

# You're probably giving employees the wrong holiday gift

Nearly half of surveyed U.S. employees say a good holiday gift boosts their level of job satisfaction for a year or more



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## Introduction

A good employee gift makes people work harder for months. A bad gift makes people feel insulted. It's worse than getting no gift at all. And for the majority (65%) of employees, the right holiday gift is money.

For business leaders, HR professionals, and people managers, keeping employees satisfied and engaged is a big part of the job. While raises, promotions, bonuses, and stimulating side projects are a great way to reward individual performance, holiday gifting is a common way to reward employees en masse.

We couldn't find the data we were looking for online, so we took matters into our own hands and surveyed 1,500 U.S.-based workers across 10 industries. We learned that the stakes for gifting are actually quite a bit higher than you might think.

Giving employees gifts around the holidays is exceedingly common, according to our research. The right gift leads to a spike in job satisfaction that lasts for a year or more for 46% of people.

But companies regularly send the wrong gift. Over 30% felt unappreciated after receiving a gift from their employer.

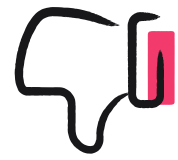
The insights that follow are a statically significant representation of how U.S. workers feel about:

- How holiday gifting can go horribly wrong
- What people generally get versus what they actually want
- The ROI of giving the right gift
- How to approach budgeting for holiday gifting

The long of the short of it is this: People don't want swag or pizza parties. They do want money they can spend on something they'll actually use. And if you want to add a personal touch to employee gifts, a kind note of thanks from a supervisor will do.

# Executive Summary

## Employers often mess up holiday gifts



# 31%

of employees have received a gift that made them feel unappreciated.

- **Only 2%** of people said company swag is their favorite gift to get.
- People dislike receiving food items, like jellies, hams, and turkeys.
- Recipients feel insulted by gift cards loaded with small denominations.

## Employee gifts are common



# 83%

of employees have received a holiday gift.

- **42%** of respondents say they receive a holiday gift every year.
- **63%** of people would expect to receive a holiday gift in the current year if they received one the previous year.

## What people get differs from what they want



# 37%

of respondents receive gift cards to specific retailers.

- **24%** have received company swag.
- **28%** receive a team dinner at a nice restaurant.
- And the vast majority (**65%**) would prefer money.

## People want gifts around the holidays from their boss or leadership team



# 82%

think employers should give employees gifts around the holidays.

- **51%** want this gift to be from their boss.
- **44%** want this gift to come from the leadership team.
- Almost no one (**4%**) wants a gift from HR.

## How much a gift should run you



# 66%

of respondents feel appreciated by a gift costing \$50-\$100.

- **5%** expect a holiday gift that costs between \$1,000 and \$5,000.
- **15%** of top earners expect a gift that costs over \$1,000.

## The ROI of doing it right is significant



# 75%

say their job satisfaction increases after they receive a good holiday gift.

- **92%** of respondents experience a positive attitude shift for a month or more after receiving a good holiday gift.
- **46%** reported having a better attitude for a year or more.

Based on the free-form text field responses to our survey, we deduced the following:



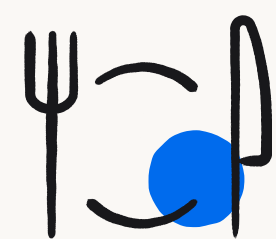
The most common response to gifts is a feeling of appreciation.



Specific gifts, like a gift card or a bottle of wine, are hit-or-miss.



A cheap gift is worse than no gift.



Team dinners are polarizing.

# Employers often mess up holiday gifts

A bad employee gift can negatively impact job satisfaction. That means that **some companies pay to make their employees feel worse**. In fact, 31% of surveyed employees have received a gift that made them feel distinctly unappreciated.

## Which gifts make employees feel worse?

We received hundreds of responses from people who received company swag as a gift, and none of them were thrilled. Only 2% of people said company swag is their favorite gift to get.

In addition to company swag, lackluster gifts include:

- Gift cards worth less than \$15
- Gift cards they'll never use for stores they don't like
- Utilitarian gifts like screwdrivers and umbrellas
- Various food items, like hams or turkeys

Workers are acutely aware of how much money they're helping generate for business leaders. And a tepid gift adds insult to injury for those who already feel undercompensated.

"It was company swag (a stone drink coaster with the company logo on it) that I had to sign a form for and that form allowed the company to then tax me on that 'gift' as income," wrote one respondent. "Huge misstep by the administration. Distorted trust. It backfired and made people angry."

Gift cards to specific stores loaded with small denominations also dismayed many respondents.

"I got a \$5 grocery gift card," one person wrote. "Excuse me?? What the hell am I supposed to buy with \$5?"

Another dissatisfied employee received a \$10 Starbucks gift card as an end-of-year thank-you.

"It actually makes me feel less satisfied with my job, as they prefer to give you useless, branded crap rather than an actual raise or promotion."

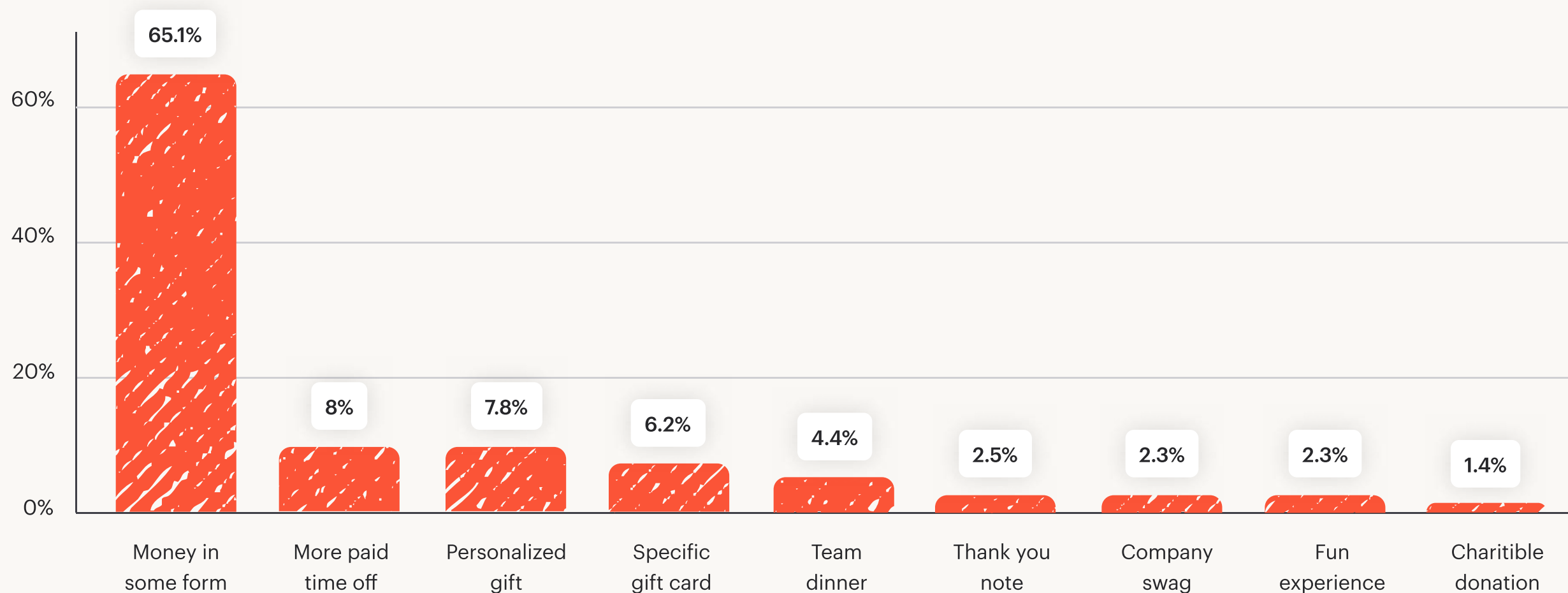
Speaking of raises and promotions: sending gifts in lieu of bonuses, raises, and other performance-based rewards will not go over well. Most consider this gesture to be insulting.

"Our boss had recently let us know that we weren't going to receive end-of-year bonuses, and then he gave everyone an impersonal package of three jams and jellies," wrote one respondent. "This was literally what Chevy Chase's character went through in National Lampoon's Christmas Vacation. I was embarrassed for my boss being so out of touch."

Ultimately, a decent gift won't fix a broken workplace. And a bad gift will make a poor culture, low salary, or toxic work environment all the more stark.

Holiday gifts should be used as a blanket approach to bolstering employee satisfaction and engagement. They're not a replacement for rewarding individual performance.

