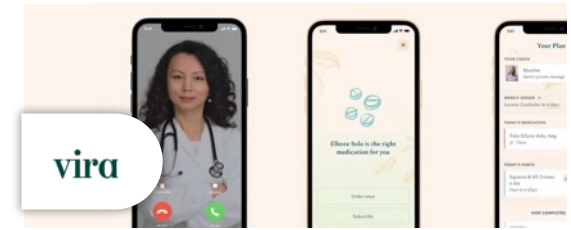
Total funding: [\\$38.8M](#)

- Virtual maternity platform that provides prenatal and postnatal care.
- Three apps – myJourney, myBloodPressure, and myMentalHealth – help combat adverse pregnancy outcomes, including maternal mortality. With remote patient monitoring, Babyscripts also detects preeclampsia and postpartum hypertension.
- In the past two years, Babyscripts has [ramped](#) up its partnerships with health systems, OBGYN practices, and health plans



Total funding: [\\$15.2M](#)

- Holistic maternity care provider with a special focus on women from Black and Brown communities. The startup provides care coordination, benefits sign-up, and routine maternity care in the prenatal and postpartum period.
- Every member of Cayaba Care has a Maternity Navigator – their main point of contact for any pregnancy and postpartum-related questions.
- Members can receive care at home, at the clinic, or virtually.



Total funding: [\\$14.1M](#)

- Digital health platform that supports women through menopause.
- Its app, [Stella](#), offers personalized menopause care combining cognitive behavioral therapy (CBT), physiotherapy, and other wellness techniques.
- Employers who offer Stella as a benefit can also implement company-wide training to raise awareness of how menopause impacts employees.

TREND 3

Focus on access helps employees navigate an expanded benefits menu



How is the rising demand for access across industries shaping the future of benefits?

Providing individualized and relevant employee benefits is a crucial first step to improving an organization's offerings, but it is equally important to ensure employees know how to access, use, and maximize these benefits.

Benefits access goes beyond geographical considerations, such as whether a specific benefit is available in an employee's location. Does the employee have the right digital tools and resources to access their benefits? Are these tools user-friendly, and do they account for different types of accessibility? Is it easy for employees to evaluate all of their benefits options to make the best decision?

At large organizations with hundreds of job types, the demand for access will even fluctuate by role. For example, frontline workers may need to access benefits differently or more flexibly than corporate employees, perhaps opting to trade PTO for additional income.

Innovative startups are answering these questions with technologies that improve benefits access. A number of these solutions make it easy to navigate different benefits options and increase engagement with physical, mental, and financial wellness programs. Virtual access to benefits has also become table stakes as employees want a level of convenience they're already accustomed to with other services used daily. In addition, by streamlining navigation, these technologies also have the ability to not just impact how benefits are utilized, but how they're bought, sold, and managed.

Lastly, this call for greater convenience has also affected how employees get paid, with many startups working on expanding access to earnings so workers no longer have to wait for payday to access their wages.

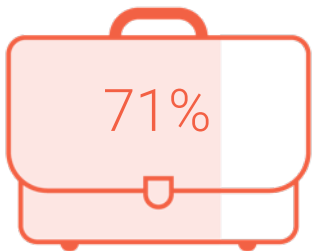
"Our focus is on integrating employee benefits with life to make work easier and better for everyone."

Sam Hammock, CHRO, [Verizon](#)*

Where is the momentum now?

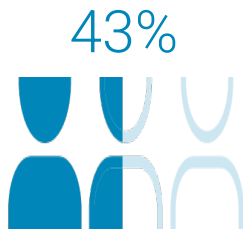
Poor benefits access lowers utilization, which ultimately impacts employee engagement and retention. Technologies and startups are helping companies successfully navigate this challenge.

Employees are unaware of the benefits at their disposal.



A Bank of America survey found that [71% of workers](#) are unaware that their employer offered a caretaking benefit.

Inadequate benefits drive resignations.



[Forty-three percent of employees](#) who quit their job say they did so because the benefits weren't good.

























Startups that are improving benefits access are grabbing investors' attention.



Earned wage access startups have [raised](#) \$1.07B in equity funding since 2019, and benefits navigation startup HealthJoy [raised \\$60M](#) in 2022.

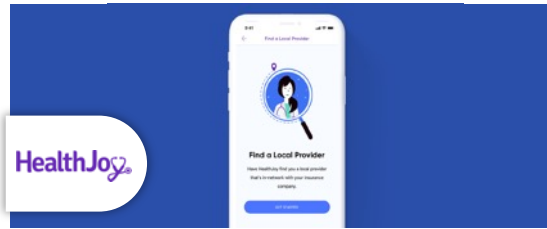
Startups are reimagining how employees navigate and interact with their benefits

From providing an easier overview of benefits to providing on-demand access to earned wages, the following startups are giving benefits utilization a boost.

