



Aflac[®]
WorkForces Report

Workplace benefits trends

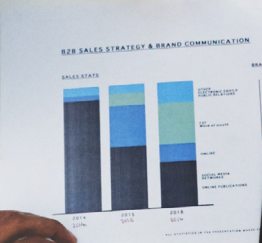
EXECUTIVE SUMMARY

2024-2025



Business meeting participants reviewing documents and charts.

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For businesses navigating the complexities of the modern employment landscape, the 2024 Aflac WorkForces Report highlights challenges and opportunities related to workplace benefits. This year's findings underscore the need for employers to continue to adapt and refine their benefits strategies in response to several factors, including rising health care costs, evolving employee expectations and the rise of digital technology.

The state of workplace benefits

The 14th annual report finds that employers of all sizes, across diverse industries, continue to struggle with the pressures of maintaining competitive compensation packages while also managing the escalating costs of health care. Despite some stabilization in the market, with fewer organizations making operational cuts or reducing benefits compared to the previous year, balancing cost containment with employee satisfaction remains a significant challenge.

While many employers strive to enhance their benefits offerings, there are still persistent gaps between their perceptions and employees' reported satisfaction. Addressing these discrepancies is key to sustaining a motivated and loyal workforce in an increasingly competitive job market.

Digital technology in benefits administration

In addition to cost, this year's report emphasizes the growing role of digital technology in benefits administration. While digital enrollment options are rebounding, employees' desire for personalized support remains strong. Employers must find ways to integrate technology advancements with employee demand for human interaction — particularly as younger generations increasingly expect one-on-one consultations with benefits advisors.

Workforce health and financial stability

Mental health and financial stability remain central themes, with employees expressing heightened concerns about workplace stress, burnout and financial instability. The report reveals a growing demand for comprehensive mental health support and supplemental insurance as vital components of a benefits package. As employers look for new ways to support their workforces, they must address these needs as well as find ways to enhance communication and improve understanding of employee benefits.

The new age of workspaces

The landscape of work arrangements — remote, hybrid and on-site — continues to evolve, impacting employee satisfaction and productivity in diverse ways. The hybrid model stands out as a favorable compromise between on-site and remote, offering flexibility and interpersonal interaction. Remote work poses unique challenges that require careful management.

The Aflac WorkForces Report reinforces the importance of proactive benefits management in fostering a supportive work environment. Employers who are willing to address needs highlighted in the report — especially helping employees cope with the rising costs of health care and the importance of mental health and financial security — have a unique opportunity to increase employee satisfaction and retention, and build a more resilient and dynamic workforce.

TABLE OF CONTENTS

Section 1: The state of workplace benefits and employee engagement

- 8 Staying competitive: A growing challenge for all businesses.
- 9 Tech for productivity, not replacement: Easing employee fears in the AI era.
- 10 The impact of rising benefits costs in the workplace.
- 12 Cost remains the top priority for choosing a benefits provider.
- 14 Perception vs. reality: Closing the satisfaction gap between employers and employees.
- 17 Impact on loyalty, engagement and ambassadorship reach all-time highs.
- 19 Nearly three-quarters of employees still want better benefits communication.

Section 2: Benefits enrollment + the role of emerging technologies

- 25 Digital technology is a growing factor in benefits enrollment.
- 26 Online enrollment is rebounding, but challenges remain.
- 27 Personalized benefits support keeps persistent value.
- 29 The future of benefits enrollment: Integrating AI and human expertise.

Section 3: Workplace trends + their relationship to employee satisfaction

- 34 A look at the shift away from fully remote workplaces.
- 36 Counterproductive behaviors in the workplace: Remote employees lead the way.
- 37 Positive behaviors persist, but remote work may stifle some positives.
- 39 We like things just the way they are.
- 41 The satisfaction spectrum: Hybrid work takes the lead.
- 43 Workplace challenges: Burnout, tech issues and time zones.





Section 4: Employee financial fragility + the role of supplemental insurance

- 46 Nearly half of all employees can't afford unexpected medical expenses.
- 49 Gen Z's financial security improves slightly, while baby boomers' declines.
- 50 Employees living month to month reaches all-time high.
- 52 Rising anxiety about future medical care continues.
- 53 Supplemental insurance is in greater demand than ever before.

