

2025 Lifestyle Spending Accounts (LSAs) benchmark report

Make data-driven decisions to design customizable
spending accounts that employees will love



Employee benefits that flex to fit everyone's life



Contents

4 The most innovative approach to benefits

11 Companies that offer Lifestyle Spending Accounts

14 How companies design industry-leading spending accounts

Types of spending accounts

Account funding

Funding frequency

29 How employees spend their allowances

Budget utilization

Spending trends

38 Insights by use case

Enhance physical and emotional health

Increase worker productivity

Help employees learn and grow

Support working caregivers

46 Insights by industry

Technology

Manufacturing

Business & Professional Services

Healthcare & Life Sciences

Financial Services

Retail & Hospitality

54 Insights by country

68 LSAs: An intentional wellbeing investment

69 Addendum: Pre-tax accounts



Introduction

Key takeaways:

- + Lifestyle Spending Accounts (LSAs) are a benefits solution that empowers employees to pursue their personal goals, eases the burden on benefits teams, and maximizes company benefits budgets.
- + Companies have overwhelmed employees with too many point solutions and sub-optimal reimbursement methods, inadvertently causing workers to disengage from the very perks designed to support them.
- + This benchmarking report provides insights to help organizations make informed, data-driven decisions when designing their LSAs.

The most innovative approach to benefits

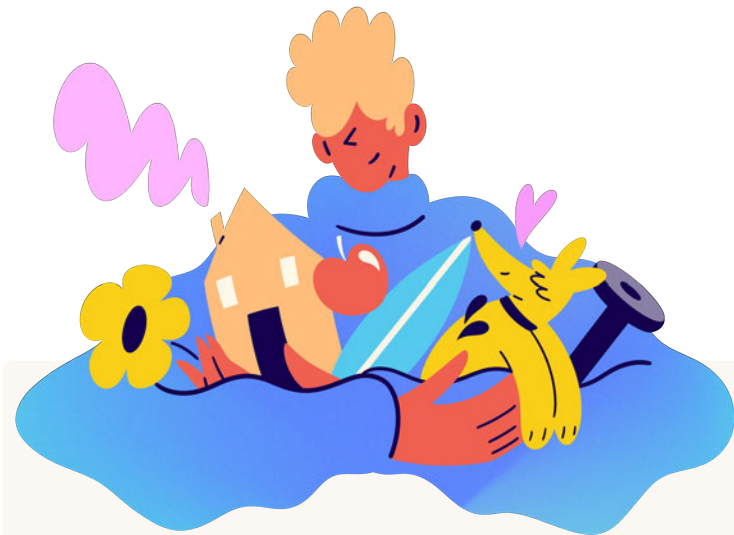
The days of offering only traditional perks like medical, dental, vision, and retirement plans are long over. In the battle for top talent, benefits leaders have evolved their packages to attract and retain top-tier talent, support employee engagement, and promote workforce wellness.

Many companies have responded by offering perks galore. It's not uncommon to see organizations with dozens or even hundreds of benefits for global populations, from gym reimbursements to internet stipends to backup childcare.

Yet even with these expansive options, employees often don't fully use the benefits they're given. The hard work of benefits teams is often overshadowed by low utilization and ballooning spending that finance scrutinizes every year.

That's why Lifestyle Spending Accounts (LSAs) have emerged as the most sought-after new benefits solution.

LSAs are a win-win-win. Employees love LSAs for the flexibility they offer. Benefit teams appreciate the efficiency in administration. And companies benefit from reducing waste on underutilized benefits.



What is a Lifestyle Spending Account?

A Lifestyle Spending Account (LSA) is an employer-funded, customizable account that employees can use to cover a variety of personal expenses. Employers set the guidelines, determine eligibility, and allocate a budget. Employees decide how to spend their funds within the program's policies, tailored to their individual needs.

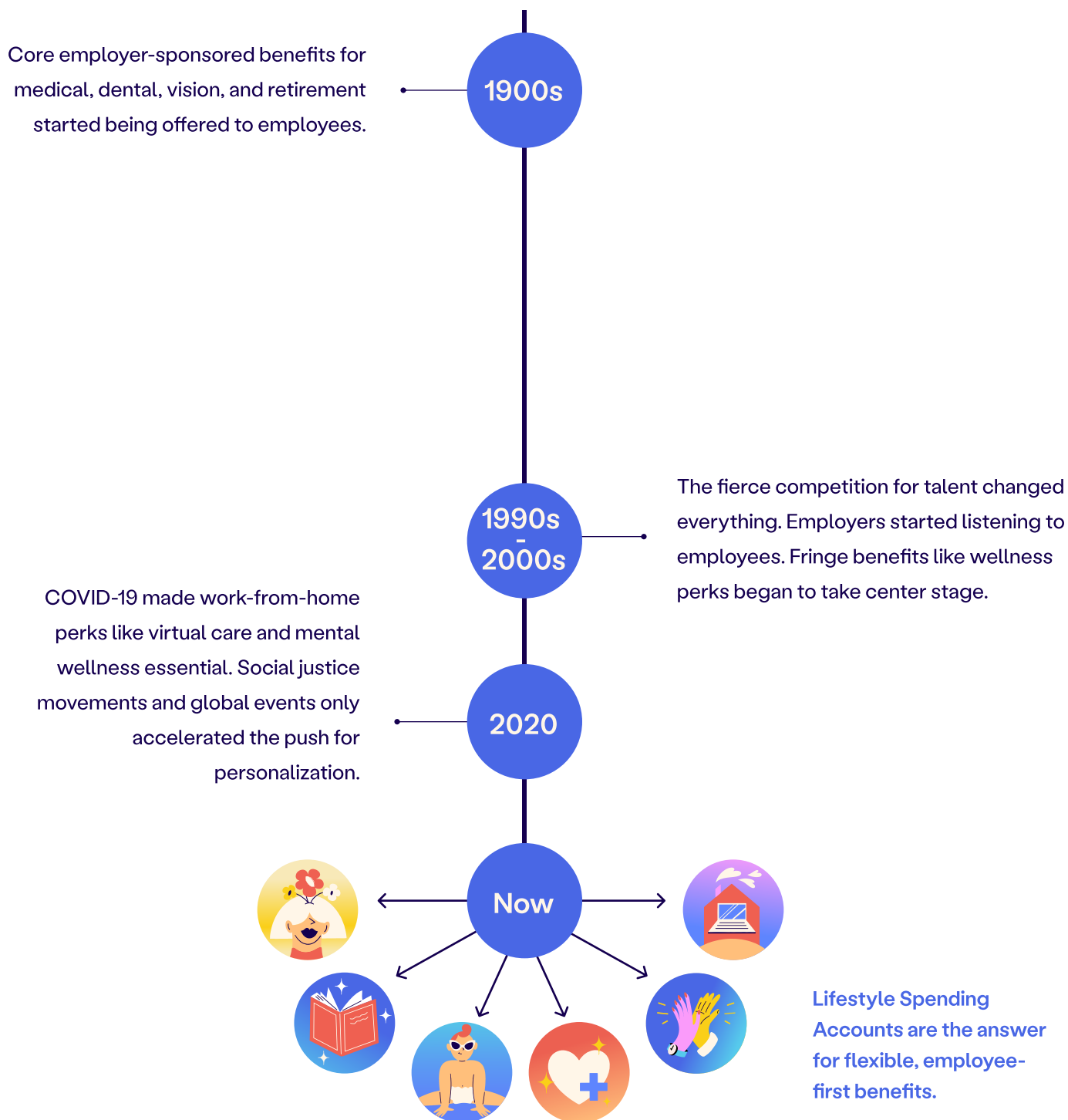


Explore why LSAs are essential for modern companies in our comprehensive guide to Lifestyle Spending Accounts.



History lesson: the shift to employee-driven benefits

To fully appreciate LSAs, here's a simplified history of employer-sponsored benefits.



Out with the old, in with LSAs

Organizations often rely on outdated, bloated benefit schemes. Three common approaches to benefits administration are via point solutions, direct-to-payroll stipends, and reimbursement with expense management systems.

1. Point solutions

Ad-hoc point solutions are typically a single-purpose tool for a specific employee benefit need. Organizations wind up with dozens (if not hundreds) of vendors to manage. Too many point solutions creates massive cost inefficiencies and a poor employee experience.

2. Stipend added to payroll

Companies automatically append benefit funds to paychecks. It may seem simple, but it often leads to

waste. Employees may not need or even misuse funds provided. And employers miss out on meaningful employee investments and getting recognition for their efforts. In a cost-conscious environment, this approach doesn't maximize value.

3. Reimbursement via expense management tools

Using expense management software for reimbursements can create inefficiencies. Per-claim fees add up. HR and finance teams become overloaded by process checks. These systems, designed for finance, often fail to meet benefits leaders' needs effectively.

In contrast, LSAs are a flexible approach that outperform traditional methods at scale.

Weighing your options

Traditional benefit schemes

- **Low usage:** Too narrow of focus causes employees to not use the point solution. Outdated, user-unfriendly systems frustrate employees, reducing benefit usage and defeating their purpose.
- **Inefficient administration:** Each program requires extensive management, creating a heavy administrative burden.
- **High costs:** Managing multiple vendors and maintaining different processes drives up expenses. Direct-to-payroll stipends are especially costly and difficult to oversee.
- **Growth challenges:** Addressing more needs with various benefit solutions and systems becomes increasingly complex, making it harder to adapt to evolving needs.

LSAs

- + **High utilization:** A unified platform eliminates access barriers, encouraging employees to engage with their benefits. Unhindered flexibility raises employee usage and engagement.
- + **Simplified administration:** Consolidate programs into a single platform managed by a modern third-party administrator (TPA), reducing oversight and complexity. Let your TPA take care of the heavy lifting.
- + **Cost savings:** LSAs are pay-as-you-use, unlike point solutions that charge per employee regardless of usage or stipends that inadvertently provide free money to employees, regardless of usage.
- + **Easily scale:** LSAs adapt to diverse, multi-generational, global workforces. Employers tailor benefits to their unique population needs.



How LSAs work

LSAs might sound too good to be true. Though in reality, spending account programs are simple to implement and administer. With a modern third-party administrator, here's how LSAs work.

For employers:

- + Set up spending accounts that align with your strategy, goals, and budget.
- + Define eligibility with best practices and guidance for seamless account setup and management.
- + Let your TPA handle claims adjudication, processing, and employee support so you can focus on bigger priorities.

For employees:

- + Gain access to multiple spending accounts.
- + Spend funds via claims reimbursement, debit card, or a marketplace.
- + Source the benefits that matter most to them given their preferences.

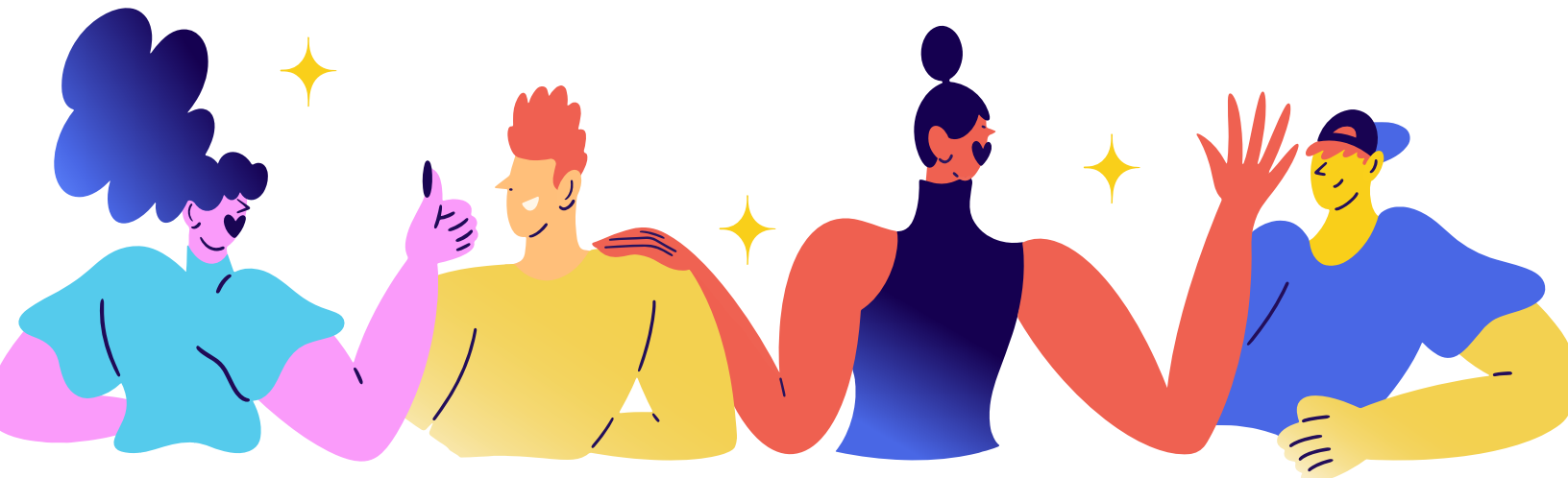


Timing is everything

LSAs can be launched at points other than the traditional January 1st rollout. Organizations often optimize program timing to align with specific cultural rhythms and strategic initiatives.



