

## Stretching the truth about money and health

From a young age, we're told that being untruthful is wrong. George Washington is revered for his inability to deny chopping down that cherry tree, while Pinocchio and his nose are a cautionary tale.

Participants in a recent 60 Minutes and Vanity Fair survey admitted they're not always completely honest and, what's more, said the person they most often shield from the truth is their mother.<sup>1</sup> Topics they identified as ripe for disinformation included their pasts, salaries, relationships and jobs.



### 'Sick or hurt? Not me!'

In addition to playing things close to the vest with Mom, many of us aren't truthful with ourselves. Sometimes the prevarications are small and harmless, such as how many calories we've consumed or that we'll make headway on cleaning out the closet this weekend. At other times, they're more harmful – and that's particularly true when we aren't honest with ourselves about our health or finances. For example, employees surveyed as part of the 2014 Aflac WorkForces Report<sup>2</sup> preferred to believe that accidents and illnesses happen to others, but not to them:

- » Although chronic illness is the leading cause of death and disability in the United States,<sup>3</sup> just 5 percent of WorkForces Report participants said it's extremely likely they or a family member will be diagnosed with a chronic illness.
- » Just 3 percent of Aflac study participants said it's extremely likely they or a family member will be diagnosed with a serious illness such as cancer, yet the American Cancer Society predicts there will be an estimated 1.7 million new cancer cases in the United States in 2014, as well as nearly 586,000 cancer-related deaths.<sup>4</sup>
- » The Centers for Disease Control reports that 20 percent of Americans are disabled,<sup>5</sup> but just 2 percent of survey participants predicted it's extremely likely they or a family member will join that group.

Why such misplaced confidence? Perhaps it's because the thought of being seriously ill

or injured is terrifying – not only in terms of lifestyle, but in cost. In addition to examining employees' thoughts about their future health, the 2014 Aflac WorkForces Report quizzed them about their finances. The results were alarming:

- » 56 percent don't have financial plans in place to help them achieve specific financial goals or prepare for unexpected life challenges and events.
- » 49 percent have less than \$1,000 on hand to pay out-of-pocket medical expenses stemming from a serious accident or injury.
- » 52 percent are currently coping with financial challenges.
- » 56 percent are concerned about reducing debt.
- » Just 41 percent agree they have peace of mind/can sleep at night.

### Financial advisors know we're stretching the truth

Given the concern – and lack of sleep – that accompanies financial instability, you might think those reaching out to financial advisers for guidance would be open about their monetary circumstances. After all, an adviser's goal is helping individuals and families become financially secure, both in the present and long into the future.

It might surprise you to know that Americans aren't candid about their debt and spending habits, even when looking for a road map to relief: 65 percent of financial services representatives participating in a recent survey said their clients lie to them about living within their means. What's more, 44 percent aren't honest about their debt and 36 percent don't come clean about the financial risks they're taking.<sup>6</sup>

As an employer, what can you do to help protect your workers from financial uncertainty? Consider taking a first look – or another look – at the benefits of voluntary insurance policies.

Voluntary insurance can help protect employees' financial security in the event of a covered illness or injury. Benefits can go toward copayments, deductibles or any other health-related cost that's not covered by major medical insurance. They can even be used to help pay living expenses that continue to roll in when a worker is too hurt or sick to work, such as the house or car payment, utility bills, education costs or credit card bills. That's important when so many of today's employees are living paycheck to paycheck and have minimal savings.

If, like many employers, you believe your workers aren't interested in voluntary insurance, think again. According to the 2014 Aflac WorkForces Report, 88 percent of employees consider voluntary insurance part of a comprehensive benefits plan. Even more importantly, fully 52 percent who do not currently have access to voluntary benefits options said they'd be likely to apply for coverage if their employers made voluntary plans available.

If helping your employees become better prepared for financial challenges isn't enough motivation, consider that providing access to voluntary insurance makes your company more appealing to current workers and new applicants alike. And let's be honest: That's great news as the economy improves and the competition for the best and brightest workers accelerates.

*This article is for informational purposes only and is not intended to be a solicitation.*

<sup>1</sup> 60 Minutes/Vanity Fair Poll: Lying, accessed May 1, 2014 - <http://www.cbsnews.com/news/60-minutes-variety-fair-poll-lying/>

<sup>2</sup> The 2014 Aflac WorkForces Report is the fourth annual Aflac employee benefits study examining benefits trends and attitudes. The study, conducted in January 2014 by Research Now, captured responses from 1,856 benefits decision-makers and 5,209 employees from across the United States, accessed May 1, 2014 - <http://workforces.aflac.com/>

<sup>3</sup> The Center for Managing Chronic Disease, "What is chronic disease?", accessed May 1, 2014 - <http://cmcd.sph.umich.edu/what-is-chronic-disease.html>

<sup>4</sup> American Cancer Society, "Cancer Facts & Figures 2014," accessed May 1, 2014 - <http://www.cancer.org/research/cancerfactsstatistics/cancerfactsfigures2014/index>

<sup>5</sup> Centers for Disease Control, "How many people have disabilities?", accessed May 1, 2014 - [http://www.cdc.gov/ncbddd/documents/Disability%20tip%20sheet%20\\_PHPa\\_1.pdf](http://www.cdc.gov/ncbddd/documents/Disability%20tip%20sheet%20_PHPa_1.pdf)

<sup>6</sup> Principal Financial Group, "The action paradox: Financial pros fight inertia with action," accessed May 2, 2014 - <http://www.principal.com/about/news/2013/crp-wbi-advisors-072213.htm>



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