Section 5: Mental health + employee well-being

- 59 Organizations are making progress in addressing mental health concerns.
- 61 Workplace stress remains a persistent challenge.
- 62 Burnout is prevalent, especially among millennials.
- 63 Addressing burnout is key to helping prevent more severe mental health issues from taking hold.
- 65 Flexible work options and PTO are key to combatting burnout.
- 66 Mental health coverage is just as important as major medical.





Section 1

The state of workplace benefits and employee engagement

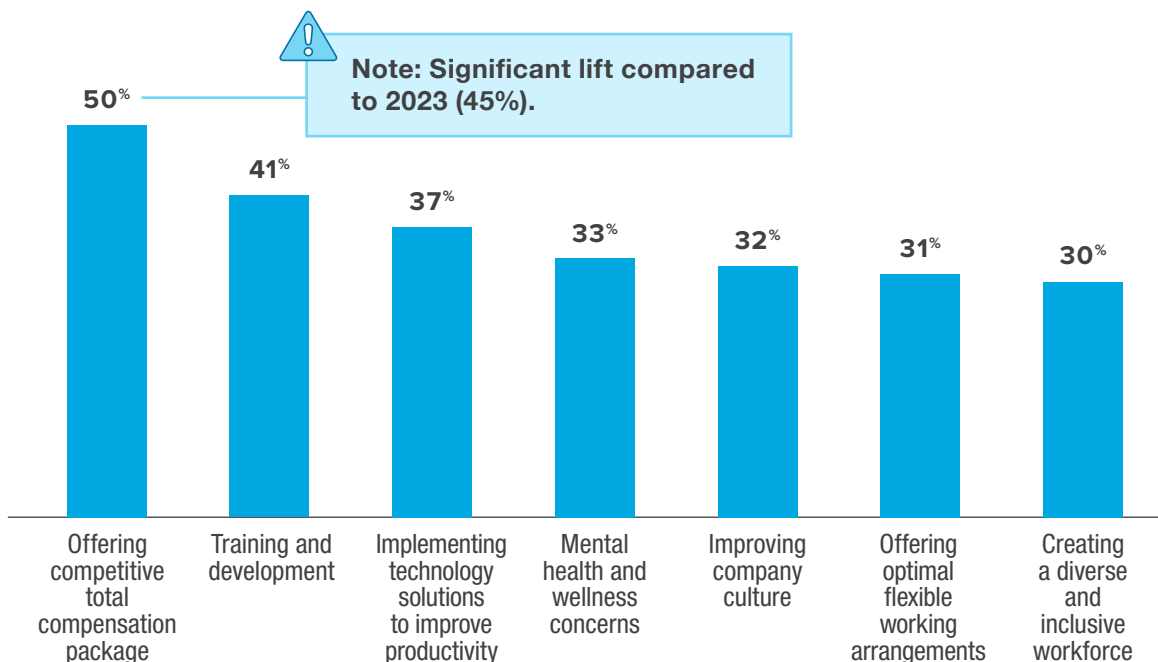
Navigating the complexities of workplace benefits: Improving communication and satisfaction

As workplace benefits continue to evolve, employers face both old and new challenges as they strive to offer competitive packages that meet employee needs. Rising costs, particularly in health care, are driving some companies to reevaluate their benefits packages and look for new ways technology can help. Even though progress has occurred, meaningful gaps remain between employer perception and what employees want, highlighting the need for better communication and support. As benefits become increasingly critical to employee retention, addressing communication needs and having a better understanding of what employees want is essential to maintaining a strong workforce.

Staying competitive: A growing challenge for all businesses

In today's competitive landscape, organizations find it challenging to attract and retain employees with the total compensation packages they offer. This challenge is universal, affecting companies of all sizes, with about half of all employers reporting that this is a struggle.

Half of all employers state that offering a competitive total compensation package is among their top challenges, a sentiment shared by small (50%), medium (48%) and large (52%) businesses.

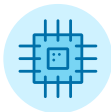


Question: When it comes to employee engagement and satisfaction, what are your organization's biggest challenges?