[Learn about the 6 ways companies gain from an off-cycle LSA launch.](#)



LSAs for purposeful support

Our **2025 Lifestyle Spending Accounts (LSAs) benchmarking report** represents Forma's third consecutive year of deep analysis into LSA benchmarking trends.

A central focus of this year's research was to uncover how adoption patterns across various account types have evolved. What we found is that as organizations strive to address the diverse and ever-evolving needs of their workforce, a new trend is taking shape.

One key insight stands out: The All-inclusive LSA – a holistic spending account that covers physical, emotional, financial, and social wellbeing pillars – remains popular, but its adoption slowed in 2024.

More organizations have pivoted investments towards an LSA program that consolidates benefits with dedicated accounts, or accounts that provide support for specified needs and priorities such as Gender Affirming Care, Financial Wellness, or Commuter Assistance Spending Accounts.

Quantifying how much employees value LSAs

When given the flexibility to choose, an LSA demonstrated **50 percent more perceived value** compared to a set benefit chosen by the employer.



Read more about the positive outcomes in the ROI of flexible benefits white paper.

Source: Aon Radford & Forma.

This trend highlights a deeper commitment to advocating for employees' unique lifestyles. And for benefits teams, there are several reasons why dedicated spending accounts devoted to an intention outshine the All-inclusive LSA – see five reasons why below.

After implementing LSAs, benefits teams can once again prioritize high-impact initiatives. They return their focus to their core mission: helping people.

Top 5 reasons why benefit teams adopt customizable spending accounts

1. Employees highly regard LSAs since they gain flexibility and the benefit isn't lumped into their paycheck.
2. Organizations can allocate resources intentionally with accounts dedicated to specific priorities that result in better employee outcomes.
3. Employers optimize their cost efficiency. Savings are built-in as employers only pay for what employees actually use since LSAs are notional accounts.
4. LSAs consolidate multiple benefits into defined customizable accounts that reduce vendor management and contract costs.
5. Companies face opportunities to eliminate manual processes and lower costs from expense management systems.



About the report

Benchmarking allows benefit leaders to make informed decisions about their benefits design, ensuring competitive and impactful perks.

Our **2025 Lifestyle Spending Accounts (LSAs) benchmarking report** dives into recent benefit trends and leverages Forma data from 600K employees of 275 companies and 110 countries. The report is an aggregation of insights from all countries Forma supports, with country-by-country breakouts towards the end of the report.

In our 2025 report, you'll find:

- + Common types of customizable spending account programs that companies offer so you know which benefits are in demand.
- + The typical amounts provided and how often balances are replenished and zeroed, giving you insight into whether your contributions are in line with industry standards.
- + How employees utilize their allowances in practice, helping you to predict your actual spend.
- + An in-depth exploration of how businesses across various industries and sizes are structuring their LSAs.

Research methodology

The Forma platform has data-gathering capabilities that provide insights into customizable spending accounts from:

- + 275 companies with active spending accounts
- + 600K unique users of the Forma platform

For this report, the Forma Research team analyzed data across all companies on the Forma platform to collect insights regarding spending account trends, funding amounts, and usage patterns.

This data is a snapshot of observations made at specific points in December 2024 and January 2025. Results are subject to change upon company and user changes.



Companies that offer Lifestyle Spending Accounts

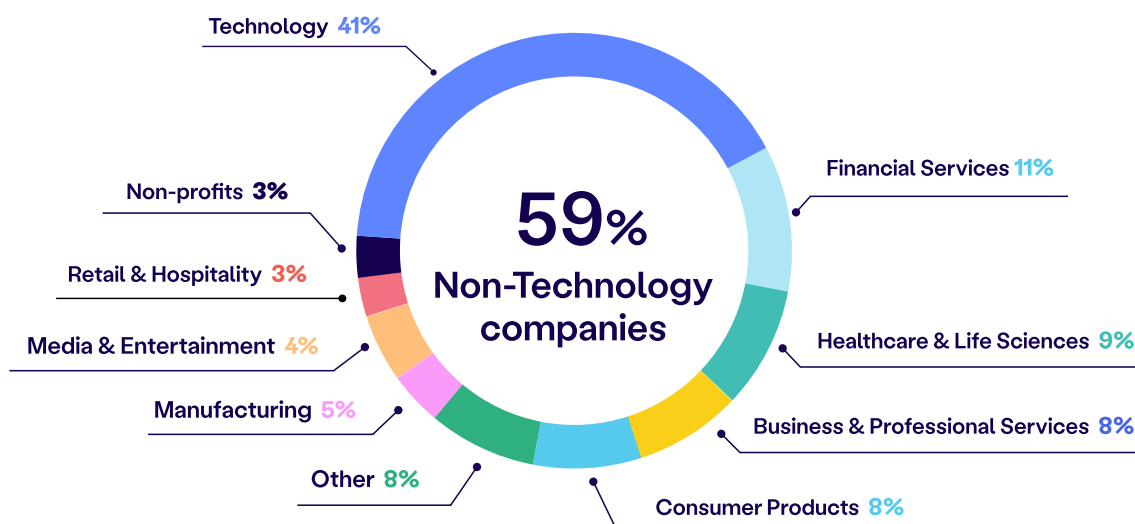
Key takeaways:

- + LSA adoption has moved beyond the tech sector. Now, LSAs are viewed as a strategic benefits tool embraced by companies across various industries.
- + LSAs scale with company size. Organizations of varying sizes – and especially global organizations – benefit from the customization allowed from LSAs.
- + LSAs empower companies to provide benefits equitably around the world. Organizations offer spending account programs to employees in more than one country as a way to standardize and localize solutions.

Companies that offer Lifestyle Spending Accounts

Organizations of all industries, sizes, and locations offer customizable spending accounts. This benchmarking exercise includes insights from 275 companies, capturing a broad spectrum of employers to ensure findings are both comprehensive and relevant across different business contexts.

Breakdown of companies by industry



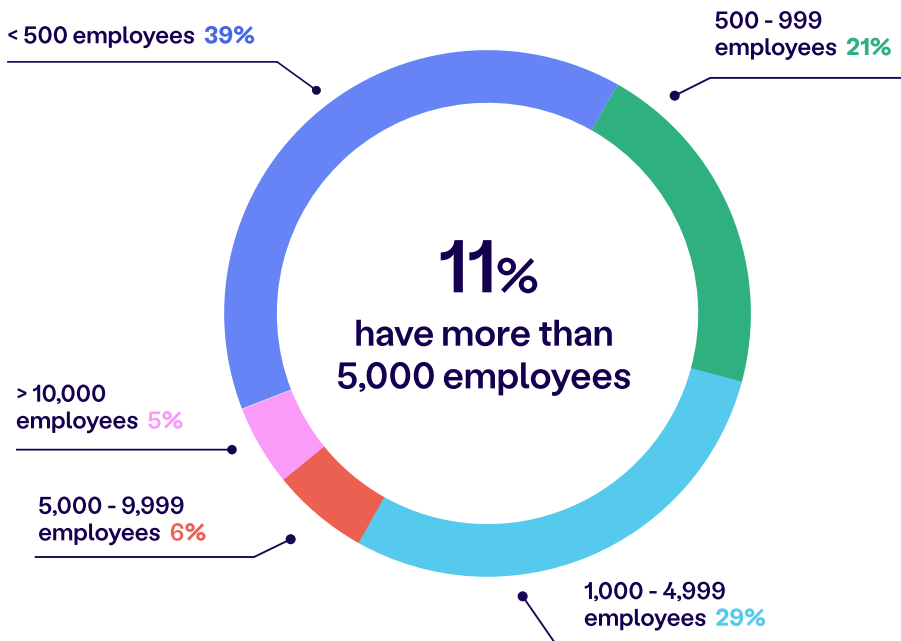
A new standard across sectors

Some benefits professionals may think that customizable spending accounts are exclusively offered by tech companies. In reality, that's not the case. While it's true that technology companies were early adopters of LSAs, the majority of organizations now embracing LSAs span diverse industries, such as financial services, healthcare & life sciences, and business & professional services.

Other sectors represented include automotive, education, energy & utilities, government & public services, infrastructure & construction, and transportation & logistics.



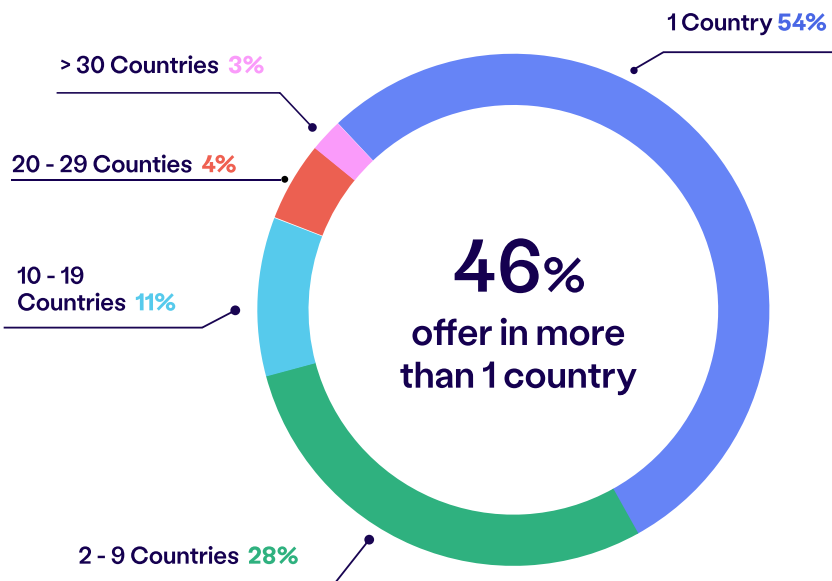
Breakdown of companies by size



For businesses of every scale

Organizations of all sizes see gains from customizable spending accounts. For instance, small startups with only a few hundred employees leverage LSAs to maximize support with limited resources. At the same time, large multinational enterprises use LSAs to expand benefits to all corners of the world.

Breakdown of companies with global presence



The benefit with worldwide reach

The majority of companies providing LSAs have employees in just one country, typically within the U.S. or another single location. However, LSAs can support a global workforce, which is why nearly 46% of companies with LSAs made the benefit accessible to employees across multiple countries.



How companies design industry-leading spending accounts

Key takeaways:

- + Thoughtful account design shapes flexibility, usability, and the overall success of LSA programs.
- + Compared to All-inclusive LSAs, dedicated spending accounts with a more narrow focus continue to be a popular option as they deliver high ROI and align with specific employee needs.
- + Key decisions around funding frequency, tax strategies, and account types shape both employee experiences and organizational outcomes.

How top companies design their spending accounts

An organization's approach to spending account design can make or break their benefits strategy.

Benefits leaders face key questions such as:

- + What types of accounts will provide the most value?
- + How can tax strategies be leveraged to optimize costs?
- + Should funds be replenished monthly, annually, or on a one-time basis?

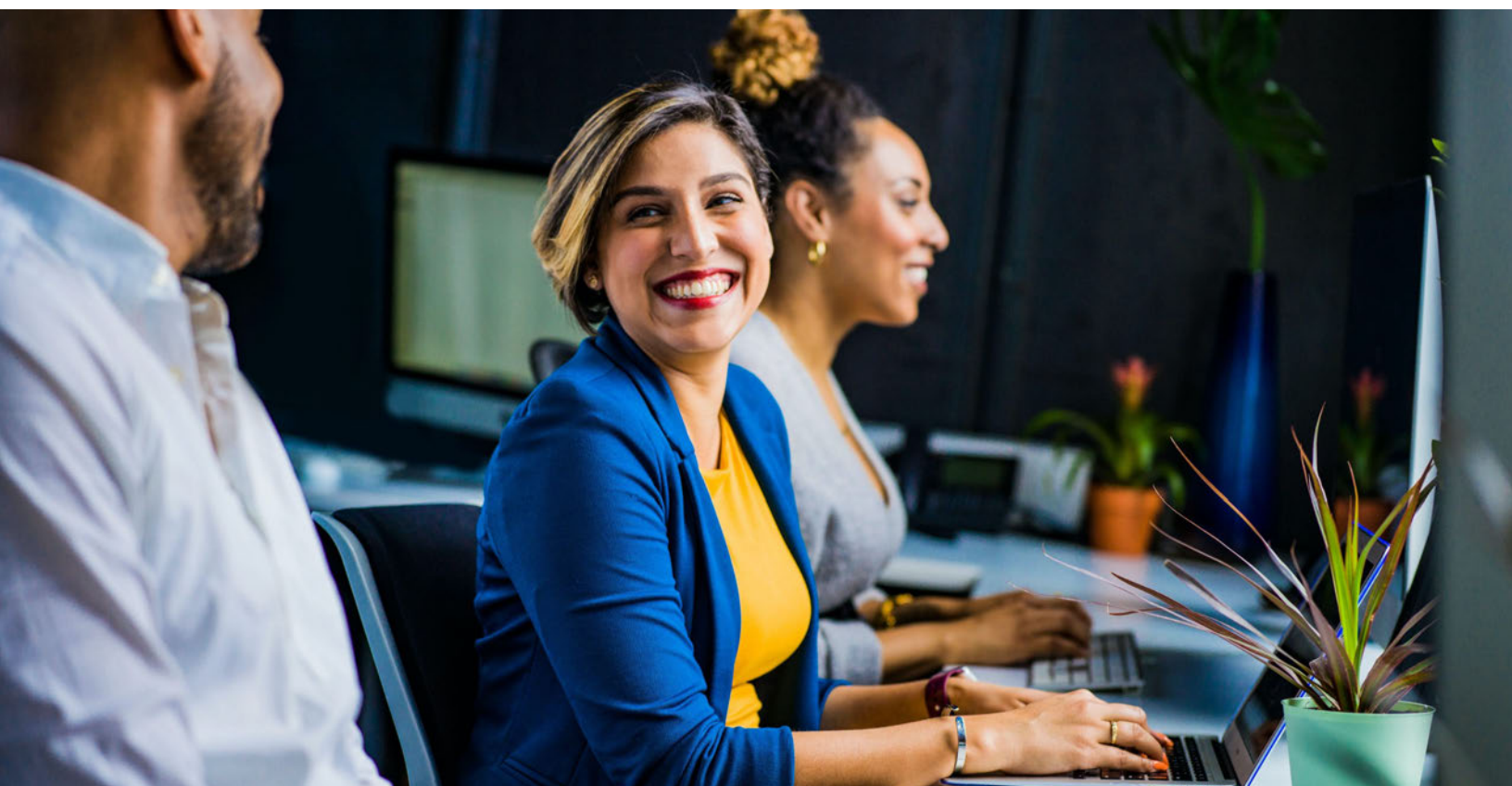
These choices directly impact the flexibility, usability, and long-term success of benefit programs. Each decision plays a pivotal role in enhancing the employee experience, driving ROI, and ensuring the program is future-proof.