NAVIGATION	 Accolade	 pasito	EARNED WAGE ACCESS	 atomic	 payactiv	VIRTUAL EVERYTHING	 endear HEALTH	 League
	 Collective Health	 rightway		 branch	 Rain		 feelbetter	 Renee
	 HealthJoy	 sharecare		 earn in	 TempoPay		 FHH first stop health	 Virgin pulse
	 Healthee	 transcarent		 dailypay	 WAGESTREAM		 Included HEALTH	 Wellframe

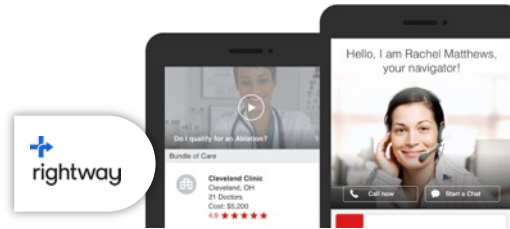
Navigation startups make the benefits experience more accessible

Easy navigation and access allow employees to make the most out of their benefits while employers see greater benefits usage.



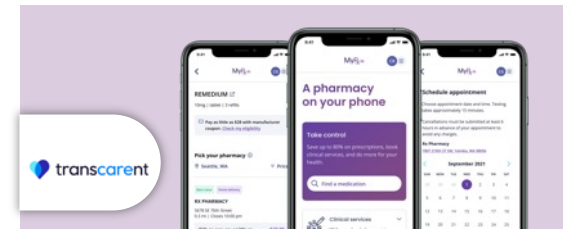
Total funding: [\\$108.5M](#)

- A platform that simplifies access to healthcare benefits and improves utilization.
- HealthJoy integrates with a company's benefits package, making them easy to find all in one place.
- When an employee needs medical treatment, the platform will provide a cost comparison of different healthcare providers.



Total funding: [\\$130M](#)

- A provider of care navigation and pharmacy benefits.
- The [care navigation app](#) allows users to get advice from "health guides" (registered nurses and nurse practitioners) and find the best healthcare providers.
- As a [pharmacy benefits manager](#), Rightway provides medication advice while helping users save money.

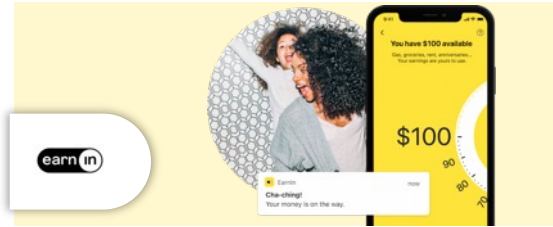


Total funding: [\\$298M](#)

- A digital health company that enables employers to provide a [streamlined healthcare experience](#).
- Using Transcarent, employees can reach a healthcare provider at any time of day.
- Employers can also bring all benefits into one app for easier navigation.
- Transcarent does not charge companies [monthly per-employee fees](#).

Earned wage access tools turn every day into payday, helping employees protect their financial health

With financially stressed employees losing [about a month](#) of productive workdays each year, new EWA startups work to alleviate this strain.



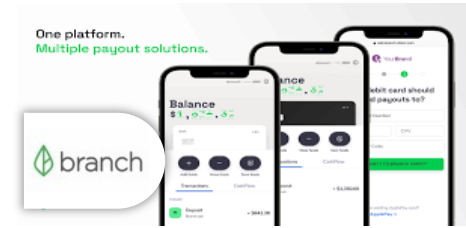
Total funding: [\\$196.2M](#)

- EWA provider that allows employees to withdraw up to \$750 of their earnings before their scheduled payday.
- EarnIn does not charge fees to use the basic service, but users can add a voluntary tip.
- The EWA provider also partners with [employers](#) that want to provide on-demand pay as a benefit without disturbing their payroll schedule.



Total funding: [\\$1.1B](#)

- EWA provider that has developed a mobile app and reloadable card to make it easier to access funds.
- Employees can withdraw up to 100% of their earned wages and see all of their earnings data in one place.
- With [DailyPay's reward solution](#), employers can also incentivize workers to participate in various programs and recognize their hard work with extra cash.

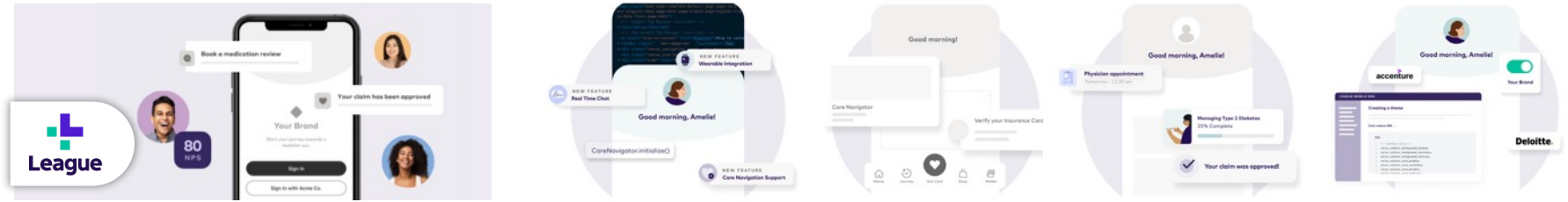


Total funding: [\\$663.4M](#)

- Fintech company that provides EWA, tip and wage payouts, and financial management tools.
- Its [EWA solution](#) allows employees to access up to 50% of their wages before their scheduled paycheck.
- The Branch app notifies employees of excessive spending and provides an overview of their cash flow so they can budget better.