Tech for productivity, not replacement: Easing employee fears in the AI era

As organizations increasingly turn to technology to enhance productivity, a significant challenge remains: addressing the concerns and fears that accompany this shift. With more than a third of all organizations citing the implementation of technology solutions as a top challenge, it's clear the adoption process is not without obstacles. Employers understand the value of integrating AI, with approximately three-quarters recognizing that AI can enhance employee job performance and agreeing that becoming comfortable with AI is crucial for competing in today's workforce.

However, this optimism around AI is tempered by a universal concern that must be acknowledged across companies of all sizes: communicating with employees that technology is not a replacement for human roles, but a tool to enhance productivity. While half of all employers actively encourage the use of AI, they must also navigate the apprehension among workers who not only express a general fear about the growing use of AI, but also that AI could replace their specific job functions.



More than a third (37%) of all employers cite implementing technology solutions to improve productivity as one of their top organizational challenges.



More than 2 in 3 (69%) employers are confident their employees will be able to use AI to improve their job performance.



Three-fourths (76%) of all employers believe that it will be important for their workers to become comfortable with AI in order to compete in today's workplace, a sentiment shared by 68% of all employees.



Half of all employers are actively encouraging the use of AI in the workplace, with more than three-quarters of these employers adopting AI solutions and tools (78%) and providing AI training for their employees (79%).



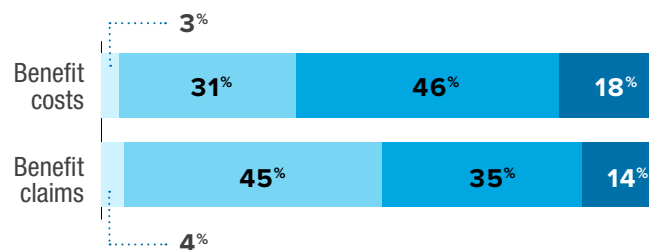
Employees express some apprehension about the adoption of AI into the workplace, with half (50%) expressing a general fear of the growing use of AI and 38% citing concern about their specific job functions being replaced by AI.

Pro tip: Proactively communicate the purpose of technology in the workplace. AI and other technologies will inevitably change how jobs are performed. As both employers and employees recognize the importance of becoming comfortable with AI, the challenge now is to foster an environment where workers feel empowered, not threatened, by these tools. By focusing on transparency and open communication, organizations can ensure that technology serves as an enabler of productivity rather than a source of fear.

The impact of rising benefits costs in the workplace

Over the past year, approximately two-thirds of employers have seen an increase in benefits costs, driven primarily by rising prescription drug prices and increased mental health claims. While these costs can impact a business's ability to invest in other areas, the impact is less severe this year than last. In 2024, fewer employers reported a need to make operational changes or reduce benefits offers, suggesting some stabilization in the market.

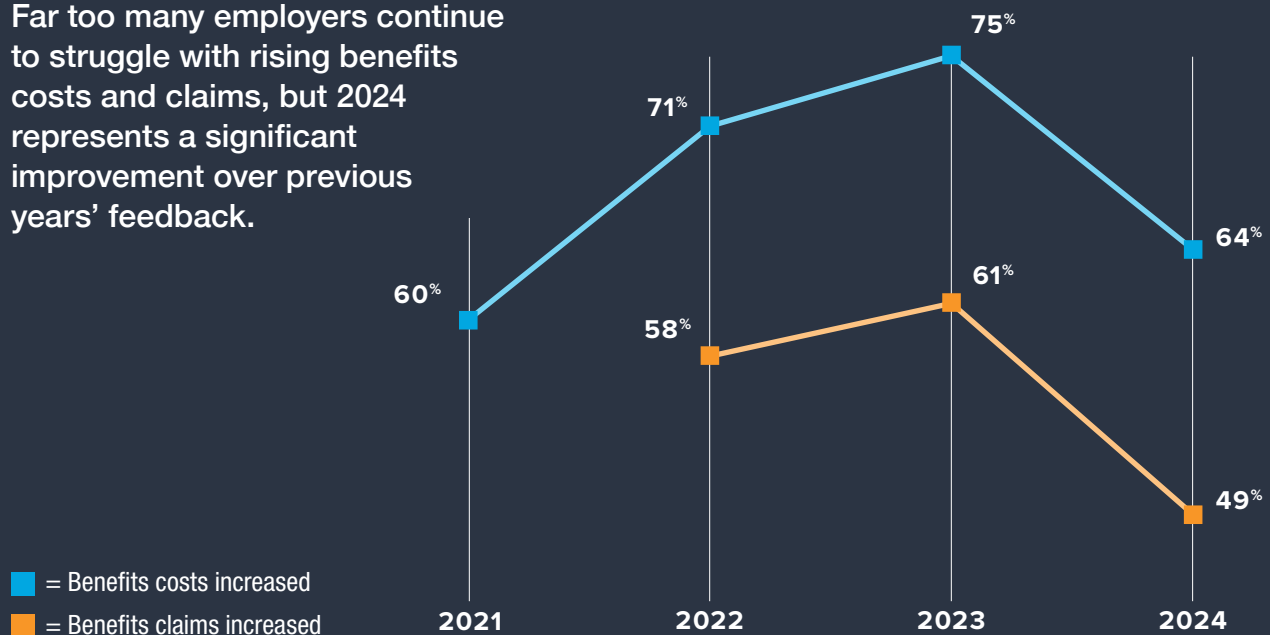
Nearly 2 in 3 (64%) employers say their benefits costs have increased over the past year, with about half (49%) saying benefits claims have increased.



