



# Workplace benefits trends

## **EXECUTIVE SUMMARY**

2025-2026



The [2025-2026 Aflac WorkForces Report](#) captures an American workforce in flux — one that continues to value benefits but also is reevaluating what meaningful support means in practice. While many employers are evolving their strategies to help meet changing employee expectations, gaps are persistent, not just in benefits offered, but in how they are communicated, accessed and experienced.

### **A clearer picture of workplace benefits**

The 15th annual Aflac WorkForces Report highlights the growing importance of employee experience across the holistic benefits ecosystem. Workers continue to view benefits as a core part of compensation but increasingly expect clarity, personalization and ease. Misalignment between employer intentions and employee realities is especially pronounced during enrollment, where confusion and lack of support can undermine the value of strong benefits offerings.

### **Belonging helps boost mental health and well-being at work**

As employees navigate rising demands both professionally and personally, their expectations around support continue to evolve. Workers are looking for authentic flexibility, clear communication and benefits that align with their day-to-day realities. Increasingly, culture plays a crucial role in how supported employees feel. One factor clearly stands out among all others: a sense of belonging.

Nearly all employers agree that fostering a sense of belonging improves job performance, engagement, collaboration, and productivity. When employees feel they are truly valued, they're more satisfied, more loyal and more equipped to manage stress — making belonging a powerful driver of organizational health.

### **Rethinking the role of benefits**

The 2025-2026 findings emphasize that employee benefits are more than a checkbox. Rather, they reflect an organization's values and are a lever for trust, retention and engagement. Employers who take a more holistic and employee-centered approach will be better equipped to meet the moment — not only by offering the right mix of benefits, but by making sure employees understand, use and feel supported by them.



## TABLE OF CONTENTS

### The state of workplace benefits + employee engagement

- 5 Beyond the paycheck: How benefits shape employee confidence and organizational impact
- 9 Cost, reputation and solvency: How employers choose benefit providers
- 10 Employers believe they're delivering on benefits offerings, but employees aren't so sure
- 11 Still not offering digital access? That may be a deal-breaker
- 13 Inconsistent benefits communication undermines understanding with costly implications

### Impactful open benefits enrollment strategies

- 17 Benefits may lose value if the enrollment experience falls short
- 19 Employees want greater access to benefits advisors
- 20 Managing benefits online isn't optional ... it's expected
- 22 AI may provide a path to scalable personalization

### Employee financial fragility + the value of supplemental insurance

- 24 Financial fragility: A persistent undercurrent in the workplace
- 26 Younger workers remain at risk — fortunately, their financial outlook is improving
- 27 Understanding your plan is just the first step, and many aren't there yet
- 28 Supplemental insurance strengthens both coverage and confidence
- 31 Salary drives decisions, but benefits help cultivate peace of mind
- 33 Perceptions of income are as emotional as they are economic

### Mental health + well-being in the modern workplace

- 35 Burned out, checked out: Why mental health deserves our attention
- 38 Stress and burnout are high, and it's coming from all directions with heavy workload mostly to blame
- 41 Workers are looking for more creative workplace structure options to ease burnout
- 42 Work-life balance matters — but employees and employers are not aligned
- 44 Employees say mental health benefits are non-negotiable

### Fostering a sense of belonging in the workplace

- 46 Teamwork, relationships with bosses and job security are key drivers of satisfaction, loyalty and improved culture
- 47 They also tend to ...
- 48 Hybrid work may offer a hidden key to connection
- 49 Leading with authenticity matters
- 50 Culture backed by action fuels belonging





## Section 1

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# **The state of workplace benefits + employee engagement**



# Beyond the paycheck: How benefits shape employee confidence and organizational impact

Organizations of all sizes continue to feel pressure to deliver compelling compensation packages amid rising costs and high employee expectations. The cost of providing benefits remains a top challenge for employers, and it's impacting not only how benefits are administered, but also how provider decisions are made. While employers are confident in their offerings, significant gaps persist in employee reporting on satisfaction, access and understanding. Most notably, digital accessibility and consistent communication are areas where many organizations are falling short, eroding employee confidence and amplifying risk around benefit underutilization.

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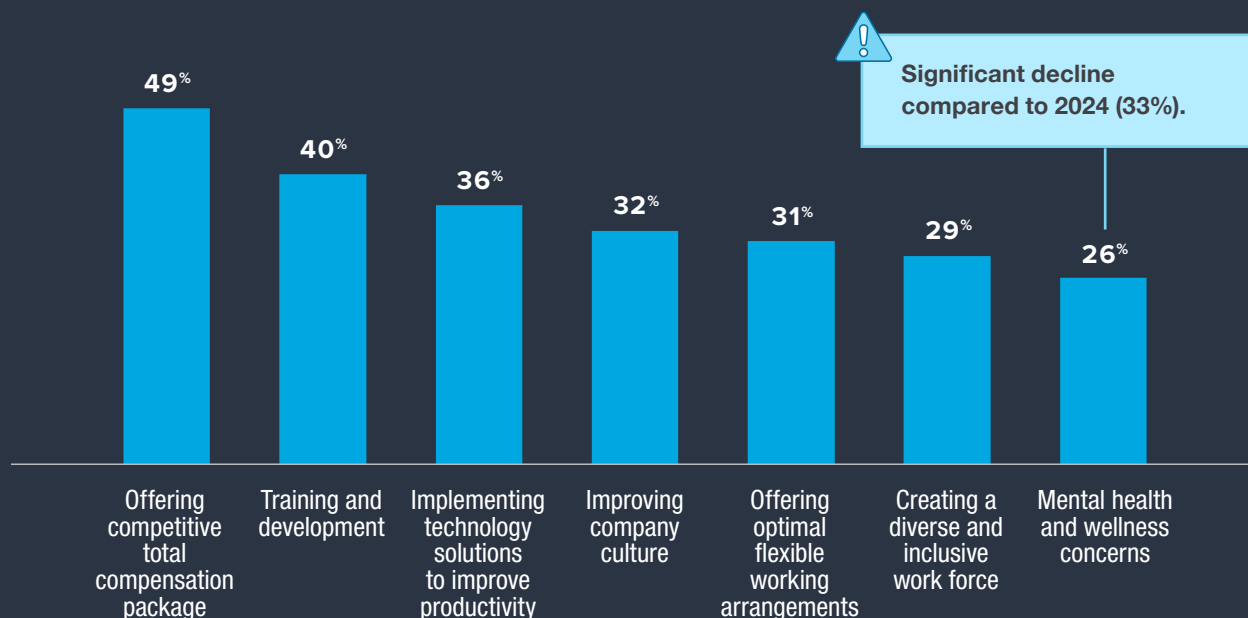
## Staying competitive on a budget: Employers walk a benefits tightrope

Rising health care and benefits costs are placing a financial strain on organizations of all sizes, a concern that is surprisingly consistent across all companies. Roughly 1 in 5 employers, regardless of size, cited these costs as a top concern when thinking about their organization's financial health over the next 12 months. This underscores a broader challenge: Even large organizations, which might be expected to have more negotiating power or budget flexibility, are not immune to the growing burden of benefits spending. With cost containment top of mind, many companies are finding it difficult to balance the need for competitive compensation packages when facing a constrained budget.





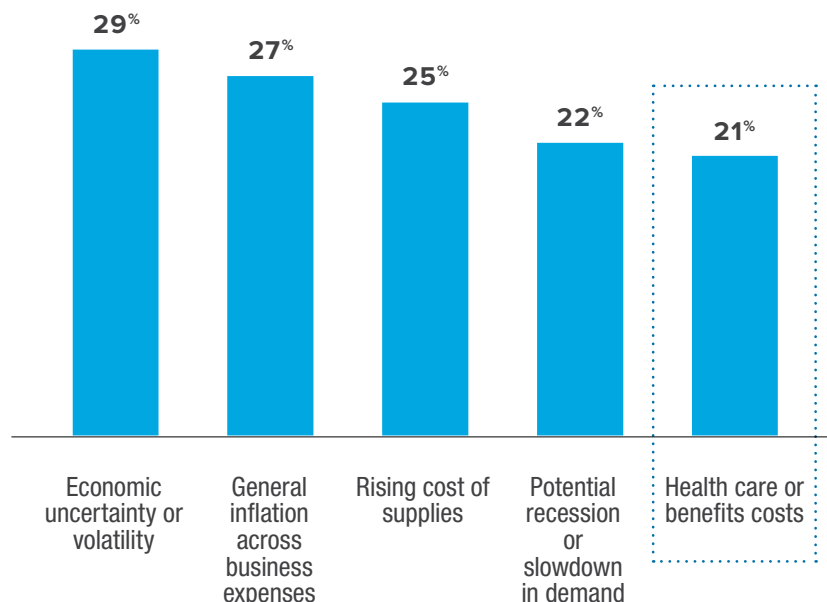
Nearly half (49%) of all employers stated that offering a competitive total compensation package is among their top challenges, a sentiment shared by small (45%), medium (53%) and large (50%) businesses alike.



Question: When it comes to employee engagement and satisfaction, what are your organization's biggest challenges?

One in five employers (21%) cited health care or benefits costs as a key worry for the year ahead — just behind broader macroeconomic concerns like economic volatility, inflation and supply costs.

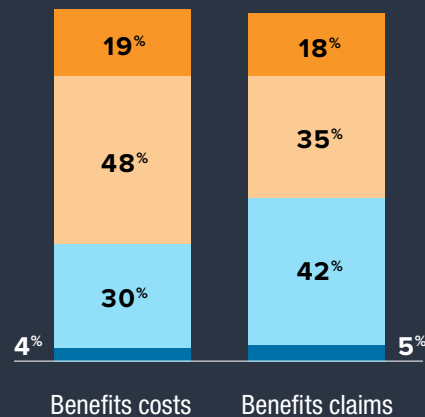
Question: What makes you worry about the financial health of your organization in the next 12 months? Please select up to 3.



Nearly two-thirds of employers said their benefits costs have grown over the past year. For many, this increase comes at the expense of other employee-facing investments. Organizations reported that these rising costs are limiting their ability to offer bonuses, improve coverage quality and expand their benefits portfolio. While employers continue to value robust benefits offerings, it's clear that cost containment is an urgent priority — one that could affect how companies attract and retain talent if not addressed strategically.



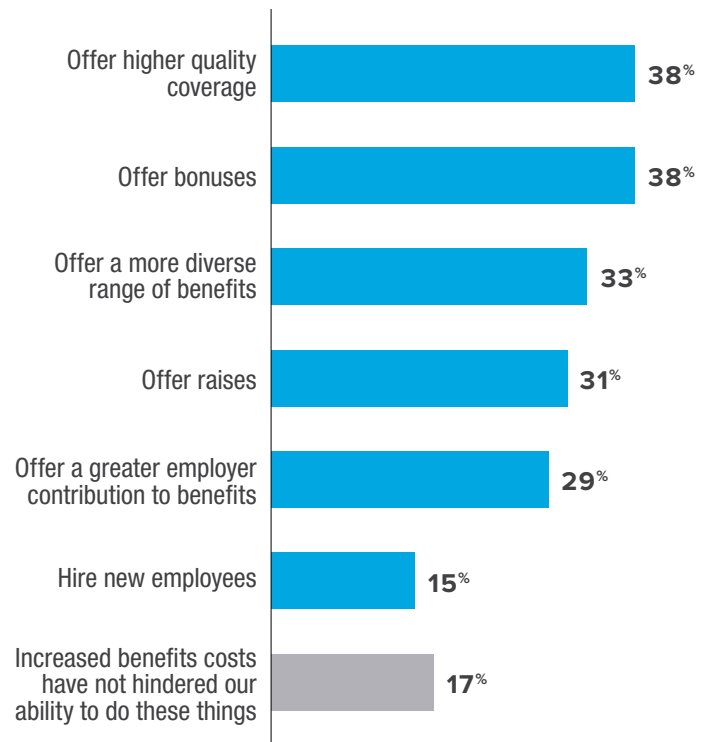
Two-thirds (66%) of employers said their benefits costs increased in the past year, with nearly 1 in 5 citing a significant jump.



- = Increased a lot
- = Increased moderately
- = Stayed the same
- = Decreased

Question: In the last year, would you say your organization's benefits costs have ...? In the last year, would you say your organization's benefits claims have ...?

Benefits cost increases are limiting employers' ability to offer bonuses/raises, improve coverage and diversify benefits offerings.

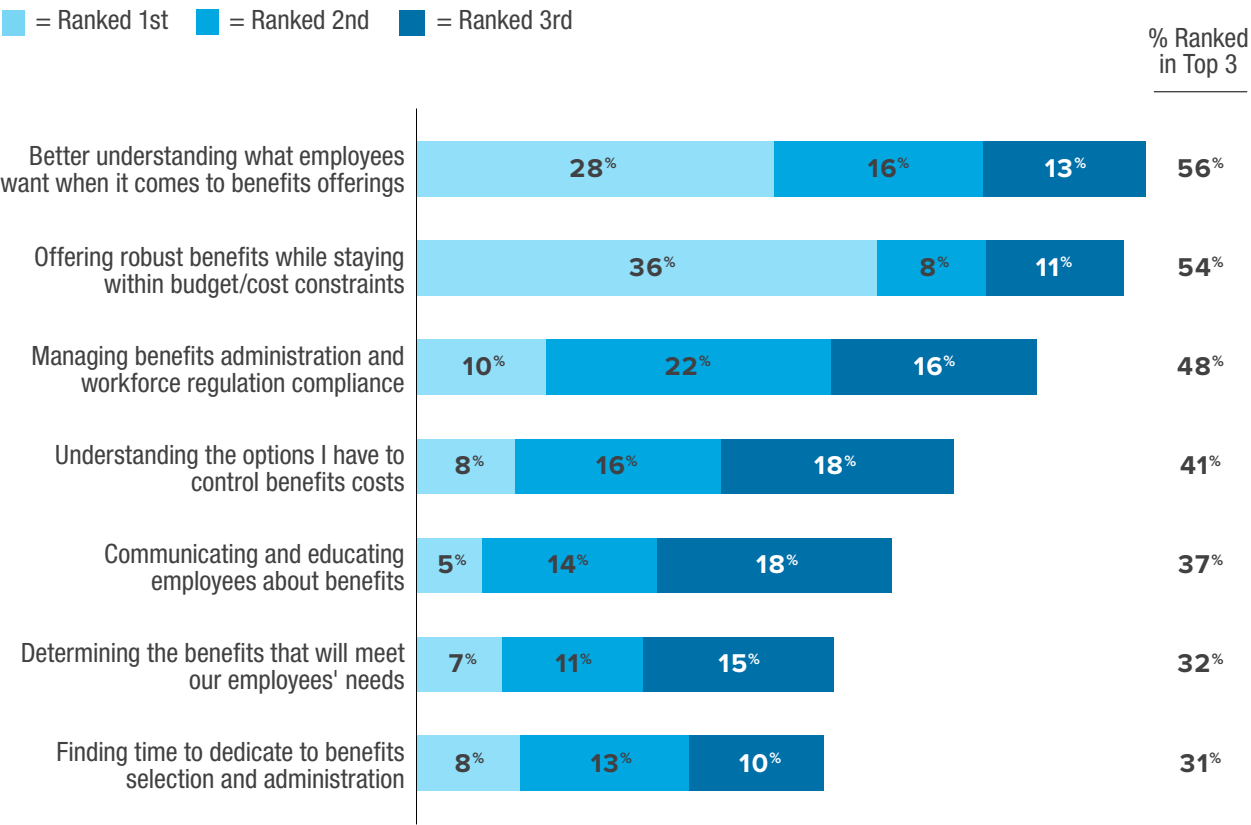


Question: Have increased benefits costs hindered your organization's ability to do any of the following things that you otherwise would have done if benefits costs remained the same or decreased?





More than one-third (36%) of all employers ranked “offering robust benefits while staying within budget” as their top benefits-related challenge. More than half (54%) of all employers said it is among the top three challenges they face.



Question: Of the following challenges, which are the top challenges your organization faces when offering benefits?