## Less than 3% of people want company swag, a thank you note, or an experience as a holiday gift

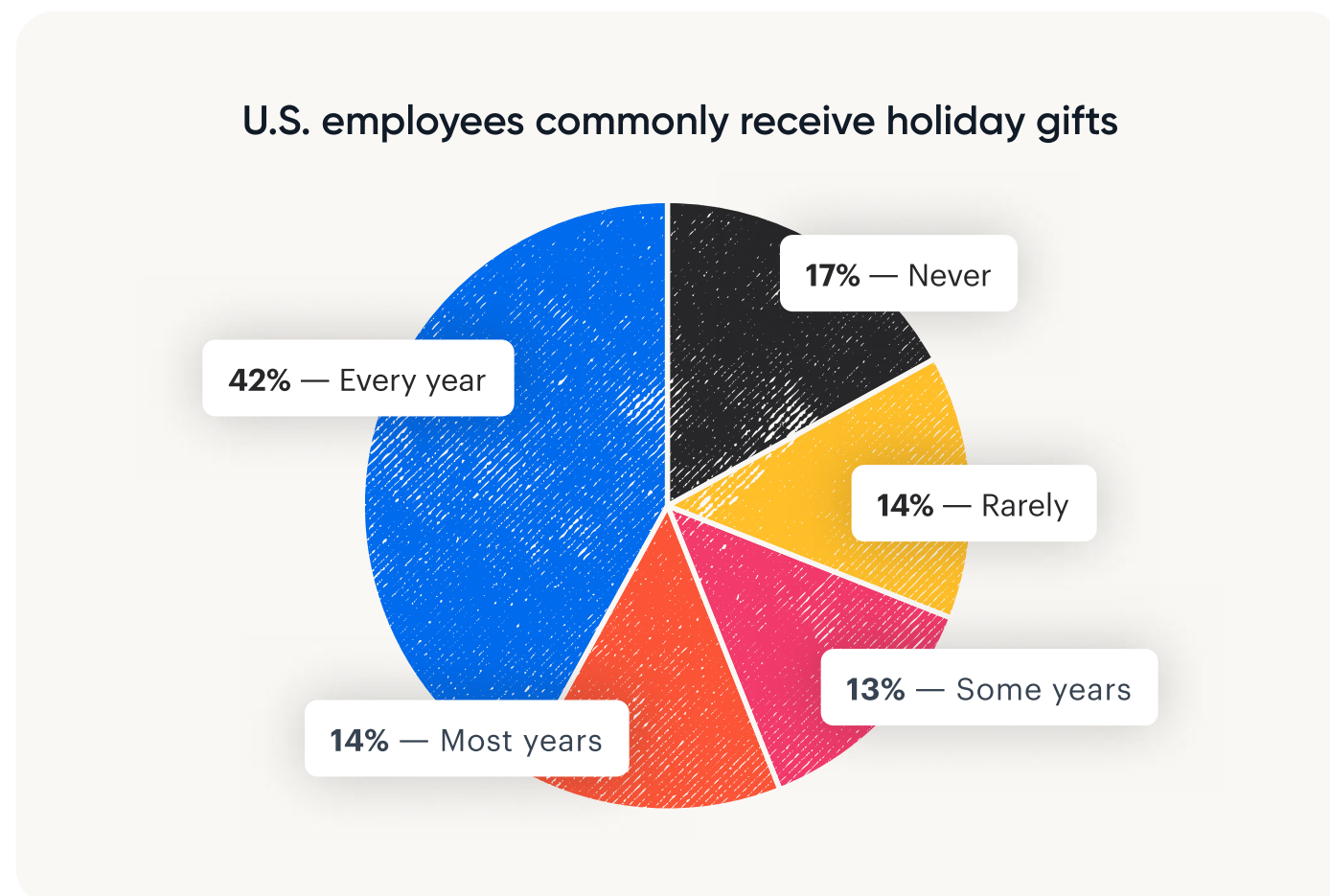


# What people get differs from what they actually want

Most employees are saddled with gift cards to specific retailers — often to places where they wouldn't normally shop. What they really want is money.

## How common is gifting?

The vast majority (83%) of survey respondents have received a holiday gift before. A considerable number of people — 42% of respondents — say they receive a gift from their employer every year, like clockwork.

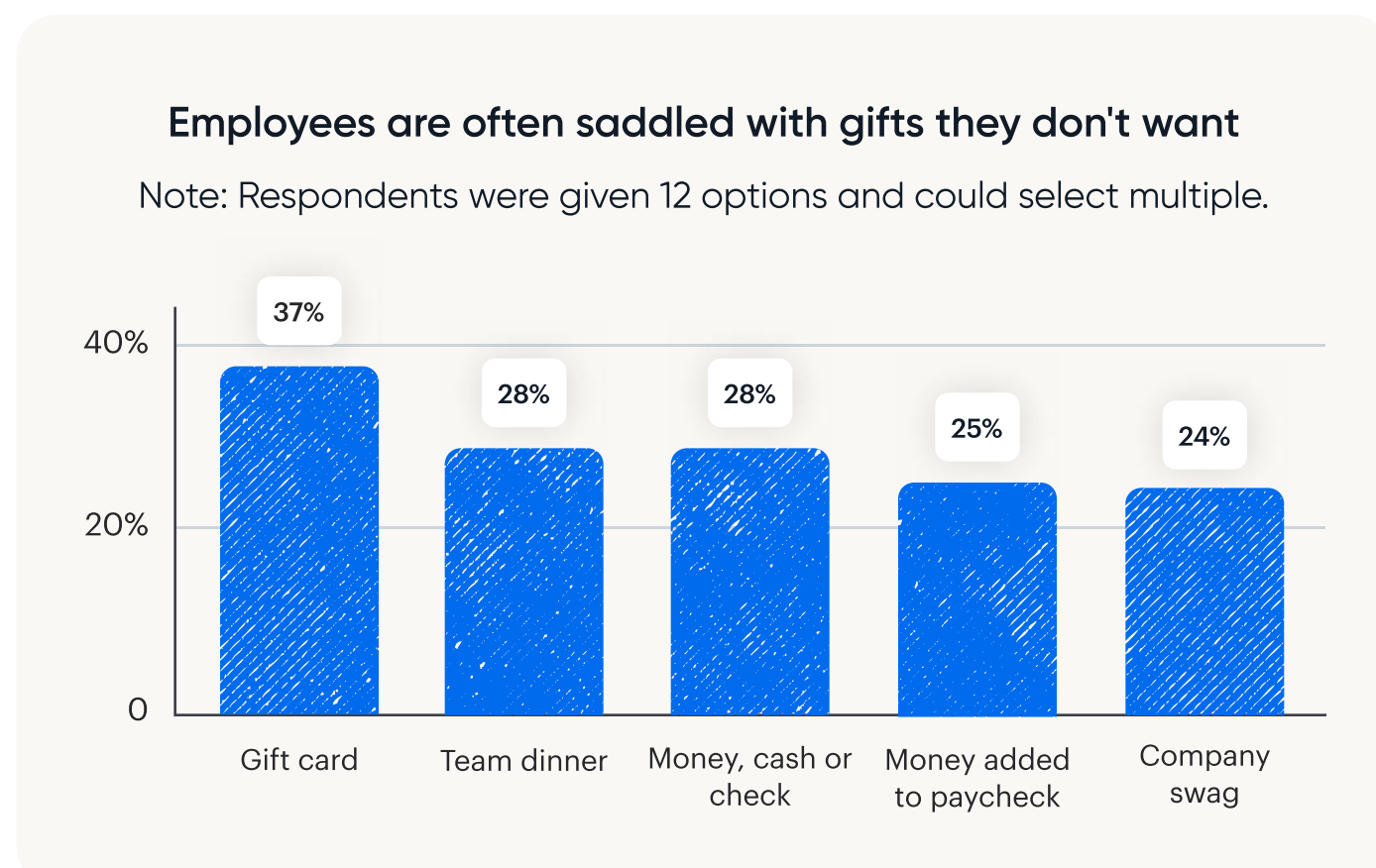


Generally speaking, people expect a gift: 63.5% of respondents say they would expect to receive a holiday gift in the current year if they received a gift the previous year.

