



PTO Exchange

The PTO Value Gap

Where your PTO policy underserves entire generations and what to do about it



PTO Is a Standard Benefit. Using It Is Not.

Paid time off is one of the most established benefits in the workplace. Nearly every organization offers it. Yet for many employees, fully using PTO isn't realistic.

Research shows that only **4 in 10 employees use all of their PTO in a given year**. The rest carry unused time forward, lose it, or struggle to take it at all.

This creates a tension HR teams know well. PTO is meant to support employees, but the structure assumes people can step away from work easily and often. For many roles, workloads, and life stages, that assumption no longer holds.

As a result, employees make workarounds. **Three out of four workers report taking a vacation they didn't actually need, simply to avoid losing accrued time**. That time off doesn't reduce stress or solve financial pressure. It just checks a box.

PTO was built as a vacation benefit for an "average" employee. Today's workforce spans multiple generations, income levels, and personal realities. When benefits are designed for the middle, value quietly disappears at the edges.

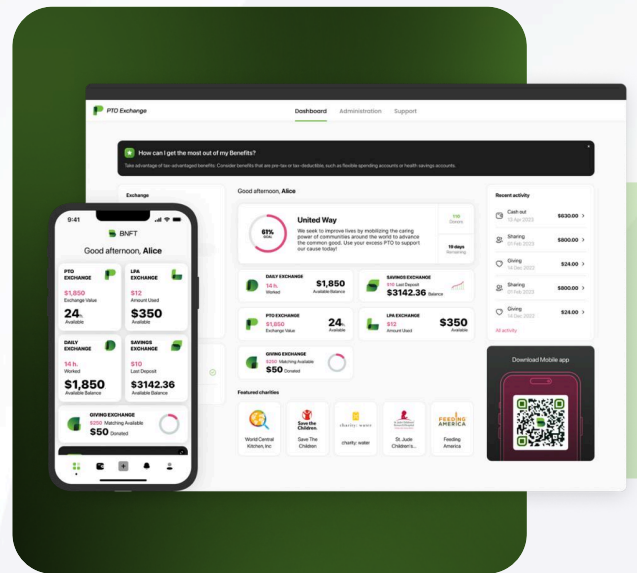
Unused PTO becomes both an employee frustration and an employer liability. And it raises a bigger question HR leaders are starting to ask:

Is your PTO policy delivering real value to the people it's meant to support?

Different generations. One rigid benefit.

Today's workforce spans four generations, each at a different stage of life and facing different financial realities. Yet PTO treats them all the same.

A single pool of time off assumes everyone wants the same outcome from the same benefit. In practice, that assumption no longer holds.



Younger employees are earlier in their careers, often balancing debt and limited savings. Mid career employees are managing families, healthcare costs, and peak workloads. Older employees are thinking about retirement timing and financial security. PTO offers each of them the same thing: time away from work.

The result is predictable: PTO accumulates instead of being used.

Research shows that **two thirds of employees are carrying two to five or more weeks of unused PTO**. That unused time represents very different missed opportunities depending on where someone is in their career.

For employers, this misalignment creates another issue. PTO accrues at an employee's current rate of pay, meaning **PTO liabilities grow as wages increase**. A benefit designed to support employees quietly becomes a growing financial obligation.

This is the core tension HR teams face. A workforce with increasingly diverse needs is being served by a benefit built for uniform outcomes.

When one benefit is expected to serve every generation in the same way, value is lost across the board.

Mapping the Gaps in a One-Size PTO Policy

Most organizations offer a single PTO policy to a workforce made up of very different people. On paper, the benefit is the same. In practice, the value is not.

The map below shows where traditional PTO aligns and where it breaks across generations. This isn't about preference. It's about whether a benefit designed around time off can realistically support employees at different stages of life.



Gen Z and early-career employees

What this generation values

- Financial flexibility
- Relief from student loan debt
- Access to emergency cash



Gen X and mid-career employees

What this generation values

- Stability and predictability
- Help covering health-related expenses
- Flexibility that does not require stepping away from work



Boomers and late-career employees

What this generation values

- Retirement contributions
- Financial optimization ahead of exit
- Predictable planning for the next stage of life

What standard PTO offers

- Time away from work
- Limited financial impact unless time is taken

Where the value breaks

- Taking time off does not address immediate financial pressure
- Unused PTO accumulates without solving debt or liquidity needs

Supporting data

- **1 in 5 workers ages 18 to 24** want the option to use PTO for student loan repayment
- **83 percent of workers** are interested in converting PTO into other financial resources

What standard PTO offers

- Time off that may be difficult to take during peak workloads
- No direct support for rising health or family-related costs

Where the value breaks

- PTO sits unused when work and family demands peak
- The benefit cannot be redirected toward pressing financial needs

Supporting data

- **43 percent of workers** are interested in using PTO for health expenses or HSA contributions

What standard PTO offers

- Time away from work late in career
- Limited usefulness as retirement approaches

Where the value breaks

- Accrued PTO often goes unused or is paid out without strategic impact
- Missed opportunity to strengthen retirement readiness

Supporting data

- **30 percent of workers age 54 and older** want to convert PTO into retirement contributions, four times higher than workers ages 18 to 24