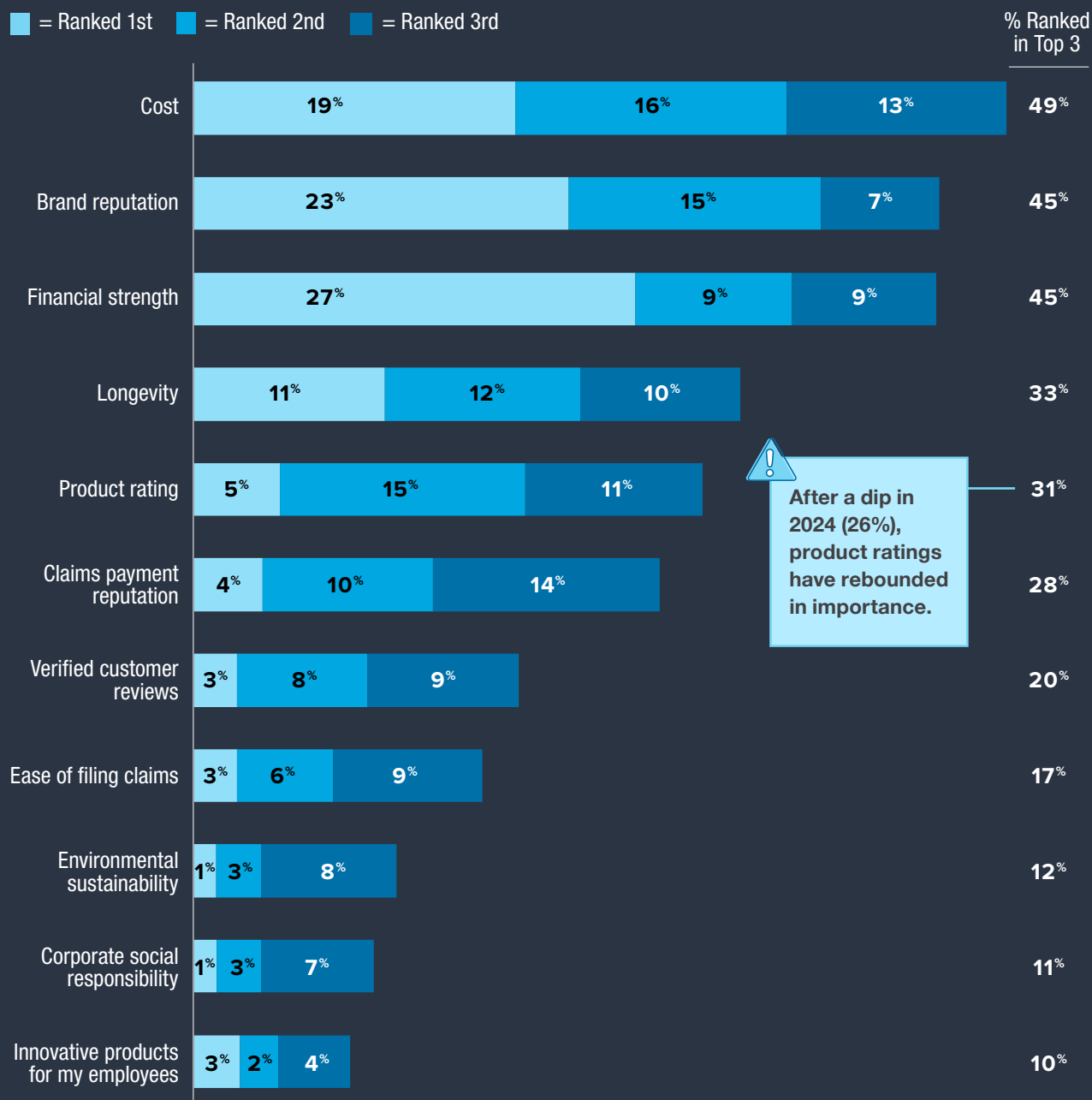




## Cost, reputation and solvency: How employers choose benefit providers

When selecting providers, employers prioritize cost effectiveness, brand reputation and financial strength. This reflects a desire for stability in a volatile environment but may limit innovation and digital advancement, which employees increasingly expect.

**More employers place costs as a top three factor when selecting a benefits provider (49%), followed by brand reputation (45%) and financial strength (45%).**



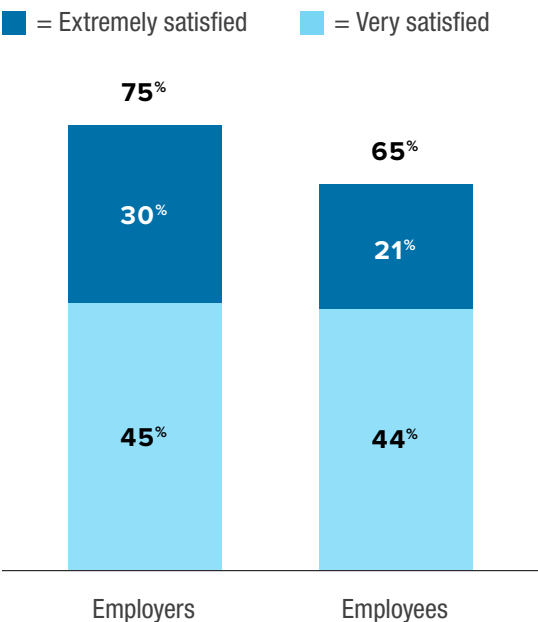
Question: Rank the following attributes by importance when choosing your organization's benefits provider(s)/ vendor(s) ...

# Employers believe they’re delivering on benefits offerings, but employees aren’t so sure

Three-quarters of employers believe their workforce is satisfied with the benefits they offer, yet only 65% of employees agree. While employees overall are satisfied, a 10-point gap indicates a potential disconnect in employer-employee perceptions. Satisfaction with benefits is strongly correlated with broader job satisfaction, which in turn affects retention, engagement and overall morale. In fact, employees who are satisfied with their benefits are significantly more likely to report being satisfied with their jobs overall. And the drop from “highly satisfied” to “somewhat satisfied” is more dramatic than one might expect. **Employees who are only “somewhat” satisfied with their benefits are nearly half as likely to report high job satisfaction as those who are highly satisfied, highlighting the importance of moving beyond “good enough.”**

When employers misjudge how well their offerings are meeting employees’ needs, they risk missing early warning signs of disengagement and attrition. Retention could be impacted in a job market that routinely includes hybrid and remote work, making job hopping easier. Addressing this gap requires more than assumptions. It requires proactive listening, regular feedback and a willingness to adjust to what employees say they truly value.

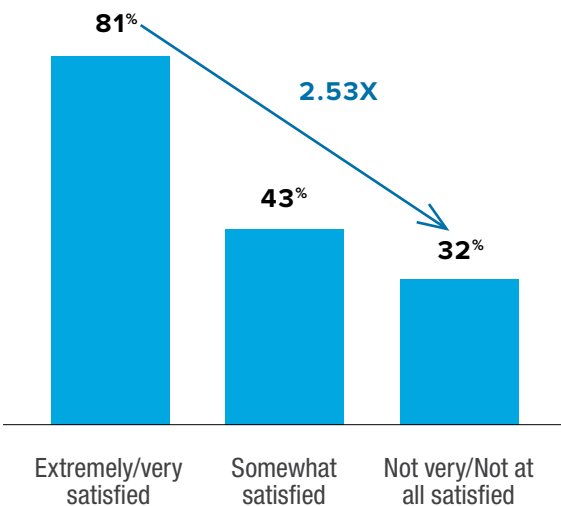
## Employers overestimate employee satisfaction with their benefits options by 10 percentage points.



*Employer Question: How satisfied do you think your employees are with the overall benefits package your organization offers them at this time?*

*Employee Question: How satisfied are you with the overall benefits package offered to you at this time?*  
// % Very/Extremely satisfied

## Those who are highly satisfied with their benefits package express significantly higher overall job satisfaction than their counterparts who are less happy with their benefits package.



*Question: How satisfied are you with the overall benefits package offered to you at this time?*

*Question: Overall, how satisfied are you with your job? // % Very/Extremely satisfied*



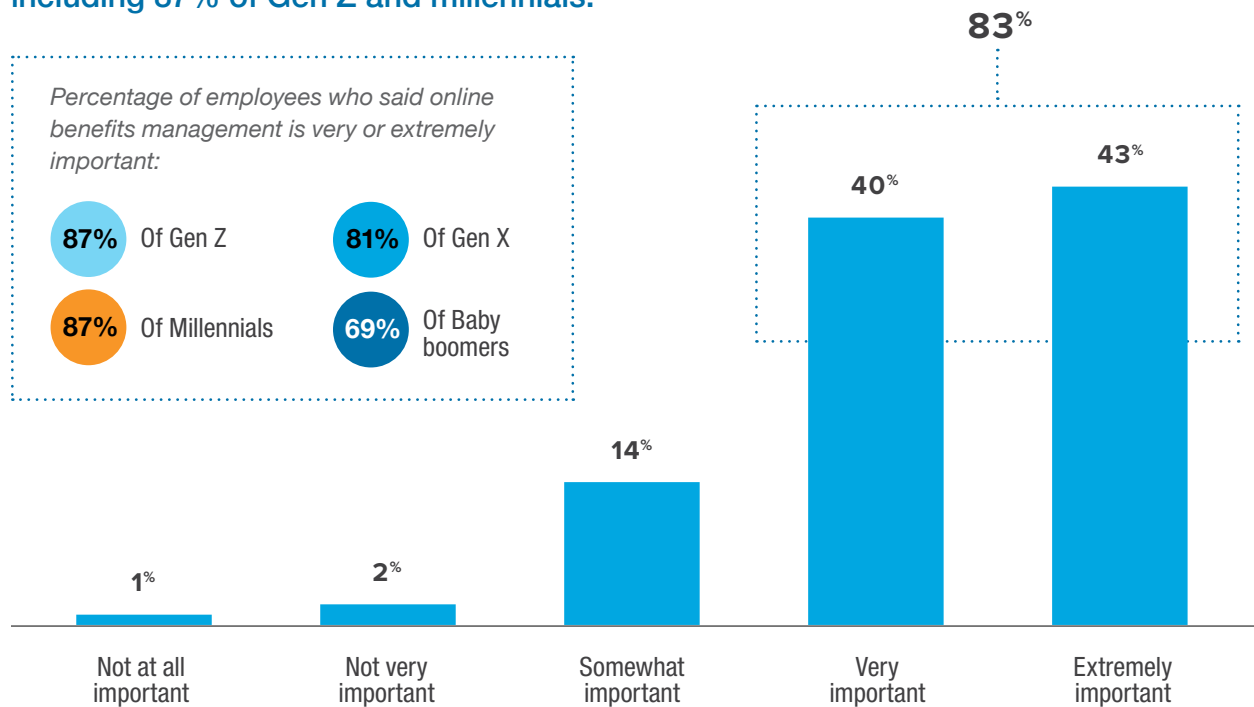


## Still not offering digital access? That may be a deal-breaker

Despite ongoing digital transformation across industries, 3 in 10 employers still don't offer employees the ability to manage their benefits online, a gap that's increasingly at odds with modern workforce expectations. For younger employees especially, digital access isn't a "nice to have" but a baseline requirement. Gen Z and millennial workers are accustomed to seamless, mobile-first experiences in nearly every aspect of their lives, and for them, benefits offerings should be no exception.

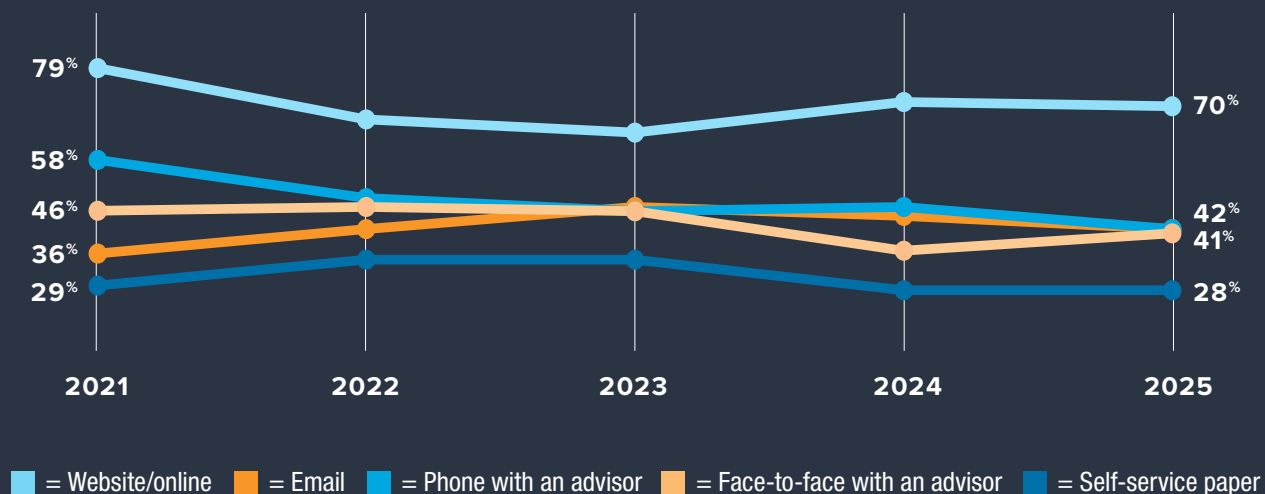
Organizations that fail to provide what are now considered standard tools may inadvertently send a signal that they are out of touch — or worse, that navigating benefits will be frustrating and opaque. As digital-native generations become a larger share of the workforce, online access will only grow in importance. Meeting employees where they are means offering the flexibility, accessibility and autonomy they've come to expect. Doing so is not just a tech upgrade but a critical part of the benefits enrollment experience.

Online benefits administration is non-negotiable for most employees, especially younger generations. More than 4 in 5 (83%) said it's very or extremely important, including 87% of Gen Z and millennials.



Question: How important is being able to manage your benefits online (for example, enroll in a policy, make changes and check coverage)?

Yet only 70% of organizations offer online benefits management, while 30% of employers require their employees to tackle benefits management through other means.



Question: In which ways can your employees manage their benefits (for example, enroll in a policy, make changes and check coverage)?

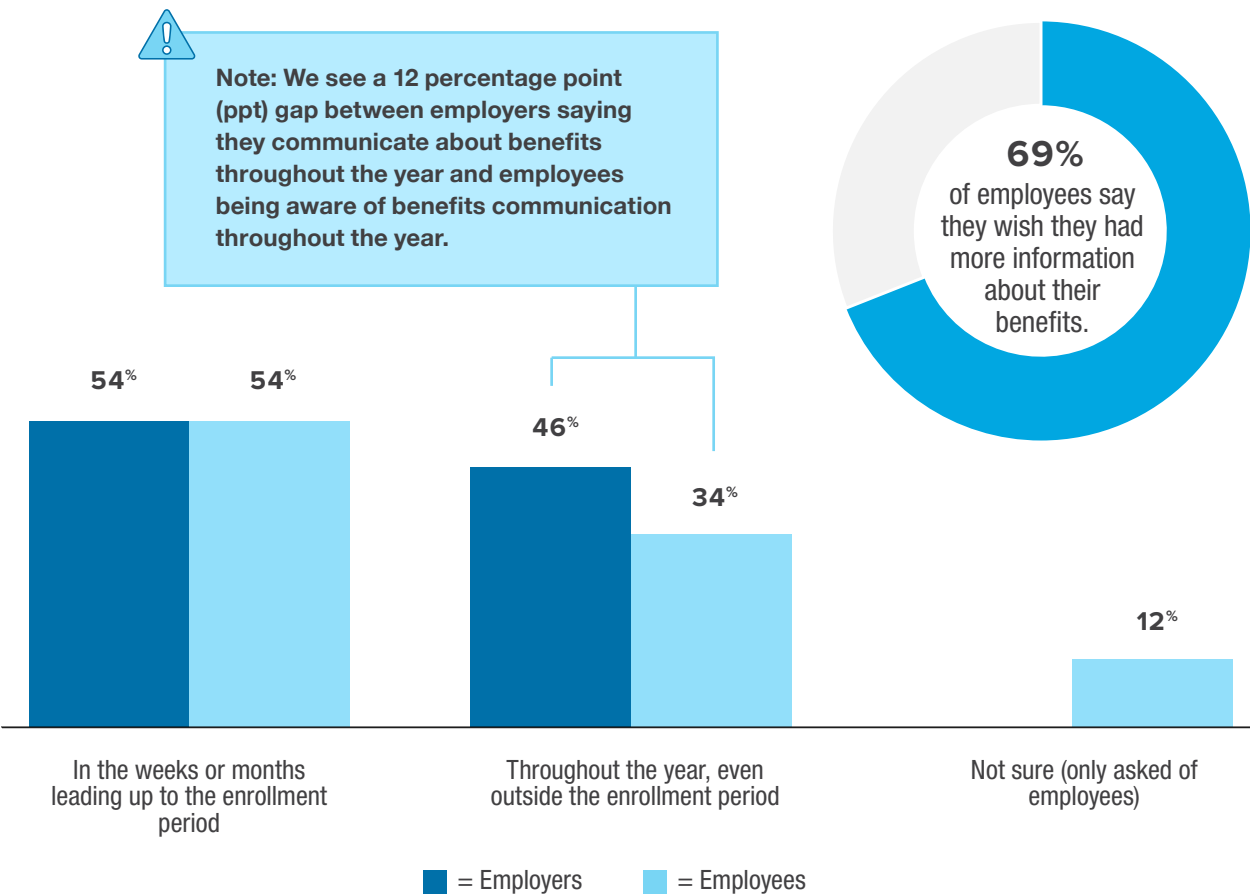


## Inconsistent benefits communication undermines understanding with costly implications

When employees hear about their benefits only once a year, it's no surprise they feel unsure about what's available to them or how to make the most of it. Many employers believe they're communicating consistently, but employees aren't getting the message. This disconnect may be contributing to declining employee confidence in their benefits comprehension, a trend that should raise red flags for any organization concerned with engagement or satisfaction. The data shows that employee confidence grows with regular communication from the employer, reinforcing the need for a proactive, year-round approach to benefits education.

