

2022-2023

# Aflac WorkForces Report

## The state of workplace benefits and enrollment

Unstable conditions and the rising costs of health care have impacted employers' bottom lines and how they approach benefits selections. As health care has grown more complicated, employee understanding of costs has fallen, and the knowledge gap between employers and employees has widened. Supplemental insurance can be offered by employers to provide employees with the benefits they need.



To avoid reduced access to benefits, **the majority of employers (80%)** shifted costs to employees to help absorb rising health care costs primarily through increasing deductibles and share of premiums.



**More than half (57%) of all American workers** report suffering high levels of anxiety about health care costs beyond what their insurance covers, which is most prevalent among Hispanics (**69%**) including Gen Z and millennials (**65%**).



**More than three-quarters (76%) of employers** think their employees understand their health care costs well, while just **52%** of employees agree.



**Fewer than 3 in 5 (57%)** are confident they will be very well covered in the event of a serious illness, and only **1 in 5** believe they will be covered extremely well.



**Under half (43%) of all employees** are confident they understand everything about their health insurance policies.



**Almost 3 in 5 employees** spend less than 30 minutes researching their benefits.



**Most employees (89%)** choose the same benefits each year.



**Nearly two-thirds (65%) of employees** state working with a benefits advisor is important to them.



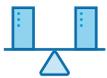
**With costs rising alongside employees' demands for care, supplemental insurance remains an important part of a comprehensive benefits package for employers and employees alike.**

**Nine in 10 employees** believe the need for supplemental insurance like dental, life and vision is increasing.

**About 77% of employers** who offer supplemental insurance believe these benefits help with recruitment, and **80%** say they help with retention.



**Almost half (47%) of all employers** state that remaining competitive with their total compensation packages is one of their biggest challenges.



Employers are more anxious about their employees trading off salary for more robust benefits than ever before (**58% in 2022 versus 44% in 2021**).



**Employers believe very strongly that their benefits packages play an important role in employee satisfaction, retention, talent acquisition, worker productivity and performance – and this confidence has increased over time.**

This year was an all-time high for employers believing that their benefits package has a positive impact on workers' productivity (**83%**) and enables them to attract top talent (**84%**).



**Many employers (72%)** indicate that benefits costs have increased in the last year, a significant uptick from 2021 (**60%**). They also report benefits claims (**52%**) increased primarily due to rising prescription drug prices, delayed medical care and mental health issues, likely because of COVID-19.



**There is a significant gap between employers' beliefs about their employees' satisfaction with their overall benefits package and employees' actual self-reported satisfaction.**

**The majority of employers (80%)** believe their employees are highly satisfied with their benefits, compared to only **58% of employees** who express high satisfaction.



**About the Study**

The 2022-2023 Aflac WorkForces Report is the 12th annual Aflac employee study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the employer survey took place online between Sept. 7, 2022, and Sept. 22, 2022, and the employee survey took place online between Aug. 31, 2022, and Sept. 20, 2022. The survey captured responses from 1,200 employers and 2,001 employees across the U.S. in various industries.

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## Well-being and mental health

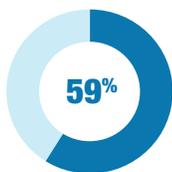
The importance of employees feeling that they are cared for in the workplace is more critical than ever. Mental health concerns take a toll on American workers and their families, which was exacerbated due to the global pandemic. The mental health crisis is not only impacting employees' home lives, but also their work lives and productivity.

**Almost half (46%) of workers state that mental health challenges had a negative impact on their productivity in the past year, a significant increase over 2021 (34%).**

Employers agree: Half (51%) recognize that employee mental health issues have impacted their organizations over the past year.

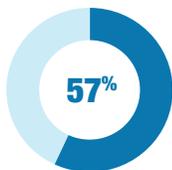


**About 80% of employees** agree that mental health coverage is critical, yet only **61%** state they have access to this benefit.



**More than half (59%) of all American workers currently face at least moderate levels of burnout, a significant increase over 2021 (52%) and on par with (2% higher) the levels of burnout reported in 2020 at the height of the COVID-19 pandemic.**

And yet, employers are no more likely this year (45%) than last year (43%) to view burnout as a problem for their organization.

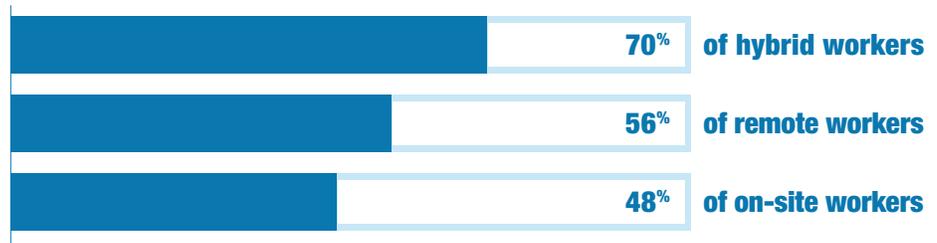


**Burnout, unsurprisingly, is associated with job satisfaction and loyalty, as well as how much employees believe their employers care about their well-being.**

**More than half (57%) of employees** believe that their organizations care about them at least a moderate amount, and this sentiment is strongest among those with a hybrid working arrangement (70%).



**PERCENT OF  
WORKERS WHO  
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## Employee financial instability

Many American workers are struggling due to the economic downturn, and even more are vulnerable to unexpected medical costs not covered by health insurance. While employers have often lagged behind in understanding the financial instability facing the U.S. workforce, this year, the gap is wider than ever before.



**More than half (58%) of Americans** could not cover an out-of-pocket expense of \$1,000, **up from 46% in 2021**.



**61% of employees** state they have seen a negative impact from inflation, and **over a third (35%)** indicate that they've had to make a difficult health care decision due to the rising costs of consumer goods, whether affording medical treatment or a prescription, or being able to pay a bill.



**Almost 3 in 5 (57%) American workers** have high anxiety about health care costs beyond what their insurance covers — a significant increase compared to last year (**51%**). Among all employees, Hispanics are most impacted at **69%**.



**Almost half (46%)** could not go for more than one month without a paycheck, representing a high degree of fragility — a significant increase from 2021 (**36%**).



**About a quarter of employees have faced a major medical event in the past year (either themselves or a family member).**

Of these, a shocking **93%** have faced unexpected costs, most commonly medical-related costs such as hospital, doctor or prescription bills.

- **64%** missed a paycheck.
- **70%** took a leave of absence.



**Employers value the financial health of their workforce, but they often differ with employees regarding how well they understand their health care needs.**

- **Most employers (83%)** believe an employee's financial stability is a critical component of their job performance.
- Despite the state of the workforce, **the majority of employers (78%)** are confident their employees have adequate resources to cover their health care needs.
- **76% of employers** think employees understand costs well, while just **53%** of employees actually do.

**For more information, visit [aflacworkforcesreport.com](https://aflacworkforcesreport.com).**



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