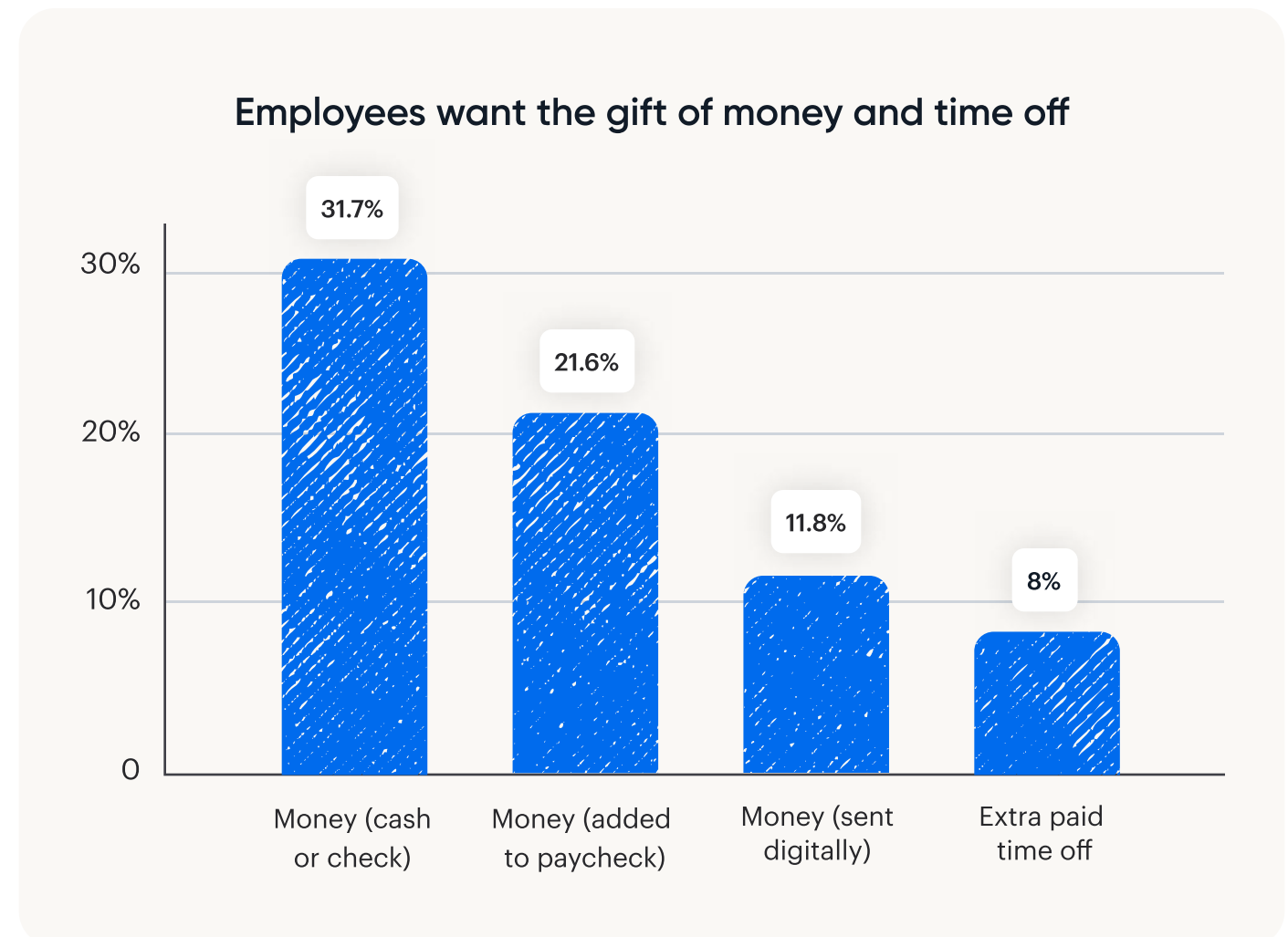
Most people want a gift, and a little less than half actually get one year over year. To meet their expectations, it's probably best to err on the side of caution by sending a sign of appreciation around the holidays.

## The gifts people receive versus what they want

People most commonly receive gift cards to a specific retailer, with 37% of respondents reporting that's what they've gotten in the past. Getting a team dinner at a nice restaurant as a holiday gift is also common (28%), especially among senior management, IT professionals, and urban respondents.



But respondents made their preferences perfectly clear: **they really want money**. The top three ideal holiday gifts were **money** (cash or check), **money** (added to paycheck), and **money** (as a Visa gift card, Paypal, or Venmo transaction). So when in doubt, send money.



If you group the least desired holiday gifts together, you'll notice a theme. People don't want their employer to choose a gift for them (a donation, an experience, swag, a dinner).

Respondents want the gift of choice (e.g. money and time off).

"I feel valued when I'm rewarded monetarily," wrote a teacher.

People particularly appreciate getting a little extra cash around the holiday season when expenses run high. A few mentioned a monetary reward helps "with increased spending during the holiday season."

Others prefer money simply because the alternative tends to be something they don't care for.

"A little bonus or just a little extra money would make me feel better rather than something like ordering cheap pizza for everyone," one landscaper responded.



### Key takeaway

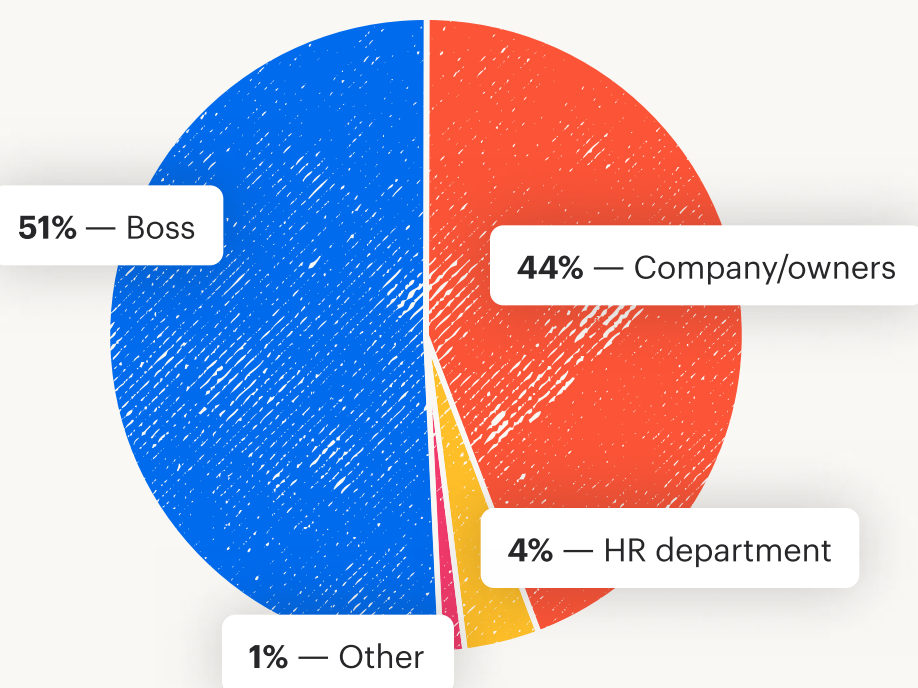
Employees prefer money over all else when it comes to holiday gifts (and we recommend sending digitally to avoid administration overhead — see page 10).

## People don't care about personalized gifts, but who it comes from matters

Employees want a gift from their boss or the CEO of the company, with a slight preference for the former. Very few (4%) want a present signed, "from HR."

Generally speaking, higher-income employees prefer a gift from their boss, while lower-income employees prefer a gift from the company.

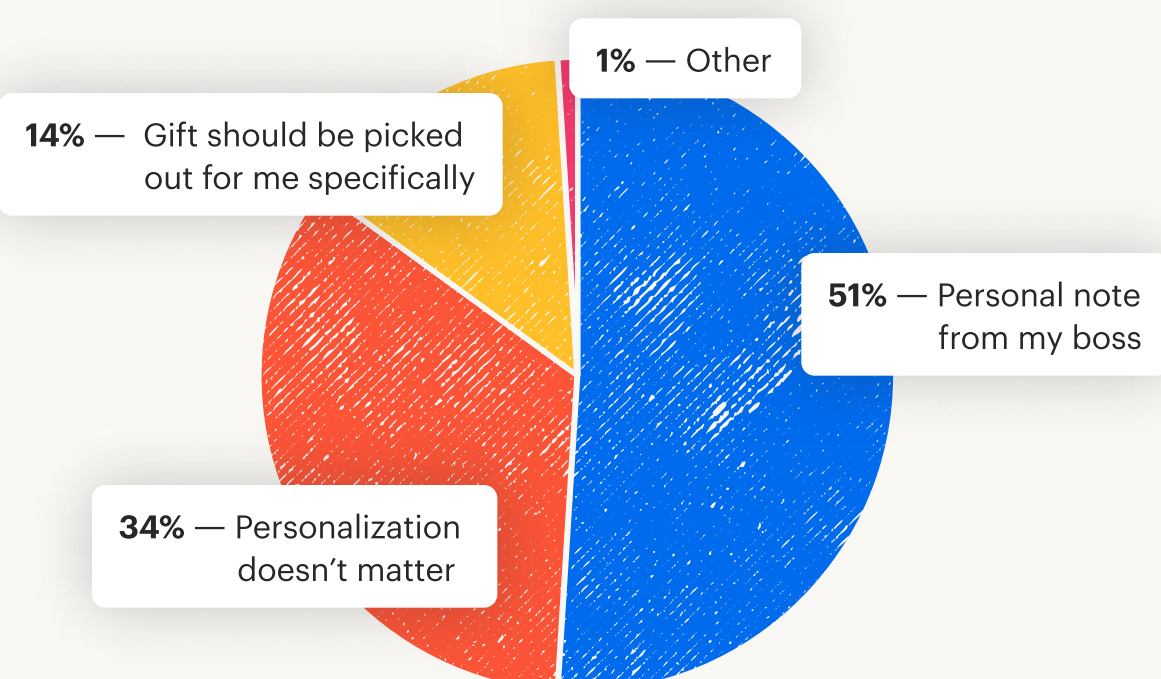
Who do employees want a gift from? Not HR



Should you personalize employee gifts? Survey says: **it doesn't really matter**. 65.5% of respondents said they either didn't care whether gifts were personalized, or that they'd feel equally appreciated if the gift was personalized vs. if everyone got the same gift.