### When it comes to benefits options, communication can't be a once-a-year event, but many organizations still treat it that way.

Fewer than half of (46%) employers said they communicate about benefits throughout the year, yet only a third (34%) of employees agree with that. Furthermore, the majority (69%) of employees said they want more information overall. Alarming, 2025 saw a 7-point decline in employee understanding of their benefits compared to 2024.



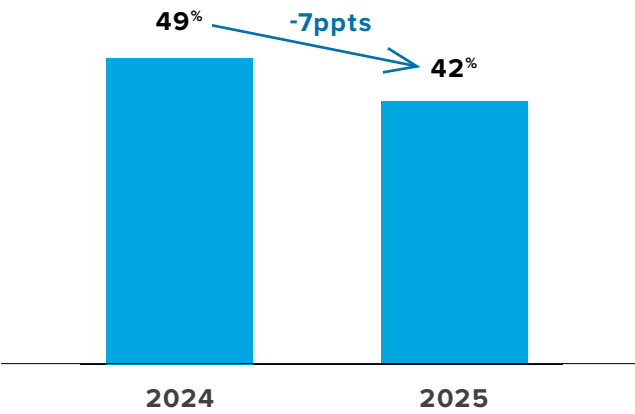
*Employer Question: Which of the following best describes when your organization communicates with your employees about their benefits packages?*

*Employee Question: Which of the following best describes when your organization communicates with you and other employees about your benefits packages?*

*Employee Question: Do you want more or less information about your health care benefits from your organization?*

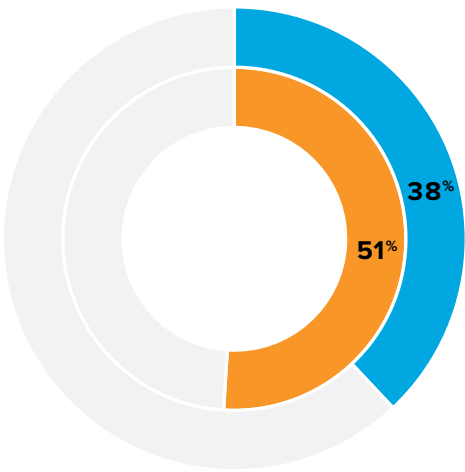


Employee understanding of their health care policies has declined 7 points year-over-year — from 49% in 2024 to 42% in 2025.



Question: Thinking about your current health insurance coverage, how well do you understand your overall policy, including things like deductibles, copays, providers in your network, etc.?

Employees who receive year-round benefits communication are far more likely to fully understand their policies (51%) than those who do not (38%).



- = Receive year-round comms
- = Do not receive year-round comms

Question: Thinking about your current health insurance coverage, how well do you understand your overall policy, including things like deductibles, copays, providers in your network, etc.?

Question: Which of the following best describes when your organization communicates with you and other employees about your benefits packages?



Lack of benefits understanding can have serious consequences — not only for the employee's financial and physical well-being, but also for how they perceive their benefits experience overall. Confusion around coverage is linked to lower satisfaction, higher stress and even delayed medical care. By contrast, employees who fully understand their policies feel more confident, better supported and more satisfied with the benefits their employers provide.

## Employees who fully understand their health care policy tend to ...



Demonstrate higher levels of satisfaction with the benefits package overall (83% vs. 51%)



Confidently state that they did not overpay for health care expenses over the past year (71% vs. 55%)



Have greater confidence that their benefits package meets their family's needs (82% vs. 52%)



Express lower levels of anxiety about health care costs (48% vs. 56%)



Feel proud of the benefits package that is offered to them (88% vs. 69%)



Demonstrate confidence that their benefits will help cover them in the event of a serious illness (75% vs. 45%)



Report understanding their overall health care expenses (80% vs. 35%)



Report lower levels of delaying medical care in the past (38% vs. 53%)

**Pro tip: Smarter benefits can be just as compelling as more benefits. Employees are looking for digital access, clear communication and benefits that meet their needs — not just more coverage. A bigger budget is not needed to offer better support. Focus on making existing offerings easier to understand, use and access. The payoff? Higher satisfaction, smarter decisions and a healthier workforce.**





A man and a woman are looking at a tablet together. The woman is on the left, wearing a green jacket, and the man is on the right, wearing a blue shirt and a dark blazer. They are both looking down at the tablet, which the man is holding. The woman is holding a white pen and appears to be writing on the tablet. The background is blurred, showing what looks like an office or a modern building interior.

## Section 2

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# **Impactful open benefits enrollment strategies**



# Benefits may lose value if the enrollment experience falls short

Enrollment season continues to be one of the most critical moments in the benefits experience lifecycle, but it's also where many organizations continue to fall short. Employees are not just looking for digital access; they expect guidance, clarity and personalization. And while employers often think they're delivering, employees tell a different story. A disconnect persists between what employees want and what employers are providing, particularly when it comes to one-on-one support, communication frequency and access to benefits consultants. One strategy employers can use to improve benefits satisfaction while managing rising health care costs is offering year-long benefits education with clear communication and ease of access.

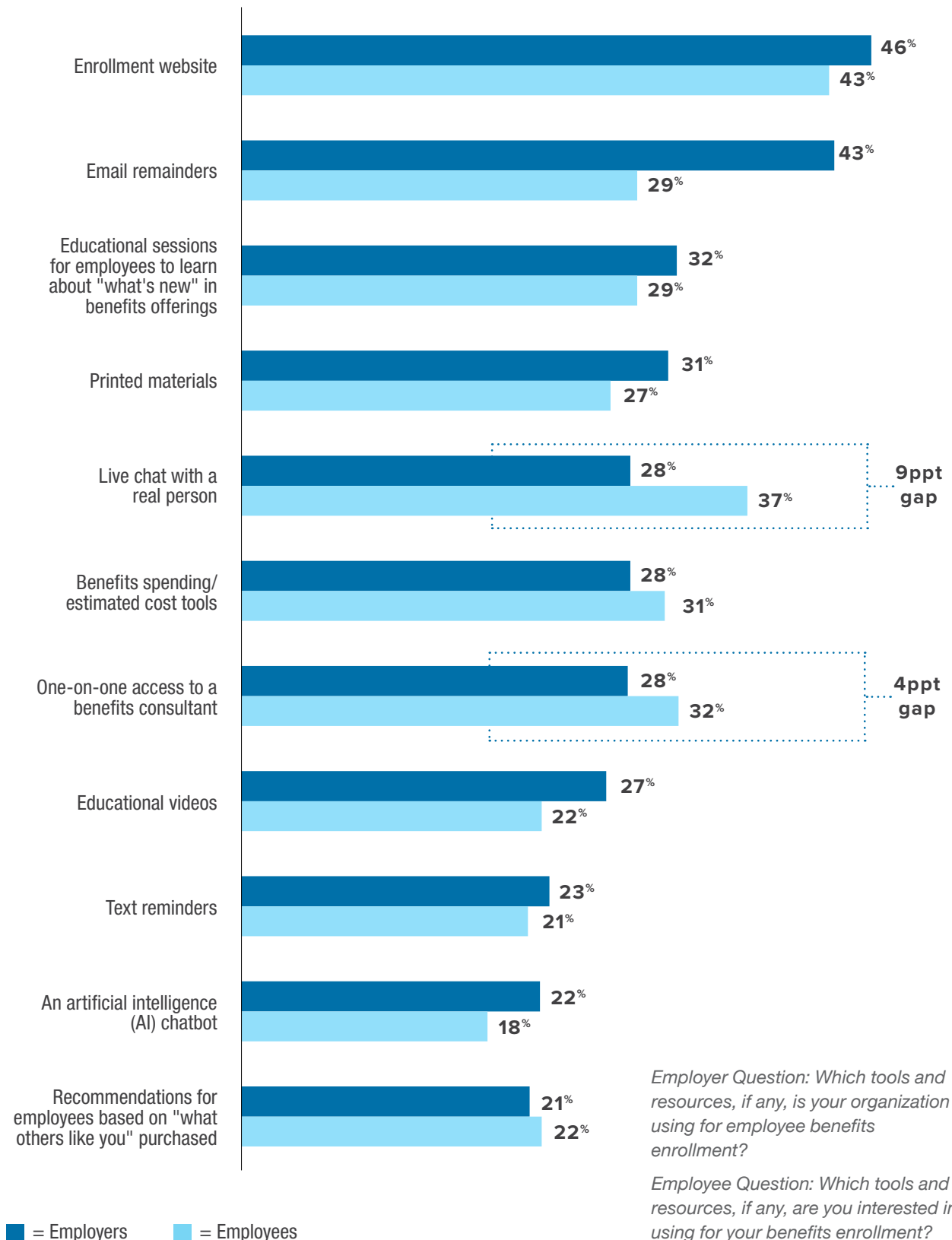
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## Employees want more personalized support during enrollment

Employers may believe they're offering enough support during benefits enrollment, but the reality is more complex. A substantial share of employees want the ability to speak with a real person — someone who can guide them through the process, answer questions and make them feel more confident in their choices. But this desire is not being met. Only a fraction of employers provide this level of support, creating a clear and measurable gap. This results in a meaningful disconnect between what's offered and what employees truly need to navigate enrollment successfully.



Nearly 2 in 5 (37%) employees reported that they would like to talk to a real person to help with their benefits enrollment, but far fewer employers (28%) offer this option.



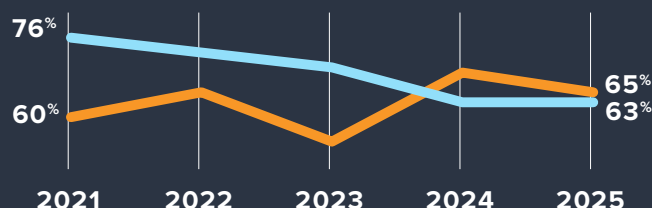


## Employees want greater access to benefits advisors

At a time when employees are seeking more personalized support during enrollment, many organizations are quietly pulling back on one of the most trusted resources: the benefits advisor. Access to these professionals has declined steadily over the past few years, even as interest in one-on-one support continues to grow. Younger employees are driving this demand. They're more likely to feel overwhelmed by the enrollment process and to say that working with an advisor would make the experience easier. Without someone to turn to, employees may feel less confident in their choices, which can ultimately lead to confusion, dissatisfaction and disengagement.



Since 2021, the share of employers offering access to a benefits advisor has dropped from 76% to 63%. Yet in that same period, employees have only grown more likely to value this kind of one-on-one support.

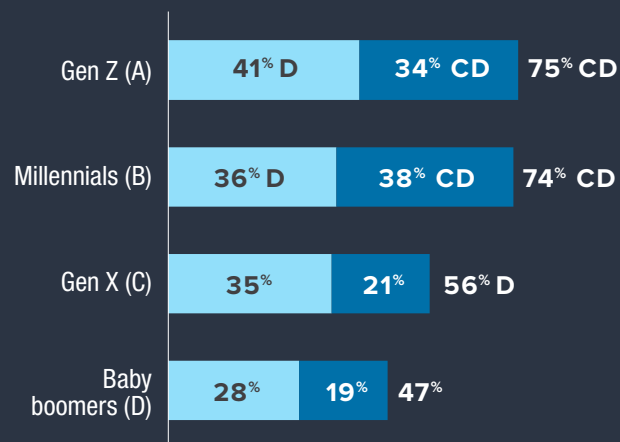


■ = Employers offering advisor ■ = Importance to employees

*Employer Question: In which ways can your employees manage their benefits (for example enroll in a policy, make changes and check coverage)? // % Selected "...with an advisor" [by phone or face-to-face]*

*Employee Question: How important is it that you have access to a benefits advisor when making your benefits selections? // % Very/Extremely important*

The drop in access is especially misaligned with the needs of younger workers. Three-quarters said it's very or extremely important that they can work with an advisor during enrollment.



■ = Very important ■ = Extremely important

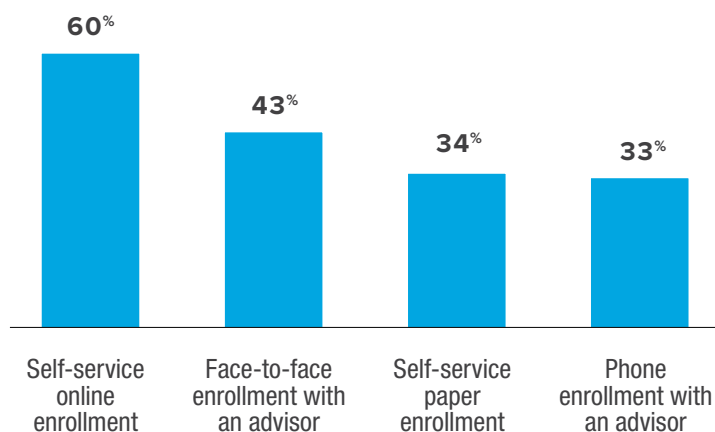
*Question: How important is it that you have access to a benefits advisor when making your benefits selections? // Top 2 Box = Very/Extremely important // Letters indicate which groups are significantly different from each other.*



## Managing benefits online isn't optional ... it's expected

For today's workforce, benefits enrollment needs to meet the same digital standards as everything else in their lives. It must be intuitive, accessible and mobile-friendly. Yet, a significant share of employers is still asking employees to use paper forms or clunky legacy systems. This disconnect underscores employers' lack of attention to aligning benefit offerings with employees' expectations. Younger employees have little patience for outdated enrollment processes. From their perspectives, digital access isn't an added convenience — it's the baseline. Organizations that continue to delay digital transformation risk losing trust, especially among the newest generation of workers.

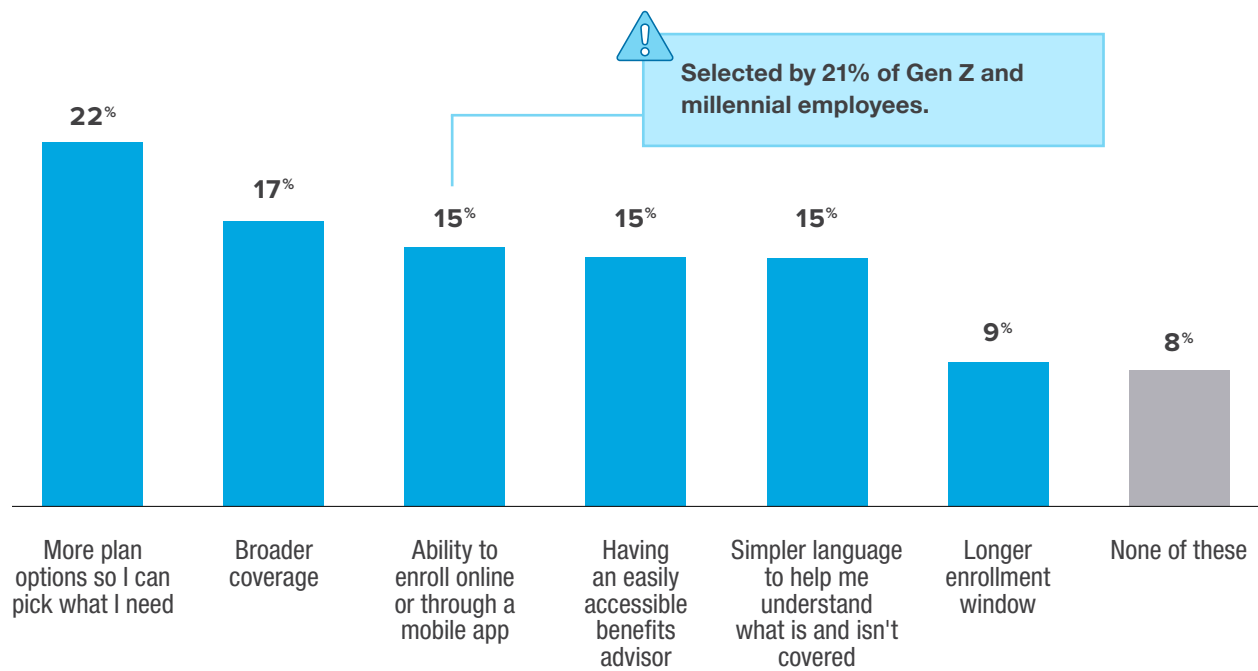
**Online enrollment is the most common method offered by employers (60%), but 40% still lack this option. In fact, one-third (34%) of all organizations still use paper forms to manage benefits enrollment.**



*Question: Does your organization use the following methods for its benefits enrollment process?*



1 in 5 Gen Z and millennial employees said that online access is the No. 1 way to improve the enrollment experience.



Question: What's one thing you would like to change to improve the way you enroll in benefits?