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

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...?

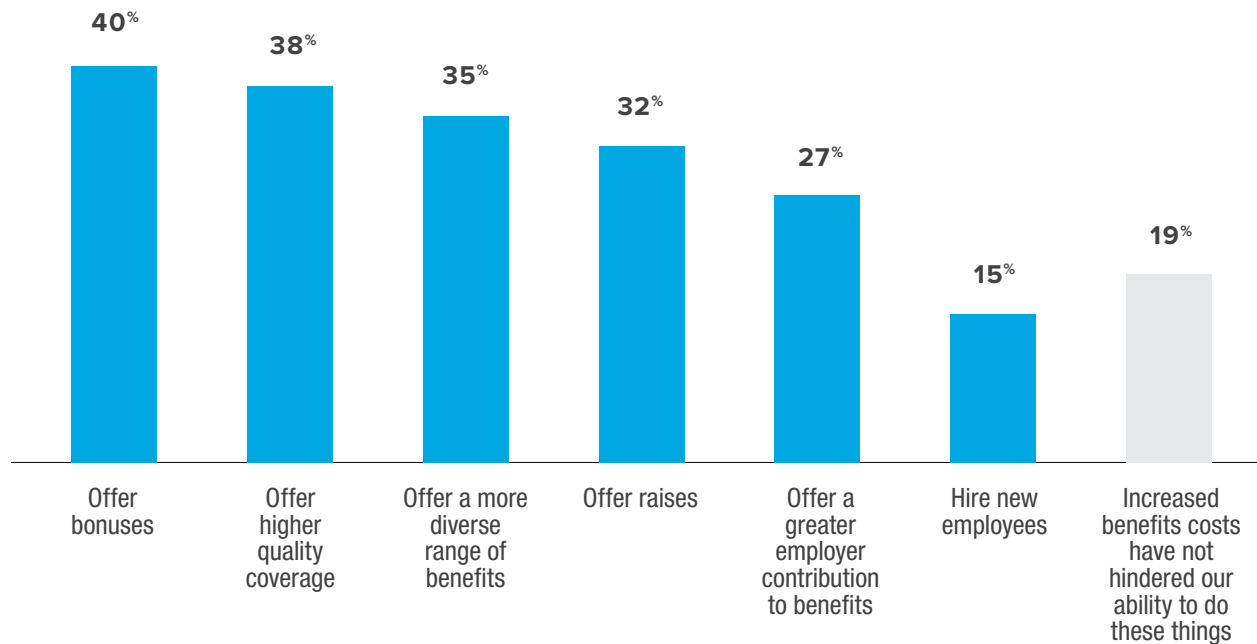
Far too many employers continue to struggle with rising benefits costs and claims, but 2024 represents a significant improvement over previous years' feedback.



