

Midwestern regional trends

2014 Aflac WorkForces Report results for the Midwestern United States

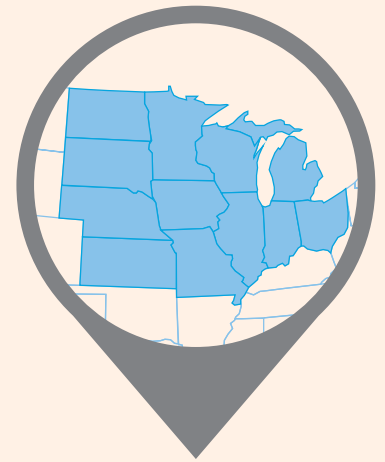
Midwestern regional snapshot:

Companies are less likely than those in other U.S. regions to say they feel extremely or very prepared to address changes to the health care system in 2014.

Employers are more likely than those in other regions to say they communicate to employees about benefits only during open enrollment and upon hire.

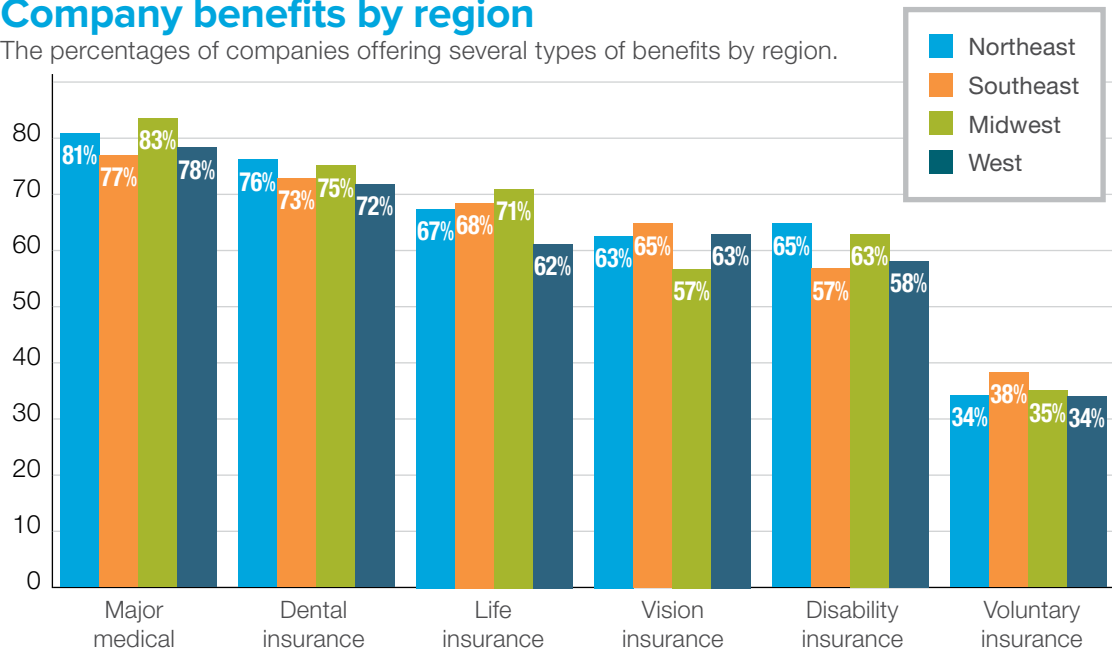
52 percent of Midwestern employees say they have less than \$1,000 to pay unexpected out-of-pocket medical expenses – a higher percentage of employees than in the Northeastern and Western United States.

Midwestern employees are more likely than those of any other region to say they do not have a financial plan to help achieve their financial goals and prepare for the unexpected.



Company benefits by region

The percentages of companies offering several types of benefits by region.



The importance of benefits:

Businesses believe benefits are extremely or very influential on:

- Job satisfaction – 51 percent.
- Loyalty to employer – 46 percent.
- Willingness to refer friends – 32 percent.
- Work productivity – 36 percent.
- Decision to leave company – 30 percent.

Yet, employees believe benefits are extremely or very important to:

- Job satisfaction – 78 percent.
- Loyalty to employer – 65 percent.
- Willingness to refer a friend – 48 percent.
- Work productivity – 63 percent.
- Decision to leave company – 51 percent.