**Pro tip:** Your enrollment experience means more than you think. Open enrollment is one of the few times throughout the year when employees engage deeply with their benefits, leaving a lasting impression. If the process feels confusing or outdated, it can undermine confidence in the benefits themselves. A streamlined, mobile-friendly platform not only meets modern expectations, but also reinforces that the organization values clarity, accessibility and employee support.

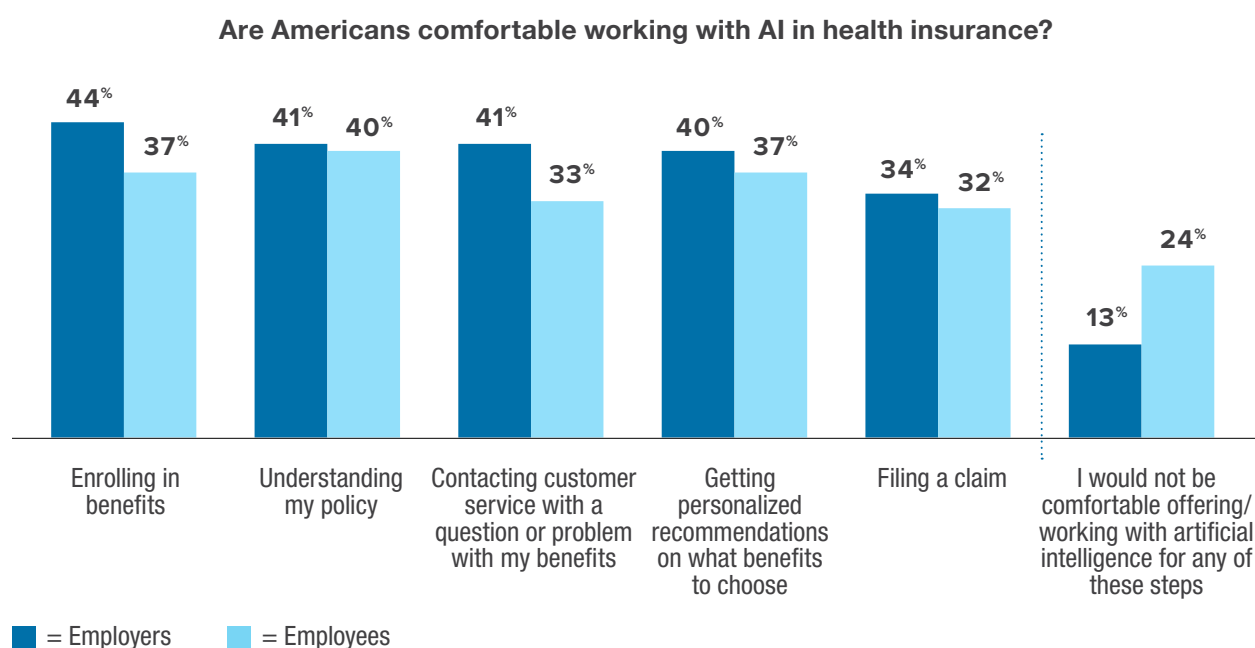




## AI may provide a path to scalable personalization

Employees are left searching for support in an increasingly complex landscape. While the appetite for personalized guidance hasn't diminished, resource constraints make it harder for employers to meet this need. To further complicate the dilemma, employees are less sure of artificial intelligence (AI) than employers – nearly 1 in 4 (24%) aren't comfortable with AI. An effective strategy to optimize enrollment experience is providing access to benefits consultants and streamlining benefits with AI.

**The overwhelming majority (87%) of employers and three-quarters (76%) of employees see a role for artificial intelligence in benefits management and administration. Unsurprisingly, this sentiment is far more common among Gen Z (86%) and millennials (86%) than among their Gen X (69%) and baby boomer (50%) counterparts.**



*Employer Question: Which, if any, of these steps associated with these benefits do you think can be effectively accomplished through artificial intelligence?*

*Employee Question: For which, if any, of the following steps associated with your benefits would you be comfortable working with artificial intelligence?*

**Pro tip: The power of choice — personalized benefits powered by AI shape the employee experience. Employees are looking for tailored guidance during open enrollment, but not every organization has the resources to provide one-on-one support. Combining AI-enabled benefits tools with a benefits advisor creates a powerful hybrid approach to benefits management. It can help bridge that gap, especially for younger employees who are seeking benefits advisors and ease to navigate online enrollment. Employers who invest in accessible and user-friendly resources that feel personal can build trust, boost understanding and help employees feel more confident in their choices.**





## Section 3

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# **Employee financial fragility + the value of supplemental insurance**



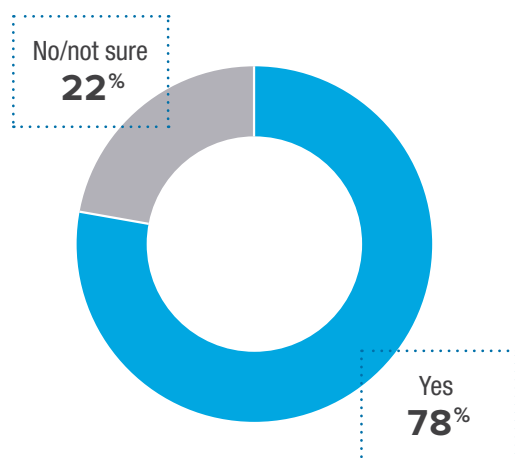
# Financial fragility: A persistent undercurrent in the workplace

Even as employers express confidence in their workforce's financial preparedness, many employees remain deeply vulnerable, especially when it comes to unexpected medical bills. This disconnect is compounded by declining understanding of health care costs and coverage, leaving workers under informed and under protected. Supplemental benefits can help close that gap, offering employees an added financial safety net and increased peace of mind. But as cost concerns mount and perceptions of security decline, organizations must take a more active role in improving benefits education and support, particularly for younger employees still finding their financial footing.

## Employers think their workers are financially stable, but the data says otherwise

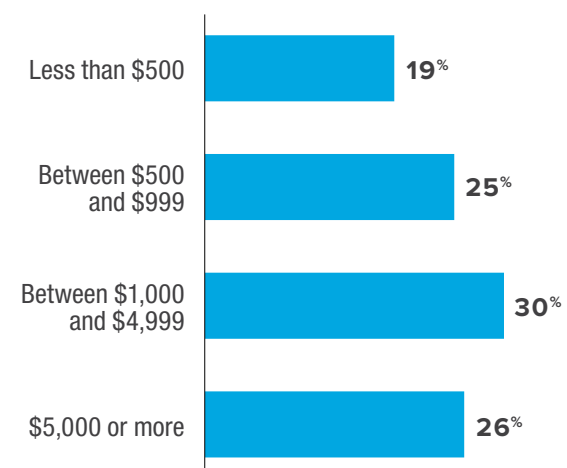
Employers continue to feel confident about their workforce's ability to manage unexpected medical expenses — but that optimism doesn't align with employees' reality. More than 2 in 5 (44%) employees say they couldn't pay \$1,000 in out-of-pocket (OOP) costs, though most employers (78%) believe their employees can meet their financial health care obligations. These aren't just abstract numbers. Rather, they reflect very real anxieties about navigating the cost of care. When employees feel unprepared, it can ripple across their work life, contributing to stress, delayed care and disengagement.

**More than three-quarters (78%) of all employers believe their employees can handle the financial burden of their health care expenses.**



*Question: Do you believe your organization's employees have enough options readily available to help them meet their health care financial obligations (funded HSAs, adequate personal savings)?*

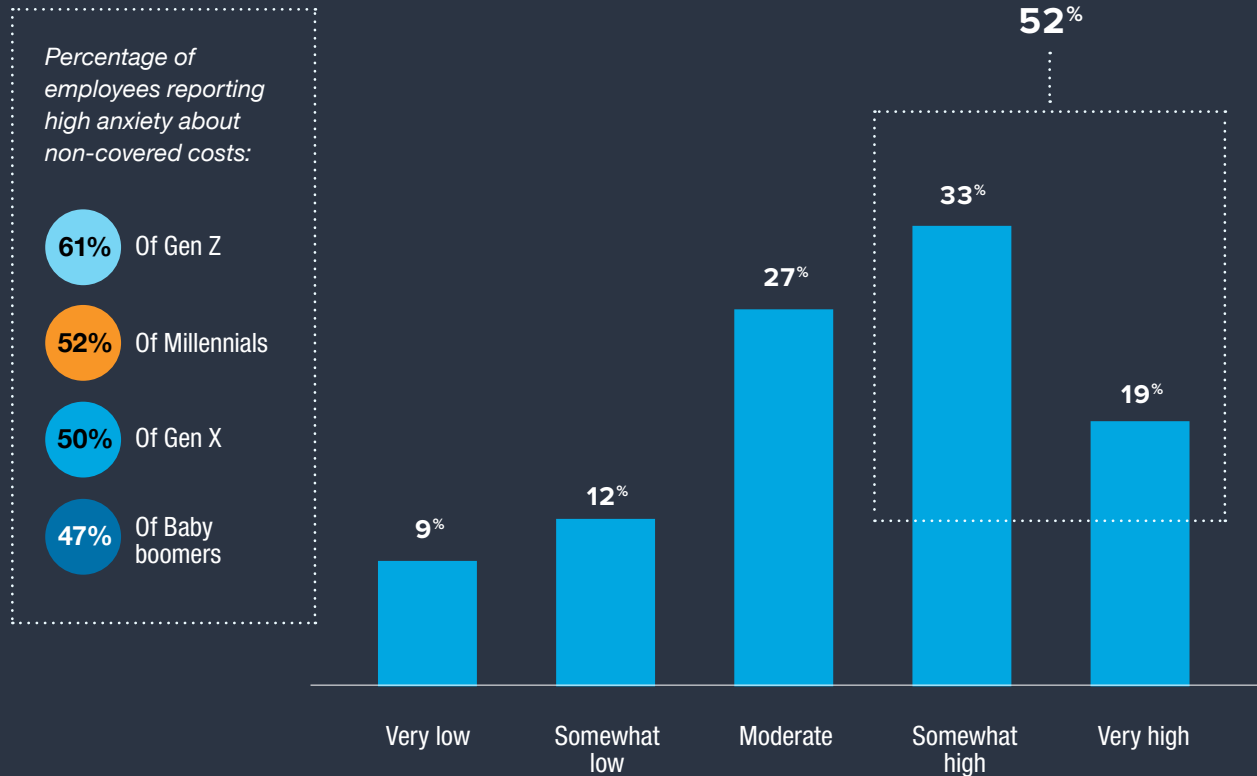
**However, 44% of workers say they couldn't cover \$1,000 in unexpected medical expenses. Nearly 1 in 5 (19%) couldn't even afford \$500 in health care costs.**



*Question: How much would you be able to pay for out-of-pocket expenses if an unexpected serious illness or accident occurred today?*

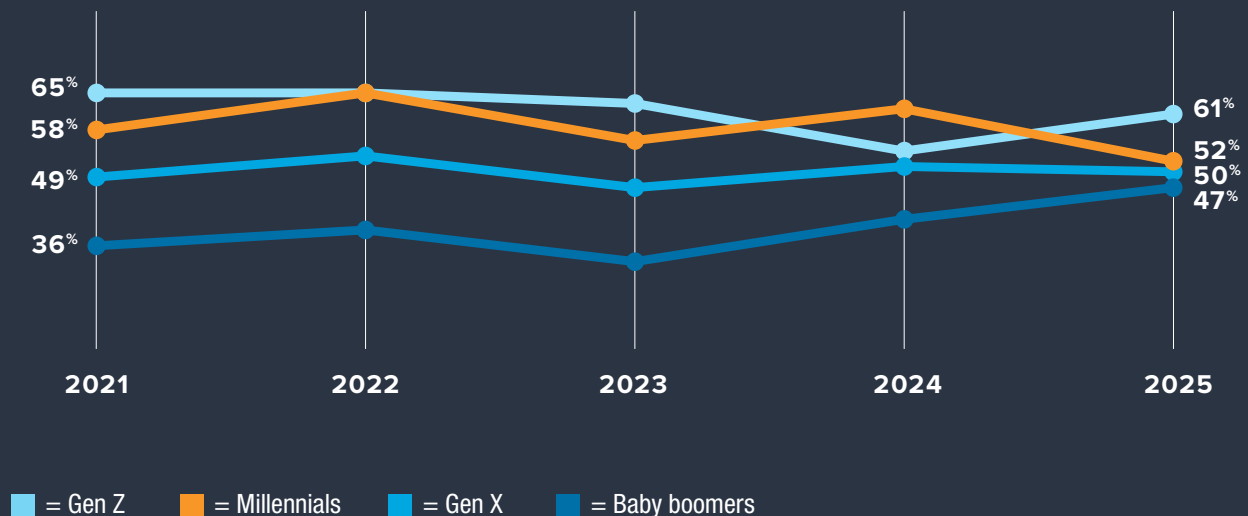


More than half of all employees worry about health care costs that are not covered by insurance, and younger employees feel this most strongly.



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

Medical cost anxiety remains high for Gen Z and has been steadily rising among baby boomers.

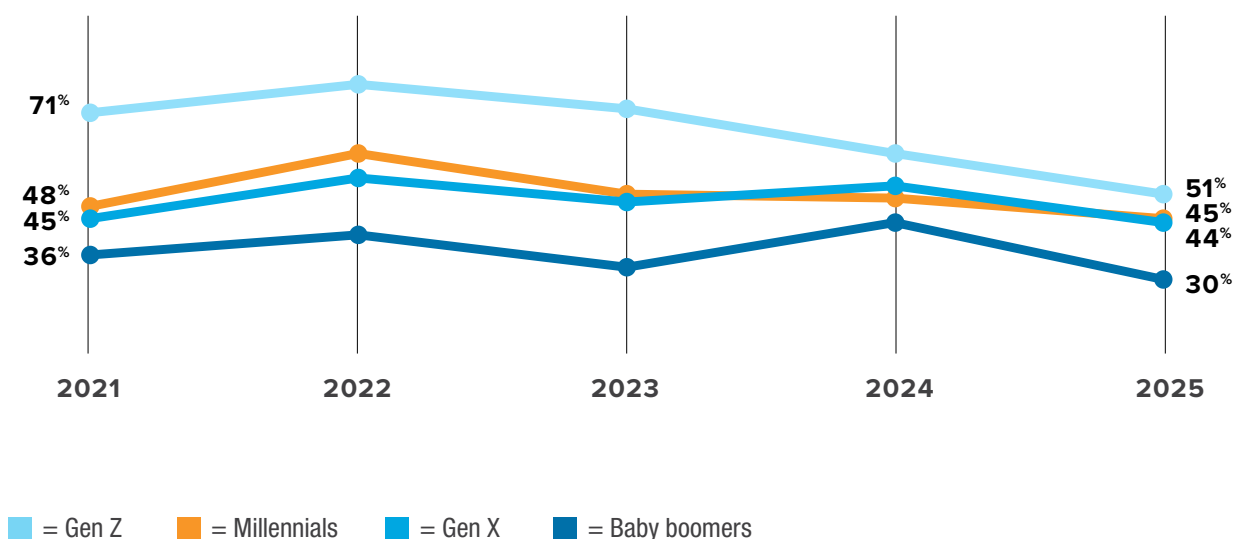


Question: How much anxiety do you feel about health care costs beyond what is covered by your health insurance? // % Somewhat/Very high

## Younger workers remain at risk — fortunately, their financial outlook is improving

Gen Z workers are still the most financially vulnerable, but there are signs of progress. In 2021, 71% said they couldn't afford a \$1,000 out-of-pocket expense. By 2025, that number has dropped to 51%. While encouraging, this still means that half of all Gen Z employees remain exposed to financial hardship from a single medical event. Employers should treat this as a call to action, not a sign to ease up. Younger employees need tools that help them plan, save and feel secure — not just today, but for years to come.

**About half (51%) of all Gen Z workers stated that they would not be able to cover a \$1,000 unexpected OOP expense. This is a significant improvement over time.**



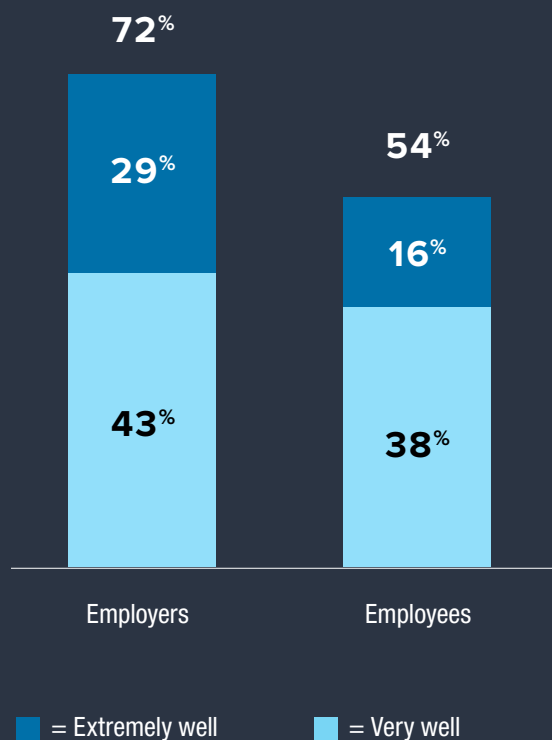
*Question: How much would you be able to pay for out-of-pocket expenses if an unexpected serious illness or accident occurred today? // Less than \$1,000 [NET]*



## Understanding your plan is just the first step, and many aren't there yet

Benefits only work when employees understand them. Yet, this year, fewer workers said they fully understand either their health plan or their total out-of-pocket costs. That knowledge gap can be costly and have long-term consequences. When employees don't understand how their coverage works, they're more likely to delay care, overpay or opt out of important coverage. And with rising medical costs, that uncertainty is becoming riskier than ever.