Listening leads to impact

We recently found that 64% of companies neglect to run an annual benefits survey, missing the opportunity to align their benefits strategy with their employees' needs. Embrace an annual survey as a feedback tool to listen to your employees.



Get started today with the 15 best questions to ask your employees.



The A to Z of spending account types

Different spending accounts accomplish different goals. That's why benefit leaders often offer employees several customizable spending accounts to provide the most comprehensive support.

So we're all beginning from the same place, the next page shows an overview of the common account types we observe in our data and their purpose.

A few notes on taxability

Customizable spending accounts can be set up in various ways to help companies maximize their tax savings and lower their compliance risk.

Throughout this report, keep in mind the following tax strategies that companies have implemented.

- + Health Reimbursement Arrangements (HRAs) are tax-advantaged accounts that can be used to close critical healthcare gaps and provide holistic coverage. In the U.S., HRA funds are tax-free to both the employee and employer.
- + For tax and legal considerations, companies may configure certain accounts to be tax-advantaged in the U.S. Typically, these reimbursements are tax-free for the employee and employer.
- + Caregiving and Commuter Assistance accounts referenced in this report are not specific to Dependent Care FSAs or Pre-tax Commuter benefits, respectively.



Forma is not engaged in the practice of law. Nothing contained herein is intended as tax or legal advice nor is it intended to replace tax or legal advice from counsel. If you need tax or legal advice, please consult with counsel or a certified tax professional.



The A to Z of spending account types

Spending account type	Purpose	Possible tax treatment in the U.S.
 All-inclusive LSA	Holistic coverage in support of physical, emotional, financial, and social well-being pillars.	
 Belonging & connection	Promote belonging and company culture.	
 Caregiving	Offer care for employees and their families.	
 Commuter Assistance	Ease the burden of the workforce's commute.	
 Donation Assistance	Support non-profits that matter to your people.	
 Educational Assistance	Offset tuition or cover student loan payments.	Tax-advantaged account
 Emergency Relief	Be there for emergent needs.	
 Family Formation	Cover the cost of starting a family for fertility, adoption, or surrogacy-related expenses.	Tax-advantaged HRA*
 Financial Wellness	Improve your employees' financial health and outlook.	
 Fitness & Wellness	Foster health and well-being needs – typically with focus on physical and emotional health.	
 Gender Affirming Care	Support counseling, therapy, and medical procedures.	Tax-advantaged HRA
 Home Office Setup	Help workers set up an at-home office – offered as a one-time use only account.	
 Insurance Assistance	Cover expenses associated with private health insurance, life insurance, and more.	
 Meals & Nutrition	Motivate nutritious, healthy eating.	
 Medical Travel	Support reproductive health and travel needs.	Tax-advantaged HRA
 Mental Health	Increase access to behavioral health, counseling, and therapy resources.	Tax-advantaged HRA
 Pet Care	Ensure employees' pets thrive with optimal care.	
 Professional Development	Encourage career growth and opportunities for professional development.	Tax-advantaged account
 Rewards & Recognition	Reward and recognize achievements and milestones.	
 Supplemental Health	Pay for preventative health or non-medical (e.g. vision) expenses.	Tax-advantaged HRA
 Work from Home	Cover ongoing expenses to work productively from home.	Tax-advantaged account**

* Surrogacy expenses are generally not tax-free, although other Family Forming expenses may qualify.

** Work from Home expenses can be tax-free under some specific limitations.



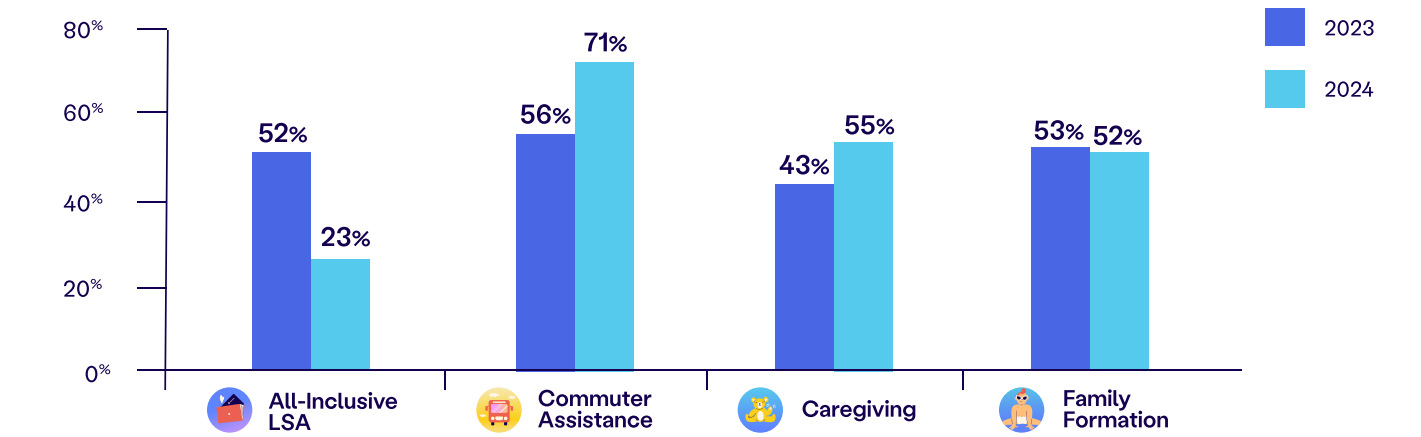
Most popular types of accounts

Percent of companies that offered account type

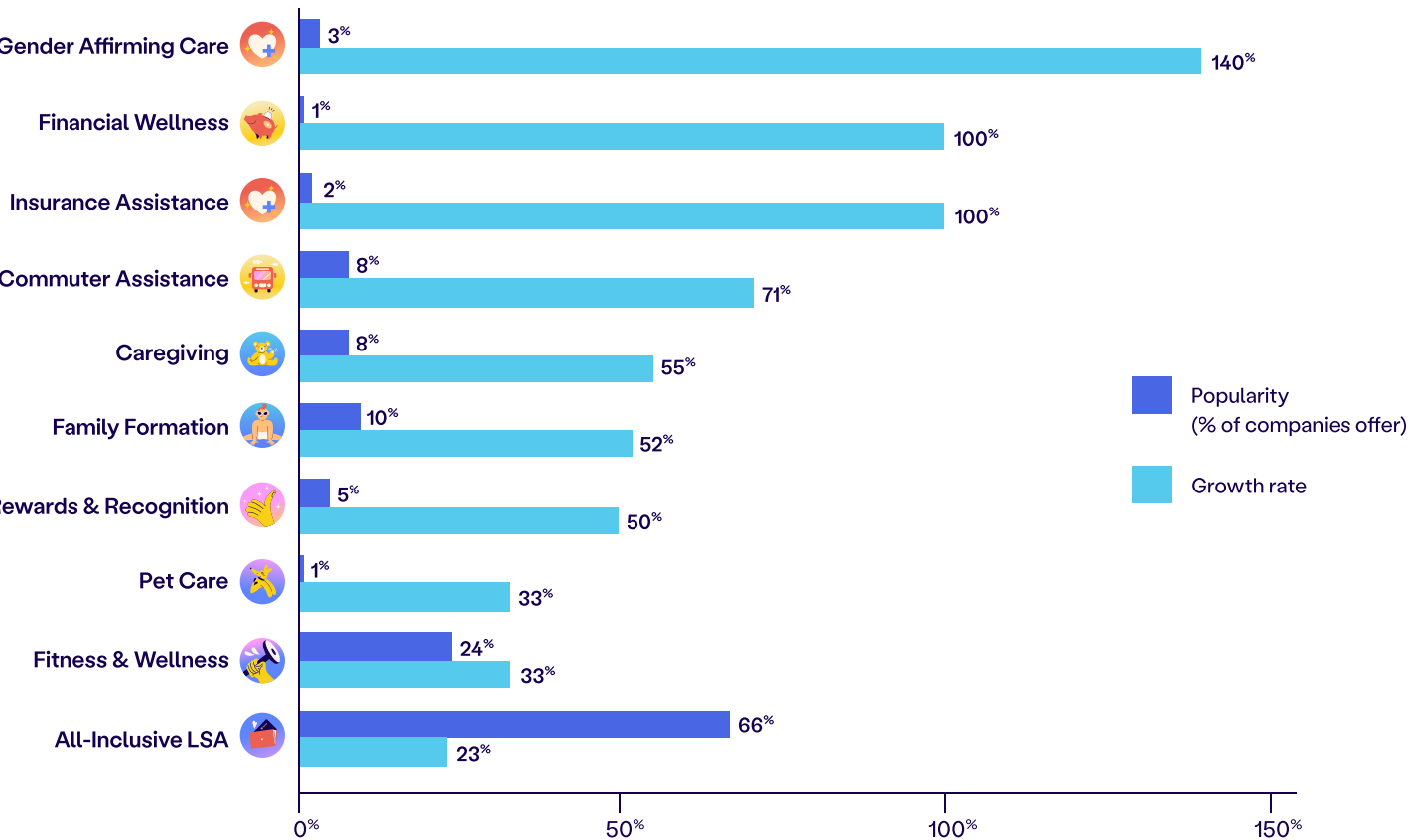


Trends in account types

Growth rate by account type



Accounts with highest growth rates compared to account popularity



Shifting trends for the All-inclusive LSA

Historically, many companies have opted for the All-inclusive LSA for its broad coverage.

A streamlined design gives employees maximum flexibility, minimizes overhead, and simplifies future changes.

While the All-inclusive LSA remains the most popular choice — utilized by 66% of companies that offer an LSA — a shift has occurred.

A 23% growth from 2023 to 2024 is a positive rate. Yet that's markedly down from a rate of 52% in 2023 and 138% in 2022.

A sea change is underway. Organizations are moving towards more specialized spending accounts.

There are compelling reasons for the shift away from All-inclusive LSAs:

- **Lower impact:** ROI can get muddled when one account covers a very wide range of items. If an organization's goal is to boost employee wellbeing among specific pillars, covering too many items can lead to spending that is misaligned with that goal. There may be a lower impact overall from the company's investment.
- **Costly design:** All-inclusive LSAs, while flexible, often come with high budget utilization rates around 85-90% that may rapidly deplete budgets.



Rising focus on dedicated accounts

On the other side of the All-inclusive LSA is the category of dedicated accounts. Organizations craft dedicated accounts to provide support for an intended purpose.

The largest growth occurred among these types of accounts. Commuter Assistance, Caregiving, and Family Formation accounts are both commonly offered by companies and experienced growth rates exceeding 50%, indicating strong demand for targeted benefits.

The move towards dedicated accounts emphasizes a strategic reshaping in benefit design. The refreshed approach makes sense: purpose-built accounts can create more meaningful impact compared to traditional All-inclusive LSAs. Bear in mind, this isn't a return to point solutions — dedicated accounts provide much greater flexibility than single-focused options.

Meet diverse needs with LSAs

If you're new to LSAs, you may be wondering what employee needs can be met with the customizable spending account model. Our report has details about some of the most common use cases to get your wheels turning.



Dig into how organizations use LSAs to support wellness fanatics, working caregivers, new grads, and more.

There is a clear push for benefit teams to favor customizable spending accounts with a dedicated purpose:

- + **Elevated employee experience:** Individuals know the clear goal of each account, encouraging a more intentional use of benefit funds.
- + **Improved outcomes:** Focused benefits translate directly to measurable employee and business results. And compared to All-inclusive LSAs with high budget utilization rates, a dedicated spending account has lower budget utilization since the account is relevant for specific purposes or populations – this furthers positive ROI.
- + **Better marketability:** Thoughtfully tailored spending accounts demonstrate a deep commitment to supporting employees' diverse needs.

