

Anticipate 2025 benefits trends to help your clients retain and recruit top talent



Trends come and go, but one that has stood the test of time is recruiting and retaining top talent. Health care costs continue to rise from year to year, which can either make or break the talent your clients keep or acquire. With that in mind, a competitive benefits package with a creative approach such as supplemental benefits, can become the difference maker in your clients attracting the best talent within their industry.

The cost of health care remains a barrier

U.S. families continue to feel the strain of high health care costs – even at the high-income level. In fact, 9% of households earning more than \$100,000 year said they were spending more than they were earning (28% of households earning less than \$50,000 said the same)¹ According to the Aflac WorkForces Report from 2024, 54% of employees say that inflation has hurt their finances over the past year.²

The cost of health insurance benefits certainly is a part of that. Due to the uptick in health care costs, insurance premiums increased by 7% in 2024.³ With a rise in everyday costs and health care benefits, employees look to their employers to accommodate for those aggressive costs.

That is where the challenge lies for you and your clients. Employers, and their brokers, are having to prioritize cost consciously solving this benefits dilemma. Exacerbating the issue, many are focusing on making cost-cutting changes to their 2025 plans, which can cause new financial challenges for your clients' employees often including higher deductibles and out-of-pocket costs.⁴

Doing anything that could upset employees isn't smart in today's employment market. After all, employee retention was the No. 1 operational priority for organizations in 2024, coming in ahead of revenue, innovation and growing market share.⁵ Benefits play a key role here, with 9 in 10 employers saying that benefits are critical for attracting and retaining talent.⁶ If employees aren't pleased with the changes to their benefits, they might consider going elsewhere – further impacting your clients productivity and bottom line.

Supplemental insurance can be one asset that helps employers reconcile the concern of losing talent by helping employees close the gap of out-of-pocket costs not covered by their major medical insurance. There is little to no cost to employers as premiums are payroll deducted, and the price runs low for employees at usually just a few dollars per pay period.



Employee wellness is critical – and ambiguous

Only 44% of employees rate their well-being as positive, a seven-point decline from last year,⁷ but more than half, 54%, are confident that their employers care about their well-being. This is an improvement from 2023, where only 48% believed their employers cared.⁸

But it's difficult to know which wellness programs to build on with a multigenerational workforce. Mental wellness remains top of mind for Gen Z, while baby boomers are more likely to prioritize physical wellness.⁸ To build robust wellness offerings, employers need to look at the full spectrum of their workforce and develop programs accordingly.

One area of need jumps out: preventive care. Nearly half of the U.S. population has at least one chronic disease, yet many conditions are preventable through lifestyle changes and early detection.^{9,10}

When you help make wellness and preventive care readily available for your clients, they're building trust among employees while also relieving themselves of the shortfall triggered by absenteeism and productivity in relation to chronic conditions. Some absenteeism is inevitable, and short-term disability plans can help employees cover their expenses. But with benefits paid directly to employees for routine preventive care, such as wellness benefits available on many Aflac plans, health concerns – and therefore the need for absence management plans – can be minimized.

The workplace is more diverse than ever

A diverse workforce isn't just about demographics such as race, age and ability. It's also differences in working environments: 84% of employers say that some of their employees work remotely at least part of the time.⁶ This gives employees the flexibility they crave, but it brings its own challenges for benefits. More than a quarter of employers say they see communicating with and educating remote employees as one of their biggest benefits hurdles.⁶

Age is another key point of diversity, and roughly a third of all employers say it's difficult to meet the needs of a multigenerational workforce.⁶ In addition to varying perspectives on wellness, their attitudes toward benefits diverge. For example, Gen Z – the youngest group of employees – is at a life stage when they're likely to be active and take more physical risks than older generations.