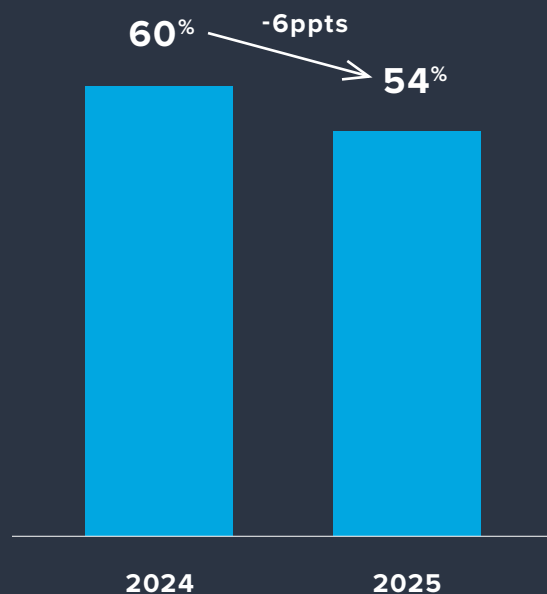
Employers believe that employees have a better understanding of their total out-of-pocket health care costs than they actually do (72% vs. 54%).



*Employer Question: Thinking about health care related expenses, how well do you think your employees understand their total annual costs for health care? // Top 2 Box = Very/Extremely well*

*Employee Question: Thinking about all of your health care related expenses for you and your family, how well do you understand your total annual costs for health care? // Top 2 Box = Very/Extremely well*

Alongside a year-over-year decline in understanding their health care policies (7ppts as illustrated on chart on pg. 14), we see a corresponding decline in employees' understanding of their health care costs.



*Question: Thinking about all of your health care related expenses for you and your family, how well do you understand your total annual costs for health care?*

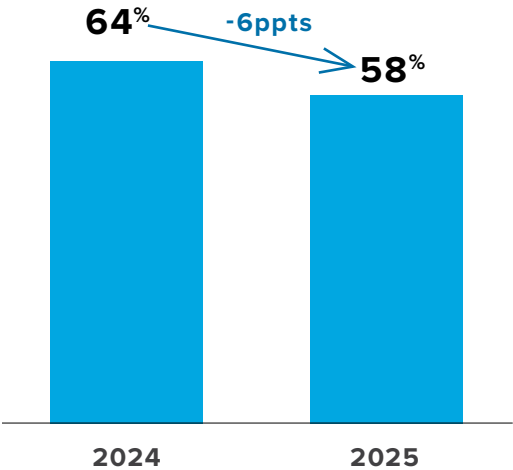




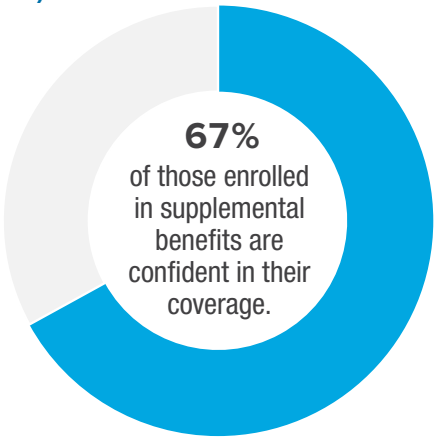
## Supplemental insurance strengthens both coverage and confidence

Traditional health plans rarely offer the full protection employees need, especially when serious illness strikes. In fact, employee confidence in their coverage has declined over the past year, with fewer workers feeling assured they would be well protected if faced with a major health event. That drop in confidence is particularly troubling given how many employees are already just one unexpected expense away from financial strain. This is where supplemental benefits shine. These plans can help fill the financial void that can be left by high deductibles, copays or other unexpected medical expenses. For employees enrolled in supplemental plans, the difference can be tangible: They feel more secure, more confident and more equipped to handle what life throws at them. For employers, promoting and demystifying these benefits represents a meaningful step toward financial wellness, employee trust and a more resilient workforce.

Employees are less confident (58%) than they were a year ago that they will be well-covered (64%) in the event of a serious illness.



Supplemental benefits increase confidence. Two-thirds (67%) of those enrolled in supplemental benefits are confident in their coverage (compared to 58% of employees overall).



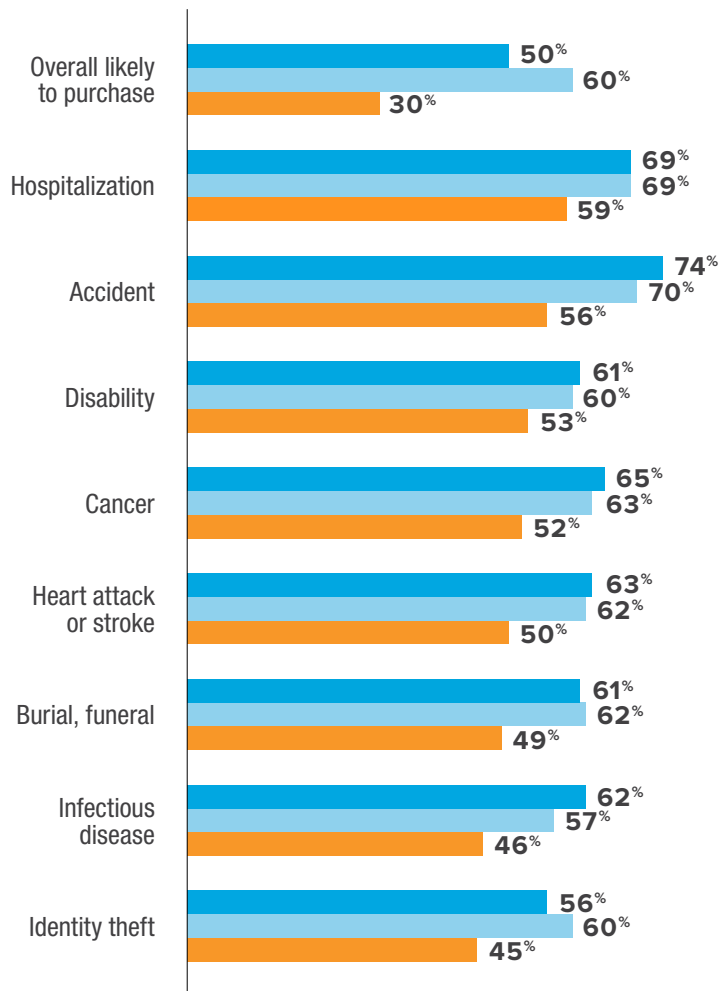
Question: How well do your benefits cover you and your family if you were to come down with a serious illness? // % Very/Extremely well

Benefits play a central role in how Hispanic and African American employees — especially those under 40 — experience the workplace. They expect robust, flexible and comprehensive coverage, and they are more likely to take advantage of offerings like telemedicine, Employee Assistance Programs and voluntary benefits. When employers invest in benefits that reflect these priorities, they lay the groundwork for stronger trust, higher engagement and deeper loyalty among a critical and growing segment of the workforce.

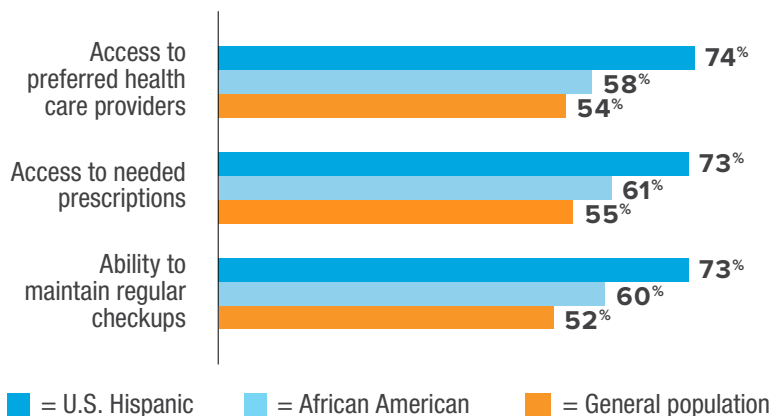
**Hispanic and African American workers are significantly more interested in voluntary benefits overall and demonstrate higher levels of interest in a wide variety of supplemental insurance benefits that help offset financial costs of health care.**

*Question: If your employer offered voluntary insurance benefits, how likely would you be to purchase them? // % Very/Extremely likely*

*Question: How interested are you in purchasing supplemental benefits and/or other insurance plans to help offset financial costs related to ... // % Very/Extremely interested*



**Hispanic and African American workers are also particularly concerned about the impact that any reductions in benefits packages would have on their access to preferred health care providers, prescriptions and regular checkups.**



*Question: You indicated that you expect your employer to change your benefits so they are less generous. How concerned are you about this change on ... // % Very/Extremely concerned*





Well over half (54%) of all American workers view supplemental benefits as a core component of a comprehensive benefits program.



The overwhelming majority (87%) of enrolled employees said they would recommend that a friend or family member should enroll in supplemental benefits and that their supplemental benefits help their financial security (89%).



Nine in 10 (90%) employees believe the need for supplemental insurance is increasing.



Nearly three-quarters (72%) of all employees enrolled in supplemental insurance have used it in the past year.



Yet, only a third (34%) of all employers indicate that they offer supplemental insurance options to their employees.

*“I used the dental insurance benefit this year, which helped cover my child’s orthodontic treatment and routine checkups for my family. It saved us money and gave us peace of mind knowing we could afford necessary care.”*

*— 33-year-old male, New York*

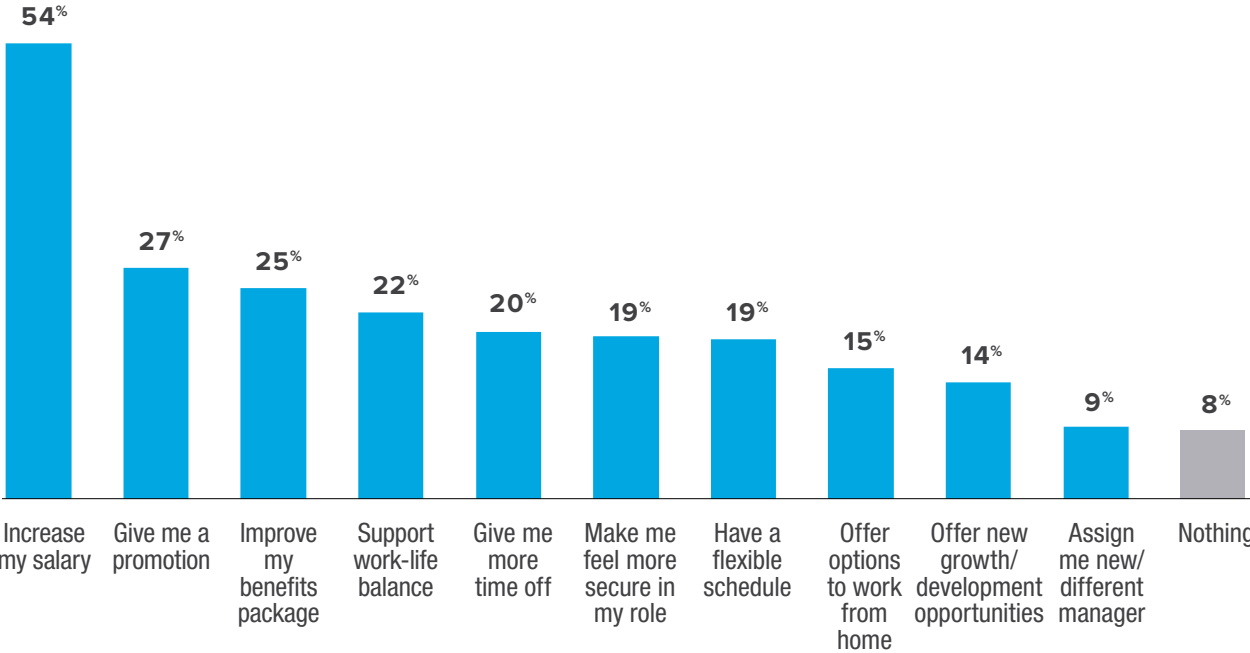
**Pro tip:** Position supplemental benefits as essential components, not only extras. Employees enrolled in supplemental benefits reported higher levels of financial confidence and are highly likely to recommend their plans to others. These offerings help bridge the gap between what major medical covers and what employees need help with, especially when it comes to out-of-pocket expenses. To increase impact, present supplemental benefits not only as optional add-ons, but as core components of a modern benefits package.



### Salary drives decisions, but benefits help cultivate peace of mind

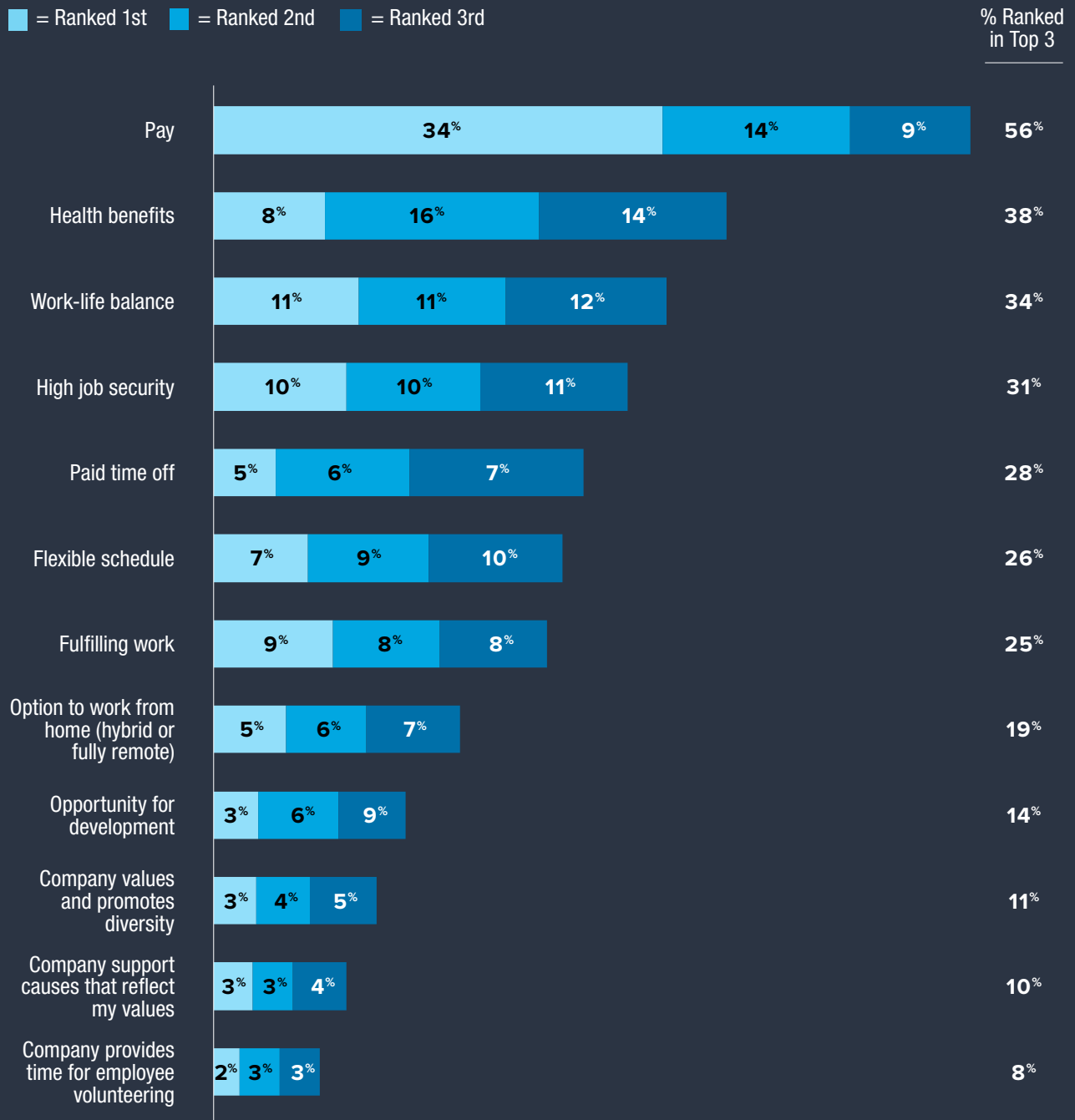
It's no surprise that pay remains the primary motivator when it comes to staying at or leaving a job. But benefits still play a crucial supporting role, especially when they help reduce financial stress. Employees who feel protected and informed are more likely to stay loyal. The takeaway? Compensation strategies must be comprehensive. **A strong benefits package can't replace a competitive paycheck but can reinforce it.**

**Salary is the top driver of employee loyalty, but benefits remain an important piece of the equation. One-quarter of employees said improvements to a benefits package could keep them in their job.**



Question: Which of the following, if any, could your employer do to keep you in your job?