■ = Benefits costs increased
■ = Benefits claims increased

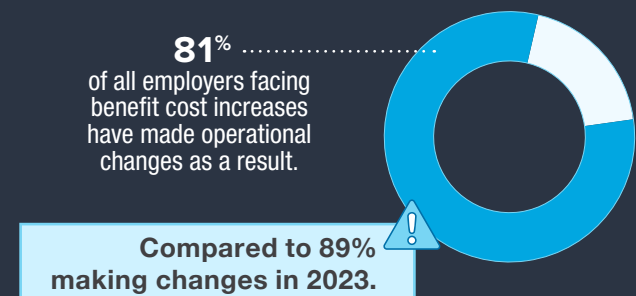
Question: In the last year, would you say your organization's benefits costs have...? In the last year, would you say your organization's benefits claims have...?

Increases in the costs of benefits negatively impact businesses' ability to invest in other areas, including bonuses, higher quality coverage and diversity of benefits.



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

Many employers still face rising costs, but the trend is stabilizing. Fewer employers are facing rising costs this year. Those who have made operational changes as a result of rising costs dropped 8 percentage points.



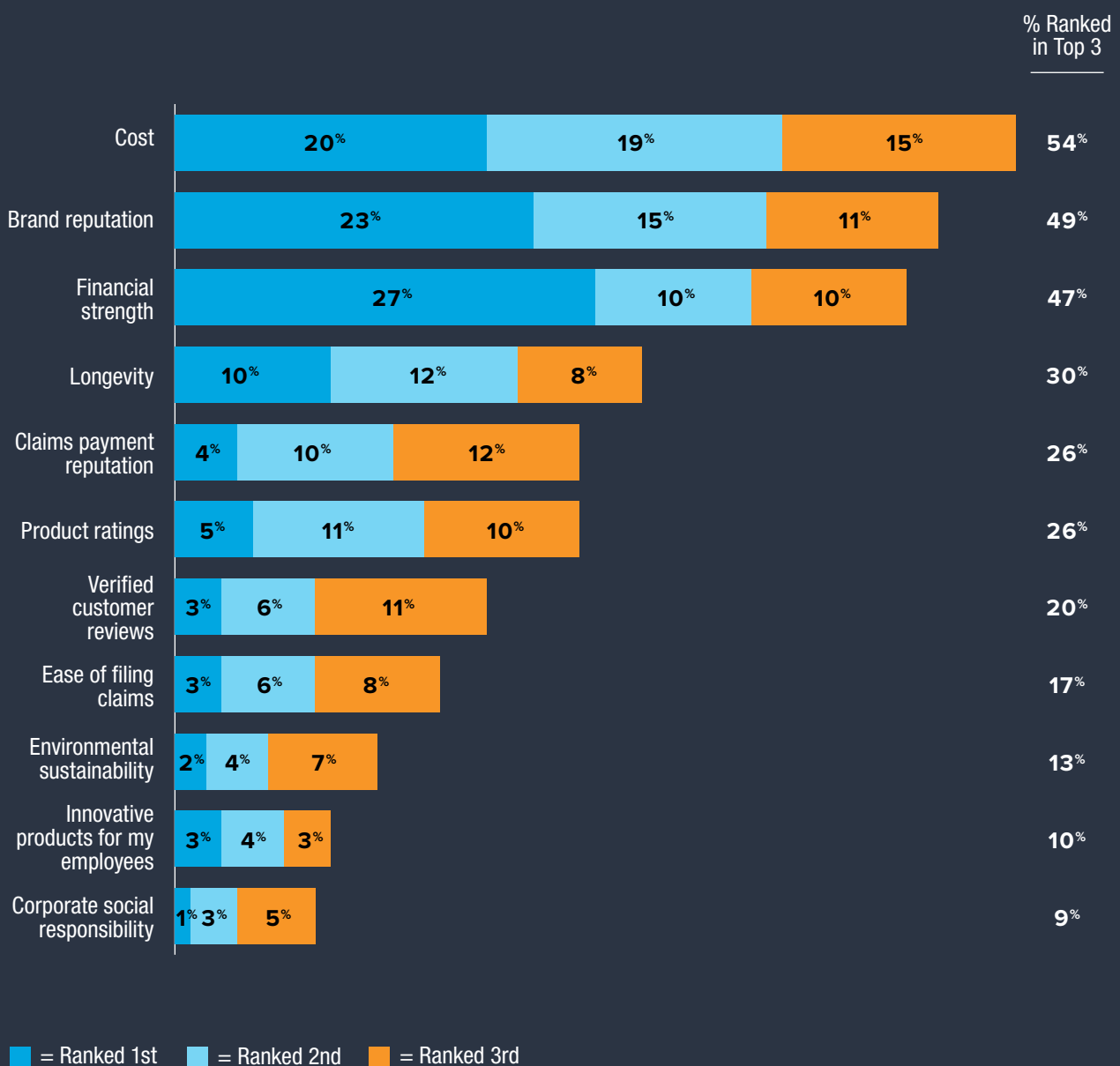
Question: Have increased benefits costs hindered your ability to do any of the following things that you otherwise would have done if benefits costs remained the same or decreased?