Though the more active lifestyle, Gen Z employees remain the most financially vulnerable with 61% unable to handle a \$1,000 medical bill. Meanwhile, baby boomers, who have historically been more financially stable, are experiencing a surprising decline in their ability to handle unanticipated expenses. Far more baby boomers are unable to handle a \$1,000 medical expense than in 2023 – an 11% rise.⁸

This shift suggests that while younger workers are still at high risk, they are gradually establishing their financial footing, while older generations may be becoming more vulnerable.

One thing holds true across generations: Regardless of age, members of the workforce are dissatisfied with their work lives.¹¹ Developing flexible, opt-in benefits packages that consider different lifestyles and generational needs may help your clients meet their retention and recruitment goals.



Employees need better benefits education

Less than half, 43%, of employees say they understand everything about their benefits.⁸ That means they're not taking advantage of potential boosts to their financial, mental and physical well-being – and not fully appreciating what their brokers and employers are making available to them.

Stronger communication throughout the year and during open enrollment season can help. That can be facilitated by seamless, intuitive technology – a tool that decision-makers want just as much as their team members. The benefits landscape can be confusing and having a singular portal that allows people to learn at their own pace and explore what's available, can make the difference between a benefits package that's beloved and one that's underused.

Technology is important to employers with 59% of them saying they would choose an insurance carrier based on whether they could connect easily to its platform.⁶ Aflac has invested in its ability to integrate with the most popular benefits platforms, including ADP, Benefitfirst, Ceridian, Paycom, Oracle, Businessolver and Benefitfocus.

Creativity is the way forward

If the continually rising cost of health care benefits is any indication of the benefits world at large, there's no easy break on the horizon for employers. To attract and hold onto the talent that will drive their organizations forward, your clients are relying on you to leverage ingenuity and creativity to put together the right packages for them.

Flexible hours and locations, on-site wellness perks – all of these can help support employers facing the challenges of 2025 and beyond. Offering Aflac's low-cost supplemental coverage at little or no cost to employers can also help.

With Aflac, your clients get a recognizable, reliable brand – 49% of employers say that brand reputation is roughly as important as cost when choosing a benefits provider.² The result: a common-sense approach to helping your clients offer the benefits their employees need during these challenging times.

Learn more about offering Aflac to your clients this year by visiting [Aflac.com/brokers](https://www.aflac.com/brokers).

¹ Axios. "Americans spend more than they make as high prices pinch." Published 1.18.2023. [Accessed 11.19.2024](#).

² Aflac. "Aflac WorkForces Report: Workplace benefits trends. "Employee financial fragility + the role of supplemental insurance." Published 2024. [Accessed 11.19.2024](#).

³ KFF. "2023 Employer Health Benefits Survey." Published 10.18.2023. [Accessed 11.19.2024](#).

⁴ Mercer. "Survey: Employers expect third year of high health cost growth in 2025." Published 9.12.2024. [Accessed 11.19.2024](#).

⁵ Gallagher. "2023 US Workforce Trends Report Series: Organizational Wellbeing." Published 2023. [Accessed 11.19.2024](#).

⁶ LIMRA. "Harnessing Growth and Seizing Opportunity: 2023 Workplace Benefits Study." Published 2023. [Accessed 11.19.2024](#).

⁷ Alight. "Alight study reveals workers are seeking increased support from employers amid wellbeing crisis." Published 10.31.2024. [Accessed 11.19.2024](#).

⁹ CDC. "Chronic Diseases Prevalence in the US: Sociodemographic and Geographic Variations by Zip Code Tabulation Area." Published 2.29.2024. [Accessed 11.19.2024](#).

⁸ Aflac. "Aflac WorkForces Report: Executive summary." Published 2024. [Accessed 11.19.2024](#).

¹⁰ CDC. "Preventing Chronic Diseases. What You Can Do Now." Published 5.15.2024. [Accessed 11.19.2024](#).

¹¹ BenefitsPRO. "Generations of employees are more or less dissatisfied with their jobs, study finds." Published 9.22.2023. [Accessed 11.19.2024](#).

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