Pay also leads job search considerations, but health benefits are critical as well, ranking second in overall importance (38%) when employees evaluate a new job opportunity.



Question: Please rank the following in terms of their importance to you when looking for a job ...

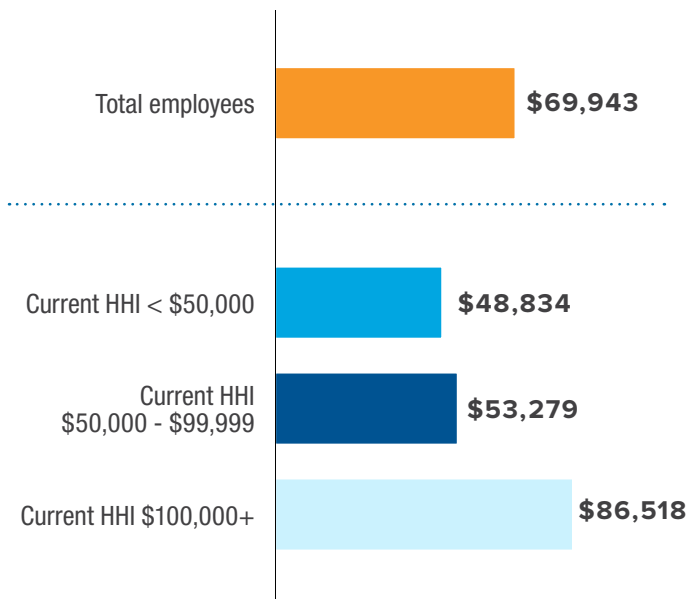


## Perceptions of income are as emotional as they are economic

When asked how much more they'd need to earn to feel financially secure, employees across income levels reported substantial gaps. But here's the twist: Those earning \$100,000 reported the largest desired increase, suggesting that financial stress isn't always tied to income. Expectations rise with salary, and financial security becomes as much about confidence and lifestyle as it is about the numbers. That's why it's critical for employers to offer benefits that help create stability, not just compensation.

**On average, employees said they'd need to earn nearly \$70,000 more per year in order to feel financially secure, and even high earners aren't exempt. In fact, desired income increases as current earnings increase, with high earners looking for \$87,000 more annually. This suggests that financial stress is universal, not limited to lower-income workers.**

**Average difference between current and desired salary to feel financially secure**



*Question: Thinking about your current expenses and future goals, what would your ideal annual salary be to feel financially secure not wealthy, but comfortable and stable? Gap between current income and desired income. Proxy estimate of current individual income is based on household income (HHI) and relationship status (HHI divided by 1.75 for partnered respondents).*



**Pro tip: Reassess your assumptions — and ask employees directly. Many employers believe their workforces are financially secure, but survey results reveal a significant disconnect between perception and reality. Don't rely solely on internal assumptions or anecdotal feedback from senior staff. Instead, gather input directly from employees through anonymous surveys, listening sessions or benefit utilization data to get a clearer picture of where financial vulnerabilities exist and how your benefits strategy can better support those needs.**





## Section 4

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# **Mental health + well-being in the modern workplace**

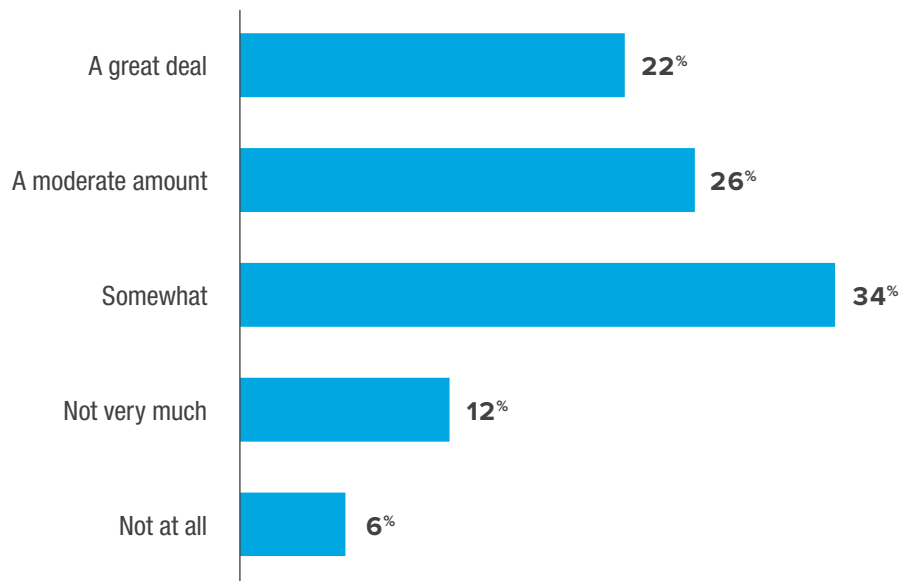
# Burned out, checked out: Why mental health deserves our attention

Mental health remains a defining issue in the modern workplace. While employers believe they are offering support, the message isn't always getting through. Fewer employees in 2025 believe their organization truly cares about their mental well-being, and those who feel unsupported are significantly less satisfied, more likely to experience burnout, and more likely to seek new employment. At the same time, the profile of burnout response is shifting: Traditional programs like EAPs are losing traction, while schedule flexibility, additional PTO and mental health/self-care resources are gaining momentum. For employers hoping to retain top talent, mental health support must go beyond a benefits brochure — it must be felt in the everyday experience of work.

## Employees aren't convinced their employers care about them, and that belief shapes everything

Employees who feel supported by their employer tend to be more satisfied with their jobs and more loyal to their organization. But today, fewer workers believe their employer truly cares about their mental health. That perception gap isn't just symbolic: It's strongly associated with key outcomes like job satisfaction and retention. Workers who don't feel supported are more likely to burn out, consider leaving or disengage. This is a powerful reminder that well-being must be visible, intentional and woven into everyday culture, not just an HR talking point.

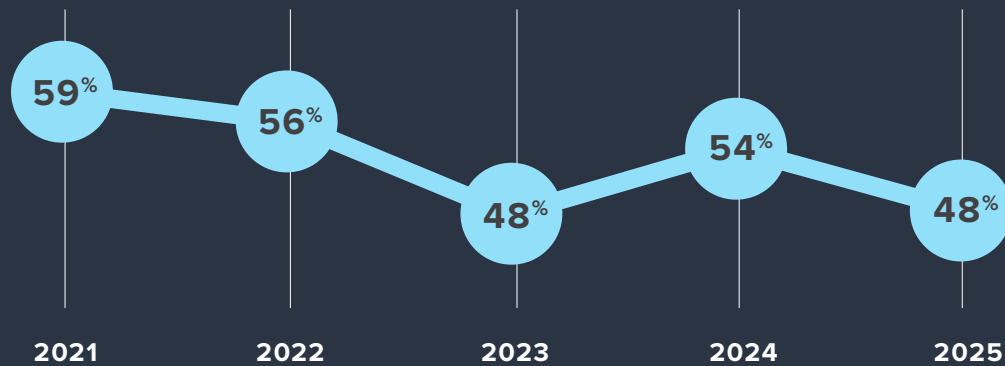
**More than half  
(52%) of employees  
feel that their  
employer only  
cares about them  
somewhat or even  
less, representing  
a significant  
opportunity for  
improvement.**



*Question: How much do you believe your employer cares about your overall mental health?*



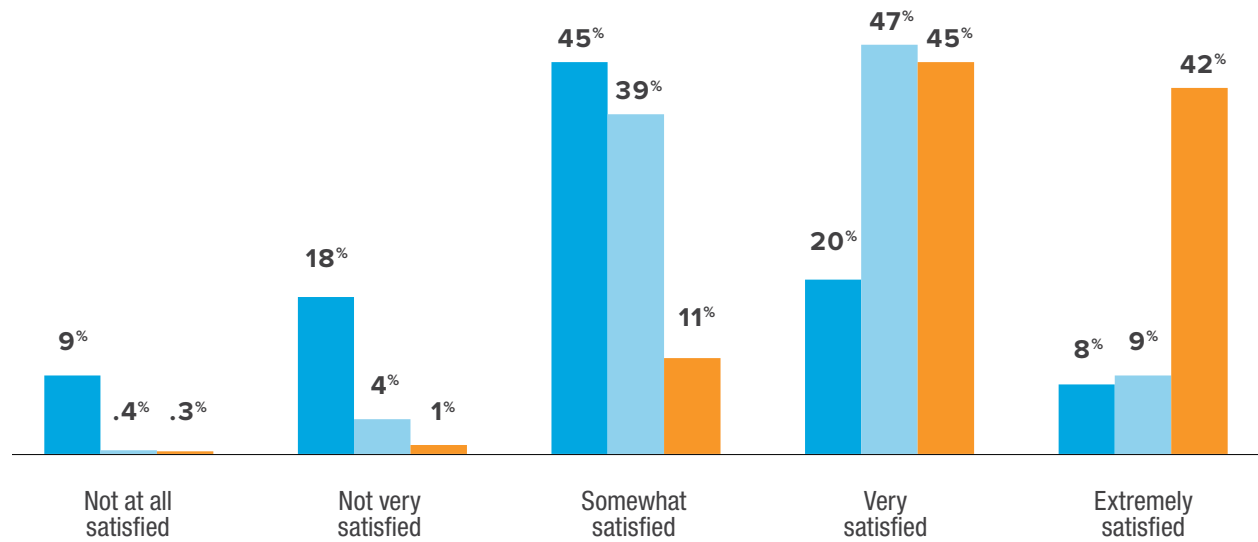
Compared to 2024, fewer employees are confident that their employers care about their overall mental health (down from 54% to 48%).



Question: How much do you believe your employer cares about your overall mental health? // % A great deal/A moderate amount



A decline in employee confidence regarding mental health is particularly concerning because this sentiment is directly correlated with overall job satisfaction...

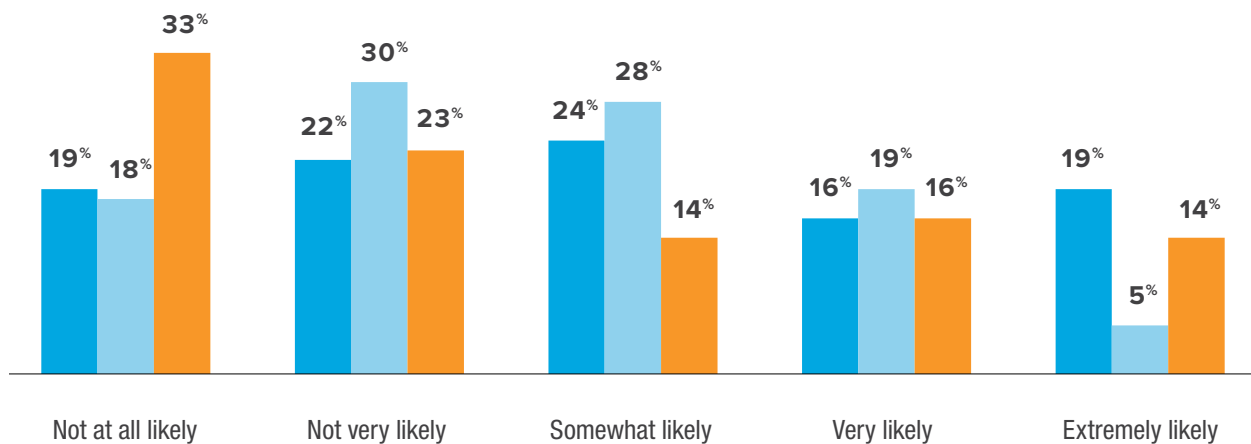


■ = Does not believe employer cares   ■ = Believes employer cares somewhat   ■ = Believes employer cares

Question: How much do you believe your employer cares about your overall mental health?

Question: Overall, how satisfied are you with your job?

... as well as negatively associated with one's likelihood to search for a new job in the next 12 months.



■ = Does not believe employer cares   ■ = Believes employer cares somewhat   ■ = Believes employer cares

Question: How much do you believe your employer cares about your overall mental health?

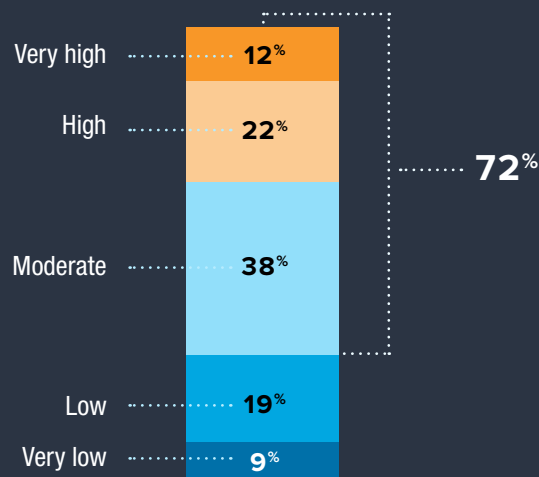
Question: How likely are you to look for a new job in the next 12 months?

## Stress and burnout are high, and it's coming from all directions with heavy workload mostly to blame

The mental load employees are carrying doesn't end when they log off at the end of the day. While nearly three-quarters of the workforce reported moderate to high workplace stress, life beyond the office also is taking a toll. Financial worries, caregiving responsibilities and a general sense of uncertainty are all contributing to burnout levels that remain alarmingly high. Mental health strain is widespread, but the sources of stress vary by life stage — from managing daily life among younger workers to political concerns and uncertainty about the future for those in midlife. For employers, addressing mental health requires a holistic approach that considers the full picture of what employees are managing, both on and off the clock.

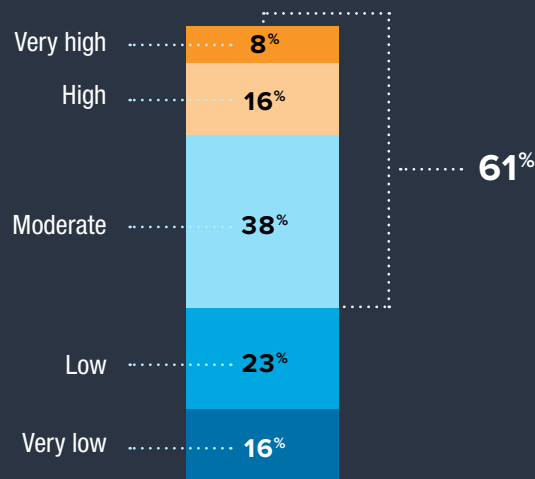


High levels of workplace stress exist among employees, with nearly 3 in 4 reporting at least a moderate level of stress.



Question: How would you quantify the amount of workplace stress you experience?

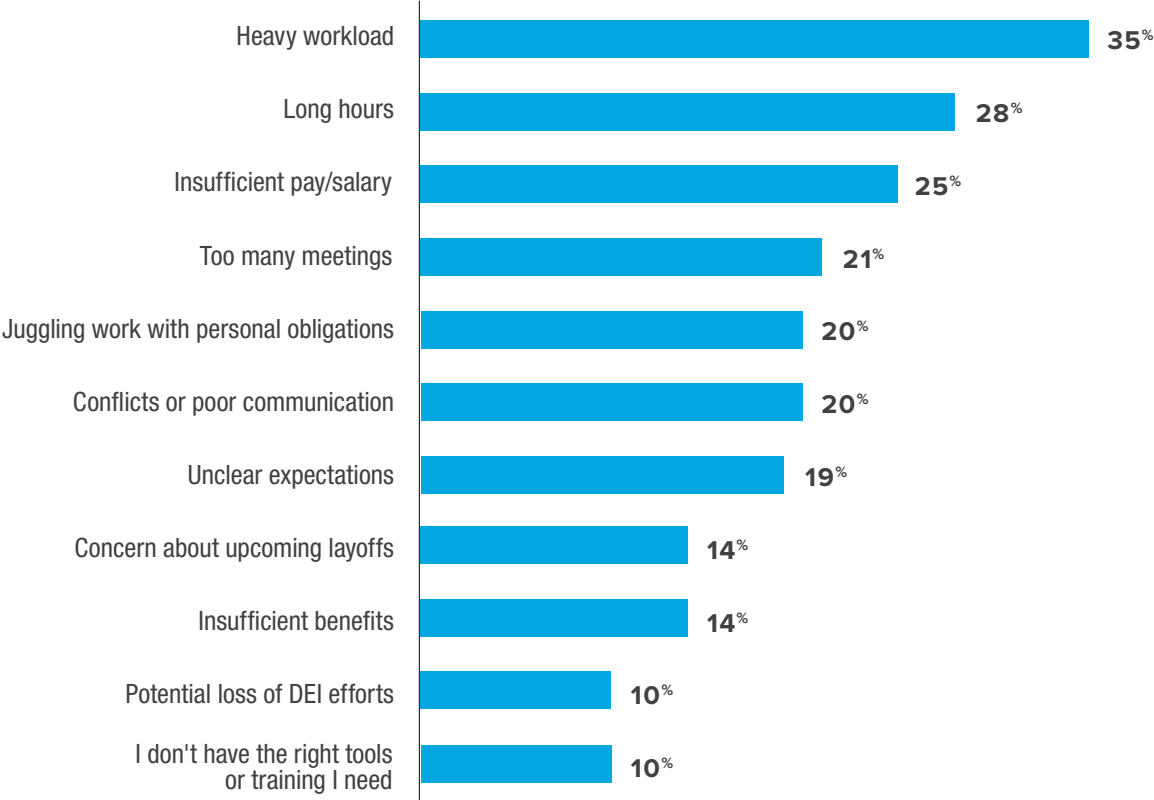
More than 3 in 5 (61%) employees report currently experiencing at least a moderate level of burnout.