Virtual everything enhances the benefits experience

The adoption of hybrid and virtual health platforms provides convenient, on-demand access to care, benefits.

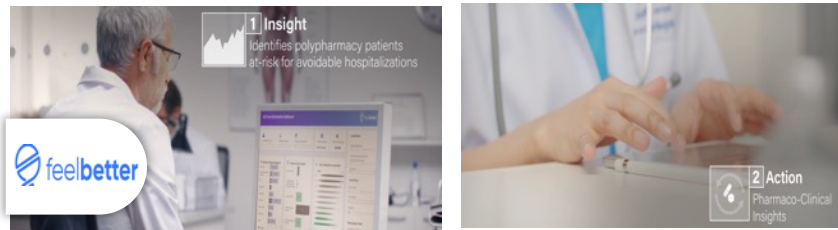


Total funding: [\\$211.4M](#)

- A digital health platform that [integrates patient data](#) from sources such as digital health records, wearable technology, and medical claims.
- League enables [employers](#) to consolidate all benefits programs into one platform and guide employees to the kind of care they need.
- With real-time health data, League provides employers with insights into how employees are using their existing healthcare programs, which they can use to plan their future benefits.

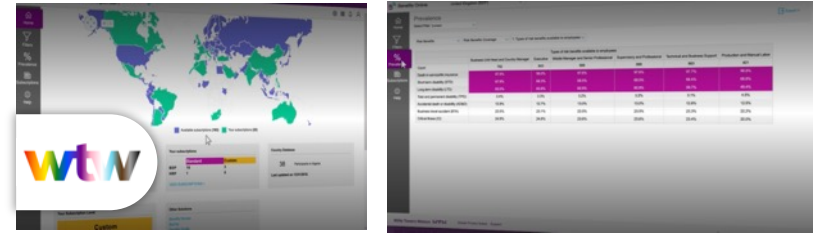
Employers funnel benefit resources to their most vulnerable employees using advanced data analytics

Whether preventing medical mismanagement or tailoring regionally-specific offerings, advanced data analysis will soon incorporate genetics and climate data to serve the most vulnerable.



Total funding: [n/a](#)

- Israeli startup FeelBetter uses AI to prevent polypharmacy – the simultaneous use of multiple drugs by a single patient for one or more conditions.
- FeelBetter’s machine learning technology captures data across the patient’s medical history, pharmacology, evidence-based medicine, and more. It then uses AI to connect these separate data sources to identify patients, members, and employees carrying the highest risk of hospitalization caused by mis-management.
- Polypharmacy solution can offer employees a holistic view of their medical and medicinal needs to help mitigate risks and avoid unnecessary expenses and claims.



Total funding: [n/a](#)

- Insurance broker and risk advisor [Willis Towers Watson](#) (WTW) is behind the [Benefits Data Source](#), a leading provider of comprehensive market data on benefits programs worldwide.
- The platform provides a quantitative-based approach for benchmarking benefits against both local peers and industry leaders, helping employees understand standards for access.
- Organizations can also leverage the analytics within BDS to be geographically responsive and adapt to the needs and expectations of a specific region.

TREND 4

Benefits Come Home



How are benefits meeting employees where they want to be?

The pandemic expedited the malleability of the home, with the home serving as living space, office, restaurant, gym, therapist couch, and more.

And while employees are now either in the office, hybrid, or fully remote, the home is still the center of gravity for many workers and serving as their preferred first-touch for work, care, and leisure.

On the health and wellness side, technological advancements in the fields of diagnostics and remote patient monitoring (RPM) are bringing individualized care to the home. In 2022 alone, on-demand healthcare startups [raised](#) over \$2.4B in venture capital.

At-home diagnostics allow patients to perform screening tests for different medical conditions using home testing kits, while ambient RPM devices, which payers are supporting, now track vitals non-invasively, powering always-on care from the comfort of one's home.

Beyond care, other at-home benefits, from ergonomic furniture to connected fitness equipment, are continuing to grow post-pandemic. The home office furniture market is expected to grow [annually by 4.61%](#), while the home fitness category [continues to surge](#) at an annual rate of 8.2%.