Cost remains the top priority for choosing a benefits provider

When selecting a benefits provider, cost remains the most critical factor for employers — even more so than in previous years — with 53% ranking it among their top three considerations. Other factors include brand reputation and financial strength, both of which edge out cost when employers are asked about their most important consideration. To manage rising costs, employers are increasingly shifting expenses like deductibles and premium shares to employees rather than reducing access to benefits.

More than half of all employers list cost among their top three considerations when choosing a benefits provider, with 20% selecting it as the most important factor. Financial strength and brand reputation also top the list, with 27% ranking financial strength as the top consideration and 23% choosing brand reputation.

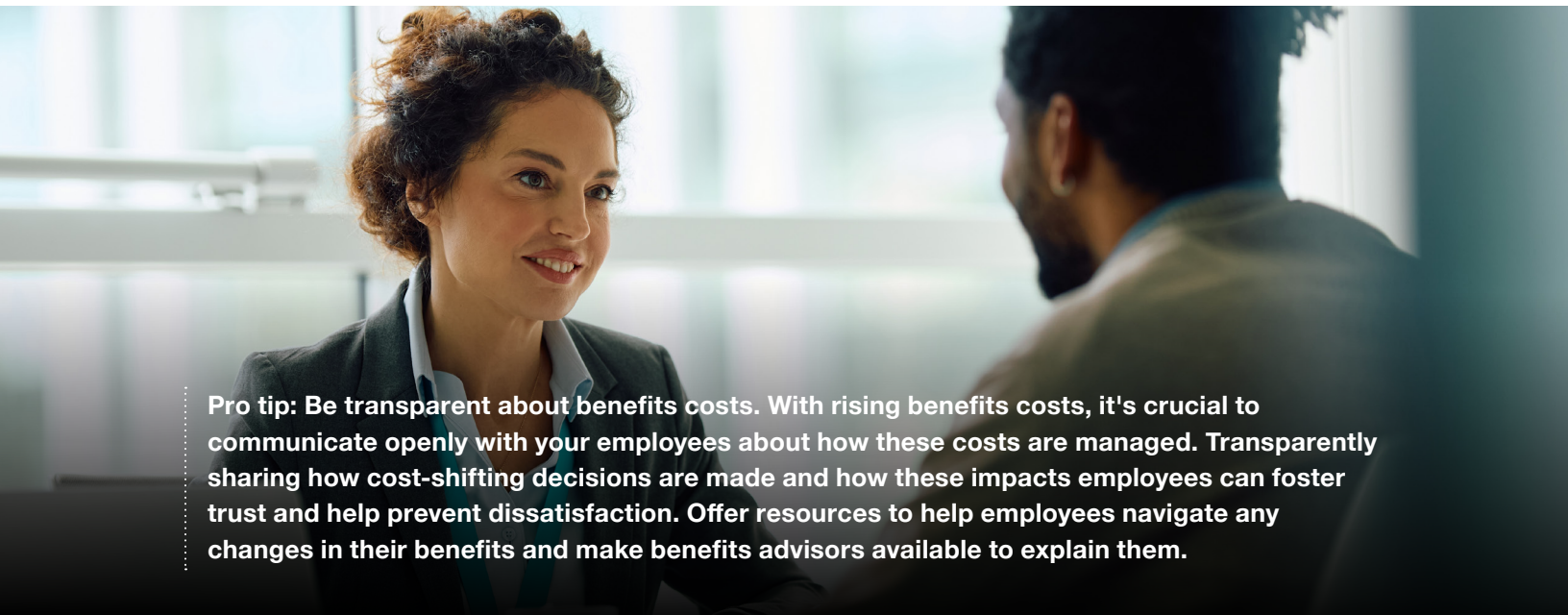
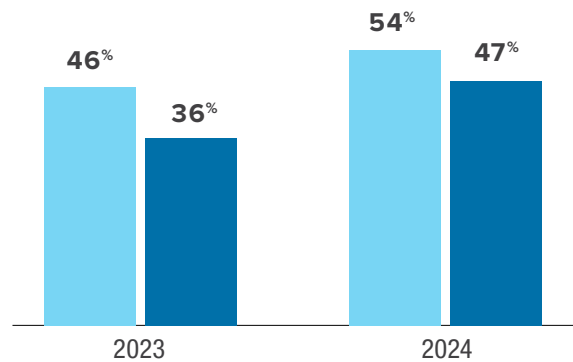


