



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

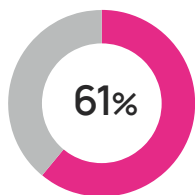
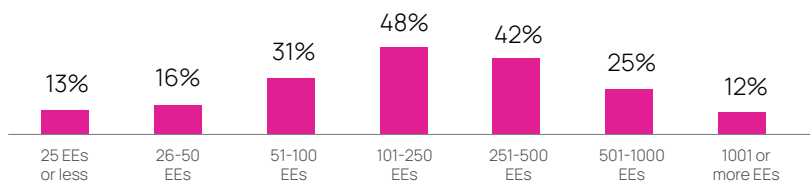
Human resources (HR) departments are overwhelmed with responsibilities, from recruitment and benefits to compliance and policy development. For strategic guidance on these important tasks, many business leaders look for recommendations from specialized advisors who they know, trust and already work with—including their brokers. In isolved's, [Advisory Services Research: The State of Benefits, Financial and HR Consulting](#) report, we surveyed brokerages 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.

Brokerages: Client Snapshot

Typical Business Size of Client

Most brokers support clients with between 100 and 250 employees.

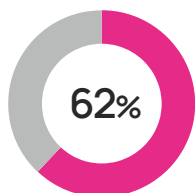
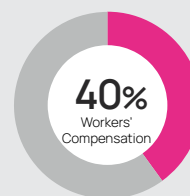
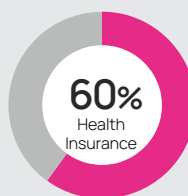
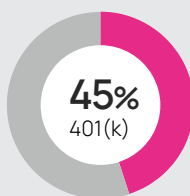


Use Digital Marketing for Client Acquisition

Where do Brokerages Source Clients?

6 in 10 brokerages use digital marketing to source 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

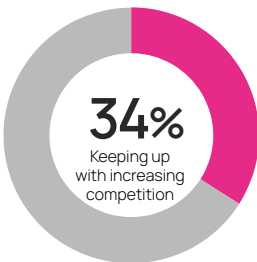
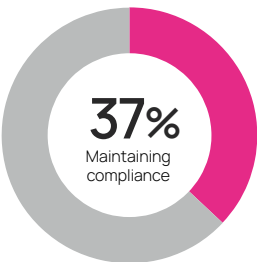
Who Handles Benefits & Compliance?

More than 6 in 10 banks rely on third-party administrators (TPAs) to handle benefits and compliance services for their clients.

Brokerages: Challenges and Priorities

Top Challenging for Brokerage Firms

Maintaining compliance is the most common concern for brokerage firms—an important part of earning trust and meeting evolving client expectations to remain competitive.



Top 5 Client Concerns, Ranked

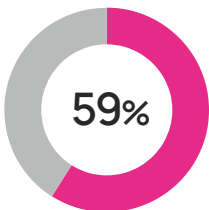
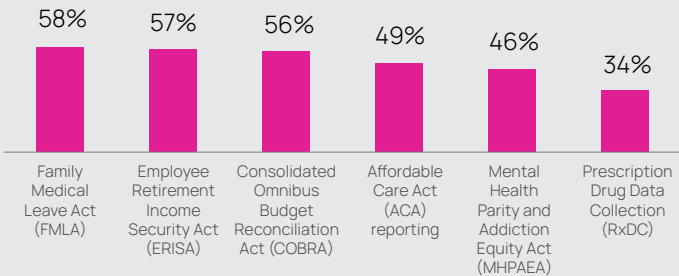
1. Rising healthcare costs
2. Maintaining compliance (tied)
2. Keeping up with the competitors (tied)
3. Inadequate HCM technology
4. Offering competitive benefits

Rising Concerns from Clients

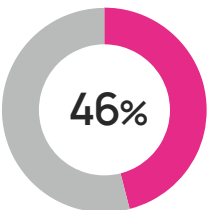
Healthcare costs are skyrocketing, and clients want to be sure their offering the right benefits to stay competitive.