Benefits have always evolved to meet employees where they are; ten years ago, with office occupancy high, [workplaces were all about tangible perks](#). Now, those benefits are adapting to expand beyond the office walls and into the living room.

“To truly transform health care, we need to focus less on what happens in care settings and more on what happens where people live their lives”

Patrick Charmel, CEO, [Griffin Health Services Corporation](#)*

Where is the momentum now?

While offices re-open, the home remains a place for work, play, and care for many. In fact, home-based care is becoming the norm as health systems invest in meeting patients where it's most convenient.

Given the choice, employees still prefer remote work.



87%

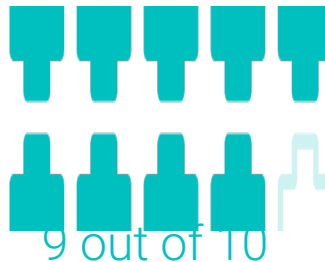
According to a [recent McKinsey study](#), eighty-seven percent of workers offered at least some remote work embrace the opportunity and spend an average of three days a week working from home.

It's the law! States implement certain at-home stipends.



In response to the rise of remote work, ten states have implemented laws requiring employers to reimburse employees for certain remote work expenses, including California, Washington D.C., Illinois, Massachusetts, and New York.

Health systems welcome at-home care.



[Nine out of 10 health systems](#) plan to offer home-based models for primary and specialty care in 2023. And McKinsey estimates \$265B worth of care for Medicare patients could be delivered at the home by 2025, a 3X spike over current levels.

Startups, Fortune 100s invest in at-home primary care.



DispatchHealth, which offers acute and advanced at-home medical care for people of all ages, raised \$259M in 2022, bringing its total to \$740M. Signify Health, which powers home-based PCP visits, [was acquired by CVS](#) in 2022 for \$8B.

Startups advancing at-home care and work

At-home care and work is within reach for a growing number of consumers thanks to startups that are bringing the office and hospital home.

HOME OFFICE SET-UP

Branch  tandem

Hofy  Rock

Just Move In  Updater

OFFICETOGETHER.  XEBEC 

REMOTE PATIENT MONITORING

 Aural Analytics MDLIVE 

biobeat  Starling 

casana  VitalTech. 

dispatchhealth  vivifyhealth 

AT-HOME DIAGNOSTICS

Base  Healthy.io 

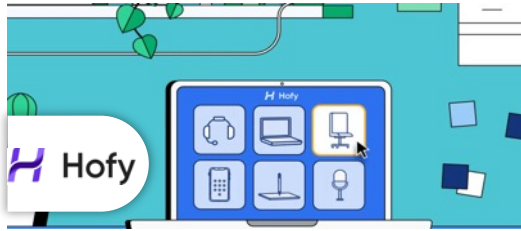
ellipsis  HEALTH 

everly health 

imaware  V I O M E 

Employers tap home office innovations to craft the ideal hybrid environment for employees

Resources once allocated for in-office perks are being used to bring the office and its culture home, while relocation benefits are spiking to help incentivize hybrid work.



Total funding: [\\$30.2](#)

- London-based startup [Hofy](#) delivers office equipment to remote hires, enabling employees to order preferred ergonomic furniture, along with laptops, monitors, and other IT accessories.
- Startup focuses on employee onboarding, empowering HR to help remote staff feel connected to their company on day one.
- In September 2022, Hofy raised a \$15M Series B, bringing its total funding to \$30.2M.



Total funding: N/A

- Austin-based Xebec has developed a lightweight computer accessory that lets workers add two screens to any laptop in 15 seconds, allowing for a professional setting to move throughout the home.
- The device works with every OS and the startup says it boosts productivity by 44%.
- In addition, Xebec develops a portable power station to help remote workers take their tri-screen workstation on-the-go.



Total funding: [\\$6.93M](#)

- Relocation benefits are up 75% year-over-year, according to the Wall Street Journal, as employers look to encourage hybrid work.
- To ease the set-up of an ideal hybrid workspace, [Just Move In](#) helps new employees manage all new home services, such as utilities and moving, from one platform.
- The new U.K. startup has recently raised \$5M, while U.S. competitor [Updater](#) has raised \$380M to date.

Payers help power ambient remote patient monitoring platforms, unlocking always-on at-home care

Health insurance giants such as Humana and UnitedHealthcare have all recently partnered with digital health startups to enter the remote patient monitoring arena.



Total funding: N/A

- In 2022, Cigna expanded MDLIVE, its virtual care provider, to [launch](#) its first RPM program.
- Program enables members to track and report biometrics, like glucose levels and blood pressure, to their virtual primary care providers who can then review the data during their visits.
- Cigna expects to scale the program to include digital devices that can transmit patient data automatically its live patient portal.



Total funding: [\\$740M](#)

- In 2021, Humana [partnered](#) with DispatchHealth, an on-demand care delivery startup, to launch an RPM program for patients requiring care management for multiple chronic conditions.
- The program offers members on-call access to a healthcare team, including physicians, nurses and nurse practitioners, as well as daily visits, remote patient monitoring services and 24/7 emergency communications.

