



TREND 2

Surprise out-of-pocket costs have a big effect on the U.S. workforce.

The survey finds that high medical costs or bills adversely affected over half of the U.S. workforce, and there is growing concern about covering health care costs. Nearly 1 in 4 employees said they or an immediate family member experienced a serious health event or accident requiring hospitalization in the last year such as heart attack, stroke or cancer. Health care costs caught nearly all of these individuals or families off guard. In fact, **92%** said at least one health care cost related to the event surprised them.

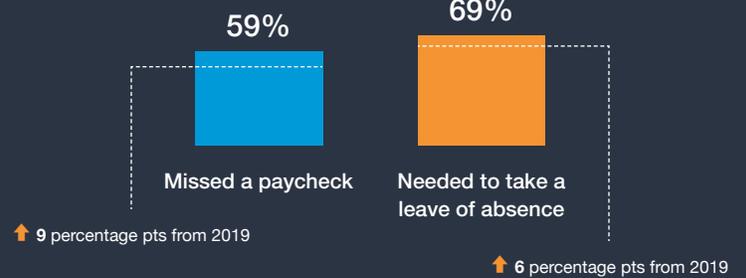
These unexpected costs have serious implications for the workforce and their financial security:

- ▶ **Paychecks:** A growing share of employees report that they missed a paycheck and/or took a leave of absence because of a serious health event or accident.
- ▶ **Taking second jobs:** A growing share of those who participate in the gig economy say they do so specifically to pay for health care benefits and related expenses.
- ▶ **Delaying medical care:** Many report delaying medical care because of cost concerns.
- ▶ **Anxiety, worsening health:** Over half of employees surveyed report experiencing some anxiety about health care costs not covered by their health insurance. Respondents also said that delaying medical care caused increased stress, worsening health issues and larger health expenses in the future. They also expressed increased belief that delaying care results in deteriorating mental health.
- ▶ **Delaying major milestones:** One-third report that medical expenses not covered by their health insurance caused them to delay or forgo a major life event, such as buying a car or home, pursuing further education, getting married or starting a family.

When serious health events, accidents or hospitalizations occurred, surprise costs included:

- 50% Hospital bills
- 47% Doctor's bills
- 42% Prescription costs
- 29% Missed paychecks
- 27% Child care expenses
- 24% Travel or lodging expenses
- 24% Out-of-pocket fees
- 8% None of these

Because of a serious health event or accident:



Which of these has happened to you personally due to high medical costs or bills?

- 22% I have avoided going to the doctor
- 20% Greatly hindered my ability to save
- 18% I have delayed a medical procedure
- 17% I have difficulty paying a medical bill
- 15% Contacted by a collection agency
- 13% Negatively affected my credit score
- 9% I have missed a credit card payment
- 9% **Filed bankruptcy** (Both ↑ 3 percentage pts from 2019)
- 8% **Missed a rent or mortgage payment**
- 8% **Missed a car payment** (↑ 2 percentage pts from 2019)

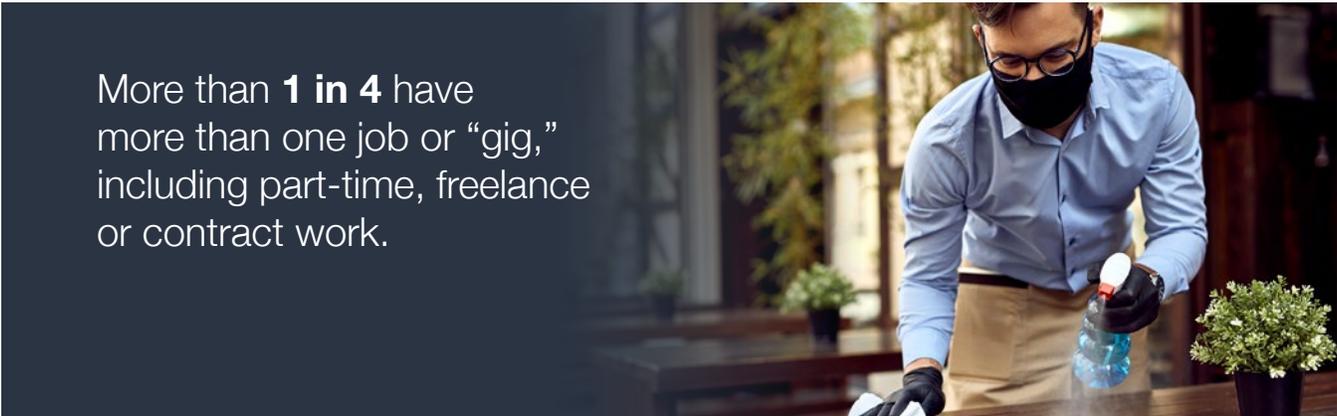
56% have been effected negatively by a high medical cost or bill

Do you have more than one job or “gig” including part-time, freelance or contract work?



The reason for having multiple jobs include:

- 59% Help make ends meet
- 39% Have a flexible schedule** ↑ 12 percentage pts from 2019
- 38% Pay for health care benefits and related expenses**
- 33% Have a sense of fulfillment ↑ 13 percentage pts from 2019
- 27% Have access to employer health care benefits** ↑ 7 percentage pts from 2019



More than **1 in 4** have more than one job or “gig,” including part-time, freelance or contract work.

How much anxiety do you feel about health care costs beyond what is covered by your health insurance plan?



Have you ever had to hold off on medical care because of any of the following expenses?

- 28% Daily living expenses
- 25% Credit card debt or personal loans**
- 20% Rent or mortgage ↑ 6 percentage pts from 2019
- 10% Student loans

43%
At least one of these

Are you concerned about any of these issues related to delaying medical care?

- 52% Increased stress
- 49% Worsening health issues
- 47% Greater health expenses in the future
- 33% Deteriorating mental health** ↑ 5 percentage pts from 2019
- 31% Shortened life expectancy

The 2020-2021 Aflac WorkForces Report is the 10th annual Aflac employee study examining benefits trends and attitudes. The employer survey, conducted by Kantar on behalf of Aflac, took place online between June 12 and June 30, 2020. The survey captured responses from 1,200 employers across the United States in various industries. The employee survey, conducted by Kantar on behalf of Aflac, captured responses from 2,000 employees across various industries and business sizes between July 7 and July 21, 2020. For more, visit aflac.com/awr.