

Waste not, want not

Americans throw away up to \$750 per year with benefits-options mistakes

Many Americans spend the last few days of a pay period frantically checking their bank balances. That's because their accounts are often pennies away from being overdrawn: 62 percent are living paycheck to paycheck, which means the next injection of cash can't come soon enough.¹

If you think about it, it's no wonder so many people are just scraping by. The tough U.S. economy has put the brakes on raises and bonuses, yet consumer prices continue to rise. There seems to be no escape from financial pressure – even at work, where companies continue to shift more responsibility for health insurance costs to their employees.

According to the 2015 Aflac WorkForces Report, 52 percent of American workers have \$1,000 or less on hand to pay out-of-pocket medical costs associated with unexpected serious illness or injury. What's more, 44 percent would have to borrow from a 401(k) and/or use a credit card to cover unexpected out-of-pocket medical costs.²

Given this sad state of financial affairs, you might think workers are using voluntary-benefits open enrollment to look for ways to enhance their health care coverage and save money too. Unfortunately, that's not the case: 90 percent push the easy button by choosing the same benefits year after year, and 42 percent estimate wasting up to \$750 annually by making mistakes with their insurance benefits options.³

\$750 isn't chump change

Perhaps workers aren't as diligent as they should be because the money they waste is saved over the course of a year, not handed to them in a lump sum. But \$750 isn't chump change. With an extra \$750 in their pockets, employees could:



- » Purchase two \$280 “best available” tickets to see U2 in concert and have money left over for concessions and T-shirts.
- » Invest in an account that earns 5 percent in compound interest each year. In 10 years, their \$750 would grow to \$1,221.67; in 20 years, it would reach \$1,989.97.
- » Spend Thanksgiving night in a \$499 room overlooking Times Square, purchase a \$202 ticket to see “An American in Paris” on Broadway and still have funds for dinner.
- » Buy an Apple Watch for \$599 and have plenty left over to purchase books, music and apps on iTunes.

Take your time, save your money

According to the Aflac Open Enrollment Survey, 56 percent of employees devoted 15 minutes or less to researching their benefits options during their last open enrollments.³ Given the tight state of Americans’ financial affairs, workers owe it to themselves – and to their families – to familiarize themselves with their benefits options and make choices that meet their unique needs and save money too.

¹ MarketWatch, “Most Americans are one paycheck away from the streets,” accessed July 27, 2015 - <http://www.marketwatch.com/story/most-americans-are-one-paycheck-away-from-the-street-2015-01-07>

² 2015 Aflac WorkForces Report, conducted in January and February 2015 by Research Now on behalf of Aflac, accessed August 3, 2015 – <http://www.aflacworkforcesreport.com>

³ 2015 Aflac Open Enrollment Survey, conducted by Lightspeed GMI on behalf of Aflac, June 23 – July 2, 2015

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