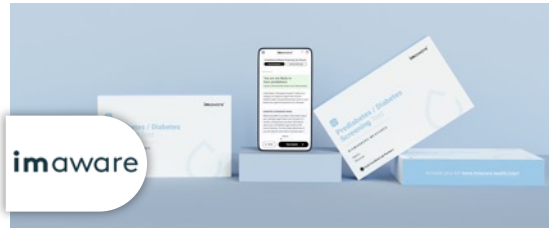


Total funding: [\\$23.38M](#)

- In 2019, UnitedHealthcare [acquired](#) RPM startup Vivify Health to track at-risk patients at home.
- Vivify provides remote patient monitoring to assess and coordinate care based upon the patient's condition and current state of health, offering fully-managed health kits with 4G tablets and wireless personal health devices.
- In addition to Vivify, United also [partnered](#) with Babyscripts in 2021 to test remotely monitoring pregnant patients.

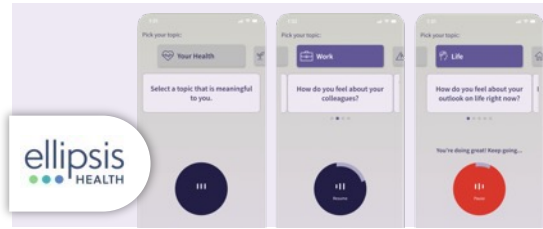
With the rise in employee health screenings, at-home diagnostics make testing and tracking seamless, convenient

As screening programs evolve to meet the needs of employees and employers to drive valuable benefits, startups offering home testing kits can help accelerate utilization.



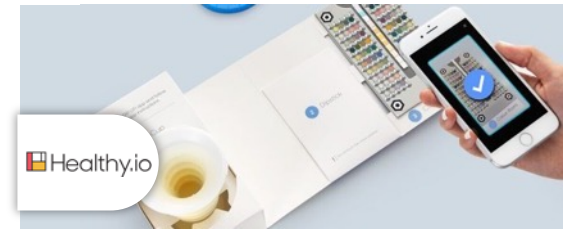
Total funding: [\\$1.5M](#)

- Provides at-home tests to support diabetes screening, hormone health, and immune system and heart health.
- imaware tests need [between two and five drops of blood](#) and don't include needles.
- Results are available within seven days on a digital platform.



Total funding: [\\$30.27M](#)

- Developed vocal biomarker technology that can assess the state of a person's mental health.
- It only needs a short vocal sample (60 - 90 seconds), which allows the technology to be used in-clinic and at home.
- The results (stress, anxiety, or depression levels) are delivered to the patient's care team.

