



By the Numbers: The State of HR, Benefits and Payroll for Banks

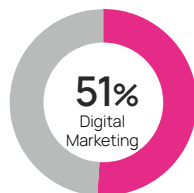
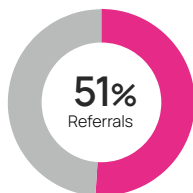
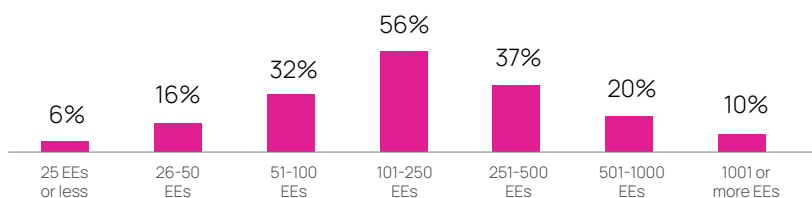
Human resources (HR) departments are overwhelmed with responsibilities, from recruitment and benefits to compliance and policy development. For strategic guidance on these important tasks, many business leaders look for recommendations from specialized advisors who they know, trust and already work with—including their bankers. In [isoloved's, Advisory Services Research: The State of Benefits, Financial and HR Consulting](#) report, we surveyed banks to learn about what they see as top challenges and emerging opportunities when offering HR support to their clients.

Here is what they told us.

Banks: Client Snapshot

Typical Business Size of Client

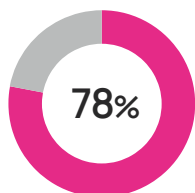
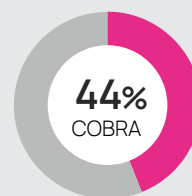
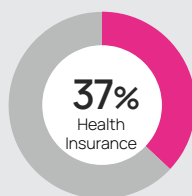
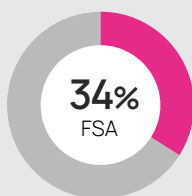
Most banks support clients with between 100 and 250 employees.



Where do Banks Source Clients?

Banks use referrals and digital marketing equally when sourcing clients, including digital ads, intent data, email marketing, social media, third-party websites and more.

Which Services Are Being Advised On?



Outsource some portion of
benefits and compliance

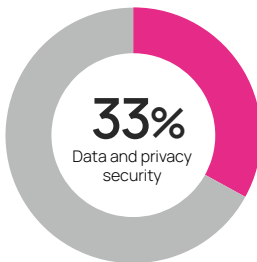
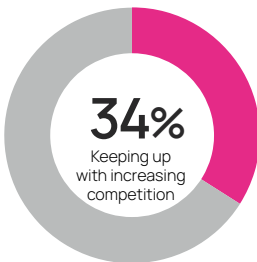
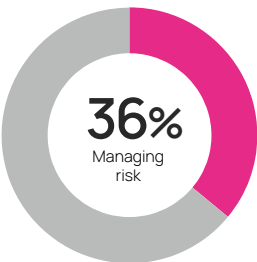
Who Handles Benefits & Compliance?

More than half of banks (55%) rely on third-party administrators (TPAs) to handle benefits and compliance services for their clients in addition to providing services in house—while another 23% outsource entirely.

Banks: Challenges and Priorities

Top Challenging for Bank Advisories

Managing risk is the most common concern for banks, along with a commitment to maintaining data security. Both are pivotal to remaining competitive.



Top 5 Client Concerns, Ranked

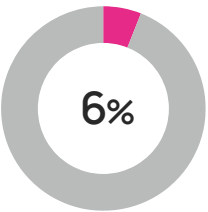
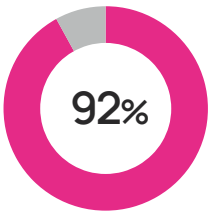
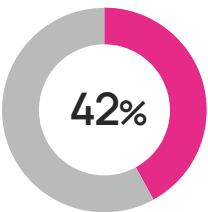
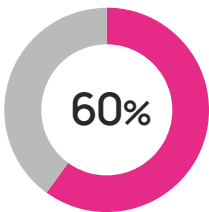
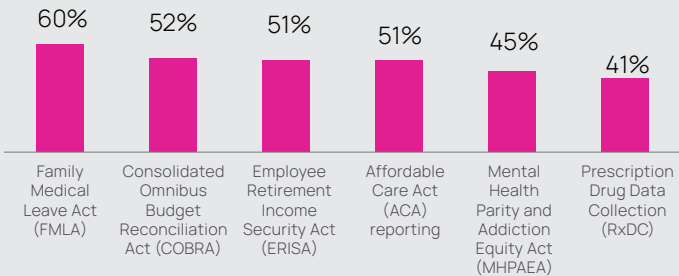
- 1. Recruiting and retaining top talent (tied)
- 1. Maintaining compliance (tied)
- 2. Managing challenges with benefits enrollment
- 3. Inadequate HCM technology (tied)
- 3. Increasing employee expectations (tied)

Rising Concerns from Clients

The war for talent is fierce, and clients want to be sure their human capital management (HCM) tech will keep up with expectations—from recruiting and retaining employees to maintaining compliance and managing benefits.