Key employer findings

Benefits offerings

	Percent of responses
Offer voluntary insurance to their employees	35%
Moved employees to private exchanges in 2013	7%
Plan to move employees to private exchanges in 2014	7%
Of those who moved or plan to move their employees to private exchanges, say doing so is financially advantageous for their companies	36%
Of those who moved or plan to move employees to private exchanges, say doing so is financially advantageous for their employees ¹	28%
Expect to offer employees stipends in 2014 to purchase health care coverage on their own, instead of offering company-provided benefits	10%
Changed employee hours from full- to part-time in 2013	15%
Expect to change employee hours from full- to part-time in 2014	13%
Of those who decreased or plan to decrease employee hours from full- to part-time, say they are doing so to avoid penalties associated with health care reform	27%
Expect to eliminate or reduce benefits in 2014	19%
Use a broker or benefits consultant to select their employees' benefits options	65%

Hiring and compensation

	Percent of responses
Awarded employees smaller raises in 2013 than in previous years	39%
Expect to award smaller raises in 2014	23%
Hired full-time workers in 2013	58%
Expect to hire full-time workers in 2014	49%
Hired part-time workers in 2013	50%
Expect to hire part-time workers in 2014	34%

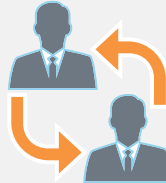
Benefits communication

	Percent of responses
Strongly or somewhat agree they effectively communicate the value of their benefits to employees	64%
Say they communicate about benefits only at open enrollment or new-hire enrollment	27%
Communicated about benefits three or more times in the past year	48%

The most common benefits-communication channels



Email
68%



Face to face
58%



Employee-benefit booklet
41%

Key employee findings

Financial preparedness

	Percent of responses
Would not be able to adjust to the large financial costs associated with a serious injury or illness	65%
Do not have a financial plan to help achieve their financial goals and prepare for the unexpected	60%
Completely or strongly agree their families are financially prepared for an unexpected emergency	23%
Have less than \$1,000 to pay for unexpected out-of-pocket medical expenses	52%
Have less than \$500 to pay for unexpected out-of-pocket medical expenses	28%
Would need to borrow from a 401(k) and/or use a credit card to cover unexpected medical costs	48%
Say high medical costs have affected their credit scores	10%
Have been contacted by a collection agency about outstanding medical bills	15%
Say they or a family member have experienced financial problems that affected their ability to work	13%

Benefits engagement

Are extremely satisfied with their benefits packages

13%

Believe their benefits packages meet their current family needs extremely well

14%

Are likely to accept jobs with slightly lower compensation but better benefits

56%

Say they would likely purchase voluntary insurance benefits if they were offered by their employers (of those who don't currently have access to such benefits).

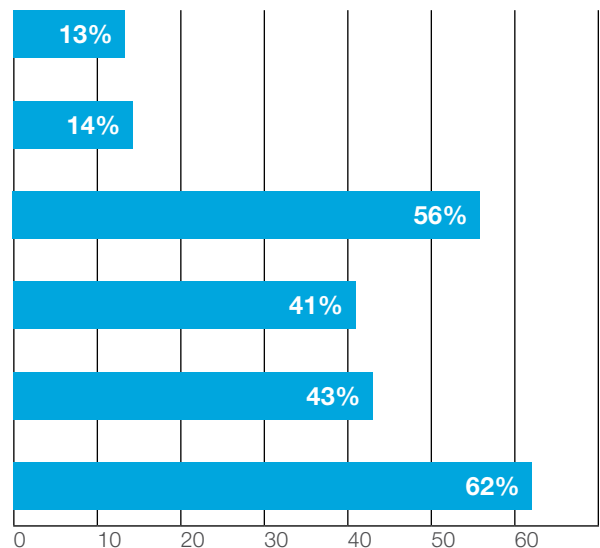
41%

Say maintaining their health care benefits is currently their most important benefits concern

43%

Agree there's a growing need for voluntary insurance benefits today compared to past years

62%



Job satisfaction



The impact of health care reform

	Percent of responses
Employees think health care reform is too complicated to understand	74%
Employees believe their employers will educate them about changes to their health care coverage as a result of health care reform	66%
Employees think their medical costs will increase	87%
Employers feel extremely or very prepared to address changes to the health care system in 2014	38%
Employers will rely on brokers or insurance companies to suggest changes to their benefits packages due to the changing health care environment	42%
Employees think their HR departments communicated extremely effectively about health care reform and any subsequent changes to their benefits	10%
Employees completely agree their employer has prepared them well for the impact of health care reform	3%
Employees say the frequency of their employers' benefits communication increased compared to last year	20%
Employees agree they are very or extremely knowledgeable about federal and state exchanges	8%

About the study

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, captures responses from 1,856 benefits decision-makers and 5,209 employees from across the United States. As part of the fourth annual Aflac WorkForces Report, 349 benefits decision-makers and 1,100 employees in the Midwestern United States² shared their opinions on a variety of workplace-benefits issues. To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

This material is intended to provide general information about an evolving topic and does not constitute legal, tax or accounting advice regarding any specific situation. Aflac cannot anticipate all the facts that a particular employer or individual will have to consider in their benefits decision-making process. We strongly encourage readers to discuss their HCR situations with their advisors to determine the actions they need to take or to visit healthcare.gov (which may also be contacted at 1-800-318-2596) for additional information.

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



Source

¹ Small sample size, <50

² For the purposes of the Aflac WorkForces Report, Midwestern states include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.