The LSA landscape is undoubtedly evolving.

Current trends suggest that by the end of 2025, more organizations will pivot away from the All-inclusive LSA model and toward dedicated accounts that drive high ROI through specialized employee support.



How much employers fund accounts

Choosing a funding amount for each spending account is a decision that shouldn't be taken lightly. Amounts vary based on the type of spending account, benefit goals, and company budgets.




A note on minimums, medians, and maximums

Medians are best used when there are clear outliers and the data is not symmetrical, as is the case with spending account funding amounts. Forma consults using medians since medians paint a picture of the most frequent amounts that companies offer.

The minimums and maximums are shown to emphasize the sometimes wide range of funds offered. More often than not, the minimums are set by accounts offered one-time only or funded just once per year.



Annual amounts that companies provided by account type

Spending account type ordered by account popularity	Minimum annual funding per employee	Median annual funding per employee	Maximum annual funding per employee	% change in median ann. funding per EE from '23 to '24
 All-inclusive LSA	\$90	\$930	\$7,000	↓ 4%
 Fitness & Wellness	\$30	\$600	\$4,640	0%
 Professional Development	\$80	\$1,000	\$8,830	0%
 Medical Travel	\$500	\$3,670	\$6,000	↑ 22%
 Home Office Setup	\$60	\$510	\$2,500	↓ 48%
 Work from Home	\$40	\$610	\$2,400	↓ 9%
 Family Formation	\$870	\$10,000	\$40,000	0%
 Commuter Assistance	\$150	\$1,260	\$13,140	↓ 13%
 Caregiving	\$190	\$2,520	\$44,930	↓ 21%
 Supplemental Health	\$60	\$590	\$4,080	↓ 34%
 Rewards & Recognition	\$20	\$500	\$1,500	↓ 61%
 Gender Affirming Care	\$1,340	\$15,000	\$56,490	0%
 Meals & Nutrition	\$30	\$240	\$2,520	↓ 8%
 Belonging & Connection	\$10	\$550	\$5,400	↑ 25%
 Donation Assistance	\$50	\$470	\$1,240	↓ 28%
 Insurance Assistance	\$50	\$1,500	\$13,420	↓ 54%
 Mental Health	\$250	\$800	\$5,000	0%
 Educational Assistance	\$5,250	\$5,250	\$25,000	0%
 Pet Care	\$20	\$160	\$2,800	↓ 6%
 Financial Wellness	\$150	\$150	\$150	0%
 Emergency Relief	\$8,920	\$8,920	\$10,000	↓ 8%



Goal-oriented funding strategies

Across the board, the annual funding amount per employee stayed relatively static in 2024.

More companies adjusted their funding downwards, an indicator that companies spent cautiously during a year marked by widespread uncertainty.

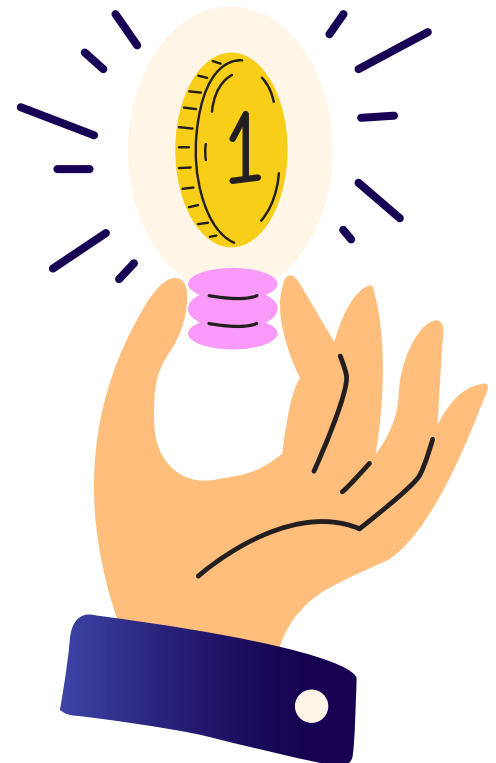
Despite overall conservative spending, a few accounts demonstrated an uptick in median funding amounts.

Belonging & Connection accounts experienced a 25% increase in median funding from 2023 to 2024. This indicates that even during turbulent times, organizations are committed to fostering workplace connectivity. Similarly, the median funding for Medical Travel accounts increased 22%, largely driven by companies wanting to expand such programs to more locations that may require larger travel budgets.

On the other hand, Rewards & Recognition accounts saw a downward trend, with median funding dropping 61% year-over-year. Organizations may have given lower amounts but sought to maintain such programs given the importance of recognition towards employee morale and company culture.

Likewise, the median funding for Insurance Assistance accounts decreased by 54%. This funding amount fluctuates organically each year as companies decide to invest in or divest away from employer-sponsored insurance programs.

Both Home Office Setup and Work from Home accounts saw a dip in median funding from 2023 to 2024, reflective of organizations' efforts to get employees back into company offices.



The narrative behind the numbers

Data alone rarely tells the whole story. While annual funding amounts provide a numerical snapshot, the true insight lies in understanding the purpose behind why the company gave those funds to its people.

Let's explore the meaning behind the annual amounts companies provided.

Fitness & Wellness - \$4,640



Employees get help prioritizing their fitness and wellness. In high-cost countries like Hong Kong, one global company boosts reimbursement limits, enabling employees to access **group fitness and cultural experiences** without financial strain.

Commuter Assistance - \$13,140



To extend past Pre-tax Commuter IRS limits, one organization started offering its employees a post-tax allowance to cover the high cost of **daily commuting** into metropolitan areas.

Work from Home - \$610



Expenses working from home can add up. That's why companies decide to give its employees approximately \$50 per month via a stipend that covers **connectivity and other WFH expenses**.

Caregiving - \$44,930



To help workers in international locations, some employers offer Caregiving stipends that cover the high cost of **private school in the Middle East**.

Educational Assistance - \$5,250



In the U.S., educational assistance programs cover **books, tuition, and even student loan payments**. The tax-free benefit is capped at \$5,250 per employee annually – a limit that influences the median amount observed across all employers.

Rewards & Recognition - \$20



A small yet meaningful gesture includes a **birthday stipend** from one employer to its employees on their special day.

Commuter Assistance - \$150



An employer with urban global offices gives employees an annual stipend for **bike equipment** so individuals can roll into the office with ease and style.



How employers fund accounts

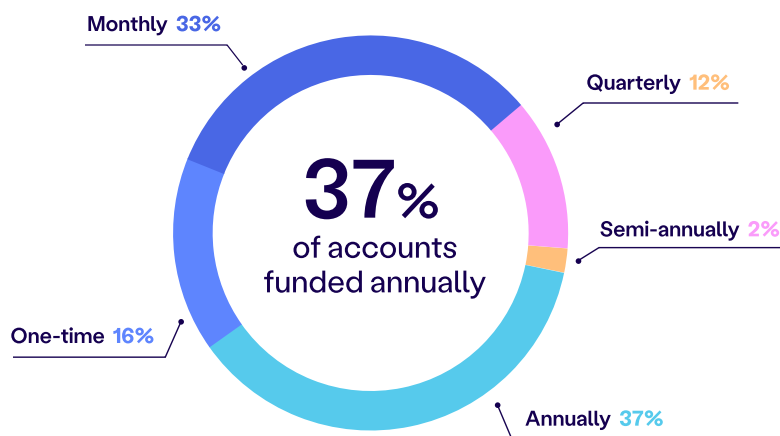
A key part of program design involves how often organizations decide to replenish and expire account funds. Companies set funding parameters to align with their goals, offering flexibility to optimize impact and control costs.

A monthly replenishment for wellness account funds can cover an employee's recurring meditation subscription, while an annual renewal might be more appropriate for a yearly upgrade of vision protection gear for a manufacturing worker.

Benefits teams can influence employee behavior with funding strategies. They can encourage individuals to use their benefits regularly through more routine expirations (e.g. monthly) as opposed to less frequent expirations (e.g. annually).

And keep in mind that at a company level, these choices can directly impact expenses, adding a strategic dimension to program management.

Percent of accounts by funding frequency



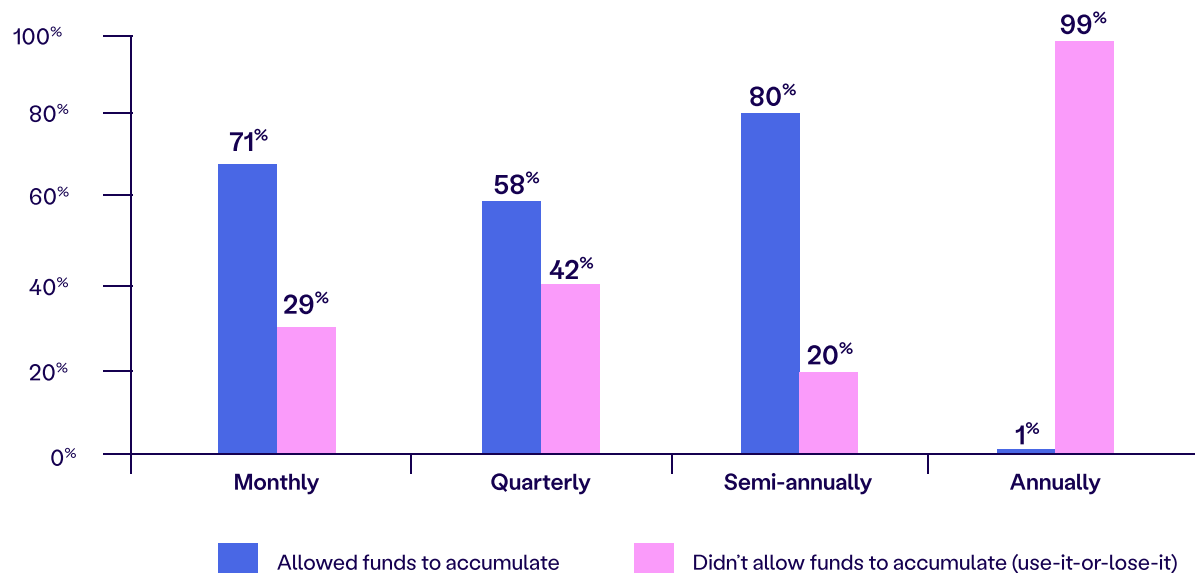
Funding frequency: How often to replenish funds

You have several options for replenishing funds: monthly, quarterly, semi-annually, or annually. Another approach is to create one-time spending accounts, where funds do not replenish and are intended for a single use.

The majority of accounts are replenished annually (37%) or monthly (33%), while only 16% are set up as one-time use. This suggests that most companies prioritize ongoing support for their employees.



Percent of accounts that did and didn't allow funds to accumulate by funding frequency



Funding accumulation: How employers handle fund accruals

With customizable spending accounts, companies implement different funding accumulation strategies to align with their goals.

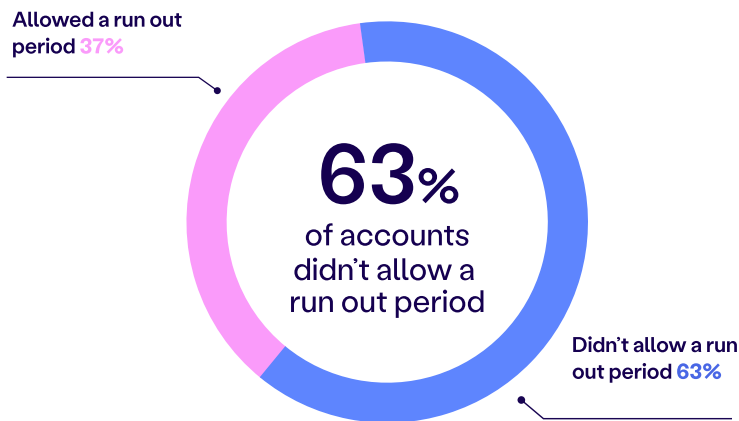
+ Allow funds to accumulate: Account balances can grow over time, potentially resulting in more volatile employee spending patterns as funds build up. Because spending account funds are notional, companies only incur costs when employees utilize their stipends. However, allowing funds to accumulate may lead to greater cost unpredictability.

+ Do not allow funds to accumulate: Companies often provide one-time-use spending accounts, with funds that may roll over from one year to the next, to offer maximum flexibility. Use-it-or-lose-it setups can enhance cost predictability and encourage active employee engagement.

In all variations of program design, the most common approach was for companies to fund accounts annually without year-over-year accumulation – this accounted for 37% of all accounts.



Percent of accounts with a run out period



Run out periods: Additional time to spend funds

Companies may set account funds to expire on a predetermined schedule, however they can also offer a run out period. A run out period gives extra time for employees to submit claims for previous expenses.

A majority – 63% – of spending accounts were set without a run out period. For those that do, most employers set a limit of 30 days.

Gain expert advice on funding

Forma's team has further best practices and benchmarking insights that will help you design the optimal program given your organization's goals.



Get in touch with a Forma expert today for a 1:1 conversation.

How employees spend their allowances

Key takeaways:

- + Accounts with far-reaching coverage and flexible policies see higher utilization rates, while stricter or specialized accounts often result in lower spending.
- + Spending trends highlight a shift toward educational assistance as a top category, reflecting employees' focus on improving their knowledge and skills.
- + Employees use marketplaces as a source of discovery and inspiration to find products they need.