Question: Rank the following attributes by importance when choosing your organization's benefits provider(s)/vendor(s).

Both cost and financial stability have increased in importance to organizations over the past year when evaluating benefits providers.

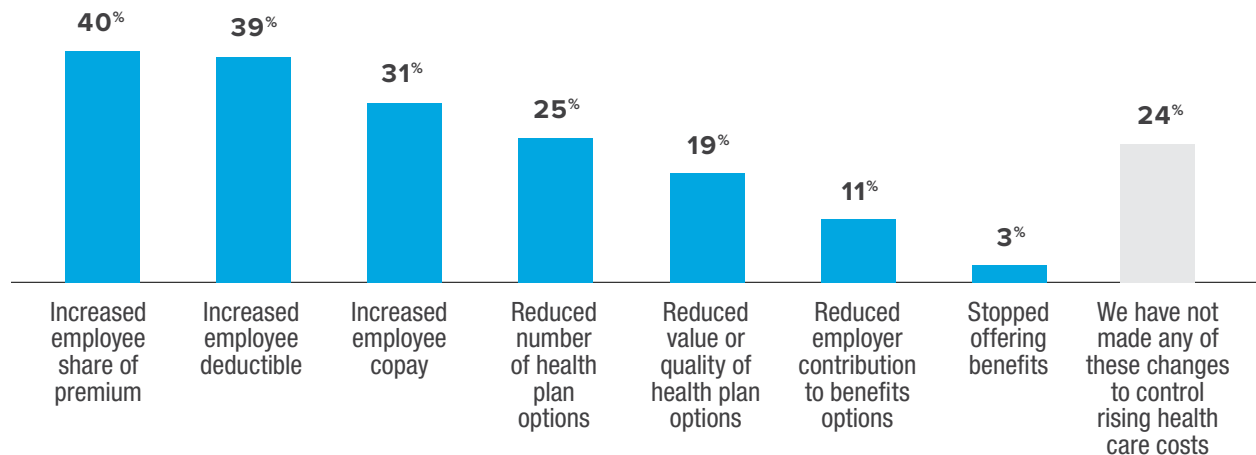
■ = Cost ■ = Financial strength

Question: Rank the following attributes by importance when choosing your organization's benefits provider(s)/vendor(s). // % ranked in Top 3.



Pro tip: Be transparent about benefits costs. With rising benefits costs, it's crucial to communicate openly with your employees about how these costs are managed. Transparently sharing how cost-shifting decisions are made and how these impacts employees can foster trust and help prevent dissatisfaction. Offer resources to help employees navigate any changes in their benefits and make benefits advisors available to explain them.

When companies do make changes to their benefits offerings due to increased costs, they tend to shift some of those expenses to employees rather than reducing access to benefits.



Question: Have you done any of the following to control rising health care costs that you otherwise would NOT have done if benefits costs remained the same or decreased?

Perception vs. reality: Closing the satisfaction gap between employers and employees

Employers generally believe their benefits packages positively impact employee satisfaction, but for years this perception hasn't met with reality. While the difference between what employers and employees think when it comes to benefits and satisfaction has decreased by 12 percentage points over the last year, there is still room for meaningful improvement.

Three-quarters or more of all employers are confident that their benefits contribute to worker satisfaction, retention, productivity and more.

The benefits my organization offers...



