



Bad news for party planners

Company events are less important to workers than other benefits

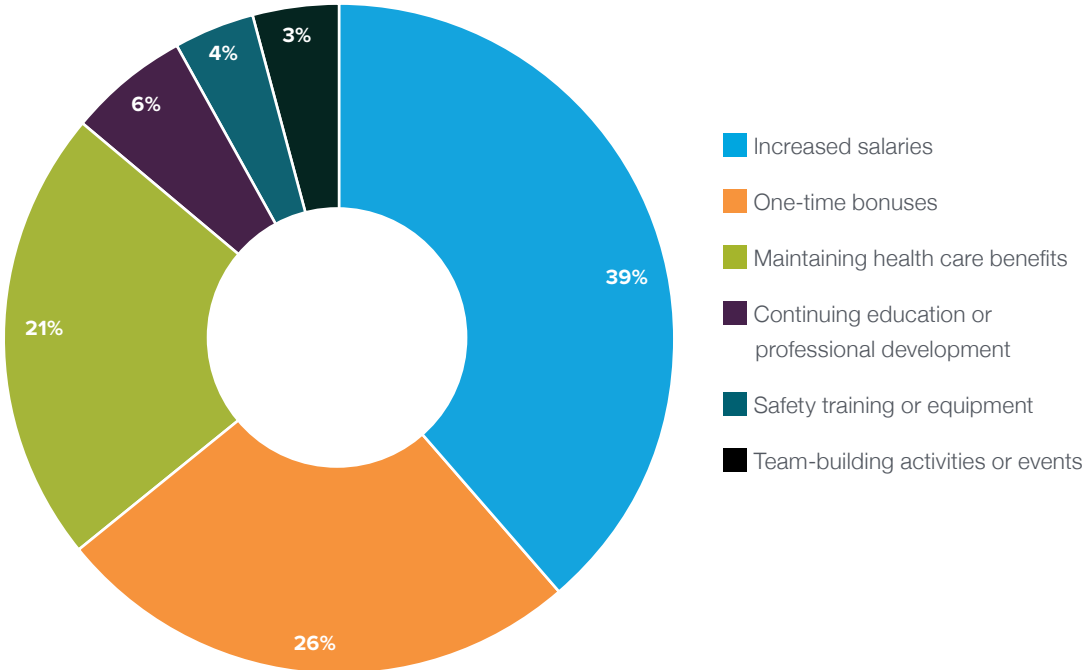
When people vow to save money, they promise themselves there will be no more frivolous spending – that they're going to cut back on things with no permanent value in favor of saving and paying off bills.

But what about companies? Over the past decade, as the economy struggled and profits declined, many businesses reduced spending. For some, that meant cutting jobs, salaries and bonuses. It also meant passing on health care costs to employees in the form of higher premiums, deductibles and copayments. Some companies went even further: In 2015, a Society for Human Resource Management survey revealed that the annual company holiday party is endangered. Thirty percent of human resources professionals who took part in the survey said their companies do not hold holiday parties – the largest number since the survey began in 2009.¹

There are two sides to every story and two sides to the holiday party conundrum. On one side, a company might believe that a holiday party is a great way to pump up employee morale and show workers it cares. On the other side, there's a legitimate argument that the optics of having a big seasonal shindig aren't good when a company is giving low or no raises and bonuses.

The per-employee spend is up. But is morale?

According to information gathered by the Kaiser Foundation, the average company spent \$235 more per full-time worker in 2015 than in the previous year.^{2,3} The 2016 Aflac WorkForces Report⁴ survey asked 5,000 employees how they'd prefer that \$235 be spent. Team-building activities and other events were way down on the list. Employees were more interested in salary increases, one-time bonuses and maintaining their health care benefits:



As companies examine the way they allocate employee dollars, these findings are worth considering. Businesses should also know that enhanced health care benefits are critical to employee morale and, more importantly, to worker satisfaction and retention. According to the Aflac report, these are some key benefits-related numbers:

| | |
|--|-----|
| Percent of employees who are just somewhat satisfied with the benefits packages offered to them; 9 percent are not very or at all satisfied. | 33% |
| Percent of workers who are at least somewhat likely to take jobs with slightly lower pay but better benefits. | 60% |
| Percent of employees who completely or strongly agree a well-communicated benefits program would make them less likely to leave their jobs. | 50% |
| Percent of workers who have left or turned down jobs in the last 12 months due to benefits offered. | 16% |

The voluntary insurance advantage

When it comes to improving employees' benefits packages, there's one clear winner – voluntary insurance products. Here's why: Employers have many options when it comes to voluntary products. There's everything from dental and vision insurance, to accident and hospitalization coverage, to disability insurance and coverage for specified diseases. The good news is that companies can make voluntary insurance available to workers with no direct effect on their bottom lines because premiums are paid by employees who elect to enroll/apply for them.

But are workers interested in voluntary insurance? According to the Aflac WorkForces Report, they definitely are. Here's what they had to say:

- » 81 percent believe the medical costs they're responsible for will increase.
- » 25 percent have had difficulty paying a medical bill due to high medical costs.
- » 65 percent would be able to pay less than \$1,000 for out-of-pocket expenses associated with an unexpected serious illness or accident.
- » 57 percent completely or strongly agree they consider voluntary insurance part of a comprehensive benefits program, up from 33 percent in 2015.
- » 79 percent see a growing need for voluntary insurance benefits today compared to last year.
- » 57 percent say they would purchase additional, affordable insurance products to ensure adequate coverage if that coverage was not provided by their companies.
- » Among employees who see a growing need for voluntary insurance benefits, 60 percent say the need is a result of rising medical-services costs.

Spend wisely

When it comes to keeping workers satisfied, companies have some thinking to do. After all, according to the WorkForces Report, 47 percent of employees are at least somewhat likely to look for new jobs in the next 12 months and 31 percent are extremely or very likely. The addition of voluntary insurance to employees' benefits options has the potential to make a difference in a way that a holiday party cannot: 42 percent of employees say improving their benefits packages is one thing their employers could do to keep them in their jobs.

Sources:

- ¹ Society for Human Resources Management. "2015 End of year/holiday activities poll." Accessed April 19, 2016. <https://www.shrm.org/research/surveyfindings/pages/2015-end-of-year-holiday-activities.aspx>
- ² Henry J. Kaiser Foundation. "2014 Employer Health Benefits Survey." Accessed April 5, 2016. <http://kff.org/report-section/ehbs-2014-summary-of-findings/>
- ³ Henry J. Kaiser Foundation. "2015 Employer Health Benefits Survey." Accessed April 5, 2016. <http://kff.org/report-section/ehbs-2015-summary-of-findings/>
- ⁴ The 2016 Aflac WorkForces Report is the sixth annual Aflac employee benefits study examining benefit trends and attitudes. The Employee Survey was conducted online in the United States between Jan. 20 and Feb. 3, 2016, among 5,000 adults ages 18 and older who are employed full or part time at a company with three or more employees. Results were weighted to match U.S. demographics. No theoretical sampling error can be calculated; a full methodology is available. The 2016 Aflac WorkForces Report survey was conducted by Lightspeed/GMI on behalf of Aflac.

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



Keep up to date
and follow Aflac at:



@Aflac



YouTube.com/Aflac



linkedin.com/company/aflac



facebook.com/aflac