How employees spend their allowances

Employees have the freedom to use their funds within the boundaries set by a company's policies.

To create an LSA program customized to your workforce, combine the benchmark insights in this report with feedback from your employees and your overall benefits strategy.

Effortless spending with reimbursement plans

When employees want to use their LSAs for high-ticket items, or when funding amounts are modest, reimbursement plans step in to bridge the gap.

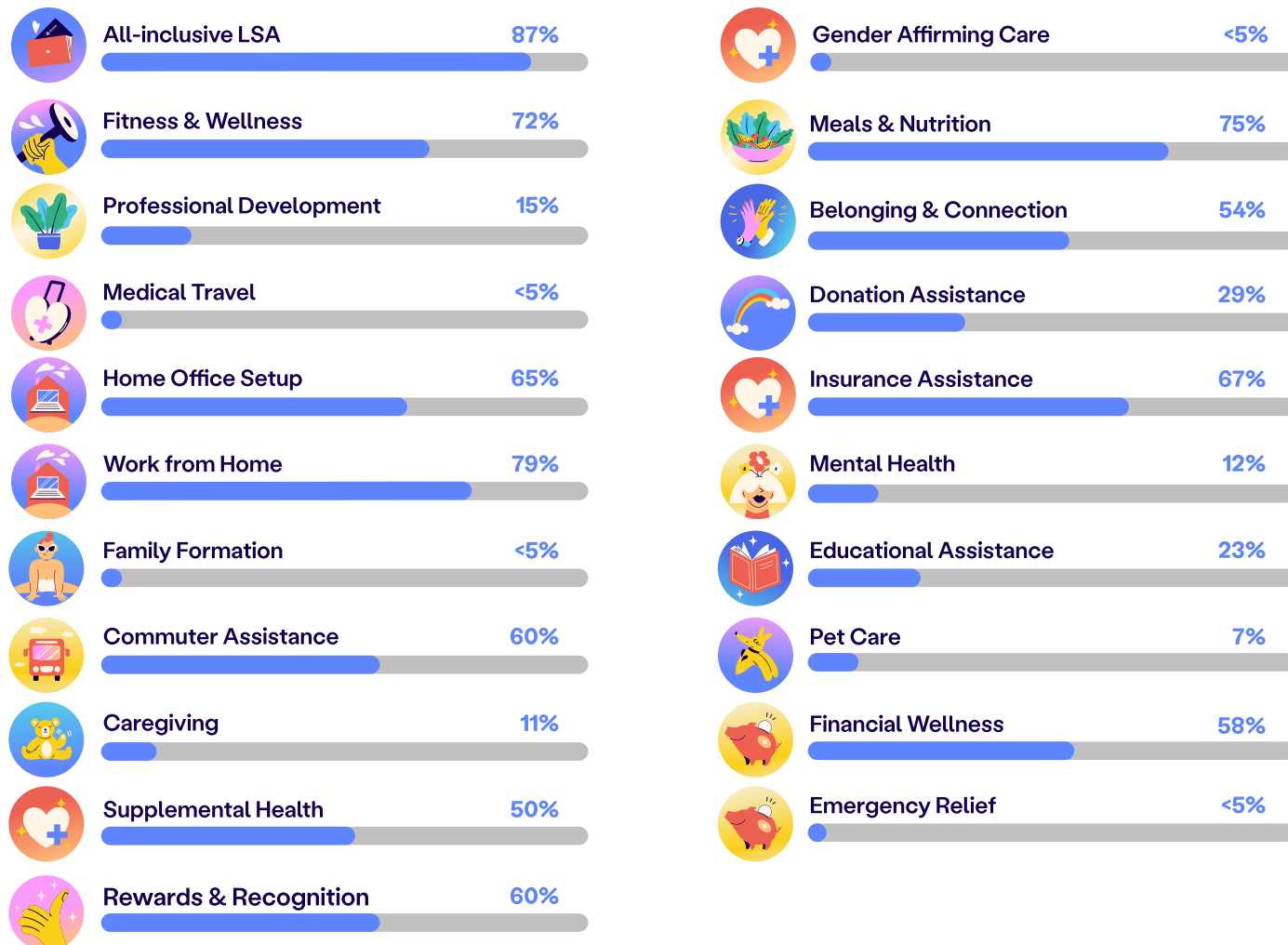
Claims beyond the balance are amortized as new funds are added, ensuring employees can spend confidently without waiting. This is why **75% of companies** use reimbursement plans to create a smooth and stress-free purchase experience.



How employees utilized their account funds

Budget utilization rate by spending account type

Ordered by account popularity



Understanding budget utilization

Employee budget utilization is a crucial part of the budget forecasting process.

Budget utilization measures the percentage of funds employees spend out of the total provided by employers. For example, if the utilization rate for the Fitness & Wellness Spending Account is 72%, it means employees spend \$0.72 for every \$1.00 allocated, leaving \$0.28 unspent. In practical terms, if a company offers employees a \$100 Fitness & Wellness stipend each month, the typical employee will use only \$72.

Year after year, our research consistently uncovers that the accounts relevant to most employees tend to have higher budget utilization rates.

In contrast, more specialized accounts often reveal lower utilization since not every employee may need to use the funds provided. Examples include Medical Travel or Caregiving accounts, which are offered broadly for benefits equity, but are not used by every worker.

Educate employees on their benefits

A creative, consistent approach to employee education and training heightens engagement and utilization.



Check out our recommendations for how to build a robust communications plan.

What influences budget utilization

We analyzed various attributes to understand what influences the employee budget utilization most.

What we found is that there is little correlation between utilization rates and the amount or frequency of account funding.

The primary driver of budget utilization is program policy. Companies with more relaxed account eligibility and program parameters saw higher utilization, while stricter policies led to lower utilization.



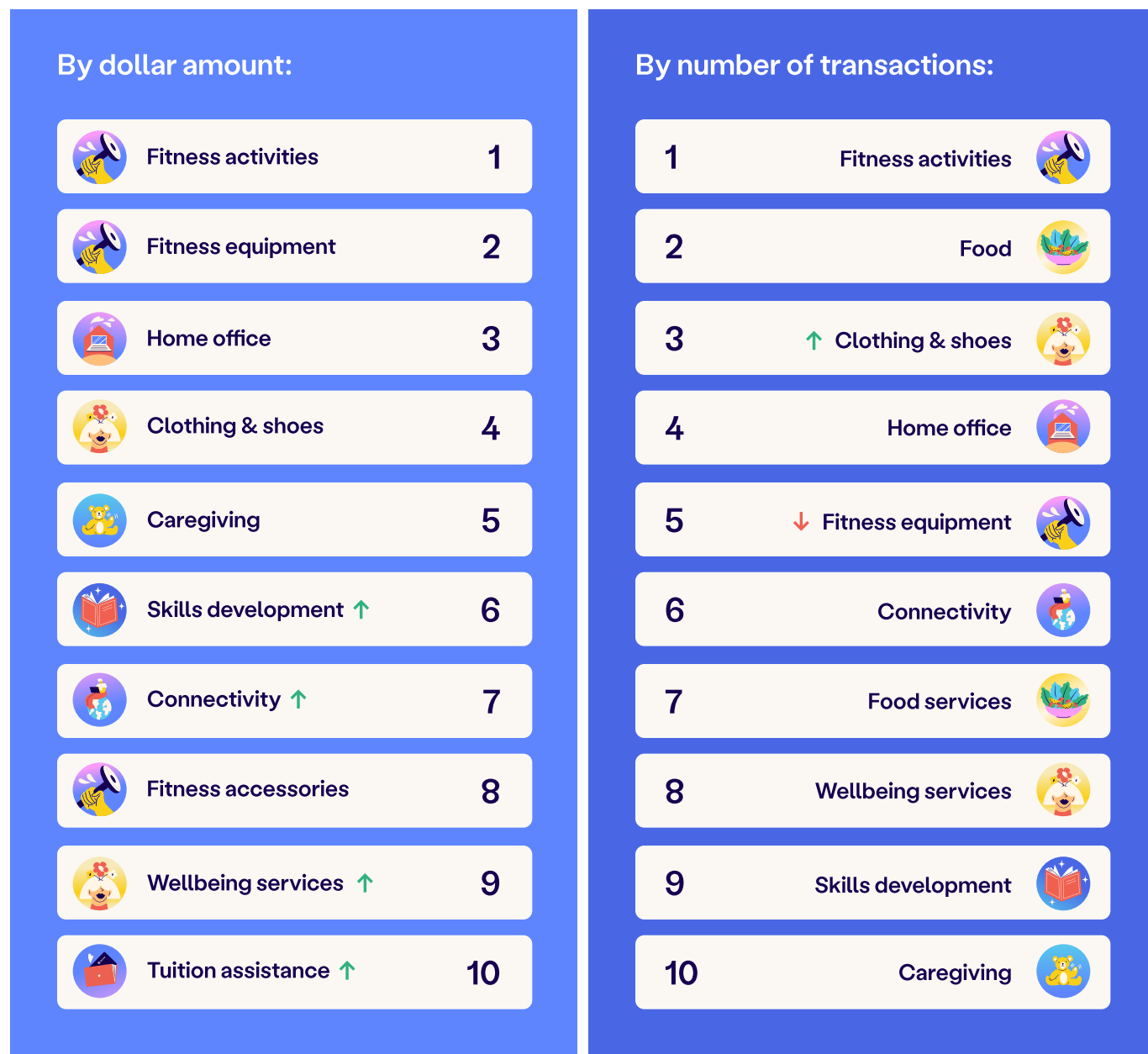
Pro tip: Companies can influence budget utilization – and therefore overall spend – using account parameters. Looking to control budgets more tightly? Consider a stricter eligibility list and firmer rules.



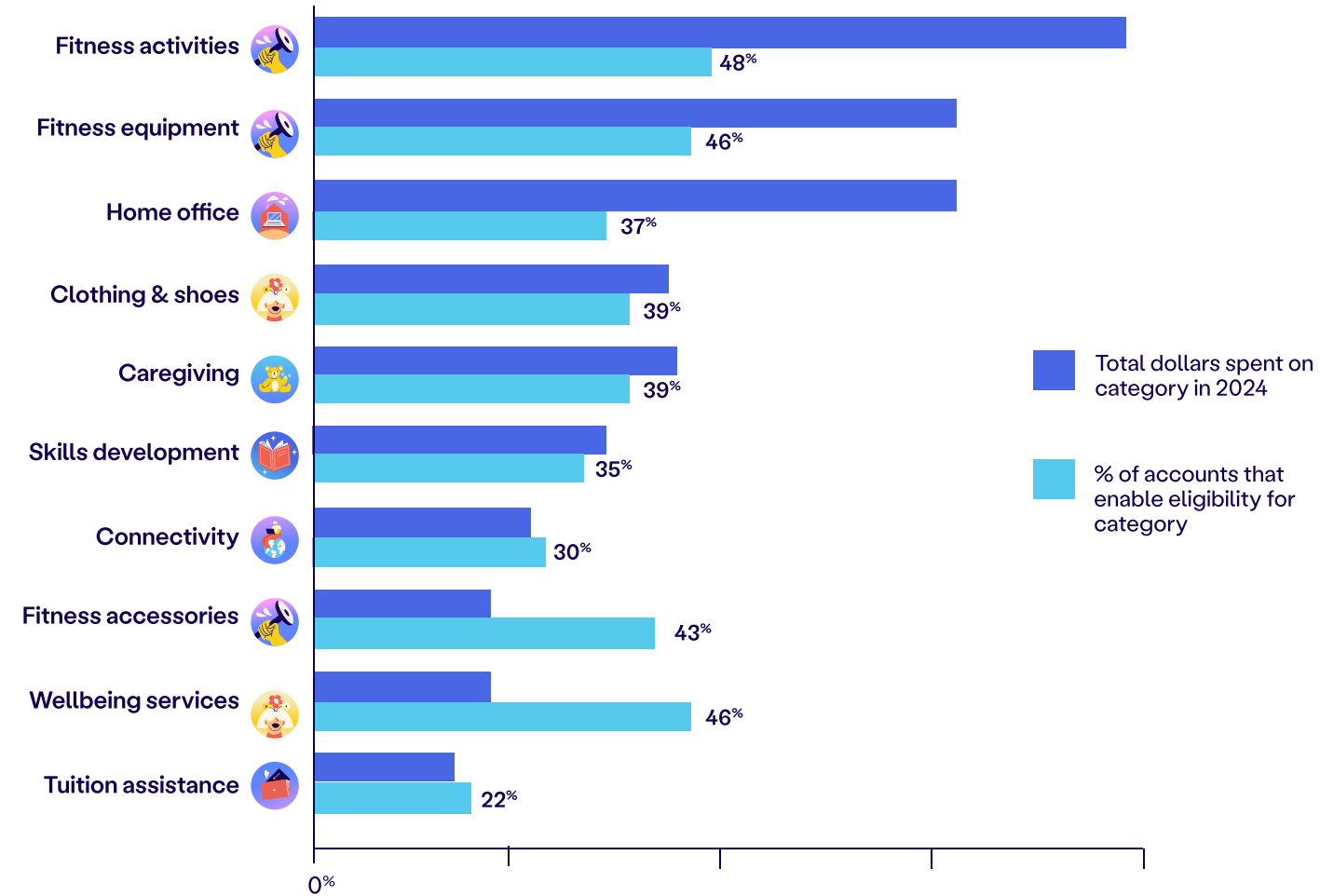
Purchasing trends across all spending accounts

Top 10 spending categories

Arrows indicate change in position from last year



Top 10 spending categories by dollar amount



Companies define eligibility lists that employees use to navigate their purchasing decisions. It's helpful to know how companies sculpt their lists but even more valuable to see how employees actually spend their allocated funds.