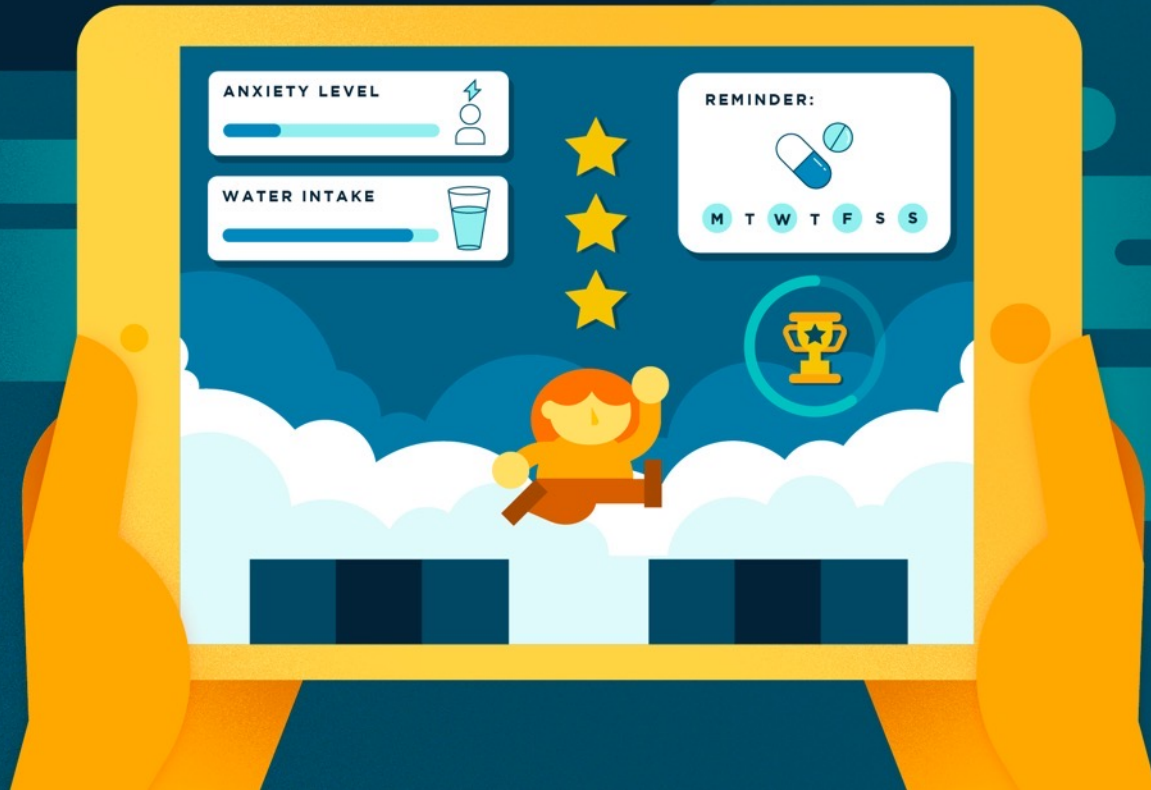


Total funding: [\\$188M](#)

- Offers at-home urine tests.
- Patients perform the urine test using a kit and their smartphone. They can immediately access and share the results with their physician.
- Remote UTI testing also allows patients to get antibiotic treatment delivered to their home.
- While Healthy.io does not currently offer employer benefits, its traction and finding is reflective of where demand is heading.

TREND 5

Gamification makes benefits stick



How are gamified benefits enabling employee retention?

According to the [Human Workplace Index Survey](#), more than one-third (36%) of U.S. workers plan to leave their jobs within the year, forcing organizations to prioritize retention.

In previous years, companies deployed “golden handcuffs” to incentivize employees to stay, drawing out stock-investing and introducing lengthy eligibility periods to parental leave and other benefits. However, [according](#) to consulting firm Korn Ferry, this strategy is increasingly obsolete, with 3 out of every 5 employees having been at their company for fewer than three years.

To counteract this, employers are turning to gamification to increase the stickiness of their benefits, scaling adoption and enrollment and driving engagement.

For example, a Canadian company that [incorporated a gamified wellness program](#) helped employees significantly reduce blood pressure, stress, and fatigue, aiding in retention.

Interactive games can also allow employees to get individualized health recommendations and understand how they can make the most out of their benefits. VSP Vision Care's VSP & You, for example, is a digital experience that gamifies the pre-enrollment process, offering personalized recommendations and insights for prospective members. The optimization of benefits is [one way](#) employers can unlock employee retention.

In addition to health and wellness, gamification is being applied to financial and insurance programs, keeping employees engaged with the performance of their benefits.

Finally, gamification is being leveraged to accelerate overall employee growth and engagement, a [key tactic](#) for improving retention and keeping workforces ‘sticky.’

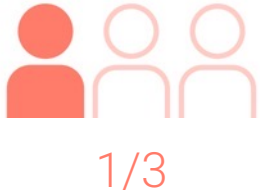
"While gamification has been around for years, what's changed is that it's starting to infiltrate nearly every industry and has become the driver of long-term utilization, how interactions are done, and how behaviors are conveyed."

Alexander Lennox-Miller,
Lead Analyst in Healthcare
IT, [CB Insights](#)

Where is the momentum now?

With an increased focus on retention, gamification is being used across multiple industries, including in benefits, to drive engagement and stickiness.

Workers are ready to move on.



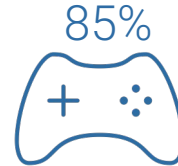
According to the [Human Workplace Index](#), one-third of workers plan to leave their jobs in a year, driving the increased focus on retention.

Employee engagement emerges as key factor in combatting turnover.



Gallup's State of the American Workplace [report](#) reveals that employees who are engaged are more likely to stay with their organization, reducing overall turnover and the costs associated with it.

Gamification boosts employee engagement, with business adoption following suit.



According to a [Gartner report](#), 85% of employees are shown to be more engaged when gamification solutions are applied to their workplace. As a result, gamification has now been adopted by more than 70% of businesses belonging to the Global 2000.