Top Compliance Worries

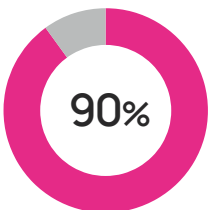
Managing family leave compliance is a significant concern for brokerages, given the regulatory, administrative and financial complexities.



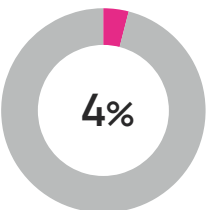
Are worried AI will replace human brokers



Believe AI will disrupt financial wellness and benefits by 2026



Are offering or exploring AI in their solutions



Not interested in AI

All-in on AI

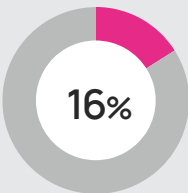
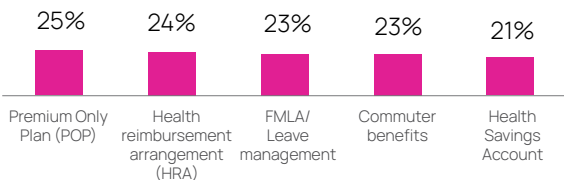
9 in 10 brokerages are leveraging or exploring AI, as 48% are investigating options to leverage AI and 38% are currently offering AI solutions. Only 6% are not interested in AI at all.

There is some caution, however, as more than half are concerned AI advancements could replace human brokers. Half of all respondents also believe the biggest disruptors of financial wellness and employee benefits will include AI: through AI-based business models (14%), fintech AI investment strategies (16%) and shifting demographics that demand tailored benefits with AI analytics (16%).

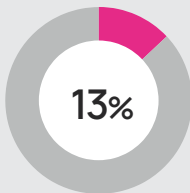
Brokerages: What's Next

Service Offerings Now On Deck

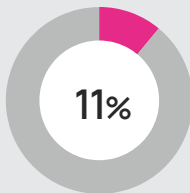
A quarter of brokerages are looking to add FMLA support to their list of services. Those who don't currently support leave management say the main reason is a lack of familiarity with providers and the offering.



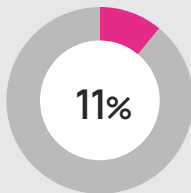
Integrating AI-driven analytics for tailored employee benefits



Exploring sustainable investing to meet evolving client demands



Embracing AI and automation for personalized investment strategies (tied)



Addressing cybersecurity concerns amid increased digitalization (tied)

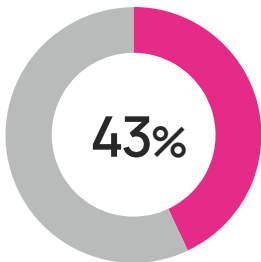
Top 2025 Opportunities

Tackling AI is top of mind, as brokers see integrating AI analytics into tailored employee benefits offerings as the biggest opportunity for driving business in the next 12 months.

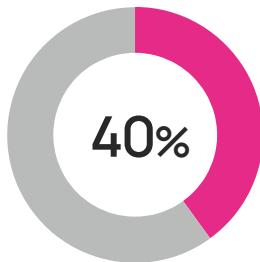
Helping Clients Grow Their Business

To future-proof and protect growth, brokers are advising clients to strengthen retirement savings and ensure flexible work and transparent benefits.

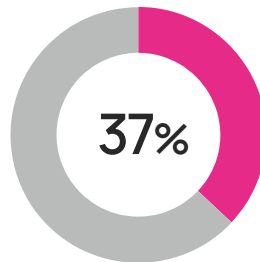
Most Frequent Advice for Clients



Retirement savings plans to support employees' long-term goals



Ensure transparent benefits communications to foster trust and satisfaction



Consider flexible or remote work options to enhance work-life balance

Partnering with the right HCM technology vendor can help brokerages solve top client concerns—like rising healthcare costs, compliance and competition—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.