So in terms of determining ROI, don't sweat it too much. Personalized or not, the important thing is that employers send a gift, and that it's a gift people actually want.

Adding a personal note goes a long way for gifting



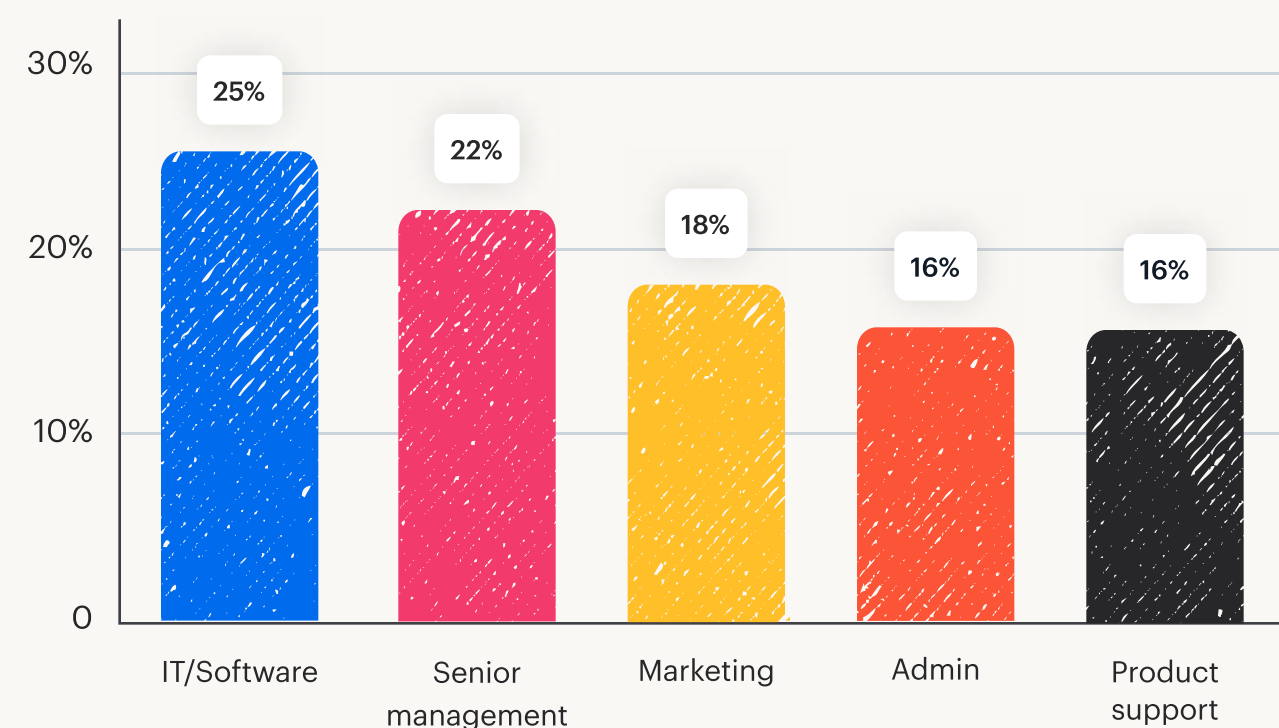
However, if you do want to personalize an employee gift, half of respondents say a personalized note from their boss will suffice. (Along with a gift, of course. Thank-you notes alone don't get much love.)

"Including cash in a holiday card with a personal note of thanks" is enough personalization for most people, respondents said.

"[A gift] makes me feel appreciated as it usually comes with a nice 'thank you for all your hard work' note," said another.

Interestingly, 14% of respondents say the gift must be picked out specifically for them. Tough crowd. Consider personalizing gifts for senior managers or IT personnel: they're the professionals most likely to want something specifically picked out just for them.

Certain professions care more about personalization than others



### Key takeaway

Choosing a gift that your employees actually want is far more important than any sort of personalization. But a personal note doesn't hurt.

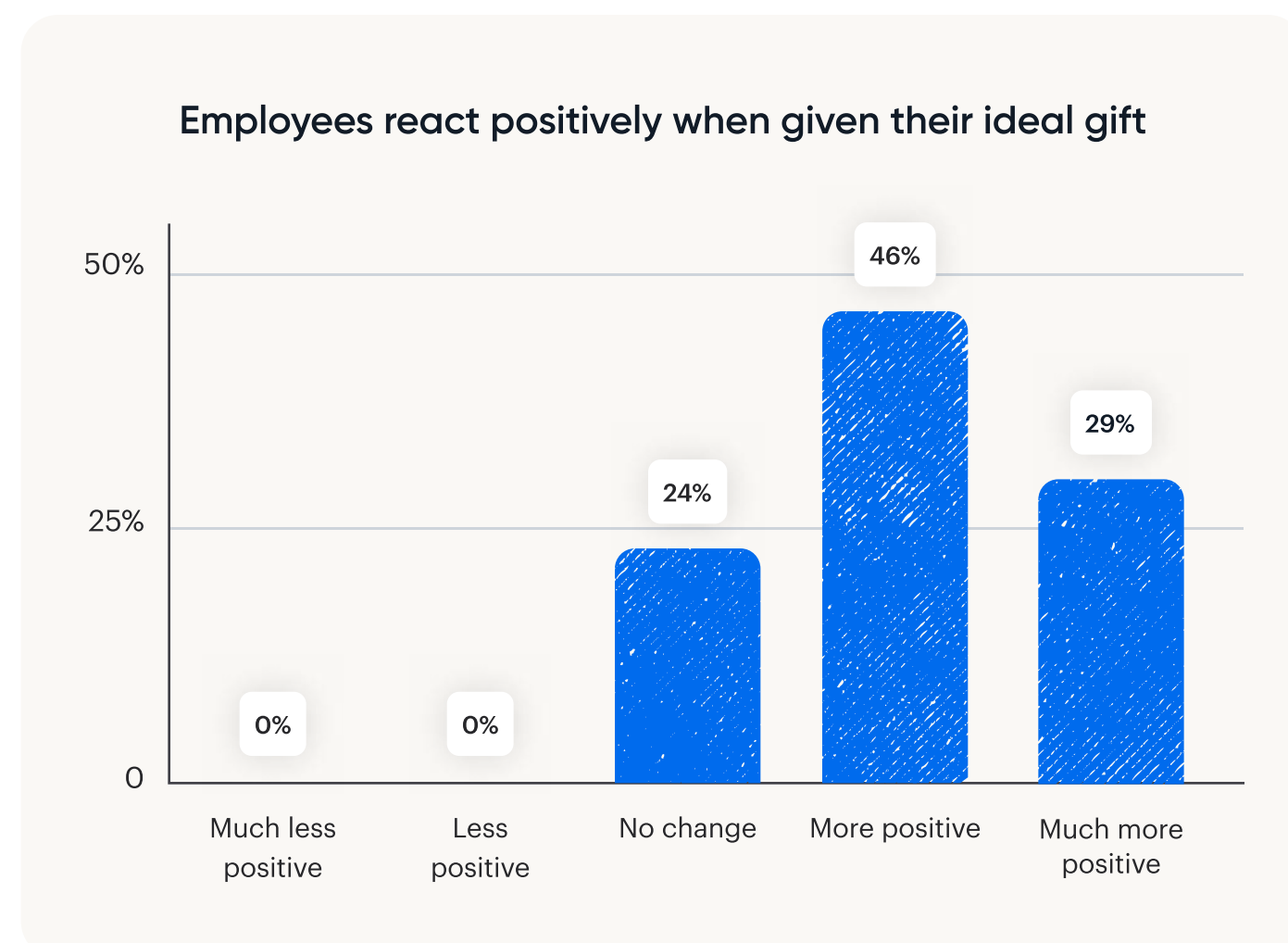
# The ROI of doing it right

Strikingly, almost half (46%) of respondents experience a boost in job satisfaction for a year or more after receiving the ideal holiday gift. So, the ROI for doing it right is quite high.

## How does the ideal holiday gift affect job satisfaction?

The vast majority (85%) of respondents said they are either satisfied or very satisfied with their **jobs**. About equal numbers are satisfied with their **company**. Furthermore, 91.5% feel they're engaged or very engaged at work.

But there's room for improvement, even with these stellar stats. A whopping 75% of survey respondents said their level of job satisfaction notably increases when they receive their ideal holiday gift.