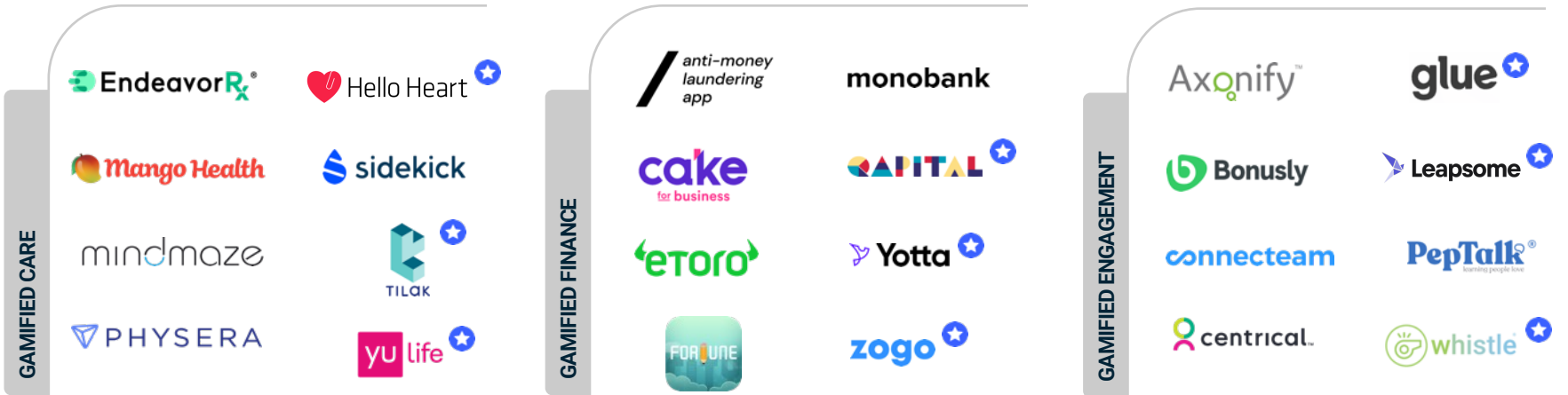
Employees stick around (*and work harder*) with gamification in place.



As many businesses invest in benefits to improve [retention](#) and [productivity](#), gamification can help augment both pursuits. 69% of workers are [reportedly](#) more likely to stay at a company for 3+ years when gamification is in place and 72% say that gamification inspires them to work harder.

Startups tap gamification to increase benefits engagement

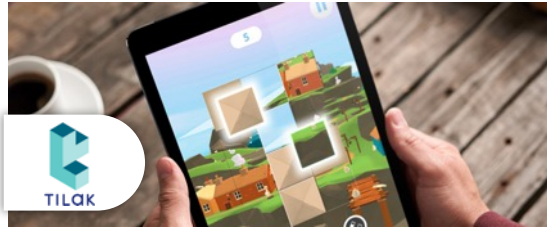
Gamified benefits can improve employee wellness and productivity, while helping employers monitor which programs are most utilized and effective.



Featured in the Report

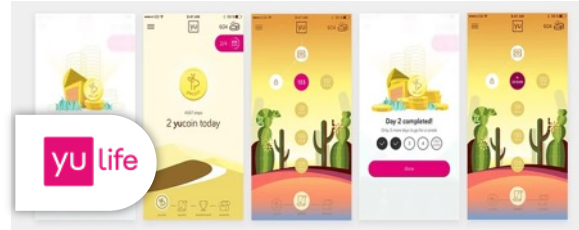
Gamification accelerates engagement within health and wellness benefits and services

Health and wellness startups take a gamified approach to encouraging healthy behaviors, usage, and stickiness.



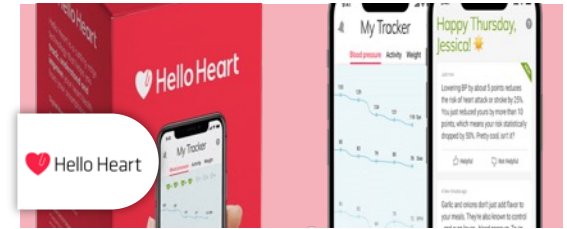
Total funding: [\\$10.9M](#)

- French startup that develops video games for people with eye disorders.
- Its game [OdySight](#) helps doctors monitor a patient's vision remotely.
- A [recent study](#) found that the game has a three-month retention rate of 43%.



Total funding: [\\$206.6M](#)

- The UK-based employee benefits and engagement company offers employers a [bundle](#) that includes group insurance, early intervention tools, an HR administration tool, and a gamified app.
- The app allows employees to partake in health and wellness challenges, earning a digital coin that can be used a partner retailer.
- Due to the gamified experience and real-life rewards, 80% of YuLife app users are [highly engaged](#).



Total funding: [\\$138M](#)

- A blood pressure monitor and app to help patients track and improve their heart health.
- The app uses progress bars, humor, and rewards to provide encouragement.
- A [study](#) found that Hello Heart users experienced a “significant decrease” in blood pressure.

Gamification turns rote financial discipline into engaging activities to incentivize utilization

Milestone-based tasks and rewards reduce anxiety in financial management programs.



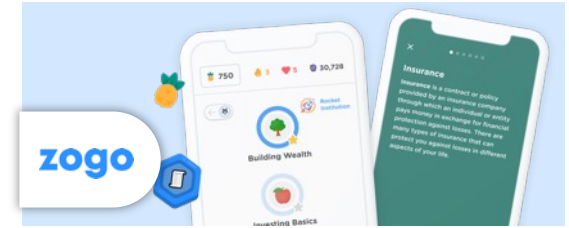
Total funding: [\\$51.98M](#)

- A personal finance app, Qapital uses gamified elements to motivate users to reach their savings goals.
- Each savings goal includes a progress bar to provide visual encouragement.
- The highest-paying plan features [Money Missions](#) – challenges to help users save even more money.