We analyzed spending trends across all types of accounts, ranking the top categories by total dollars spent and transaction volume.

A few notable shifts emerged when compared to last year's lists.

Food retained its position as the second most common category by number of transactions. However, it didn't make it onto the top 10 eligible categories list, likely driven by the fact that only 26% of accounts allow eligibility for food. Also, food dropped off the list for dollar amount spent – it was sixth last year. This suggests that while employees enjoy making food-related purchases, they allocate more of their funds to other categories.



Employee usage & spending

The decline of food gave rise to a new category leader: tuition assistance. This hybrid financial health and education category includes student loan repayments, university program expenses, and continuing education spend.

Employees spent roughly one-fourth the amount of dollars on tuition assistance expenses compared to fitness activities. And as of the start of 2025, only 22% of accounts allowed eligibility for this category.

The rise of tuition assistance as a category underscores a strong focus from employees on improving their financial health, furthering the point that LSAs are table stakes benefits that make a difference.

Employees often used their stipend on connectivity expenses such as internet and mobile fees. Tax benefits may have furthered the motivation for organizations to reimburse for connectivity.

A final important spending category was caregiving. 39% of accounts cover caregiving as a category, emphasizing how employers know just how important family care is to their working caregivers' identities (and pocketbooks). While caregiving sat in the tenth spot on the transaction count list, it rose to the number five spot on the dollar amount list. Clearly, caregiving is a high-ticket expense. A stipend that gives caregiving workers support for their needs can provide paramount support in times of need.

The industry's first LSA Eligibility Standards

With our expertise in administering Lifestyle Spending Accounts for hundreds of customers, Forma has categorized benefits in detail to set the standard for what to cover in select spending accounts.



Know what to include with the help of our eligibility guides.



Spending trends within the Forma Store

Top 10 Forma Store vendors



We examined how employees utilized their funds in the Forma Store, focusing on total spending and transaction volume.

Familiar vendors continued to dominate the top lists. DoorDash and Uber were in the number one and two spots, respectively – not a surprise as employees love utilizing these services to build healthy eating habits.

The Forma Store: Your LSA marketplace solution

With Forma, employees can choose among three payment methods for their benefits: claims reimbursement, a pre-paid Forma debit card, and access to the Forma Store.

The Forma Store operates as a true marketplace, featuring both global and local vendors. Employees can make direct purchases within the platform without any out-of-pocket costs. They can also get exclusive discounts of 10-30% on top-tier products and services, maximizing the value of their benefits.

For benefit professionals, the marketplace model offers relief from point solution fatigue. Individuals can purchase through the Forma Store without needing another contract or vendor to manage.

ClassPass and Massage Envy also made both lists, two vendors often purchased from, given their direct tie to fitness and wellness goals.

Some new vendors broke into the top 10 this year. Among them was Instacart, which aligns with many companies' policies that cover meals to promote healthy eating. Sony also made the list, offering high-quality headphones – a key accessory for productivity.

Another rising star was Bracoo, known for its support braces for knees, backs, and more. Bracoo's spot as a top Forma Store vendor reflects the marketplace's role in helping employees discover products that improve their overall physical health.

Since 2021, our
members have saved
millions
in exclusive discounts
in the Forma Store



05

Insights by use case

Key takeaways:

- + Strategic LSA design starts with aligning the program to key organizational priorities and employee needs.
- + Dedicated accounts help employers direct employees to targeted support resources.
- + Data insights from other organizations gives a glimpse into how to craft your account to be market-defining.

Dedicated spending accounts

Trends indicate that companies are increasingly offering dedicated spending accounts to provide targeted, purposeful support that directly addresses specific employee needs.

With dedicated spending accounts, organizations deliver meaningful benefits that enhance the employee experience and drive measurable business outcomes.

But account design is no easy task.

To help you get started, we've collated benchmarking insights for a few of the most common spending accounts:

- 1. Fitness & Wellness:** Enhance physical and emotional health
- 2. Home Office Setup & Work from Home:** Increase worker productivity
- 3. Professional Development and Educational Assistance:** Help employees learn and grow
- 4. Caregiving:** Support working caregivers





Fitness & Wellness:

Enhance physical and emotional health

Organizations that empower employees with a flexible Fitness & Wellness spending account transform health from a corporate mandate to a personalized journey. Employees gain benefit choices that foster motivation, turning wellness from a checkbox into an experience that generates meaningful transformations.

Benchmarking data for Fitness & Wellness Spending Accounts

Minimum annual
funding per employee

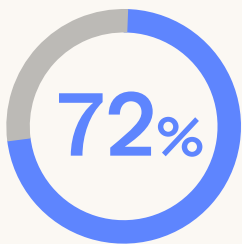
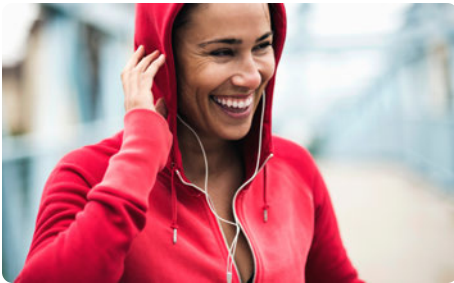
\$30

Median annual
funding per employee

\$600

Maximum annual
funding per employee

\$4,640



average budget utilization

24%

of companies offer a dedicated
Fitness & Wellness Spending
Account

Top eligible categories:

- + Fitness activities
- + Digital health (fitness, nutrition, meditation apps)
- + Well-being services (massage therapy, weight management tools)
- + Fitness accessories
- + Clothing and shoes
- + Video-based fitness (VR headset)
- + Food services (grocery delivery expenses, food delivery expenses, or memberships)
- + Work equipment (ergonomic items)
- + Supplements



Get detailed insights into what's typically covered in a Fitness & Wellness spending account using our eligibility guide





Home Office Setup & Work from Home:

Increase worker productivity

Remote work support is undergoing change. While traditional approaches like unrestricted payroll stipends or complex expense reimbursements lead to inefficiencies and runaway costs, Home Office Setup and Work from Home spending accounts offer a refined solution. These dedicated accounts empower employees to create personalized, productive workspaces while giving companies tighter financial controls and more predictable spending.

Benchmarking data for Home Office Setup Spending Accounts

Minimum annual
funding per employee

\$60

Median annual
funding per employee

\$510

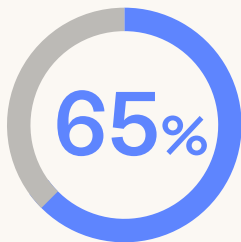
Maximum annual
funding per employee

\$2,500



Top eligible categories:

- + Home office furniture (desk, office chair, laptop accessories)
- + Work equipment (ergonomic items)



average budget utilization

12%

of companies offer a dedicated
Home Office Setup Spending
Account





Home Office Setup & Work from Home:

Increase worker productivity

Benchmarking data for Work from Home Spending Accounts*

Minimum annual
funding per employee

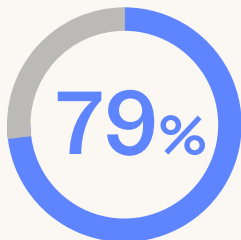
\$40

Median annual
funding per employee

\$610

Maximum annual
funding per employee

\$2,400



average budget utilization

10%

of companies offer a
dedicated Work from Home
Spending Account

Top eligible categories:

- + Home office furniture (desk, office chair, laptop accessories)
- + Connectivity (internet fees, phone bill)
- + Work equipment (ergonomic items)
- + Vision accessories (blue light glasses)
- + Co-working facilities & parking
- + Food (groceries, take out)
- + Food services (grocery delivery expenses, food delivery expenses or memberships)
- + Lifestyle services (music streaming services)



Get detailed insights into what's typically covered in a Work from Home or Home Office spending account using our eligibility guide

*Account may be a taxable LSA or tax-advantaged account





Professional Development and Educational Assistance: Help employees learn and grow

In today's competitive talent landscape, **74% of employees** feel unsupported in skills development. Professional Development and Educational Assistance Spending Accounts offer an innovative solution. Employees can personalize their learning journey within defined parameters to break from rigid corporate programs. And companies can cover tuition or student loan payments to ease employees' financial stress and foster long-term organizational loyalty.

Benchmarking data for Professional Development Spending Accounts*

Minimum annual
funding per employee

\$80

Median annual
funding per employee

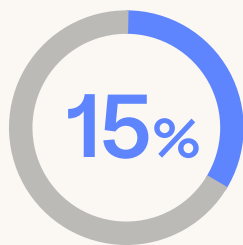
\$1,000

Maximum annual
funding per employee

\$8,830

14%

of companies offer a dedicated
Professional Development
Spending Account



average budget
utilization

Top eligible categories:

- + Skill development (career coaching, in-person learning, industry event)
- + Books, supplies, and equipment
- + Ongoing education or certifications (if work-related)
- + Travel accommodations for educational purposes
- + Financial well-being (student loan consulting)



Get detailed insights into what's typically covered in a Professional Development or Educational Assistance spending account using our [eligibility guide](#)

*Account may be a taxable LSA or tax-advantaged account





Professional Development and Educational Assistance: Help employees learn and grow

Benchmarking data for Educational Assistance Spending Accounts*

Minimum annual
funding per employee

\$5,250



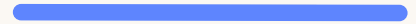
Median annual
funding per employee

\$5,250



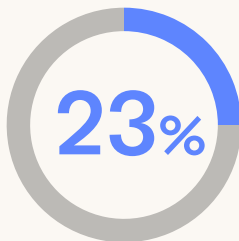
Maximum annual
funding per employee

\$25,000



Top eligible categories:

- + Tuition assistance
- + Books, supplies, and equipment
- + Skill development (in-person learning, industry event)
- + Student loan repayment



average budget utilization

*Account may be a taxable LSA or tax-advantaged account

1%

of companies offer a dedicated
Educational Assistance
Spending Account





Caregiving

Support working caregivers

With a Caregiving spending account, employees gain the freedom to handpick their trusted caregiving services without being limited to pre-selected vendors. Flexible options make this benefit more personal and appreciated. Working caregivers will love the benefit – and their benefits team that designed the program.

Benchmarking data for Caregiving Spending Accounts*

Minimum annual
funding per employee

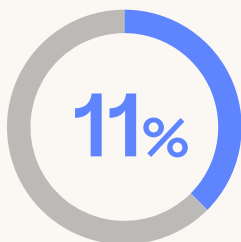
\$190

Median annual
funding per employee

\$2,520

Maximum annual
funding per employee

\$44,930



average budget utilization

8%

of companies offer a dedicated
Caregiving Spending Account

Top eligible categories:

- + Caregiving (eldercare, childcare)
- + Child education
- + After-school activities
- + Parental coaching
- + Transportation & travel expenses
- + Food (groceries, take out)
- + Food services (grocery delivery expenses, food delivery expenses or memberships)
- + Pet care & products (veterinary services, pet insurance, pet adoption, dog walking / boarding)



Get detailed insights into what's typically covered in a
Caregiving spending account using our eligibility guide

*Taxable LSA account distinct from pre-tax DCFSAs



Insights by industry

Key takeaways:

- + Top performers don't just seek a job. Instead, they seek a culture that invests in their whole-person wellbeing.
- + Rather than assuming you have to offer the most account types or the highest amount of funds, you can strategize by looking within your industry.
- + By observing how your peers craft their spending accounts, you gain valuable program design insight.

Peer group benchmarking

LSAs have evolved from a novel benefit to instruments of talent attraction and retention.

Across all industries, today's best organizations recognize that a dedicated spending account which targets employees' core interests can be a magnet during the recruiting process. Employees regularly seek out specific benefits as key decision factors in their job searches.

Understanding the competitive landscape of LSAs is a strategic imperative. You can dissect how your peer companies have constructed their benefit programs to learn what it will take for you to get – and stay – ahead.