Top earners are the most likely to view their supervisors and leaders 'much more positively' after receiving a good holiday gift, with 38% of those making \$150,000 or more saying they'd have a much more positive attitude.



### Participant quote

"It makes me feel more valued and like my employer actually sees what I am accomplishing during the year."

## How long did these feelings of improved job satisfaction last after receiving the gift?

Increased job satisfaction lingers longer than you'd expect:

- 92% said the positive sentiment would last at least a month.
- Nearly half (46%) say it would last **a year or more**.
- A surprisingly small number of workers (only 8%) said the improvement would end within a couple of weeks.



"My job satisfaction changes as a result of receiving a gift from my employer because I feel more motivated to do more," said one respondent.

"I always work my best when I feel appreciated," said another.

Those making less than \$100,000 are most likely to see an improved attitude last greater than one year.

Overwhelmingly, an employee gift around the holiday season makes people feel valued, appreciated, motivated to do their best work, and, in several instances, "needed."



## Who's the hardest to impress?

We found a **direct correlation** between higher salaries and more expensive tastes. People get harder to impress the more money they make. High earners are also more likely to care about the amount spent on the gift.

Those raking in \$150,000 a year or more are 29% more likely to feel unappreciated by holiday gifts than those making less than \$50,000. Along the same lines, only 11% of high earners say the amount doesn't matter, compared to 27% of low earners.

34% of those making \$100,000-\$149,000 who have an opinion want a gift of \$100-\$1,000. 15% of those making \$150,000+ want a gift of \$1k-5k. Same pattern holds true for personalization (higher incomes want a more personalized gift).

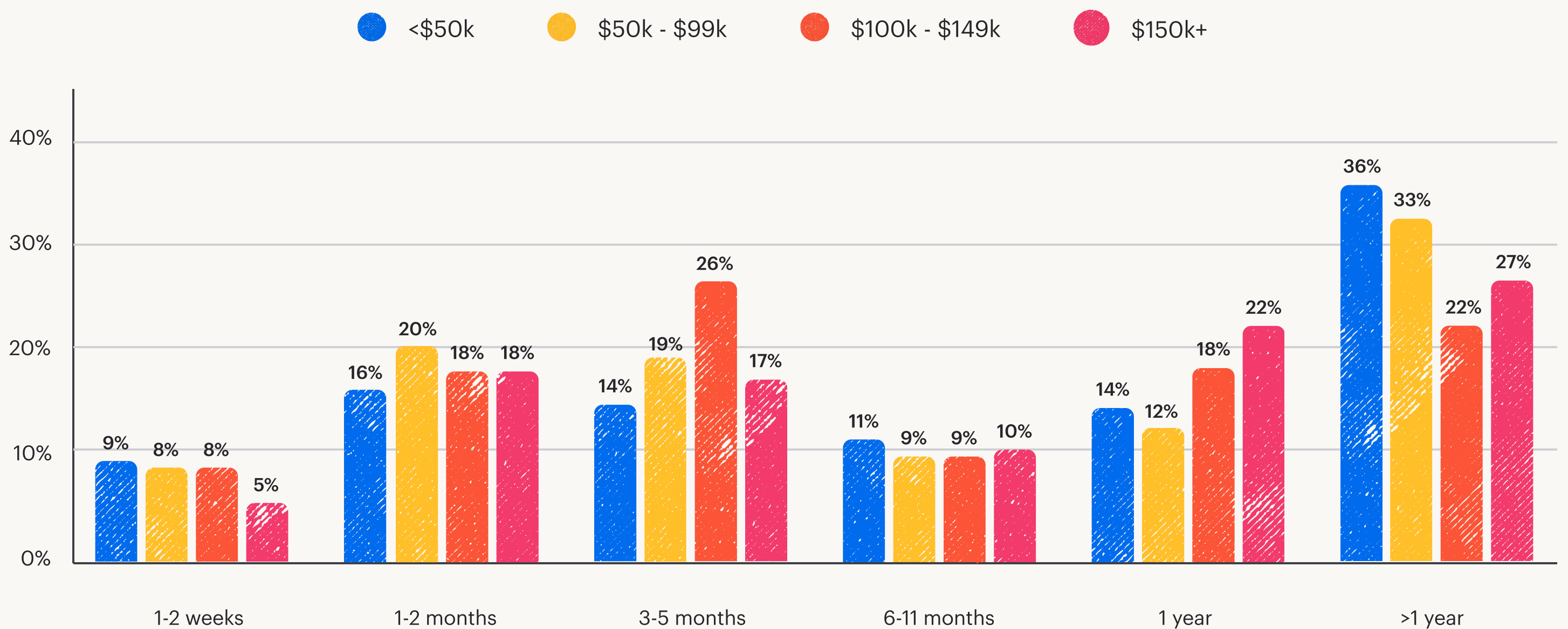
The takeaway here is that the stakes are especially high for higher earners. They're easily put off by the wrong gift, but also highly motivated by the right gift.



### Key takeaway

75% of people have a more positive attitude after receiving the ideal holiday gift.

## Low earners have the longest lasting benefits from receiving an ideal gift



# Creating a holiday gifting budget

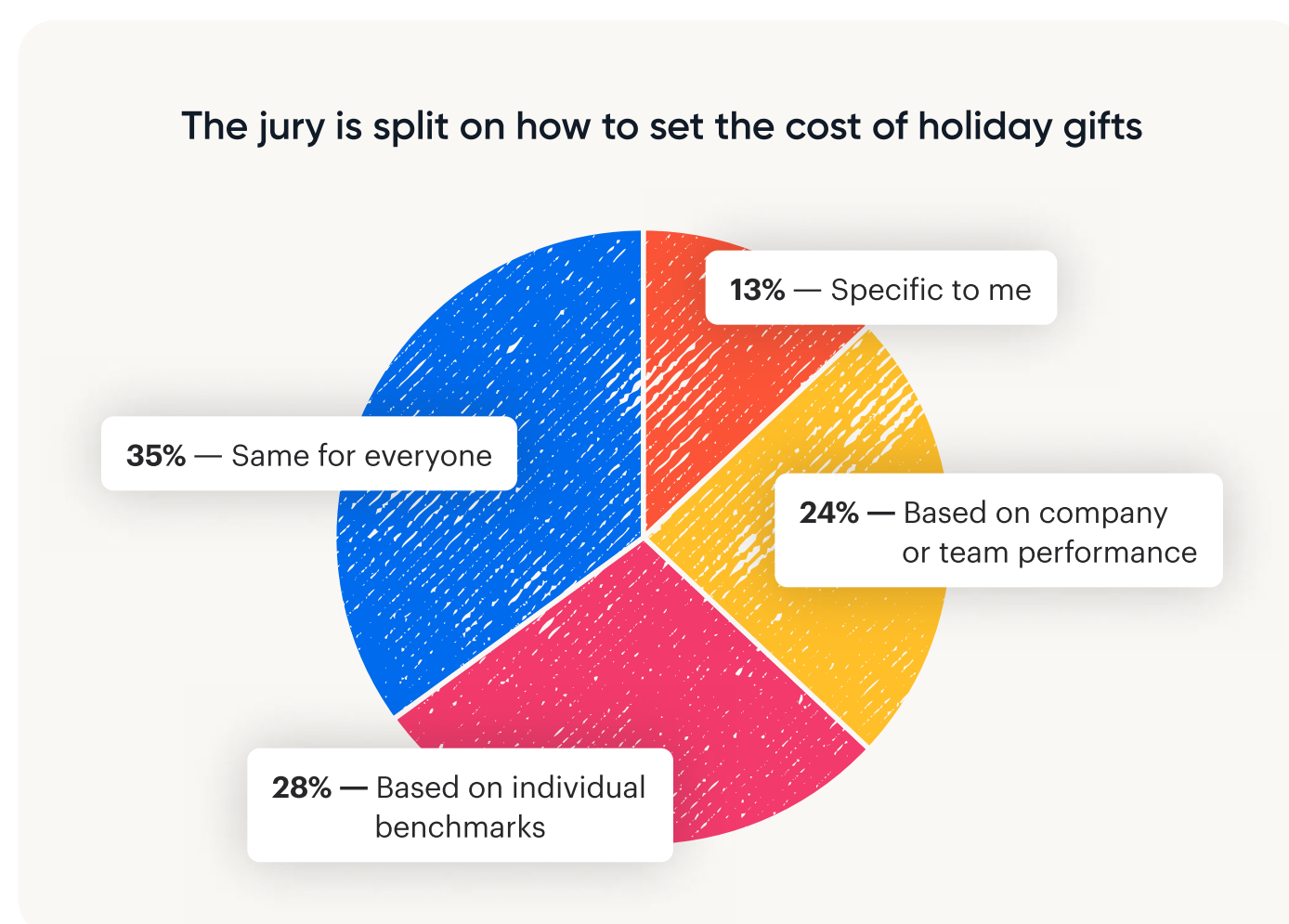
When creating and justifying your holiday gifting budget, look at two dimensions: 1) Who receives a gift and 2) how much you spend per employee. For the budget constrained, don't worry. The survey data offers insights for you, too.