Total funding: [\\$16.76M](#)

- A fintech app that offers [prize-linked savings](#).
- When a customer deposits money into their savings account, they receive tickets to enter a sweepstake to win a cash prize of up to \$1M.
- Customers can also team up with others using the [Pool Play](#) feature for a better chance of winning.

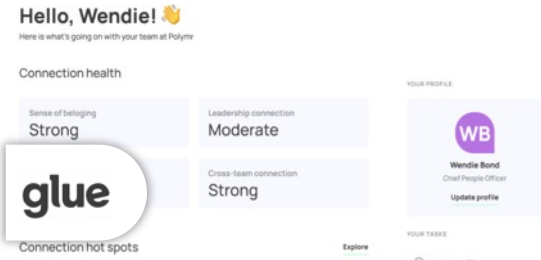


Total funding: [\\$120K](#)

- A financial literacy solution that also includes an [educational app](#).
- Similar to Duolingo, it breaks up complex topics, such as taxes, into short modules.
- Zogo rewards users with real prizes, such as gift cards for Starbucks, Target, and other retailers.

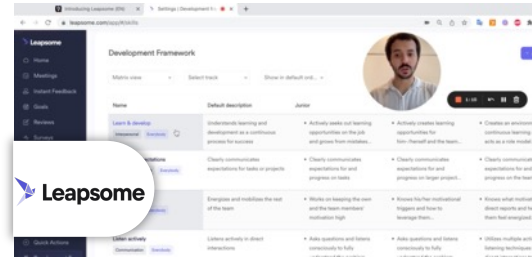
Benefits administrators deploy employee engagement tech to improve retention, loyalty, and productivity

Engagement startups use AI to boost morale and stickiness among a distributed workforce.



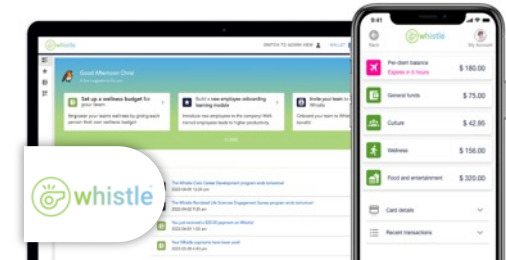
Total funding: [\\$19.7](#)

- An AI-powered employee engagement platform, Glue (formerly Mystery) combines insights with actions to help leaders strengthen employee connections and retention.
- Glue uses machine learning and network analysis to find connection opportunities among employees and teams.
- The company curates virtual and in-person experiences for teams to measure the impact on company morale and individual engagement.



Total funding: [\\$60M](#)

- Leapsome offers a people enablement platform to drive employee engagement, performance, and development.
- The startup uses AI-powered sentiment analysis to help organizations understand what their employees are feeling. In addition, AI fuels its employee turnover predictive analysis model, helping companies launch initiatives focused on boosting retention.
- The Berlin-based startup launched its U.S. HQ following its \$60M Series A in 2022 and says it already generates 20% of its sales from the U.S.



Total funding: [\\$3.2M](#)

- Whistle automates specific people programs, like bonus payments, employee onboarding, and culture budgets, to increase employee loyalty.
- By integrating learning technology with AI and business intelligence, organizations quantify their investment in people programs, allowing them to improve retention, productivity, and profitability.
- The two-year-old startup [raised](#) a \$3.2M seed round in 2022.



Our Call to Innovators

The trends highlighted in this report show how the future of benefits lies in responsive, individualized offerings that address employees' unique, evolving needs. In addition, as benefits and the future of work change rapidly, innovations that enable accessibility and engagement will continue to shape the industry, allowing for employers and employees alike to maximize their benefits.

At VSP Vision, we are constantly reimagining the way eye care and eyewear are delivered to the world. To fulfill this promise, the VSP Global Innovation Center (GIC) is actively seeking new startups and technologies to collaborate with on forward-looking innovations, especially around access. Interested in connecting? Let's talk.

GET IN TOUCH WITH US AT
globalinnovationcenter@vsp.com

About the Producers



About VSP Global Innovation Center

At VSP Vision, our purpose is to empower human potential through sight. As the first and only national not-for-profit vision benefits company, VSP has been the leader in health-focused vision care, providing affordable access to eye care and eyewear for more than 85 million members through a network of more than 41,000 providers.

The VSP Global Innovation Center (GIC) is VSP's lens into the future.

Through emerging technologies, new business exploration, and strategic connections within the innovation ecosystem, the GIC is a hub for reimagining the way eye care and eyewear are delivered to the world.

To learn more, please visit www.vspglobal.com/innovation



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To learn more, please visit <http://www.cbinsights.com/>