Top Compliance Worries

Managing family leave compliance is a significant concern for banking clients, given the regulatory, administrative and financial complexities.



All-in on AI

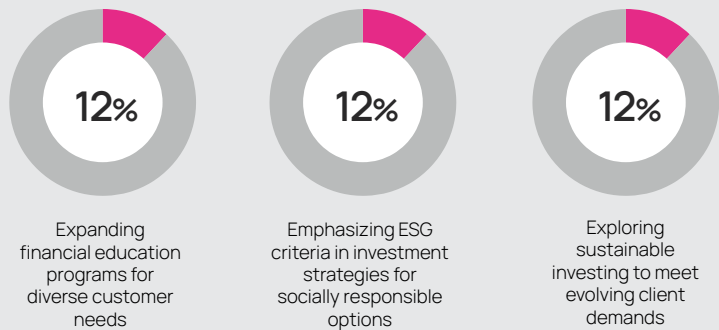
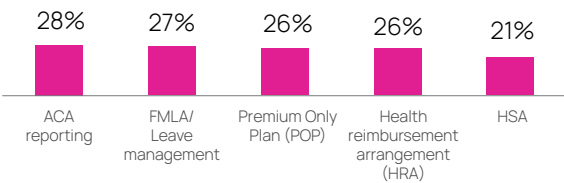
Nearly half of banks (46%) are investigating options to leverage AI and another 46% are already offering AI solutions. Only 6% are not interested in AI at all.

That said, well over half of banks are concerned AI advancements could replace human brokers. Half of all respondents believe the biggest disruptors of financial wellness and employee benefits will include shifting demographics that demand tailored benefits with AI analytics (15%), AI-based business models (14%) and fintech AI investment strategies (13%).

Banks: What's Next

Service Offerings Now On Deck

More than a quarter of banks are looking to add ACA reporting support to their list of offerings to advise on, followed by 24% looking to add support for FMLA. Those who don't currently support leave management say the main reason is a lack of familiarity.



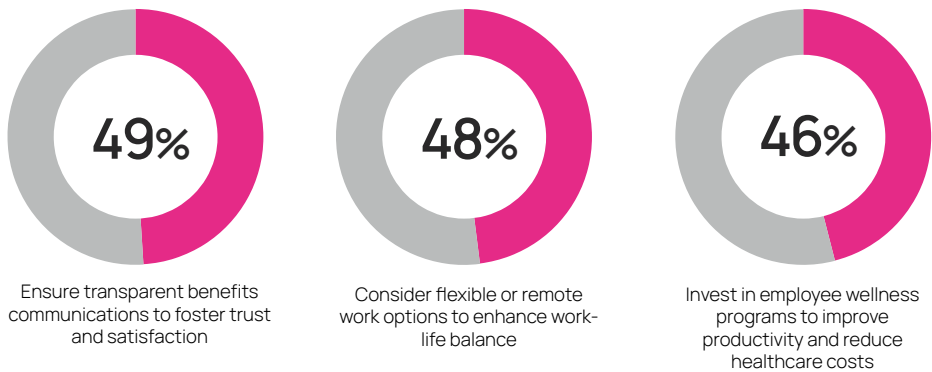
Top 2025 Opportunities

Offering education on diverse customer needs is top of mind for bankers, who also see environmental, social and governance (ESG) and sustainable investing as their biggest opportunities for driving business in the next 12 months.

Helping Clients Grow Their Business

To future-proof and protect growth, banks advise clients to maintain transparency and flexibility—and invest in employee wellness.

Most Frequent Advice for Clients



Partnering with the right HCM technology vendor can help banks solve top client concerns—like attracting and keeping top talent, compliance and managing benefits—resulting in happier clients that are more likely to come back for support in the future (and share their experiences with others).

Download our full Advisory Services Research: [The State of Benefits, Financial and HR Consulting \(2024-2025\)](#) report to discover more.