Question: How would you rate your current level of burnout?



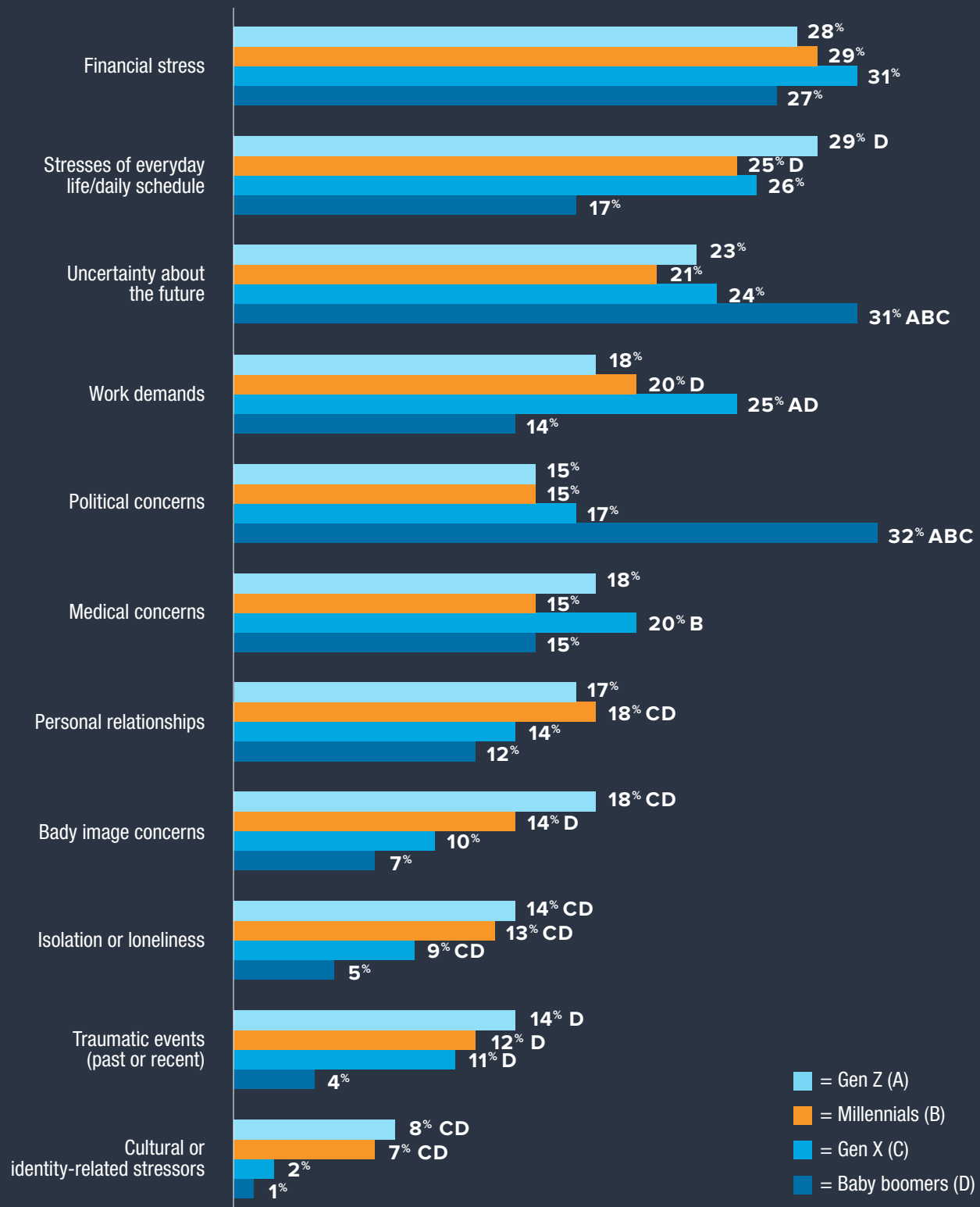
Heavy workloads are the primary culprit of workplace stress (35%), though there are myriad contributing factors.



Question: Which of the following cause you the most stress at work?



And it's not just work that's causing stress. Four in 5 workers are feeling stressed due to external factors. The top sources of stress vary by generation and are closely tied to life stage. Finances, the stress of juggling it all and uncertainty about the future are in the top three for all generations.

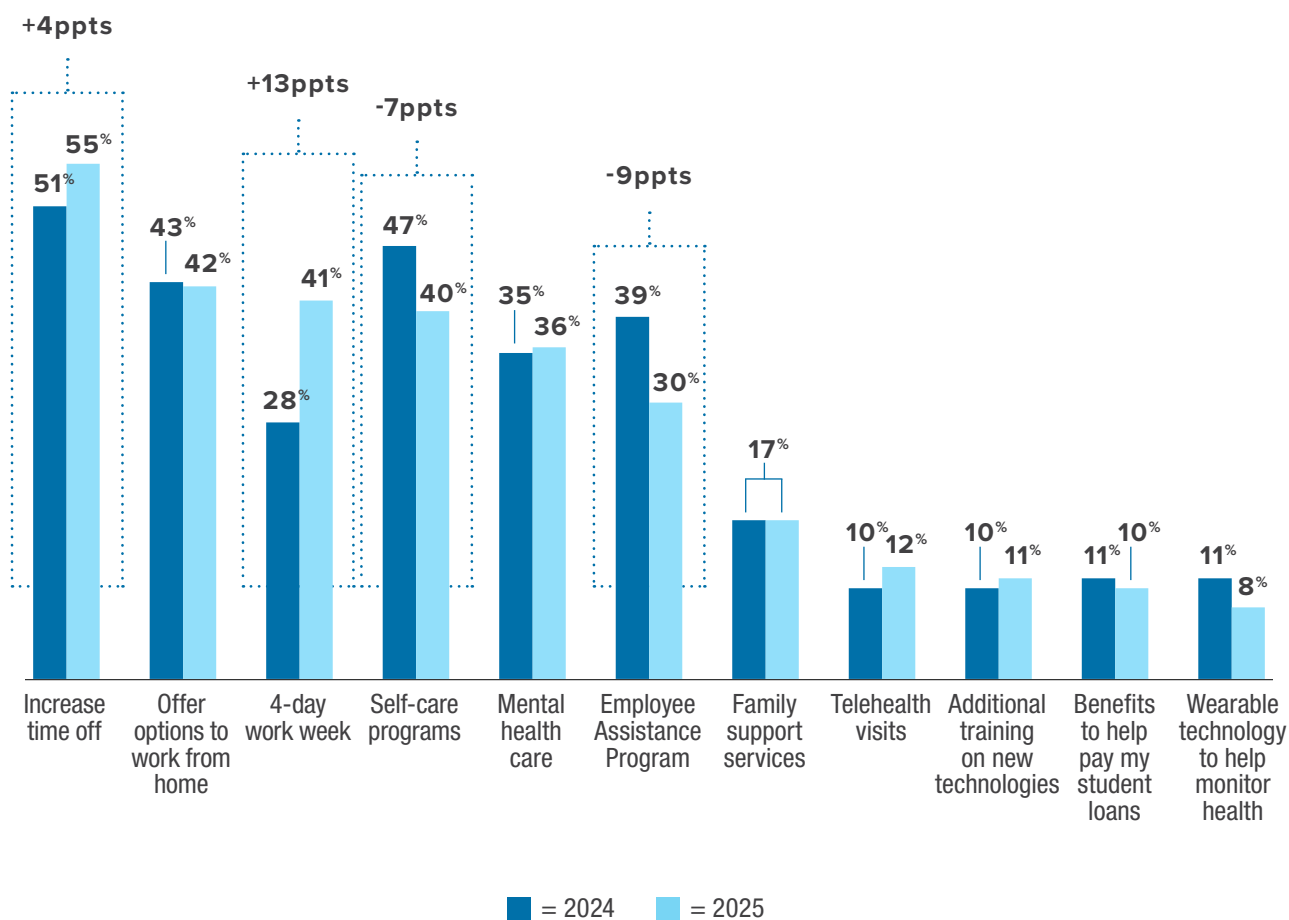


Question: Which, if any, of the following are causing you the most stress currently? // Letters indicate which groups are significantly different from each other.

# Workers are looking for more creative workplace structure options to ease burnout

Burnout isn't a mindset but a systemic issue. And workers are increasingly clear about what would help: more time off and greater flexibility, not just wellness webinars or EAP brochures. While traditional support resources still have a role to play, employees are shifting their priorities toward structural change. Compared to last year, interest has grown to expanded PTO and mental health/self-care resources — tangible shifts that allow employees to actually recharge. Organizations looking to reduce burnout should focus on rethinking how work is structured, not just how it's supported.

For employees, the desired strategy to address burnout is shifting from traditional support programs in favor of schedule changes. Interest in increased time off has grown over the past year, paired with declining interest in more traditional self-care and Employee Assistance Programs.



Question: Which of the following would be most useful with helping you deal with burnout or personal mental health concerns?

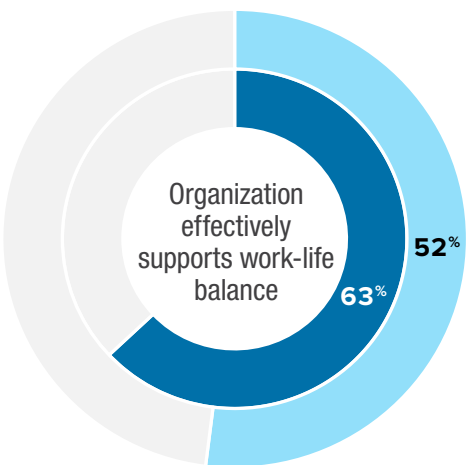
**Pro tip: If your burnout strategy starts and ends with an app, it's time to recalibrate. Employees are asking for structural change in the workplace, not just yoga classes and stress management tips. Rethink the pace of work, evaluate time expectations and reconsider how to increase flexibility in workstreams.**



# Work-life balance matters — but employees and employers are not aligned

Work-life balance has become a core expectation, but employers and employees are not on the same page. While almost two-thirds (63%) of employers believe they support balance, just over half (52%) of employees agree. The disconnect lies not in policies, but in practice. Employees define support by whether their PTO is respected, whether they have location and schedule flexibility, and whether they're evaluated on output rather than hours. These cultural signals, especially how leaders model time off, shape how supported employees truly feel. To build trust and reduce burnout, organizations should consider doing more than offer flexibility. They should strive to normalize it.

About half (52%) of all employees feel that their employers effectively support work-life balance; compared to 63% of employers who think they are doing a good job.

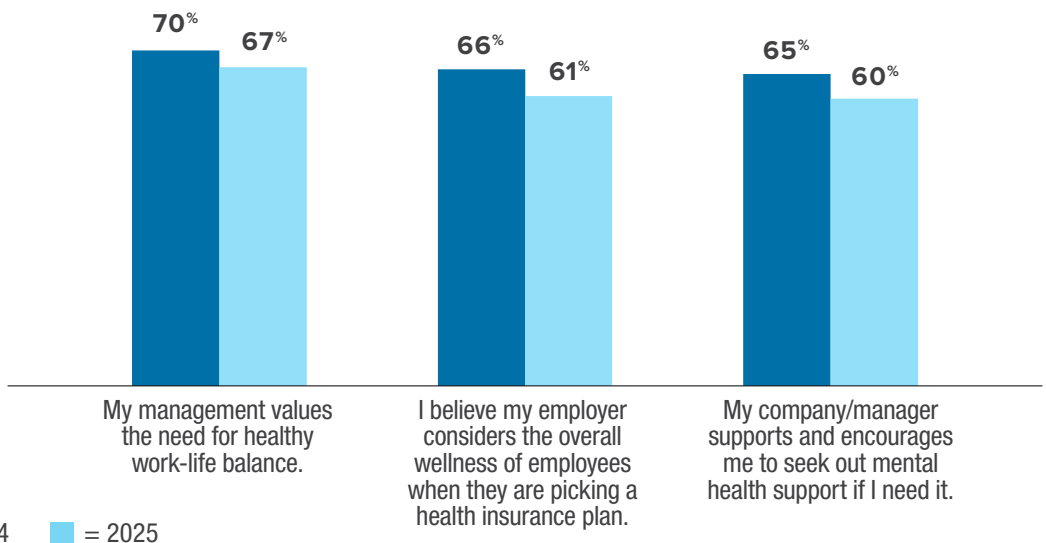


■ = Employees   ■ = Employers

Employer Question: In your view, how effectively does your organization support employees' work-life balance?  
// % Very/Extremely effectively

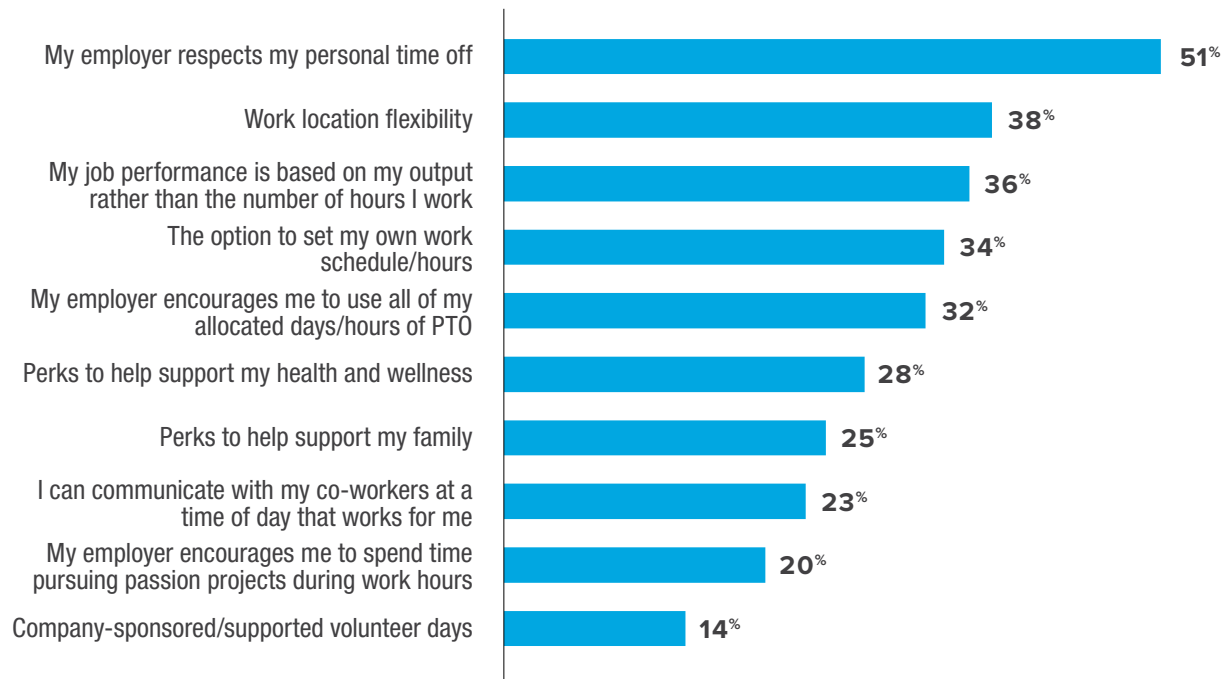
Employee Question: In your view, how effectively does your organization support your work-life balance?  
// % Very/Extremely effectively

There are signs of backslide in employee confidence in how much their organizations support them, which aligns with the year-over-year decline observed in employee perceptions that their organizations care about their overall mental health. This should serve as a warning sign to employers regarding work-life balance.