## Who should receive a holiday gift?

In a word: **everyone**.

Raises, bonuses, and promotions are a targeted tool for rewarding good performance. Holiday gifts should be used as a sweeping gesture for recognition and appreciation. American workers seem to agree. Respondents overwhelmingly (65%) think everyone at the company should receive a gift.

## How should businesses determine the dollar amount?



Opinions are split: 35 percent of respondents said everyone at the company should receive the same dollar amount.

But 24% of people said this dollar amount should increase or decrease based on company or department performance. Another 28% said it should be calculated on individual benchmarks (salary, seniority, or tenure).

One thing is clear: most employees don't think a holiday gift is equivalent to a performance bonus. Only 13% said dollar amount should be personalized to each employee.

## How much should you pay per employee?

Nearly half (44%) of respondents said **a gift that costs \$100 or less would be ideal**. Another 22% said the cost doesn't matter. So you can satisfy about two-thirds with a gift in that range.

Meanwhile, 5% expect a holiday gift that costs between \$1,000 and \$5,000. The people with higher expectations tend to be in operations or production, IT, finance, or senior management roles.

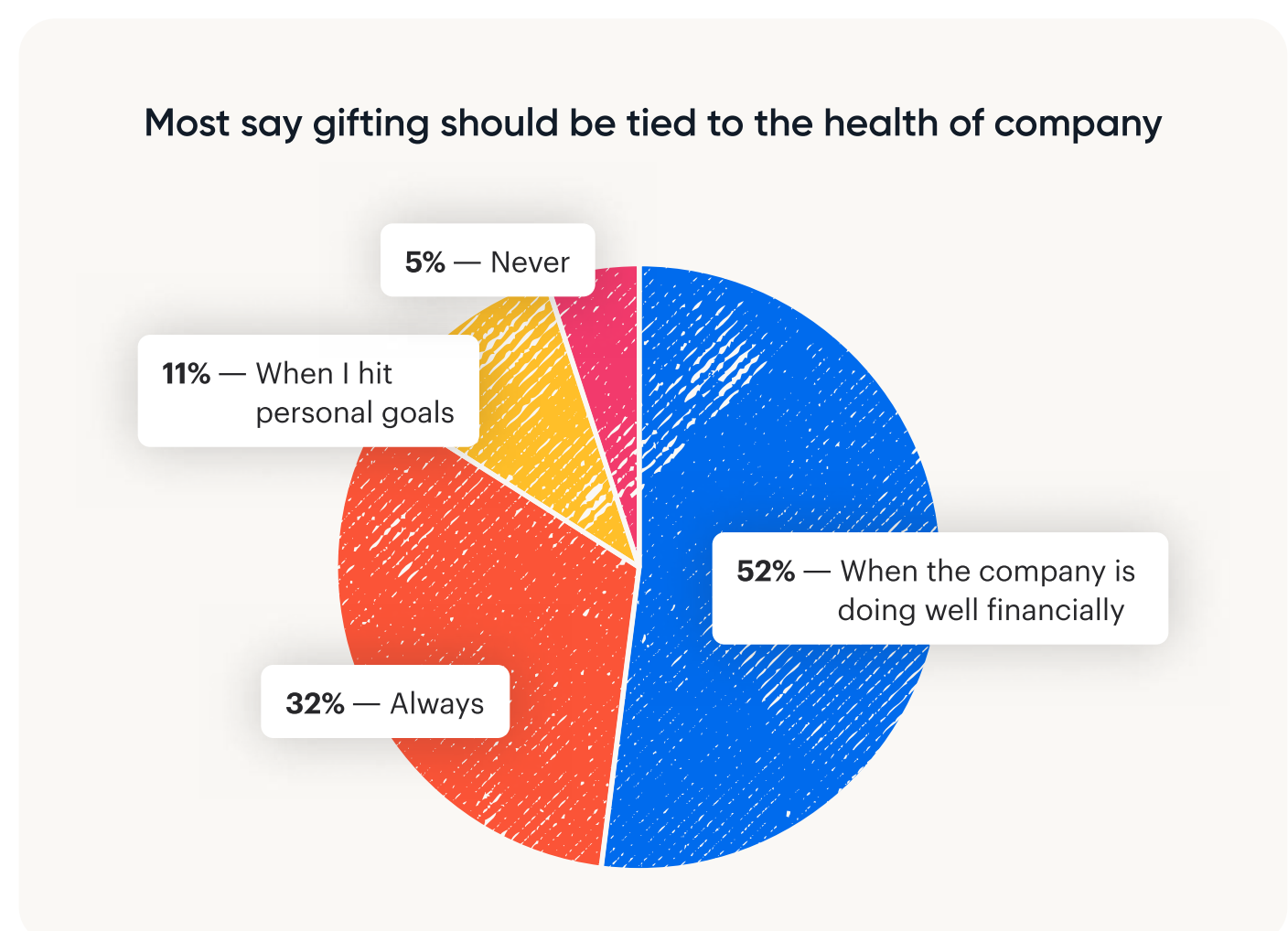
If you're taking a broad approach to gifting, a \$100 gift could be a small price to pay for a sizeable boost in engagement. Spread out over a year, that's 4.8¢ per hour for a full-time employee.

## What should companies with budget constraints do?

Respondents signaled they'd understand a smaller or no holiday gift when the company isn't doing great. A little over half of employees said they should only receive a gift when the company is doing well financially.

When asked how budgets should be allocated for holiday gifting, a quarter of respondents said dollar amounts should be tied to company or department performance.

If you need to make cuts to your holiday gifting program year over year, explaining the rationale goes a long way toward keeping people happy.



Better yet, introduce a tiered system to gifting:

- Give everyone a set dollar amount (say \$50).
- Depending on company and/or department performance, add on a dollar amount.

This helps motivate employees to hit established company goals, and makes the conversation easier if budgets are constrained.

## Conclusion

The survey results demonstrate that getting the right gift this holiday season requires only that business leaders and HR professionals avoid overcomplicating things.

The majority of people will be perfectly pleased with \$50-\$100 to spend, however they'd like it from their boss or leadership team, maybe with a thank-you note attached. And for around 50% of respondents, this gift will make them feel appreciated and boost their level of job satisfaction for a year or more.

# How to give great employee gifts

The good news is, what employees want — money! — is probably the easiest thing to give, thanks to Tremendous.

## What Tremendous does

At its most basic, you tell Tremendous how much money to send to whom, and Tremendous offers them hundreds of choices of prepaid cards, gift cards, money transfers, or charitable donations.

Tremendous payments are free to send (with only a few limitations), there's no obligation or minimum, and they work great globally. So you can use Tremendous once a year for holiday gifts, to send ad-hoc performance recognition, or even to give stipends for things like office decorations.

People who use Tremendous for employee gifts and bonuses report saving 6 hours a month.

## Why not payroll?

Employees are used to getting money through their paycheck. Payroll providers can definitely accommodate bonuses. But there are a few reasons to consider sending payment through Tremendous rather than your payroll provider.

- **Self-service.** No need to involve anyone else, such as the finance department, which is probably scrambling at the end of the year anyway. Simply pay for bonuses via credit card or invoice and treat it like another line item expense. (Of course, if you need help, the Tremendous customer service team is fast and friendly.)
- **Add some thought.** Customize the landing page of your payment so your team can read your message of gratitude. More details on how to do that below.
- **Send any time.** You can send Tremendous payments in minutes, at any moment you choose. Schedule the gifts to send right before a holiday party, on a Friday, or whenever else it might have the biggest impact.
- **No cutoff times.** If you're too busy and miss a deadline, you might not get a cash bump onto people's paychecks until January. Bah humbug. With Tremendous, you can send at any time.
- **Much simpler internationally.** It's equally easy to send a Tremendous payment to someone in Minneapolis, Mumbai, or Munich. No need to mess with multiple countries' payrolls – just plug in the names and amounts and Tremendous takes care of currency conversion, locally relevant options, etc.

## Determine the details

- **Who:** If it's just a few people, you can type their names and emails into the Tremendous interface. If it's a bigger team, use a CSV file to import names, amounts, and even a custom message.
- **When:** If you're unsure of when to give the gift, perhaps err on the side of earlier in the holiday season. This is particularly worth considering if you're in retail or another business that ramps up around the holidays. Remember that a majority of employees feel more satisfied with their jobs for weeks or months after the gift. So why not have that glow begin during the times you're asking them to work harder, not just in the aftermath?
- **How much:** For most employees, a \$50-\$100 gift feels right. Think very hard before sending less than that, because cheap gifts often backfire. If you're recognizing higher-paid employees, that might not be enough. Also think about whether it makes sense for your workplace to give everyone the same gift, or to use a formula or other criteria for who gets how much.
- **Sent by:** Employees seem split on whether it should be sent from the company leadership or their direct manager. You can make that call. But definitely don't note HR as the sender, that clearly falls flat.
- **How:** At most places of employment, emailed gifts are probably the simplest. But if your workforce doesn't have email or use it often, Tremendous also offers SMS sending as well as physical Visas either in bulk or individually mailed. (Those take a few days to process, so plan a bit ahead!)



