

# Southern regional trends

## 2014 Aflac WorkForces Report results for the Southern United States

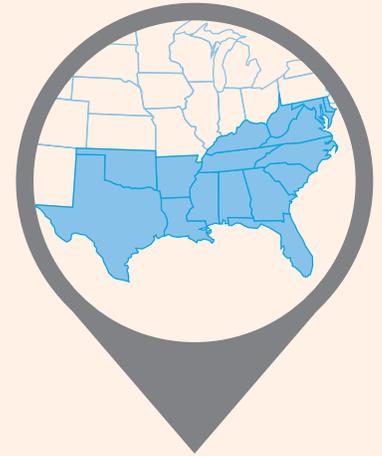
### Southern regional snapshot:

**57 percent** of companies in the South use a broker or benefits consultant to select their employees' benefits options, less than companies in other regions.

**Employees of Southern companies (32 percent)** are more likely than those in any other regions to have less than \$500 to pay unexpected out-of-pocket medical expenses.

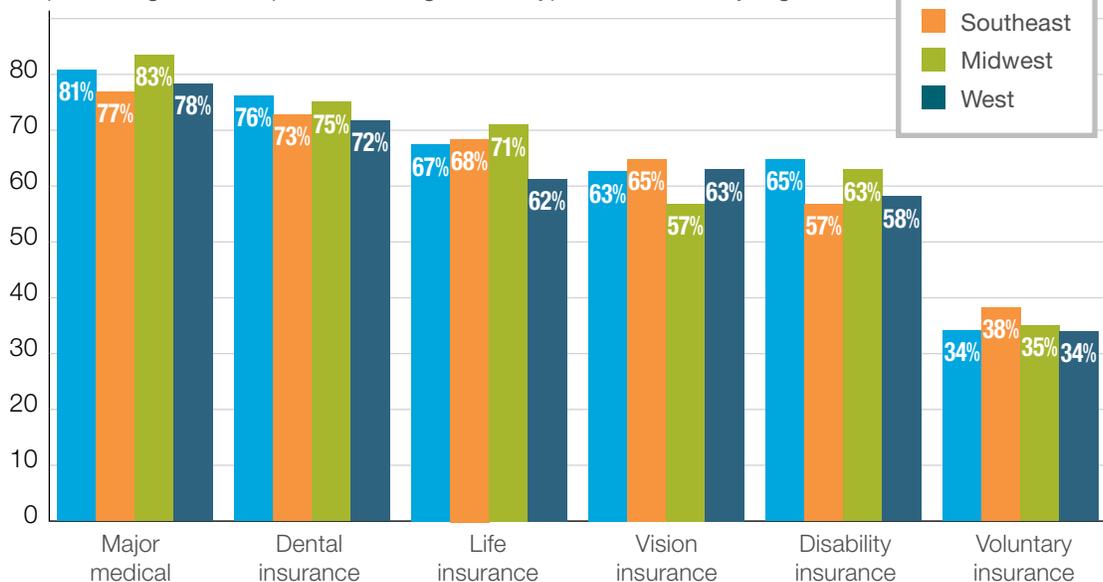
**Employees from the South** are more likely than those from any other region to say they have been contacted by a collection agency about outstanding medical bills.

**61 percent** of employees at Southern companies who do not currently have access to voluntary benefits say they would be likely to purchase such benefits – a higher percentage of employees than in any other region.



### 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 – 53 percent.
- Loyalty to employer – 47 percent.
- Willingness to refer friends – 37 percent.
- Work productivity – 43 percent.
- Decision to leave company – 34 percent.

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

- Job satisfaction – 78 percent.
- Loyalty to employer – 68 percent.
- Willingness to refer a friend – 53 percent.
- Work productivity – 67 percent.
- Decision to leave company – 59 percent.