Question: To what extent do you agree or disagree with the following statements? // % Somewhat/Strongly agree

About half (51%) of all employees said respect for time off is the most critical contributor to work-life balance. Flexibility (location, time) and output-based performance also are highly important.



Question: There are many factors that could contribute to a positive work-life balance. In your opinion, what are the most important factors in achieving a positive work-life balance? // % Ranked in Top 3

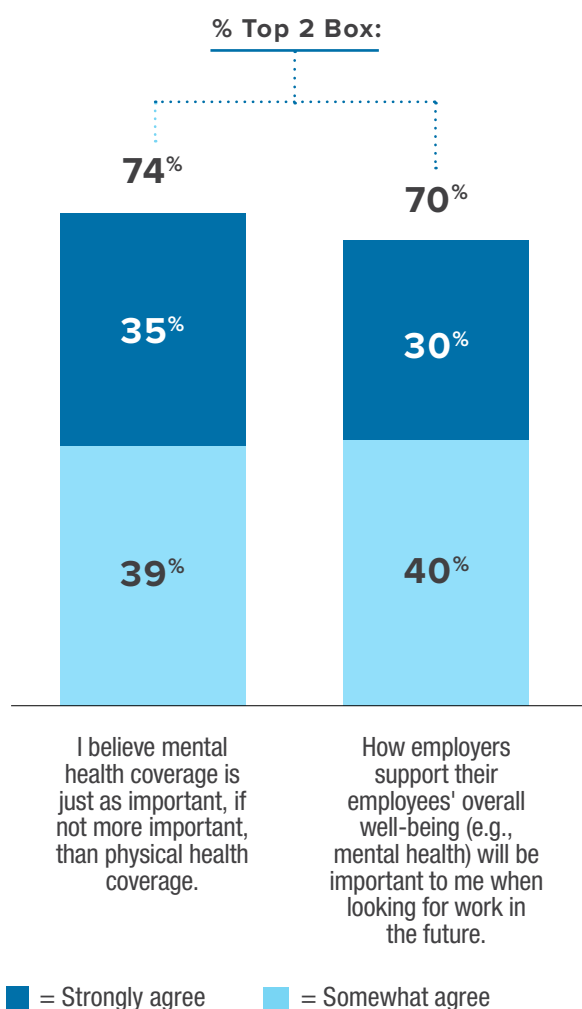
**Pro tip:** Don't assume your intentions are obvious. Many employers believe they're supporting mental health, but perception matters more than policy. Employees need to feel that support in how managers lead, how PTO is respected and how flexibility is encouraged.



## Employees say mental health benefits are non-negotiable

Mental health support is no longer a nice-to-have but a key factor in job decisions. Nearly three-quarters of employees said mental health coverage is as important as physical health coverage, and more than two-thirds said it will influence whether they stay or accept a job offer. As employees increasingly view benefits as an expression of company values, mental health coverage becomes a litmus test for how much an employer really supports its people. Organizations that treat these benefits as a strategic priority and communicate them as such will be far better positioned to attract and retain top talent.

**About 3 in 4 (74%) employees agree that mental health coverage is as important as major medical and over two-thirds (70%) say an employer's support of mental health will factor into future job decisions.**



Question: To what extent do you agree or disagree with the following statements?

// Top 2 Box = Somewhat/Strongly agree

This sentiment is even more common among younger generations, meaning it will only grow in importance as baby boomers retire and Gen Z and millennials represent a larger proportion of the workforce.

*“How employers support their employees’ overall well-being will be important to me when looking for work in the future”*

78% Of Gen Z

73% Of Millennials

68% Of Gen X

56% Of Baby boomers

Question: To what extent do you agree or disagree with the following statements?

// % Somewhat/Strongly agree



A photograph of three diverse professionals in a modern office setting. A man in a light blue shirt is leaning over a desk, pointing at a tablet held by a woman with dreadlocks. Another man is partially visible on the left, looking at the tablet. The background shows large windows with a view of greenery outside.

## Section 5

# **Fostering a sense of belonging in the workplace**



# Teamwork, relationships with bosses and job security are key drivers of satisfaction, loyalty and improved culture

Fostering a sense of belonging in the workplace may be the secret to the most successful organizations. When employees feel like they belong, satisfaction rises, burnout drops and engagement deepens. This sense of connection touches nearly every aspect of employee experience, shaping how people feel about their roles, colleagues and organization. Yet not all work arrangements cultivate belonging equally. In this new era of hybrid work and shifting cultural expectations, organizations must move beyond programmatic checkboxes and build cultures that genuinely support teamwork and opportunities to succeed.

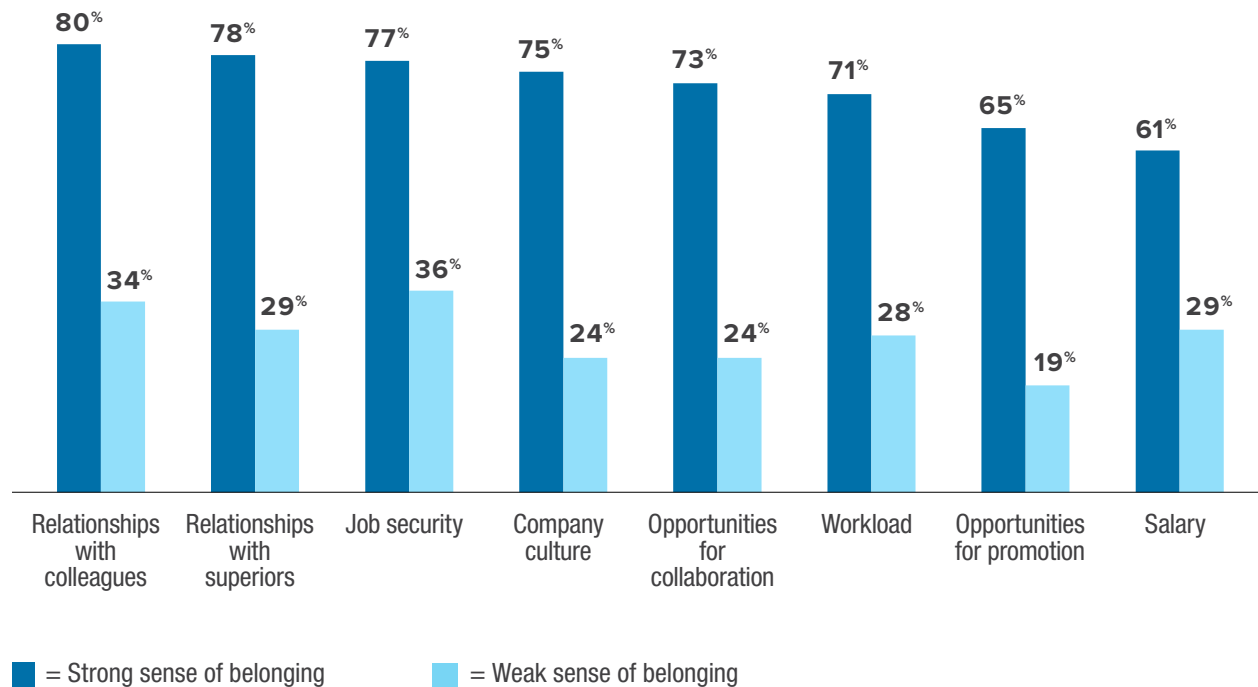
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## A sense of belonging is the foundation for confidence, satisfaction and stability

Employees who feel like they belong are thriving, and not just emotionally. They reported higher satisfaction across the board: from relationships with colleagues and managers to confidence in job security and promotion potential. They're less likely to burn out, more likely to stick around and even more likely to advocate for themselves. A sense of belonging touches nearly every key metric, suggesting it may be one of the more powerful drivers of employee well-being and organizational success.



Employees who feel a strong sense of belonging at work tend to report much higher overall job satisfaction (77% vs. 28%) as well as greater satisfaction with...



Question: Overall, how satisfied are you with your job? // % Very/Extremely satisfied

Question: And how satisfied are you with each of the following components of your job? // % Very/Extremely satisfied

## They also tend to ...



Cultivate upward mobility, with plans to ask for a raise in the next year (45% vs. 31%)



Experience far less workplace stress (30% vs. 56%) and lower levels of burnout (55% vs. 78%)



Demonstrate greater loyalty with a much lower likelihood to plan a job search over the next year (27% vs. 44%)



Report better work-life balance (81% vs. 40%)

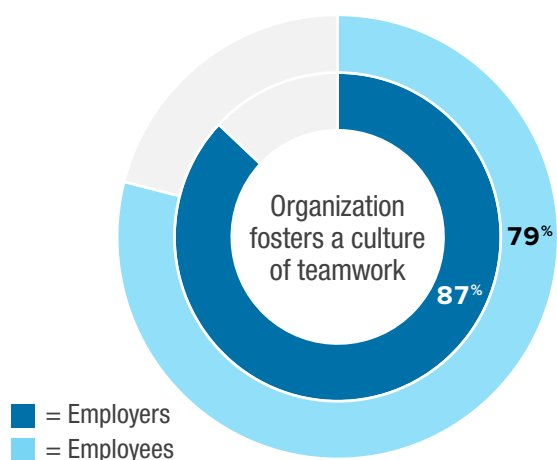




## Hybrid work may offer a hidden key to connection

Most employees say their workplace fosters a strong sense of teamwork, but hybrid workers are the most likely to feel this way. That may be because successful hybrid organizations have learned to be more intentional about creating systems of connection. They're not assuming teamwork happens by default. Rather, they're integrating it into the culture. In contrast, on-site organizations may take these things for granted, and companies with exclusively remote models may struggle to recreate it. The data suggests hybrid could be the sweet spot.

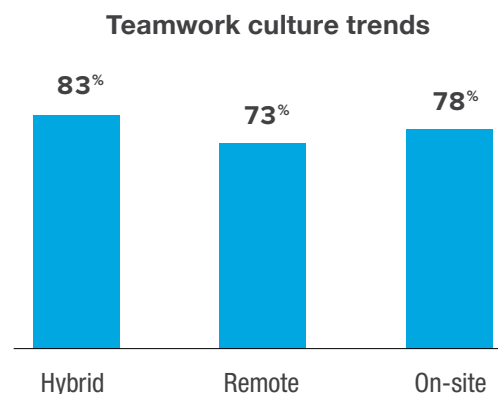
**Most (79%) employees agree that their organizations successfully foster a sense of teamwork among employees, though employers tend to have a rosier view of their own efforts on this front (87%).**



*Employer Question: How strongly do you agree or disagree with the following statement: "Our organization does an excellent job fostering a sense of belonging among all of our employees." // % Agree/Strongly agree*

*Employee Question: Does your organization foster a culture of teamwork among employees? // % Yes*

**Interestingly, employees with a hybrid work arrangement are the most likely to feel a strong sense of teamwork at their organizations (83%), with remote employees the least likely (73%).**



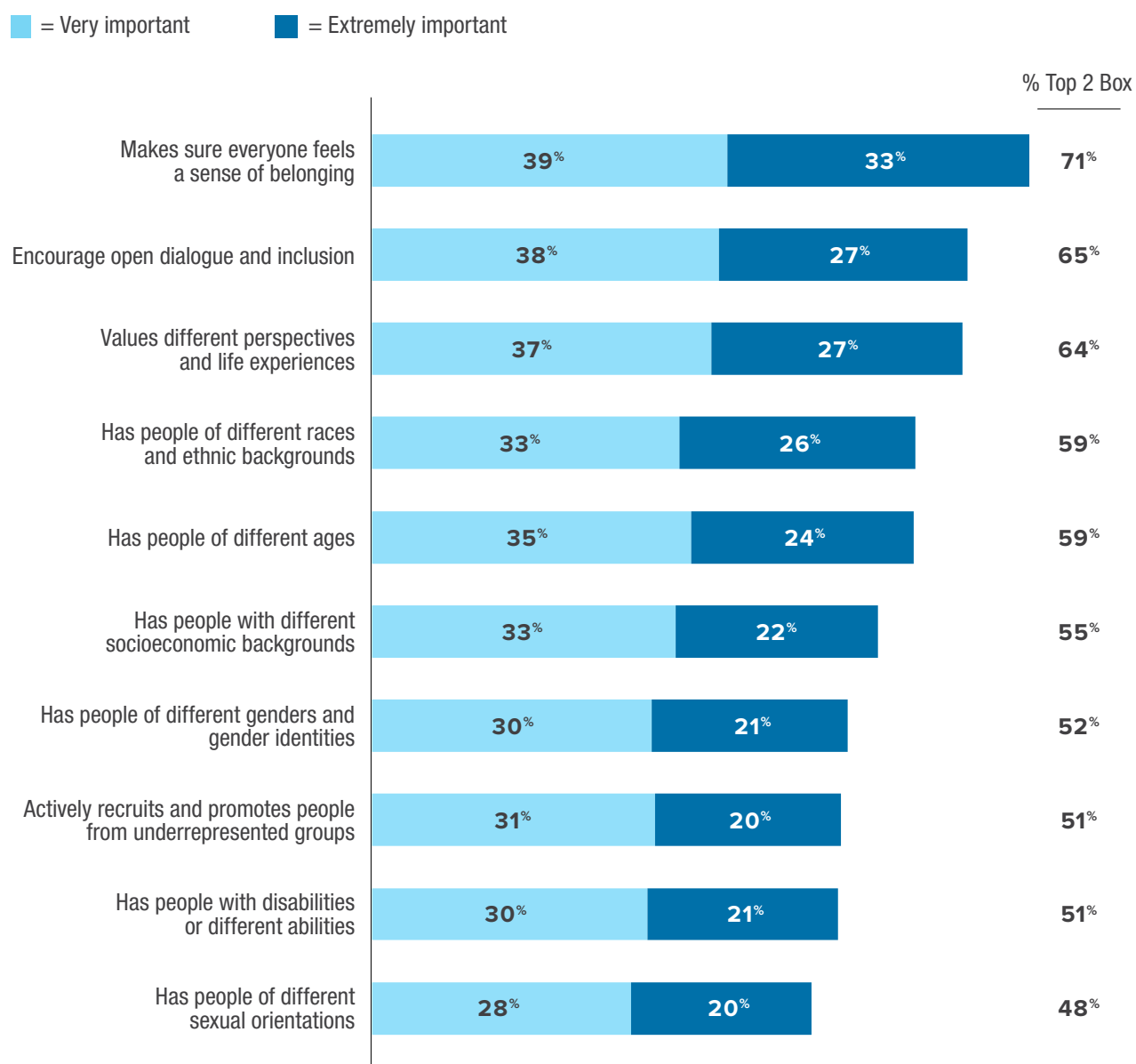
*Question: Does your organization foster a culture of teamwork among employees? // % Yes*

*Question: Which of the following best describes your current working arrangement?*

## Leading with authenticity matters

While diversity remains an important priority, the survey results suggest that an overarching sense that their company values open dialogue, is open to different opinions and makes employees feel like they matter. Workers want to feel seen, heard, supported and included. That means prioritizing real experiences like flexibility, acknowledgment and shared values. Inclusion and opportunity must be built into the lived culture, not just posted on the website and walls.

### Employees express greatest interest in programs that foster authentic belonging, inclusion and varying perspectives and life experiences...



Question: How important is it to you personally to work at an organization that ... // Top 2 Box = Very/Extremely important

## Culture backed by action fuels belonging

Employees who feel a strong sense of belonging tend to work in organizations where culture shows up in meaningful ways every day. These companies prioritize flexibility, encourage open conversations about mental health and create space for people to manage their lives without judgment. Workers in these environments feel trusted and supported — not because of big initiatives, but because the day-to-day experience reflects those values. From respected time off to participation in social impact efforts, belonging is often built through consistent, intentional actions that signal employees are valued, seen and heard.

### Employees who feel a strong sense of belonging at their organizations tend to report that...



They are given a good amount of flexibility related to working hours (78% vs. 57%), remote work (59% vs. 44%), taking time off when needed (86% vs. 65%), and managing personal obligations (85% vs. 68%)



Their organizations are involved in corporate social responsibility efforts (87% vs. 58%) and they are more than twice as likely to participate in these efforts (51% vs. 22%) when they are sponsored by the organization



Their organizations are very supportive of work-life balance (62% vs. 23%) and care deeply about their overall mental health (60% vs. 15%)



Their organizations are leading the charge on mental health, having more conversations about mental health than they were a year ago (45% vs. 17%)

**Pro tip: Foster a sense of belonging with intentionality and consistency to ensure everyone feels valued and included. The everyday signals employees receive from leadership, peers and company policies matter more than polished diversity statements and programs. Managers should be trained to lead with empathy, that flexibility isn't just offered but encouraged, and that inclusion is embedded into team dynamics. If people see these values in action, they're far more likely to feel like they belong.**



## 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% and Top 2 Box may appear higher or lower 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](https://aflac.com/AWR).

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