### Key takeaway

Giving \$100 to each employee is probably your best bet. It will:

- Satisfy two-thirds of respondents for both amount and type of gift
- Improve the attitudes of about half of your workforce for over a year
- Cost 4.8¢/hour spread over a year's full-time work



## Personalizing the gift

Some people are happy just to get money, but there are many who feel more recognized if their gift feels personal. So we recommend doing both. Here's a few ways to make this happen.

- **A note with the money.** Tremendous makes it easy to send an individualized note to each recipient using [custom rewards fields](#). That way you can tell Alice you appreciate how she helps teammates, Bob can know his patience with difficult clients is a huge asset, etc. Or you can suggest where to spend the money, without obligating them. (Because as our study shows, often bosses make the wrong choice of specific gift cards.)
- **A separate email.** If you'd like to keep things less complicated, simply send a direct email to your employees right after sending them the money.
- **A physical gift along with money.** For a few extra dollars and a little effort, you can come across as particularly thoughtful if you give something relevant to your employee's interests or needs along with the money. A potted plant, a bottle of wine, or a box of chocolates will show you went the extra mile. It's probably better to send the money first and then follow up with the physical item, lest the recipient think that's all you're giving — remember, what most people want more than anything else is money.
- **A physical Visa card within a thank-you card.** If the physical touch is really important to you, it's easy and affordable to order prepaid Visa cards in bulk, and then insert them in a handwritten card.
- **Simply tell them in person.** Believe us, your employees will long remember words of praise and gratitude. There's no need to overcomplicate a positive message if you can deliver it sincerely — and accompany it with a gift that puts your money where your mouth is, of course.

## Keep your offering broad

Tremendous has a range of over 800 options in its catalog, and as the sender, you can choose the precise array from which a recipient can choose.

For holiday gifting, we recommend keeping the offering broad. As we've seen through survey responses, so often a gift card to a specific retailer or restaurant goes unappreciated, or worse, is seen as insensitive or insulting. It's best to give your team all sorts of options, so they can choose what's best for them.

Note that offering the ability to withdraw your payment as money — PayPal, Venmo, or ACH — comes with a fee for the sender. It's up to you and your budget whether to pay for this extra flexibility. There's zero fee to offer the rest of the catalog, which includes prepaid Visas, Amazon, and Walmart gift cards, etc.

## Help is at your fingertips

Tremendous has a 4.8 rating on both G2 and Trustpilot, in large part due to responsive and supportive customer service. While the platform can be entirely self-service, you're not alone. Consider setting up your gifts on the earlier side so that if you run into any issues, you'll beat all those last-minute question-askers who might cause response times to get a little slower.

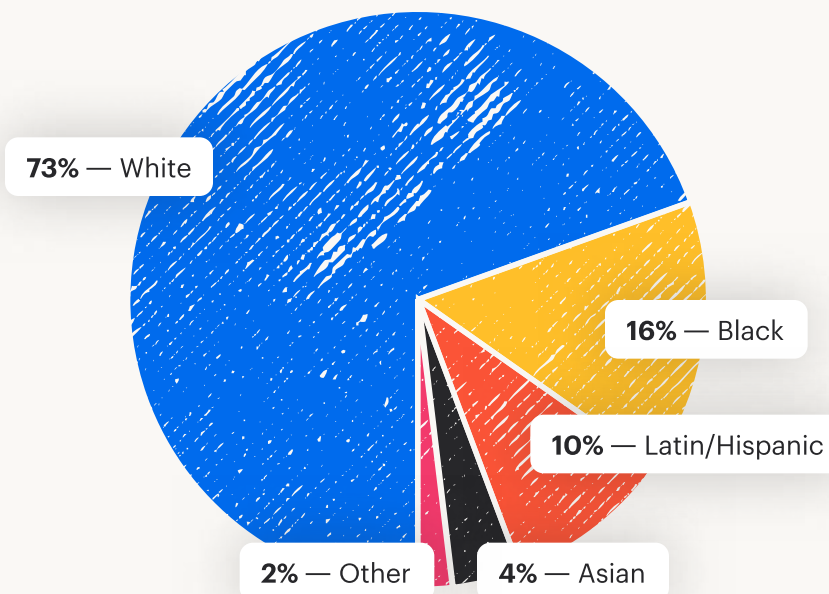
# Survey methodology and demographics

Tremendous commissioned a general population survey from Headline Research and L&E Research. The survey was administered to 1,500 U.S. employees across 10 industries in October 2022. We set quotas of 150 respondents per industry to reach statistical significance per industry.

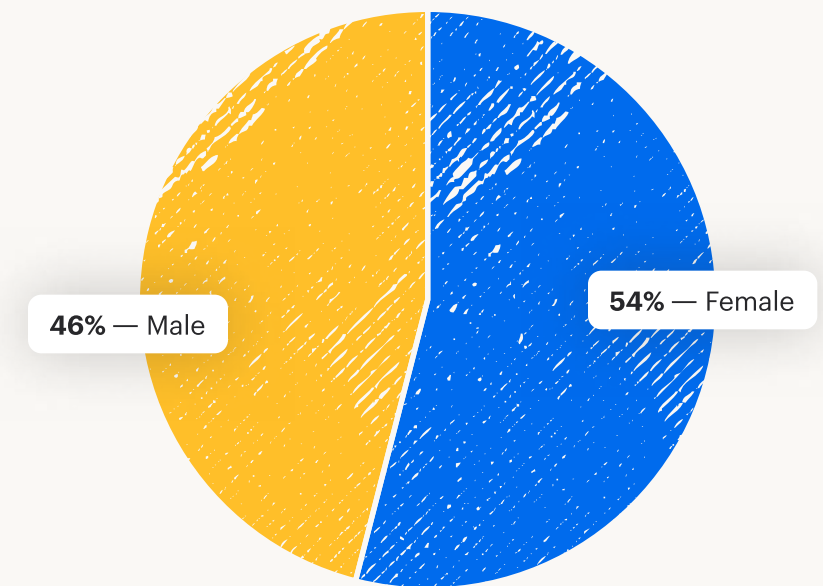
## Industries

- Construction
- Education and health services
- Financial activities
- Information
- Leisure and hospitality
- Manufacturing
- Professional and business services
- Public administration
- Transportation and utilities
- Wholesale and retail trade

