

2022-2023

Aflac WorkForces Report

The state of workplace benefits and enrollment

Unstable conditions and the rising costs of health care have impacted employers' bottom lines and how they approach benefits selections. As health care has grown more complicated, employee understanding of costs has fallen, and the knowledge gap between employers and employees has widened. Supplemental insurance can be offered by employers to provide employees with the benefits they need.



To avoid reduced access to benefits, **the majority of employers (80%)** shifted costs to employees to help absorb rising health care costs primarily through increasing deductibles and share of premiums.



More than half (57%) of all American workers report suffering high levels of anxiety about health care costs beyond what their insurance covers, which is most prevalent among Hispanics (**69%**) including Gen Z and millennials (**65%**).



More than three-quarters (76%) of employers think their employees understand their health care costs well, while just **52%** of employees agree.



Fewer than 3 in 5 (57%) are confident they will be very well covered in the event of a serious illness, and only **1 in 5** believe they will be covered extremely well.



Under half (43%) of all employees are confident they understand everything about their health insurance policies.



Almost 3 in 5 employees spend less than 30 minutes researching their benefits.



Most employees (89%) choose the same benefits each year.



Nearly two-thirds (65%) of employees state working with a benefits advisor is important to them.



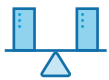
With costs rising alongside employees' demands for care, supplemental insurance remains an important part of a comprehensive benefits package for employers and employees alike.

Nine in 10 employees believe the need for supplemental insurance like dental, life and vision is increasing.

About 77% of employers who offer supplemental insurance believe these benefits help with recruitment, and **80%** say they help with retention.



Almost half (47%) of all employers state that remaining competitive with their total compensation packages is one of their biggest challenges.



Employers are more anxious about their employees trading off salary for more robust benefits than ever before (**58% in 2022 versus 44% in 2021**).



Employers believe very strongly that their benefits packages play an important role in employee satisfaction, retention, talent acquisition, worker productivity and performance – and this confidence has increased over time.

This year was an all-time high for employers believing that their benefits package has a positive impact on workers' productivity (**83%**) and enables them to attract top talent (**84%**).



Many employers (72%) indicate that benefits costs have increased in the last year, a significant uptick from 2021 (**60%**). They also report benefits claims (**52%**) increased primarily due to rising prescription drug prices, delayed medical care and mental health issues, likely because of COVID-19.



There is a significant gap between employers' beliefs about their employees' satisfaction with their overall benefits package and employees' actual self-reported satisfaction.

The majority of employers (80%) believe their employees are highly satisfied with their benefits, compared to only **58% of employees** who express high satisfaction.



About the Study

The 2022-2023 Aflac WorkForces Report is the 12th annual Aflac employee study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the employer survey took place online between Sept. 7, 2022, and Sept. 22, 2022, and the employee survey took place online between Aug. 31, 2022, and Sept. 20, 2022. The survey captured responses from 1,200 employers and 2,001 employees across the U.S. in various industries.