

Employee benefits snapshot:

Welcome to the flexibility revolution



Employee benefits brokers and their clients have plenty in common these days: They share the challenge of anticipating employees' expectations for benefits amid one of the hottest job markets in recent history.

And if they're paying attention, they know that flexibility—around benefits, and around the work itself—is chief among those expectations.

The COVID-19 pandemic changed the workplace dramatically. First, it shuffled how, where and when work was accomplished, and revealed that productivity didn't suffer as a result of those changes.¹ Employers discovered that they were more flexible than they had previously thought they could be.

Second, it shuffled employees themselves, a record number of whom left their jobs in 2021 after the soul-searching year of 2020—a phenomenon known as The Great Resignation. Even well into 2022, the shift is leaving workplaces scrambling to fill vacancies, putting more power in employees' hands. And what are two discoveries employers have made in what can help retain and attract talent? 1) People want flexibility, and 2) People want better benefits. Nearly a quarter of people who left their jobs in 2021 say that a lack of flexibility was a major reason why, and roughly the same number said the same about poor benefits.²

In the depths of the pandemic, employers needed employees to embrace flexibility as they navigated an unprecedented time—and people rose to the occasion. Today, employees are asking their employers to do the same. In short, we're in a flexibility revolution. And benefits can play an important role in this change.

"Benefits are top of mind for both employers and employees as workplaces shift gears from crisis mode to chronic management of the new way of working," says David Coons, senior vice president of The Jacobson Group, an insurance search and staffing firm. "We found that managers had to recognize that they might have accelerated through the change process. They thought they were pulling everyone with them—but we found that employers have to modify their approaches to match where their individual employees are. Some of these changes that employers made will stick, because they realize the value of having people happy, healthy, collaborative."³

Overall, employees are fairly happy with the benefits they have, according to industry reports. But they're eager for a little more, to suit their own interests and family needs. And to keep pace with predicted shifts in the industry, you'd do well to focus on flexibility: LIMRA predicts that in five years, fewer than half of employees will be traditional office-based employees, making portable, flexible benefits the future.⁴



Choice and flexibility meet with core benefits offerings

Flexible work arrangements are one of the top benefits employees are seeking today: flexible hours, flexible days, job sharing, flexible locations and more. Notice anything about that? It's not a traditional "employee benefit"—it's not health insurance, paid time off, a retirement fund, etc. It's a style of working and an approach to management that helps employees, even if it's not something that can be formally included as a part of total compensation.



But as with some forms of work itself, it's hybrid territory now, with the principle of flexibility meeting halfway with traditional benefits that may need to be rethought. "A hybrid approach, for instance, means that benefits tied to the 9-to-5 office day need to be broken down into bite-sized access," Coons says. "Parents might need three days of company-sponsored child care, not five. Gym memberships might need to be adjusted to help offset the cost of leasing equipment for employees to use at home."

Still, core benefits—health, dental, life and retirement—continue as the baseline for recruiting and retaining staff. If anything, COVID-19 has demonstrated the importance of these benefits. Almost 30% of employees say that the pandemic has made them more aware of the costs associated with health care, and almost half of employees say they've purchased at least one new benefit as a result of the pandemic.⁵ They're keenly aware of the truth about health care costs: 46% of employees said they wouldn't be able to pay \$1,000 or more for out-of-pocket expenses if an unexpected serious illness or accident occurred.⁵

Supplemental benefits round out core benefits while offering choice and value

The value of benefits remains a constant throughout economic volatility—a touchstone for employer brand value and recruiting. Even as employers concentrate on the benefits that will be meaningful for their employees, they also must rise to expected increases in rates.

One way to address employees' expectations while corralling costs is to highlight lesser-known benefits and the flexibility of mix-and-match supplemental programs. Employees are increasingly aware of supplemental insurance—of the employees who say they've bought into at least one new benefit as a result of the pandemic, 22% of them purchased life insurance, 16% bought critical illness insurance, and 14% bought hospital insurance.⁵

They may also be bouncing back from routine health care needs that were postponed in the depths of the pandemic. To that end, Aflac now offers group dental and group vision insurance plans, in conjunction with supplemental insurance products that include wellness benefits, to ensure that employees gain holistic insight along with care.

Employers and employees alike learned how to be flexible in the wake of COVID-19. The question from here is what the workforce wants to take from that seismic shift in how we work to transform the benefits landscape for the true benefit of all.

Reach out to your Aflac sales professional today to discuss how your benefits can better meet the demands of the flexibility revolution.

¹Society for Human Resource Management. "Study Finds Productivity Not Deterred by Shift to Remote Work." Published 9.16.2020. [Accessed 4.5.2022](#).
²Pew Research Center. "Majority of workers who quit a job in 2021 cite low pay, no opportunities for advancement, feeling disrespected." Published 3.9.2022. [Accessed 4.22.2022](#).

³Personal interview, February 2021.

⁴BenefitsPro. "How employee benefits will change for good in 2022." Published 1.24.2022. [Accessed 4.22.2022](#).

⁵Aflac WorkForces Report. "Workplace benefits trends: Executive summary 2021–2022." Published 2021. [Accessed 4.22.2022](#).

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