Technology

Sub-industries:

- Computer gaming
- Computer networking
- Internet
- Network security
- Software

Top spending accounts:



1. All-inclusive LSA

\$990

median annual
funding per employee

89%

budget utilization



2. Fitness & Wellness

\$890

median annual
funding per employee

86%

budget utilization



3. Professional Development

\$1,000

median annual
funding per employee

20%

budget utilization



4. Medical Travel

\$2,500

median annual
funding per employee

<5%

budget utilization



5. Home Office Setup

\$870

median annual
funding per employee

67%

budget utilization

Honorable mentions



Commuter Assistance



Family Formation



Caregiving



Work from Home



Supplemental Health

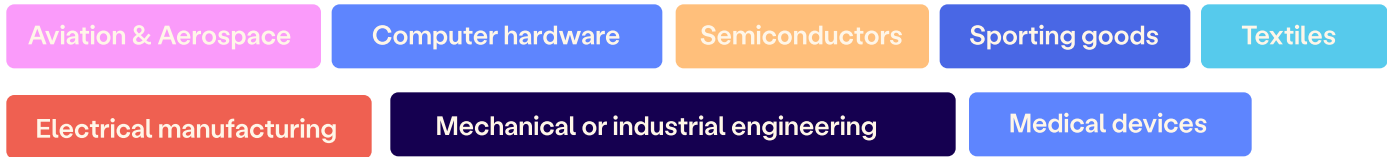


Rewards & Recognition

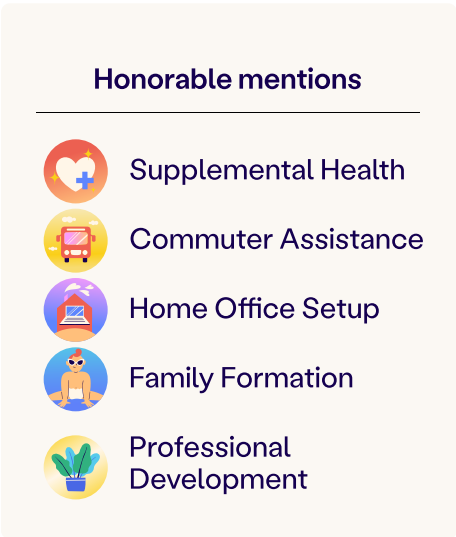
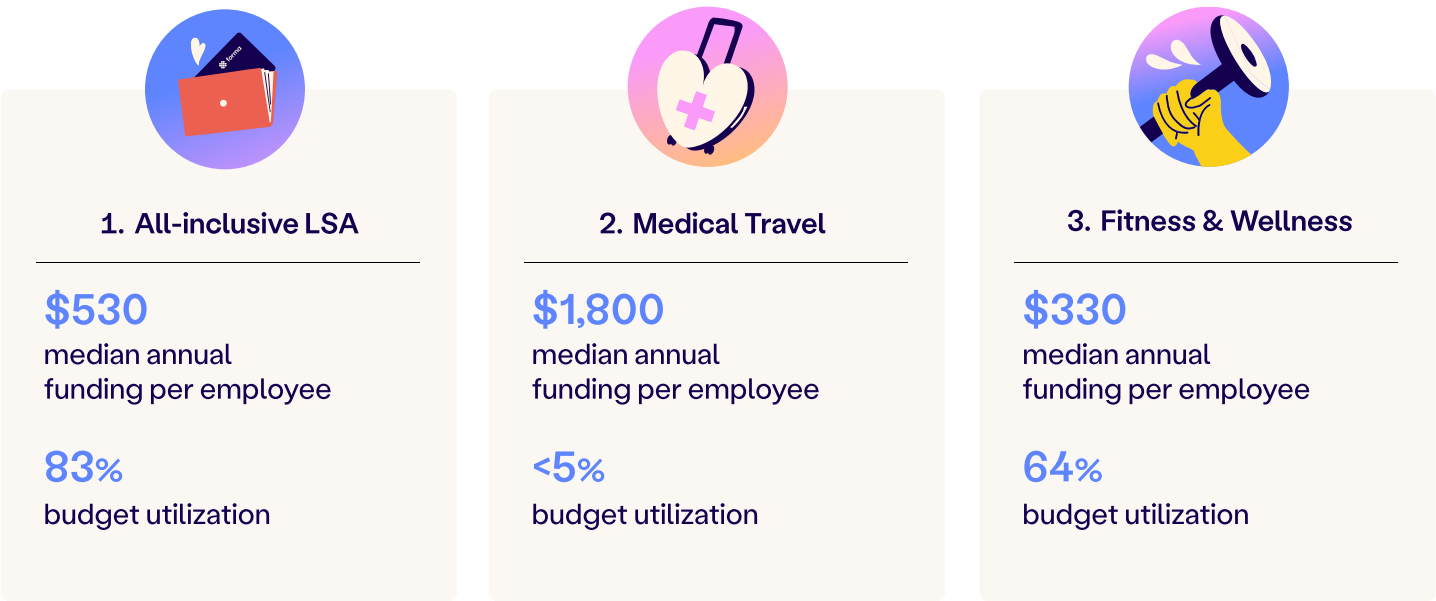


Manufacturing

Sub-industries:



Top spending accounts:



Business & Professional Services

Sub-industries:

Architecture & planning

Human resources

Law practice

Market research

Marketing & advertising

Individual & family services

Management consulting

Profession training & coaching

Public relations & communications

Top spending accounts:



Healthcare & Life Sciences

Sub-industries:

Biotechnology & research

Hospital & healthcare

Medical practice

Mental health care

Pharmaceuticals

Top spending accounts:



Financial Services

Sub-industries:

- Accounting
- Banking
- Investment management
- Real estate
- Venture capital
- Private equity

Top spending accounts:



1. All-inclusive LSA

\$1,100

median annual
funding per employee

78%

budget utilization



2. Fitness & Wellness

\$550

median annual
funding per employee

62%

budget utilization



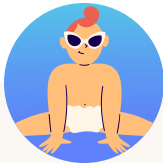
3. Home Office Setup

\$280

median annual
funding per employee

55%

budget utilization



4. Family Formation

\$9,100

median annual
funding per employee

36%

budget utilization



5. Professional Development

\$900

median annual
funding per employee

31%

budget utilization

Honorable mentions



Medical Travel



Supplemental Health



Caregiving



Meals & Nutrition



Commuter Assistance



Mental Health



Retail & Hospitality

Sub-industries:

- Retail brands
- Food & beverage
- Tourism & hotels

Top spending accounts:



1. All-inclusive LSA

\$610

median annual
funding per employee

76%

budget utilization



2. Medical Travel

\$3,000

median annual
funding per employee

<5%

budget utilization



3. Fitness & Wellness

\$2,530

median annual
funding per employee

55%

budget utilization

Honorable mentions



Home Office Setup



Work from Home



Caregiving



Supplemental Health



Commuter Assistance



Rewards & Recognition



Insights by country

Key takeaways:

- + Companies grapple with global benefits equity due to a myriad of reasons: in-country regulations, administrative complexity, corporate goals, and more.
- + LSAs are a means to benefits parity. You can offer the same accounts worldwide or provide support for local needs – for example, offer a dedicated healthcare account if employees in a specific country encounter gaps in medical coverage.
- + A straight currency conversion creates waste. Advanced benefit teams employ cost-of-living adjustments to offer amounts that make a difference and optimize company spend.

Global benefits parity

Traditional total rewards models often falter when faced with the complex landscape of supporting international employee populations. Benefits given to one country may not be provided to another, whether due to local regulations, system limitations, administrative load, cost considerations, or another reason. A more nuanced approach to global workforce support is needed.

Lifestyle Spending Accounts help global organizations deliver fair, consistent benefits for all employees, regardless of location. Moreover, cost-of-living-adjusted benefits help save on inefficient spending and optimize global taxes for maximum savings.

The future of global benefits demands a data-driven perspective that recognizes the unique contexts of diverse markets. Our findings shed light on country-specific benefit programs for the following countries to help global organizations use their benefits to gain an edge.

- + Australia
- + Belgium
- + Canada
- + France
- + Germany
- + India
- + Italy
- + Mexico
- + Singapore
- + Spain
- + United Kingdom
- + United States

A note on currency conversions

Dollar amounts for any non-U.S. benefits are converted to USD with a direct currency conversion. Local currencies are shown for your reference. Within the Forma platform, employees will see amounts in their local currency.

Save big with cost-of-living adjustments

Converting U.S. dollar benefits directly to local currencies oversimplifies the benefits equation. Living costs vary from country to country, so a uniform approach to currency conversion can lead to inefficient spending.

Forma's cost-of-living adjustment (COLA) guidelines offer a strategic framework for equitable benefits allocation. COLA approaches help companies save costs – and a bit of number crunching goes a long way.



Check out our COLA guidelines about three methods to convert funds in an equitable manner.



Australia

Top spending accounts



1. All-inclusive LSA

\$990 \$1,590 AUD

median annual
funding per employee

94%
budget utilization



2. Fitness & Wellness

\$670 \$1,070 AUD

median annual
funding per employee

89%
budget utilization



3. Home office Setup

\$560 \$900 AUD

median annual
funding per employee

64%
budget utilization



4. Professional Development

\$1,020 \$1,630 AUD

median annual
funding per employee

35%
budget utilization



5. Work from Home

\$1,270 \$2,040 AUD

median annual
funding per employee

84%
budget utilization

Honorable mentions



Commuter Assistance



Family Formation



Gender Affirming Care



Rewards & Recognition



Caregiving



Insights from the Forma Store

Employees can access **105 products** from **24 vendors**

Employees commonly purchased from:

Australia-based strong and affordable fitness equipment

Uber

classpass

BEST FITNESS

WHOOP®

HELLO FRESH

MasterClass

headspace

wellnesscoach

DOORDASH

FITBOD



Belgium

Top spending accounts



1. All-inclusive LSA

\$970 €940

median annual
funding per employee

83%

budget utilization



2. Fitness & Wellness

\$1,040 €1,000

median annual
funding per employee

52%

budget utilization



3. Professional Development

\$1,760 €1,700

median annual
funding per employee

31%

budget utilization



4. Gender Affirming Care

\$22,800 €22,000

median annual
funding per employee

<5%

budget utilization

Honorable mentions



Rewards & Recognition



Home Office Setup



Family Formation

Maximize worker productivity

Organizations with employees in Belgium can boost individual support and their bottom line. Remote workers are eligible for a tax-free allowance covering office supplies and utilities. Either a Home Office Setup or Work from Home account makes it easy to keep teams productive and comfortable.




Insights from the Forma Store

Employees can access **52 products** from **19 vendors**

Employees commonly purchased from:

NOOM

 **headspace**

FITBOD


SWÖRKIT



Canada

Top spending accounts

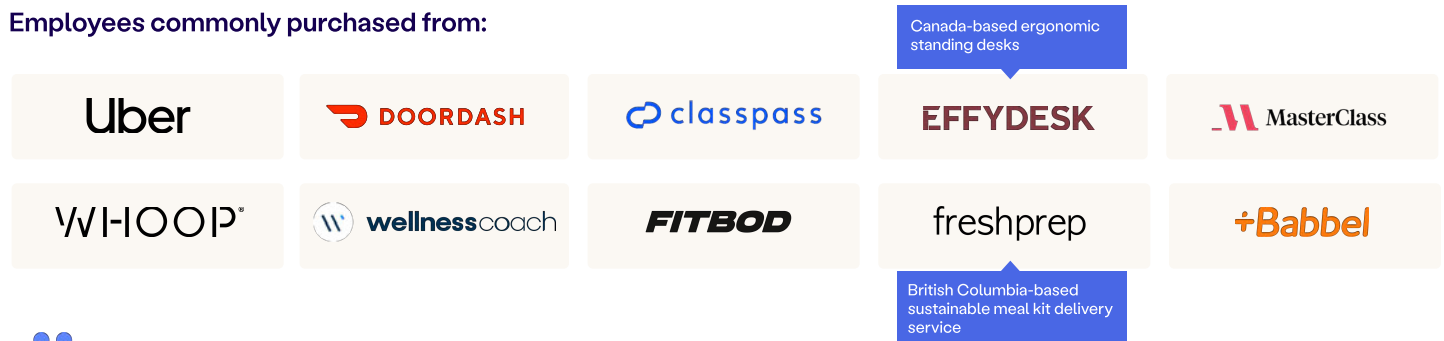




Insights from the Forma Store

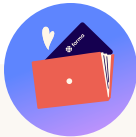
Employees can access **110 products** from **25 vendors**

Employees commonly purchased from:



France

Top spending accounts



1. All-inclusive LSA

\$940 €900
median annual
funding per employee

92%
budget utilization



2. Fitness & Wellness

\$870 €840
median annual
funding per employee

38%
budget utilization



3. Commuter Assistance

\$1,000 €960
median annual
funding per employee

46%
budget utilization



4. Home Office Setup

\$860 €830
median annual
funding per employee

56%
budget utilization



5. Professional Development

\$970 €940
median annual
funding per employee

42%
budget utilization

Honorable mentions



Family Formation



Work from Home



Gender Affirming Care



Rewards & Recognition



Meals & Nutrition



Insights from the Forma Store

Employees can access **60 products** from **21 vendors**

Employees commonly purchased from:

WITHINGS

 **MasterClass**

Perlego

uTalk 

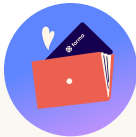
+Babbel

FITBOD

Easing the commute
In recent years, France has expanded its commuting benefits, covering public transit, long-distance travel, and sustainable options. While tax-free limits apply, the range of eligible options provides meaningful support for employees on the move.

