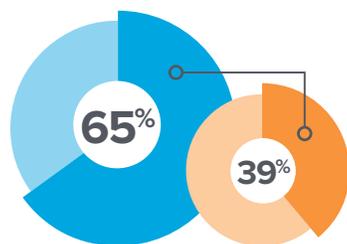


# Health care costs: Still breaking the bank



They say the goal isn't making more money; it's living your life on your own terms. That may be true, but practically speaking the two go hand in hand: It's hard to live life on your own terms if you don't have the funds to do so – and the results of the 2017 Aflac WorkForces Report show that today's employees are woefully low on funds.



Just how low are their bank accounts? Dangerously low. **Sixty-five percent of the 5,000 employees who participated in the WorkForces Report survey have less than \$1,000 on hand to pay out-of-pocket expenses associated with an unexpected serious illness or accident, and 39 percent have less than \$500.**

It's fair to say that a huge percentage of Americans don't have the financial wherewithal to live life on their own terms. In fact, the majority are just one serious illness or injury from a life-changing financial setback.

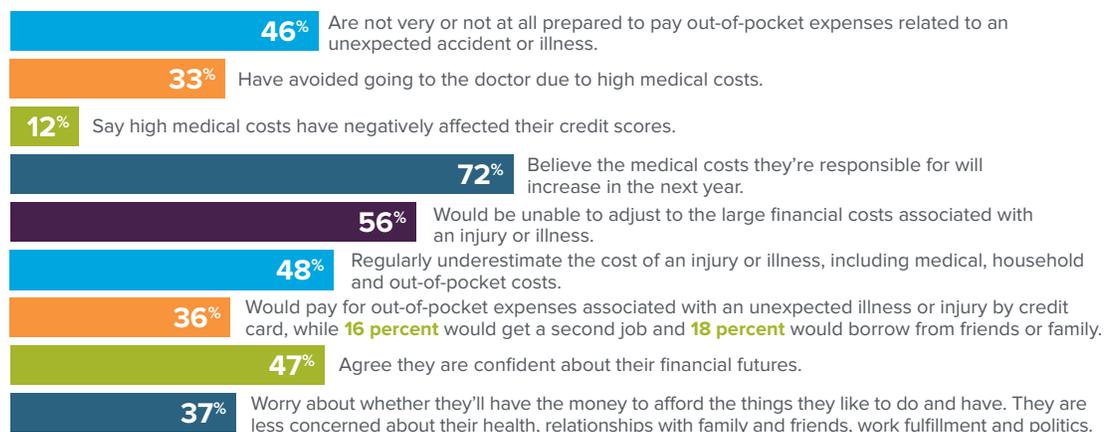
## BY THE NUMBERS

This is the seventh year Aflac has conducted its annual WorkForces Report, and – as the saying goes – the more things change, the more they stay the same. The economy is rising, but health care costs, including deductibles, copayments, premiums and out-of-pocket expenses, are outpacing wages and inflation. **The average family health insurance premium was 3 percent higher in 2016 than in 2015, while wages rose by 2.5 percent and inflation by 1.1 percent.** Premium costs in 2017 are expected to rise at the same rate.<sup>1,2</sup>

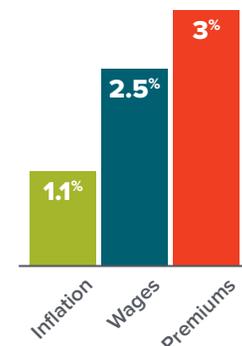
It's clear, then, that Americans have reasons to fret about their finances. In fact, a report by the International Foundation of Employee Benefit Plans, which echoes the Aflac study, revealed that workers are taking their stress to the office. Their most common issues? Debt, saving for retirement or children's education, covering basic living costs and paying medical expenses.<sup>3</sup>

## ABOUT THOSE MEDICAL EXPENSES

We've already established that the majority of workers don't have much set aside to pay medical expenses, but what else do they have to say? According to the 2017 WorkForces Report survey:



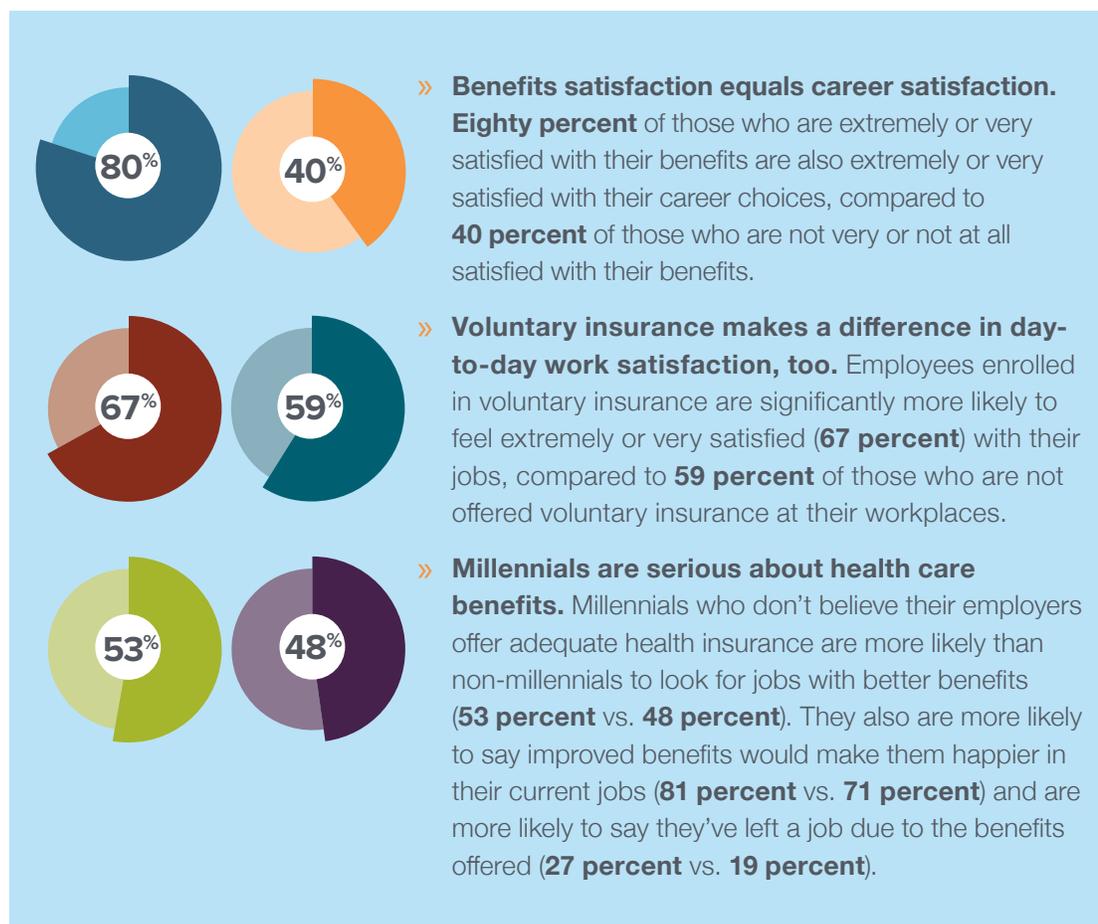
## TRENDING: 2015 > 2016



**Premium costs in 2017 are expected to rise at the same rate.**

## TRENDING NOW

Now that we've established that some workers are in a world of financial hurt – and that medical costs are putting serious strains on their budgets – let's look at some of the benefits trends revealed by the 2017 Aflac WorkForces Report. For example:



**Companies need to find ways to help eliminate employee stress. One solution is by providing access to voluntary insurance products that can help with the high cost of health care.**

## THE VOLUNTARY SOLUTION

The International Foundation of Employee Benefit Plans study mentioned earlier shows that companies need to find ways to help eliminate employee stress. One solution is by providing access to voluntary insurance products that can help with the high cost of health care. Voluntary policies work hand in hand with major medical insurance by helping to pay costs major medical insurance was never intended to cover. Because benefits are paid directly to policyholders unless otherwise assigned, employees can use them to help pay housing costs, utility bills, car payments, deductibles and copayments.

Your employees depend on having the right benefits options. Voluntary insurance lets you offer them more robust coverage at no direct cost to your company, because premiums are paid by employees who elect to apply. And when benefits meet workers' needs, they're more likely to be satisfied with their jobs, more engaged, more productive and less likely to look for work elsewhere.

*Aflac herein means American Family Life Assurance Company of Columbus and American Family Life Assurance Company of New York.*

The 2017 Aflac WorkForces Report is the seventh annual study examining benefits trends and attitudes. The study's surveys, conducted by Lightspeed GMI, captured responses from 1,800 benefits decision-makers and 5,000 employees across the United States in various industries. For more information, visit [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com). This piece is for informational purposes only and is not intended to be a solicitation.

## SOURCES

- <sup>1</sup> Henry J. Kaiser Foundation. "2016 Employer Health Benefits Survey." Accessed May 4, 2017. <http://kff.org/report-section/ehbs-2016-summary-of-findings/>
- <sup>2</sup> PricewaterhouseCoopers. "Medical cost trend." Accessed May 4, 2017. <https://www.pwc.com/us/en/health-industries/health-research-institute/behind-the-numbers.html>
- <sup>3</sup> Employee Benefit News. "Employers report workers' financial issues affecting job performance." Accessed May 4, 2017. [http://www.benefitnews.com/news/employers-report-workers-financial-issues-affecting-job-performance?utm\\_medium=email&utm\\_source=newsletter&utm\\_campaign=ebn%20daily-apr%207%202016&eid=b8be0fd4f662b809d13354056c196af](http://www.benefitnews.com/news/employers-report-workers-financial-issues-affecting-job-performance?utm_medium=email&utm_source=newsletter&utm_campaign=ebn%20daily-apr%207%202016&eid=b8be0fd4f662b809d13354056c196af)



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