What the map reveals

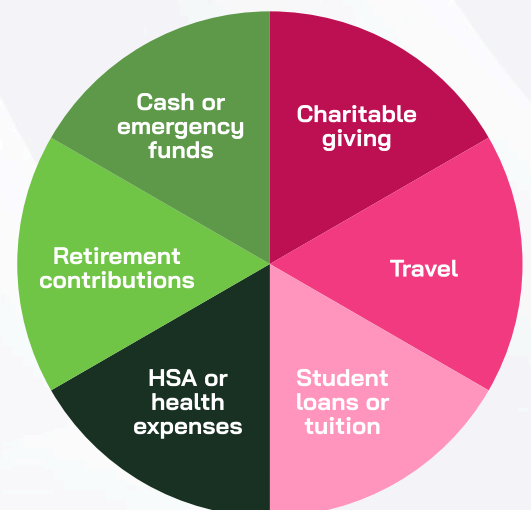
A single PTO policy delivers very different value depending on who you are and where you are in your career. When benefits are fixed but employee needs are not, misalignment becomes inevitable.

This is the gap most organizations don't see until they map it.

PTO Is More Valuable When Employees Have Choice

For years, PTO has been framed almost exclusively as time away from work. But the data shows that many employees are looking for something broader: the ability to use the value of PTO in ways that fit their lives.

Across generations, employees see PTO as stored value. When that value is locked into time off only, it limits how useful the benefit can be, especially when workloads, finances, or life circumstances make taking time away difficult.



Research shows that **83 percent of workers want the option to convert PTO into other resources.** That interest spans age groups and income levels, suggesting this is not a niche preference but a widespread expectation.

Employees also demonstrate a strong desire for flexibility that supports others, not just themselves. **80 percent say they would donate PTO to a coworker in an emergency.** That signals something important: employees value choice, agency, and the ability to direct benefits where they matter most.

This is where PTO starts to function less like a vacation policy and more like a flexible resource. The underlying benefit doesn't change. What changes is how employees can access its value.

Flexibility becomes the common thread. Not because employees want less time off, but because they want the freedom to decide how their PTO supports them at different moments in their lives.

Flexibility changes how employees value their employer

Retention challenges are often discussed in terms of compensation, culture, or career development. Benefits rarely sit at the center of that conversation unless they fail.

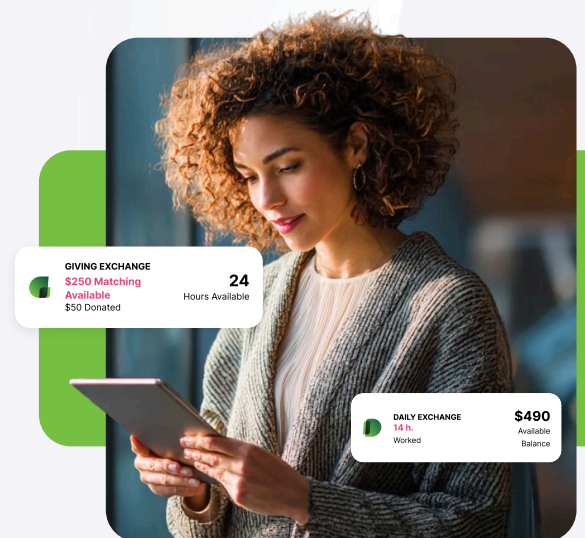
Flexible PTO changes that dynamic.

When employees can use the value of PTO in ways that align with their real needs, the benefit stops feeling generic and starts feeling intentional. That shift has a measurable impact on how employees view their employer.

Research shows that **7 out of 10 employees say access to flexible leave options makes them feel their company values and appreciates them.** That sense of being valued is one of the strongest predictors of engagement and loyalty.

The retention signal is even clearer. **9 out of 10 employees say flexible leave options would make them more likely to stay with their employer.** This isn't about adding more time off. It's about allowing employees to extract meaningful value from a benefit they already earn.

For HR and Total Rewards teams, flexibility becomes a strategic lever. It strengthens employer brand, supports retention across generations, and improves the perceived return on existing benefits spend.



Close your benefits gap with



Across generations, the takeaway is consistent: Employees don't necessarily need more PTO, they need more ways to use the value they already earn.

PTO Exchange helps organizations unlock that value without changing their core PTO policy. By giving employees choice, PTO becomes relevant at every stage of life while remaining simple to manage.

With PTO Exchange, organizations can:

- Let employees convert unused PTO into cash when they need liquidity
- Support student loan repayment for early-career employees
- Enable contributions to retirement accounts and HSAs
- Allow PTO donations to coworkers during personal emergencies
- Reduce unused PTO balances and long-term balance sheet exposure
- Offer one benefit that adapts to a multi-generational workforce

For HR and Total Rewards teams, this means fewer gaps, higher perceived value, and a benefit that works harder for both employees and the business.

If you're rethinking how PTO fits into your benefits strategy, the next step is to see how flexibility works in practice.

Schedule a demo of PTO Exchange to see how organizations are using PTO to improve retention and deliver meaningful value across generations.

[Schedule a Demo](#)

Or visit us at PTOExchange.com