2025-2026

Aflac WorkForces Report

Insights for small businesses

STAYING COMPETITIVE ON A BUDGET: Employers walk a benefits tightrope

Rising benefits costs are placing increased financial strain on organizations of all sizes as they try to strike a balance between the need for competitive compensation packages amid soaring health care expenses and finding robust, cost-effective benefits.

Many employees remain deeply vulnerable when faced with unexpected medical costs. This disconnect is compounded by declining understanding of health care costs and coverage, leaving workers underinformed and under protected.

The Aflac WorkForces Report reveals a growing demand for comprehensive mental health support and supplemental insurance as vital components of a benefits package. These offerings help bridge the gap between what health insurance covers and what employees actually need: peace of mind when it matters most.

HEALTH + WELLNESS + THE POWER OF BENEFITS

21% of small-business employees state their personal mental health negatively affected their job performances last year. **All company sizes: 24%.**

73% of small-business employees believe mental health coverage is just as important, if not more important, than physical health coverage. **All company sizes: 74%.**

50% of employees say they couldn't cover even $1,000 in out-of-pocket costs. **All company sizes: 44%.**

70% of employers believe their employees can financially meet their health care obligations. **All company sizes: 78%.**

53% of small-business workers have high anxiety about health care costs beyond what their insurance covers. **All company sizes: 52%.**

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THE STATE OF WORKPLACE BENEFITS

Nearly 9 in 10 employees believe the need for supplemental insurance like dental, life and vision is increasing. **All company sizes: 90%.**

63% of employers who offer supplemental insurance believe these benefits help with recruitment. **All company sizes: 73%.**

66% of employers say they help with retention. **All company sizes: 75%.**

89% of employees say their supplemental insurance policy helps to protect their income. **All company sizes: 89%.**

BENEFITS ENROLLMENT + THE INFORMED BENEFITS CONSUMER

67% of small-business employers think employees understand costs well. **All company sizes: 72%.**

50% of employees say they do. **All company sizes: 54%.**

64% of the workforce say it's important to have access to a benefits advisor. **All company sizes: 65%.**

- **54%** prefer in-person meetings. **All company sizes: 55%.**
- **46%** prefer speaking on the phone. **All company sizes: 49%.**

57% of employees say medical bill negotiation is stressful. **All company sizes: 56%.**

60% of employees say the same about trying to understand what insurance or benefits they need. **All company sizes: 54%.**

51% of employees believe their organizations care about their overall mental health at least a moderate amount. **All company sizes: 48%.**

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About the Study
The 2025-2026 Aflac WorkForces Report is the 15th annual employee study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the employer survey took place online between April 2 and April 29, 2025, and the employee survey took place online between April 2 and May 6, 2025. Throughout this report, some percentages may not add up to 100% due to rounding. The surveys captured responses from 1,002 employers and 2,000 employees across the United States. For more information, visit Aflac.com/AWR. **Aflac includes Aflac and/or Aflac New York and/or Continental American Insurance Company and/or Continental American Life Insurance Company.**