Germany

Top spending accounts



1. All-inclusive LSA

\$970 €940
median annual
funding per employee

90%
budget utilization



2. Fitness & Wellness

\$690 €660
median annual
funding per employee

50%
budget utilization



3. Professional Development

\$970 €940
median annual
funding per employee

25%
budget utilization



4. Home Office Setup

\$860 €830
median annual
funding per employee

75%
budget utilization



5. Commuter Assistance

\$630 €600
median annual
funding per employee

55%
budget utilization

Honorable mentions

- Family Formation
- Caregiving
- Work from Home
- Gender Affirming Care
- Rewards & Recognition



Insights from the Forma Store

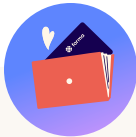
Employees can access **58 products** from **20 vendors**

Employees commonly purchased from:

European-based food delivery platform

India

Top spending accounts



1. All-inclusive LSA

\$650 ₹54,650

median annual
funding per employee

92%
budget utilization



2. Fitness & Wellness

\$360 ₹30,000

median annual
funding per employee

62%
budget utilization

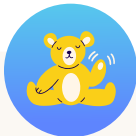


3. Professional Development

\$1,030 ₹87,500

median annual
funding per employee

42%
budget utilization



4. Caregiving

\$2,450 ₹208,000

median annual
funding per employee

63%
budget utilization

Honorable mentions



Home Office Setup



Donation Assistance



Family Formation



Work from Home

Meaningful Caregiving Benefits

To reduce barriers to workforce participation, the Indian government introduced policies in 2017 requiring employers to provide childcare options, such as access to crèche facilities, which are daycare centers in India.

Since then, employers have turned to Caregiving spending accounts to offer employees financial support for childcare needs.


LSAs give employees greater flexibility and choice, allowing parents to select the childcare solutions that best fit their unique needs.



Insights from the Forma Store

Employees can access **61 products** from **20 vendors**

Employees commonly purchased from:




India-based fitness and exercise membership



MasterClass




FITBOD



headspace



yogaia



SWÖRKIT



TARO



MOSSY EARTH



Fiit

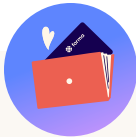


Fiit



Italy

Top spending accounts



1. All-inclusive LSA

\$980 €940
median annual
funding per employee

97%
budget utilization



2. Fitness & Wellness

\$1,050 €1,000
median annual
funding per employee

83%
budget utilization



3. Professional Development

\$1,150 €1,100
median annual
funding per employee

50%
budget utilization



4. Home Office Setup

\$960 €920
median annual
funding per employee

72%
budget utilization



5. Rewards & Recognition

\$1,510 €1,450
median annual
funding per employee

55%
budget utilization

Honorable mentions



Caregiving



Work from Home



Family Formation



Gender Affirming Care



Insurance Assistance



Insights from the Forma Store

Employees can access **56 products** from **20 vendors**

Employees commonly purchased from:

WITHINGS

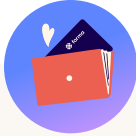
FITBOD

+Babbel



Mexico

Top spending accounts



1. All-inclusive LSA

\$710 \$14,370 MXN

median annual
funding per employee

88%

budget utilization



2. Fitness & Wellness

\$1,200 \$24,000 MXN

median annual
funding per employee

93%

budget utilization



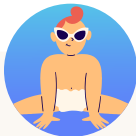
3. Professional Development

\$830 \$16,750 MXN

median annual
funding per employee

53%

budget utilization



4. Family Formation

\$9,720 \$197,600 MXN

median annual
funding per employee

<5%

budget utilization



5. Gender Affirming Care

\$18,880 \$383,850 MXN

median annual
funding per employee

<5%

budget utilization

Honorable mentions



Home Office Setup



Donation Assistance



Work from Home



Insights from the Forma Store

Employees can access **52 products** from **19 vendors**

Employees commonly purchased from:

 MasterClass

 Babbel

 FITBOD

 grammarly

 BUSUU

 NOOM

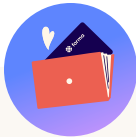
Prioritizing preventive care

A company in Mexico addresses a key gap in its employer-sponsored medical plan by providing an annual allowance for health checkups. This proactive approach supports employee well-being while delivering significant benefits for the organization.



Singapore

Top spending accounts



1. All-inclusive LSA

\$1,030 S\$1,400 SGD

median annual
funding per employee

96%
budget utilization



2. Fitness & Wellness

\$1,190 S\$1,610 SGD

median annual
funding per employee

58%
budget utilization



3. Professional Development

\$950 S\$1,280 SGD

median annual
funding per employee

52%
budget utilization

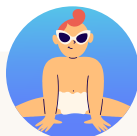


4. Home Office Setup

\$590 S\$800 SGD

median annual
funding per employee

75%
budget utilization



5. Family Formation

\$10,000 S\$13,600 SGD

median annual
funding per employee

<5%
budget utilization

Honorable mentions



Work from Home



Gender Affirming Care



Caregiving



Insights from the Forma Store

Employees can access **86 products** from **30 vendors**

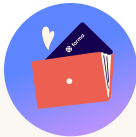
Employees commonly purchased from:

Singapore-based fitness clubs



Spain

Top spending accounts



1. All-inclusive LSA

\$810 €780
median annual
funding per employee

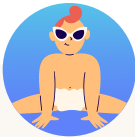
91%
budget utilization



2. Fitness & Wellness

\$870 €840
median annual
funding per employee

52%
budget utilization



3. Family Formation

\$9,770 €9,420
median annual
funding per employee

<5%
budget utilization



4. Professional Development

\$1,710 €1,650
median annual
funding per employee

67%
budget utilization



5. Home Office Setup

\$790 €760
median annual
funding per employee

64%
budget utilization

Honorable mentions



Gender Affirming Care



Caregiving



Rewards & Recognition



Meals & Nutrition



Work from Home



Insights from the Forma Store

Employees can access **56 products** from **20 vendors**

Employees commonly purchased from:

WITHINGS

MasterClass

Rosetta Stone

headspace

+Babbel

FITBOD

classpass

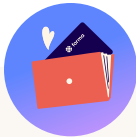
The New York Times

WAKING UP



United Kingdom

Top spending accounts



1. All-inclusive LSA

\$980 £780
median annual
funding per employee

89%
budget utilization



2. Fitness & Wellness

\$660 £530
median annual
funding per employee

75%
budget utilization



3. Professional Development

\$1,000 £800
median annual
funding per employee

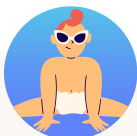
16%
budget utilization



4. Home Office Setup

\$500 £400
median annual
funding per employee

57%
budget utilization



5. Family Formation

\$10,240 £8,200
median annual
funding per employee

<5%
budget utilization

Honorable mentions



Commuter Assistance



Caregiving



Rewards & Recognition



Work from Home



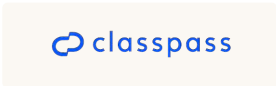
Supplemental Health



Insights from the Forma Store

Employees can access **99 products** from **27 vendors**

Employees commonly purchased from:



United States

Top spending accounts



1. All-inclusive LSA

\$900

median annual
funding per employee

86%

budget utilization



2. Fitness & Wellness

\$600

median annual
funding per employee

79%

budget utilization



3. Medical Travel

\$3,000

median annual
funding per employee

<5%

budget utilization



4. Professional Development

\$1,000

median annual
funding per employee

14%

budget utilization



5. Home Office Setup

\$500

median annual
funding per employee

65%

budget utilization

Honorable mentions



Family Formation



Caregiving



Rewards & Recognition



Work from Home



Commuter Assistance



Insights from the Forma Store

Employees can access **630 products** from **94 vendors**

Employees commonly purchased from:

LSAs: An intentional wellbeing investment

As organizations continue to evolve their total rewards strategies, Lifestyle Spending Accounts will remain a centerpiece of benefits conversation.

The data presented in our **2025 Lifestyle Spending Accounts (LSAs) benchmarking report** reveals a clear trajectory: LSAs have become an intentional investment in employee wellbeing in support of organizational resilience.

This year's analysis uncovers a pivotal shift away from the All-inclusive LSA model. Dedicated spending accounts have surfaced as a more sophisticated approach to support employee needs.

We hope that by leveraging the granular insights into spending account trends, patterns, and preferences, companies can craft programs that align well with organizational priorities.

Ever-changing workforce expectations will continue into the future. LSAs represent one of the most exciting and impactful tools for addressing this dynamism of the modern workplace.



Addendum:

Pre-tax accounts



Pre-tax accounts

Though the spotlight is on LSAs in our **2025 Lifestyle Spending Accounts (LSAs) benchmarking report**, many companies offer U.S. employees pre-tax accounts such as Health Savings Accounts (HSAs), Flexible Spending Accounts (FSAs), and commuter benefits as another means for comprehensive employee support – with the bonus of tax savings.

The facts about consolidation

62%

of companies have consolidated two or more pre-tax accounts in a single platform



54%

of companies have consolidated two or more LSAs in a single platform



25%

of companies have consolidated at least one pre-tax account and one post-tax LSA in a single platform



We launched our pre-tax solution in 2023, and since then, we've observed an unignorable trend: employers desire to consolidate benefit programs under one platform.

The struggle to keep up with many platforms is real.

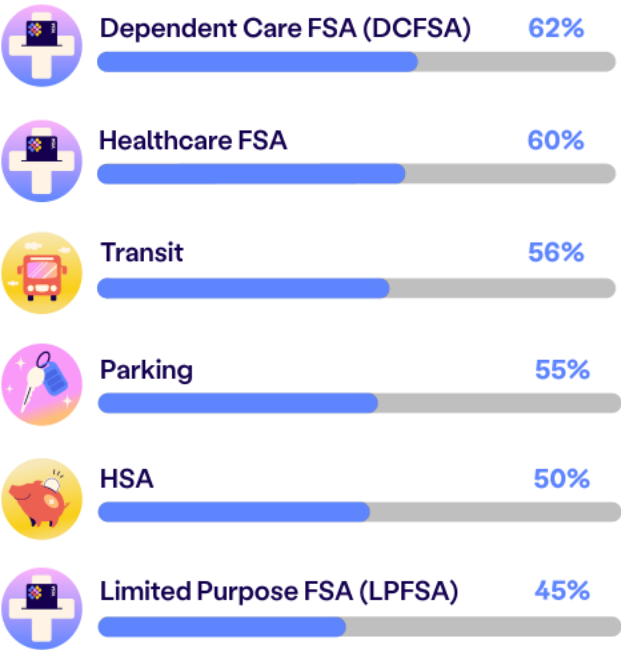
To combat this challenge, what we're seeing is that organizations are bringing more programs under a single benefits touchpoint to make for easier administration and an improved employee experience. A majority of companies have consolidated more than two pre-tax (62%) or post-tax programs (54%) into a unified experience.

What gives us even more optimism is to see that a quarter of companies have consolidated pre-tax and post-tax programs in one platform. We anticipate this to skyrocket in the coming years.



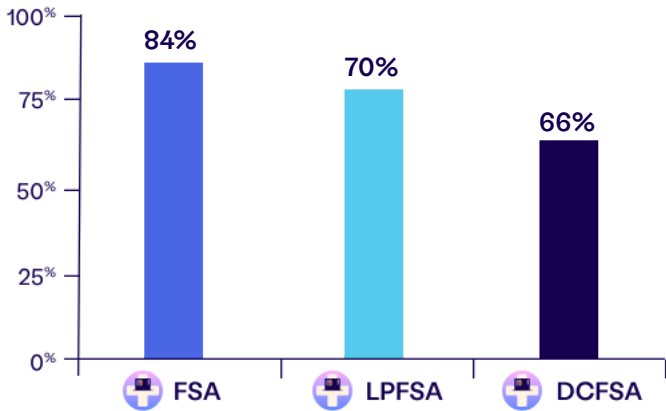
Popularity of pre-tax accounts

Percent of companies that offered account type



How employees use FSA funds

Percent of FSA funds utilized by employees



*Data from April 2025 after 2024 FSA run out period.

Employer contributions for commuter benefits



Pre-tax transit accounts

18%
of employers contributed

\$700 median annual contribution



Pre-tax parking accounts

16%
of employers contributed

\$600 median annual contribution

Employers use pre-tax commuter benefits to support their workforce and stand out in a competitive market. These investments help ease commuting costs for employees and boost satisfaction.

With less than one in five employers offering these benefits, they present a strategic opportunity in 2025 and beyond.

Customizable spending accounts. Better benefits.

Forma has been redefining employee benefits with customizable spending accounts that let employees choose what's meaningful to them. We manage all types of benefits — from Lifestyle Spending Account programs to HSA, FSA, HRA, Commuter, and COBRA. This way, employees have a simple, unified experience regardless of using a pre-tax HSA or a post-tax wellness allowance.

Working with top brands, we help create flexible benefits programs at scale—all in an easy-to-use platform. Our approach has helped companies worldwide save costs, improve utilization, and spend time focusing moving the needle vs. managing countless vendors.

Contact us to learn more about what we can do for you.

The platform that does it all for you!

- + Three ways to pay**
Employees spend funds on their terms with The Forma Store, The Forma Visa Card, and claims reimbursement.
- + Dedicated support**
We'll handle procurement, administration, compliance, and claim review.
- + Award-winning UX**
Give everyone a consumer-grade experience they'll love with live support 24/7.
- + Truly global**
We're live in 100+ countries so you can deliver customizations and processes at scale.
- + Enterprise-grade tech**
We're SOC 2 certified, GDPR compliant, and adhere to WCAG standards expected of global enterprises.
- + Incomparable tech-stack**
With fully-managed backend tech, payment, integration, and taxation processes are easy and just work.

