ROI: Return on Inspiration
Why Generous Vacation Benefits Drive Business Success

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Executive Summary

The traditional view of paid time off (PTO) as a simple employee perk is outdated. Data now strongly positions generous vacation time and related savings benefits, such as a 401(play) as a strategic investment with a measurable Return on Investment (ROI). This white paper leverages key statistics to demonstrate how supporting employees' ability to save for and take vacations directly addresses critical business challenges, including retention, recruitment, employee engagement, and financial wellness. For employers navigating a tight labor market, vacation-focused benefits are no longer "nice to have" but essential tools for attracting top talent and reducing costly turnover.

Retention: Reducing Turnover and Protecting Institutional Knowledge

Employee turnover is a major expense for any organization, impacting hiring, onboarding, and the loss of valuable institutional knowledge. Strategic vacation-focused benefits directly mitigate this risk:

- **Financial Incentive for Loyalty:** When employers invest in the financial well-being of their employees, they build loyalty, engagement, and a more resilient workforce according to SHRM's Financial Wellness Guidance Report. Financial well-being builds emotional loyalty – employees who thrive financially, stay.
- **Early-Career Retention:** Offering vacation savings benefits with employer contributions makes new hires significantly more likely to stay, showing them to be **35% less likely to leave within their first year** (FAU/CSU Study). This strong early incentive dramatically reduces the high cost associated with churn among new employees.

By helping employees plan for and afford time away, employers foster a sense of security and loyalty that translates into sustained commitment, effectively reducing hiring and onboarding costs.

Recruitment & Competitive Advantage: Differentiating Your Offer

In today's highly competitive labor market, compensation alone is often not enough to secure the best talent. The strength of the benefits package is a primary differentiator:

- **Benefits Trump Salary:** A strong benefits package holds significant weight. A recent survey by American Institute of Certified Public Accountants (AICPA) found that ***80% of respondents would choose a job with benefits over an identical job that offered 30% more salary but no benefits.*** "The Importance of Employee Benefits in a Competitive Job Market" (2023) states: **"nearly 80% of employees prefer additional benefits over a pay raise."**
- **The Expectation of Financial Wellness:** Financial wellness tools have evolved from a novelty to an expectation. **84% of employers report that these tools help increase employee retention, and 81% say they help attract higher-quality candidates** (Bank of America's 12th Annual Workplace Benefits Report, 2022.)

78% of companies with "great" employee retention rates encourage the use of vacation time, compared to only 58% of companies with "poor" retention rates.

Engagement and Job Satisfaction:
A rested and satisfied employee is a productive employee. The link between job satisfaction, tenure, and performance is clear:

- **Building Long-Term Loyalty:** Employees satisfied with both their pay and benefits are **13% more likely to stay for three or more years** (Mercer Study, 2024). Comprehensive benefits help build a foundation of loyalty that ensures greater long-term stability.
- **Performance Through Engagement:** High employee engagement directly correlates with superior results. **Engaged employees are 31% more likely to stay at their companies *and* to exceed expectations** (Gallup, 2024). Vacation time is a proven method for preventing burnout, refreshing perspective, and boosting engagement, which translates into measurable performance improvements and reduced churn.

The Origin Story of 401(play) Inc.

Greg Nickolson, founder

When I ran my own IT company, I wanted to do something special for my team, something that truly showed how much I valued their hard work. So I made what I thought was a dream announcement: unlimited paid vacation. But to my surprise, they took less time off.

Curious, I dug deeper and found the real barrier wasn't time - it was money and motivation.

That's how 401(play) was born. Think of it as a 401(k) for vacations. Every year, vacations rank as Americans' #1 life goal—above buying a home, getting promoted, or retiring early. Now, employers can help make that goal a reality for employees. With 401(play), companies can offer a benefit that improves lives and delivers a strong ROI. It's a powerful tool for recruiting, recognition, and retention—boosting productivity, culture, and happiness. After all, better time off the job means better time on the job. That's at the heart of why I started 401(play).

Financial Wellness & Employee Well-Being:
Financial stress is a major contributor to reduced focus and productivity in the workplace. Employers are increasingly recognizing their role in mitigating this stress:

- **Employer Responsibility:** A striking **97% of employers feel responsible for employee financial wellness.** Tools that support financial health are shown to improve satisfaction, loyalty, morale, and even creativity. **(**Bank of America 2022 "Workplace Benefits Report**)**
- **Valued Savings Tools:** While many financial wellness tools focus on debt or retirement, employees deeply value savings options for all life stages. **More than half of employees (53%) with a financial wellness benefit cite retirement planning as the most important feature (**National Association of Pension & Retirement Administration

Networks study, 2022**)** This indicates that employees, regardless of age, highly value savings tools that enable them to plan for the future, including both retirement and immediate, aspirational goals.

Employee Priorities and Aspirational Goals: Aligning Benefits with Real Life

The most effective benefits align with what employees are actually saving for. Data shows that employees are prioritizing life experiences:

- **Travel is a Top Savings Goal: One-third of Americans cite travel or vacation as the top thing they're saving for in 2025** (Harris Poll Survey, 2025)—outranking common savings goals like emergencies, cars, or home repairs.
- **Connecting Benefits to Aspirations:** By offering a mechanism (such as payroll set-asides or dedicated savings accounts) to support saving for high-priority life experiences, employers connect their benefits package to the real, aspirational goals of their workforce. This strong alignment makes the benefit highly relevant, valued, and utilized.

Conclusion

Investing in generous vacation time and supporting the financial means to take it, is a sound business strategy with a clear ROI. These benefits directly address the core challenges of modern workforce management: reducing the cost of turnover, improving competitive positioning in recruitment, enhancing employee performance through engagement, and fostering a financially healthier workforce. By strategically facilitating employee rest and savings, employers secure not just a happier team, but a more loyal, productive, and committed one.

About 401Play

At 401(play), we're addressing a growing issue: employees aren't taking their much-needed vacations. Every year, millions of vacation days go unused, leading to burnout and decreased productivity. Our mission is simple: help employees prioritize rest by making vacation planning and saving easier than ever.

We created 401(play) to empower employees with a company-backed Vacation Funding Account, where they can set aside savings for their next dream getaway. This innovative benefit not only promotes health and well-being but also strengthens company culture by showing employees they are truly valued.

401(play) combines FDIC-insured savings with an intuitive planning platform, allowing employees to budget, plan, and book trips in one place. By prioritizing travel, companies build a happier, more productive workforce.

Learn more at www.401play.com.

Sources

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