## Key employer findings

### Benefits offerings

	Percent of responses
Offer voluntary insurance to their employees	38%
Moved employees to private exchanges in 2013	9%
Plan to move employees to private exchanges in 2014	10%
Of those who moved or plan to move their employees to private exchanges, say doing so is financially advantageous for their companies	38%
Of those who moved or plan to move their employees to private exchanges, say doing so is financially advantageous for their employees	21%
Expect to offer employees stipends in 2014 to purchase health care coverage on their own, instead of offering company-provided benefits	11%
Changed employee hours from full- to part-time in 2013	15%
Expect to change employee hours from full- to part-time in 2014	14%
Of those who decreased or plan to decrease employee hours from full- to part-time, say they're 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	57%

### Hiring and compensation

	Percent of responses
Awarded employees smaller raises in 2013 than in previous years	40%
Expect to award smaller raises in 2014	26%
Hired full-time workers in 2013	60%
Expect to hire full-time workers in 2014	46%
Hired part-time workers in 2013	43%
Expect to hire part-time workers in 2014	37%

### Benefits communication

	Percent of responses
Companies strongly or somewhat agree they effectively communicate the value of their benefits to employees	62%
Say they communicate about benefits only at open enrollment or new-hire enrollment	21%
Communicated about benefits three or more times in the past year	44%

## The most common benefits-communication channels



Email  
**65%**



Face to face  
**52%**



Employee-benefit booklet  
**46%**

## 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	67%
Do not have a financial plan to help achieve their financial goals and prepare for the unexpected	56%
Completely or strongly agree their families are financially prepared for an unexpected emergency	24%
Have less than \$1,000 to pay for unexpected out-of-pocket medical expenses	53%
Have less than \$500 to pay for unexpected out-of-pocket medical expenses	32%
Would need to borrow from a 401(k) and/or use a credit card to cover unexpected medical costs	56%
Say high medical costs have affected their credit scores	13%
Have been contacted by a collection agency about outstanding medical bills	17%
Say they or a family member have experienced financial problems that affected their ability to work	16%

### Benefits engagement

Are extremely satisfied with their benefits packages

**15%**

Believe their benefits packages meet their current family needs extremely well

**18%**

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

**58%**

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).

**61%**

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

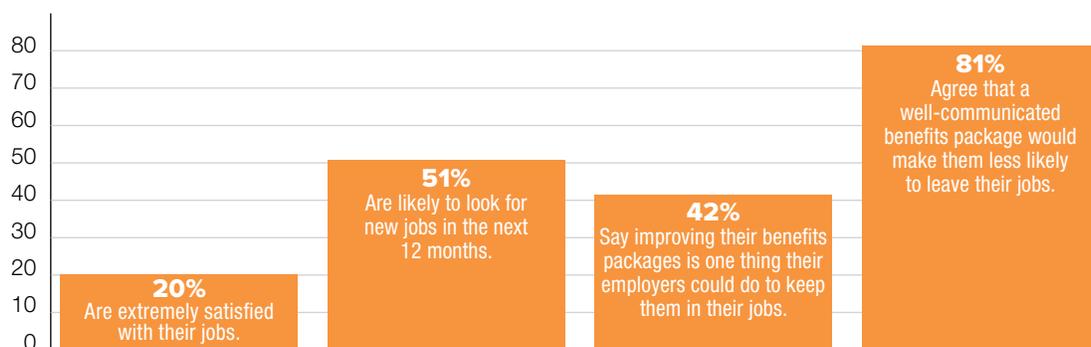
**41%**

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

**67%**

0 10 20 30 40 50 60

## 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	71%
Employees think their medical costs will increase	86%
Employers feel extremely or very prepared to address changes to the health care system in 2014	43%
Employers will rely on brokers or insurance companies to suggest changes to their benefits packages due to the changing health care environment	40%
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	4%
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	12%

## 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, 532 benefits decision-makers and 1,783 employees in the Southern United States<sup>1</sup> shared their opinions on a variety of workplace-benefits issues. To learn more about the Aflac WorkForces Report, visit [AflacWorkForcesReport.com](http://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](http://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

<sup>1</sup> For the purposes of the Aflac WorkForces Report, Southern states include Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