## Ethnicity

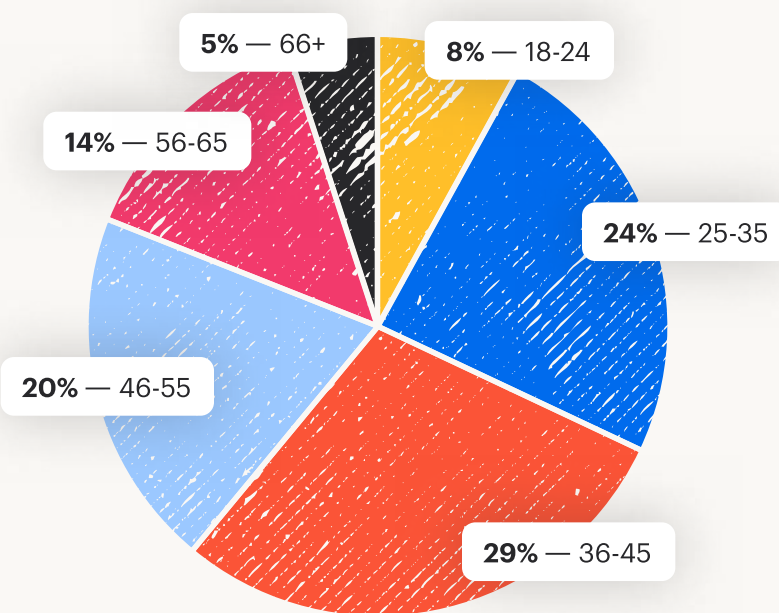


## Gender\*



\*No responses for non-binary or other

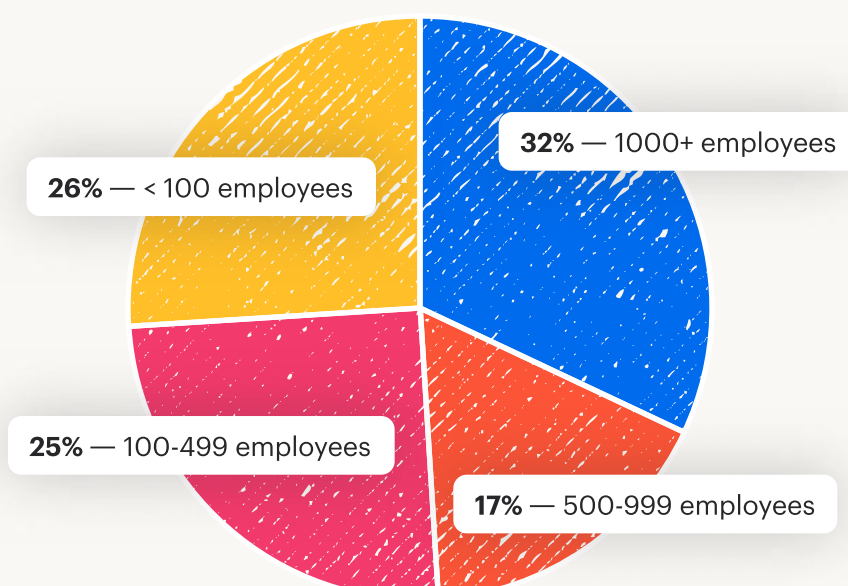
## Age



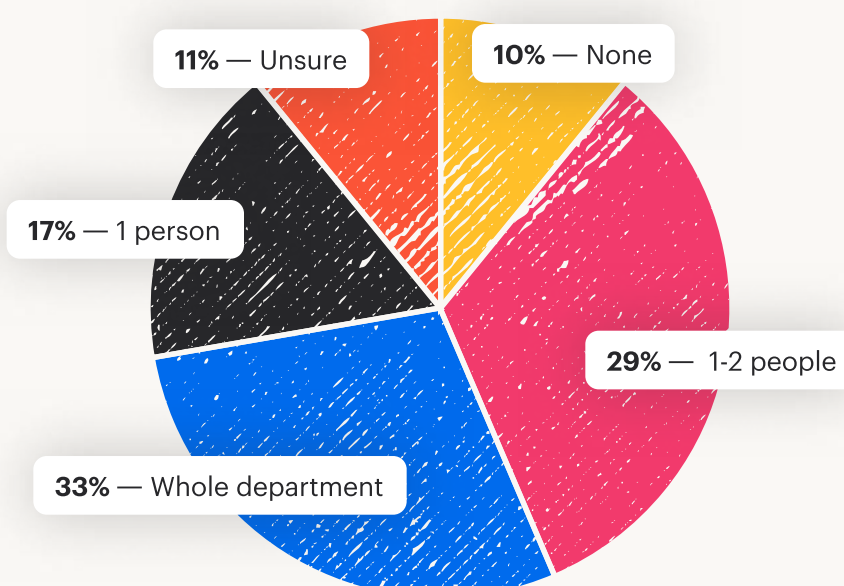
## Geography

- Northeast: 17.27%
- South: 40.93%
- West: 19.73%
- Midwest: 22.07%

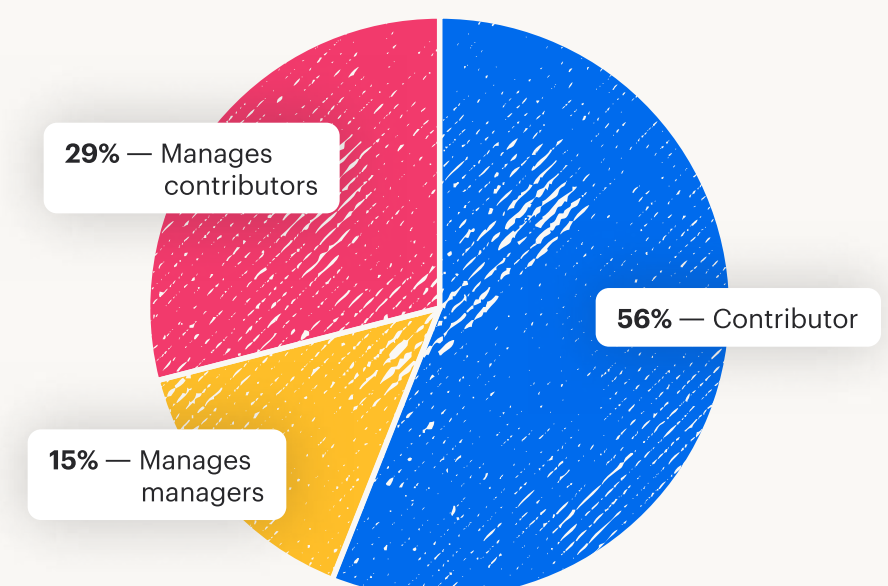
## Employee count



## HR team size



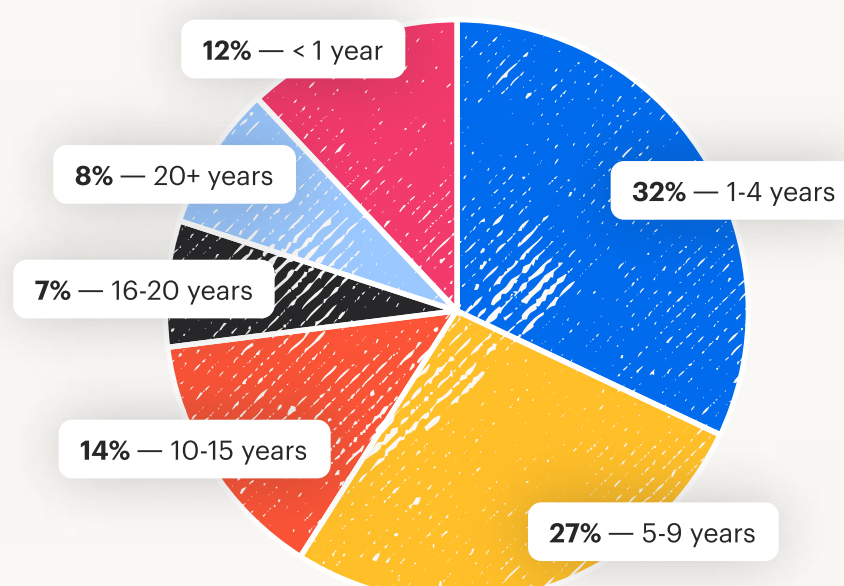
## Manager vs contributor



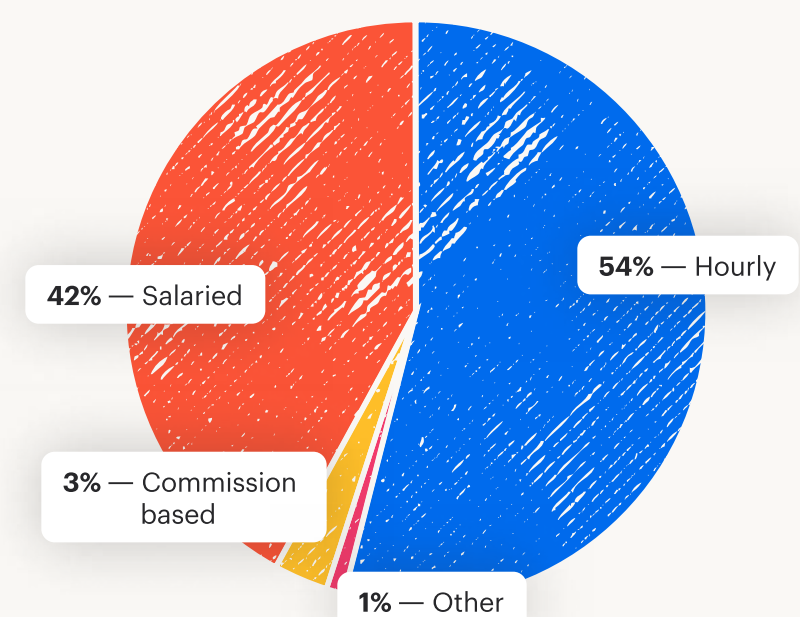
## Departments

- Operations / production: 25%
- Information technology: 11%
- Administration: 10%
- Sales: 10%
- Finance: 7%
- Senior leadership: 6%
- Human resource: 5%
- Product development: 3%
- Product supply: 3%
- Marketing: 2%
- Other: 18%

## Tenure



## Method of pay



# Contributors

## The Tremendous Team (in alphabetical order):

Alec Fuller, Marketing Designer

Caroline Lu, Senior Product Marketing Manager

Chase Carpenter, Senior Brand Designer

Lily Worth, Designer

Damien Espinasse, Director of Marketing Operations

Ian Floyd, Head of Research and Insights

Jenny Jordan, Director of Growth Marketing

Jesse Friedman, Director of Product Marketing

JP Allen, Lifecycle Marketing Manager

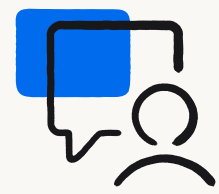
Kate Monica, Senior Writer

Laura Groetzinger, Director of Design

## Survey administered by:

Headline Research

L&E Research



Participant quote

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**What the hell am I supposed  
to do with \$5?"**

— a construction worker in New York