Question: Do you agree with the following statements? // % Agree





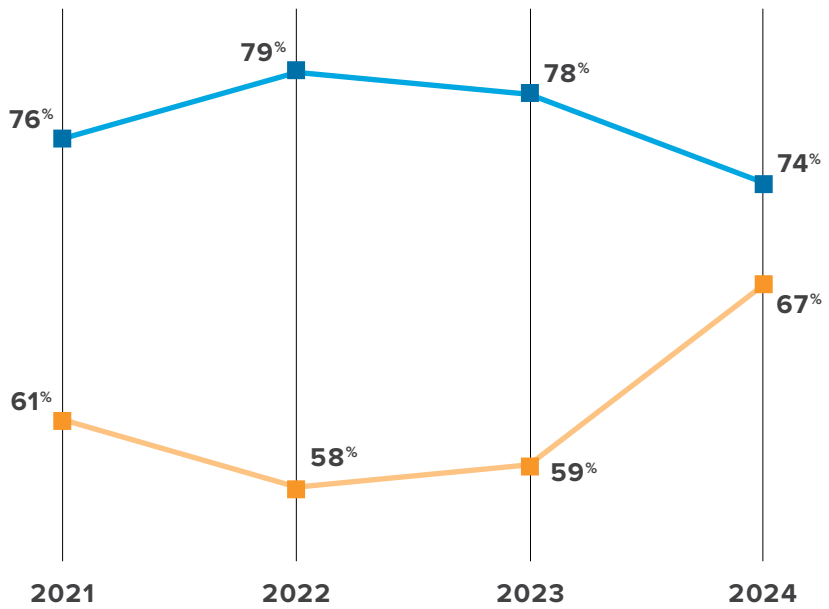
While the gap between employers and employees in benefits satisfaction has narrowed, it is still important to address to ensure organizations are meeting their employees' needs.

% Very/extremely satisfied

■ = Employers ■ = Employees

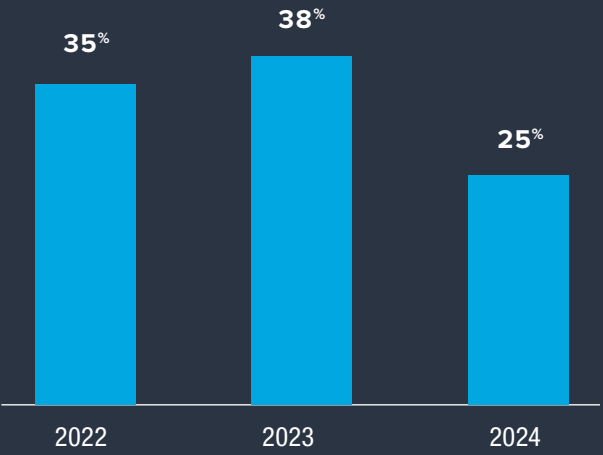
Employer Question: How satisfied do you think your employees are with the overall benefits package your organization offers them at this time?

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



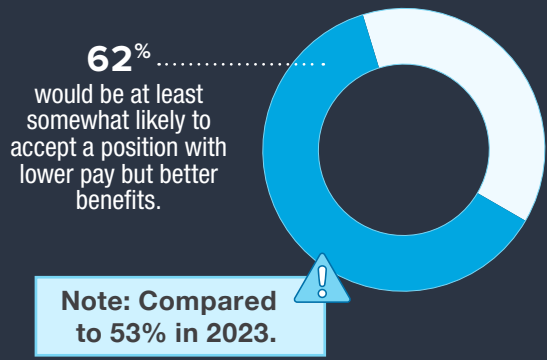
This year brings a significant drop in the number of organizations that plan on reducing coverage for their employees in 2024, either through decreasing benefits or making existing coverage more expensive. Organizations that do plan on decreasing their benefits face significant turnover risk, as a growing number of employees say they would consider leaving their jobs for a better benefits package, even if it meant taking a pay cut.

A quarter of employers plan to reduce benefits or make existing coverage more expensive for employees — a significant decline compared to 2022 and 2023.



Question: What changes, if any, does your organization plan on implementing to employee benefits over the next 12 months?

More than 3 in 5 employees say they would consider leaving their job for one with more robust benefits, even if that involved lower compensation — an uptick compared to 53% saying the same in 2023.



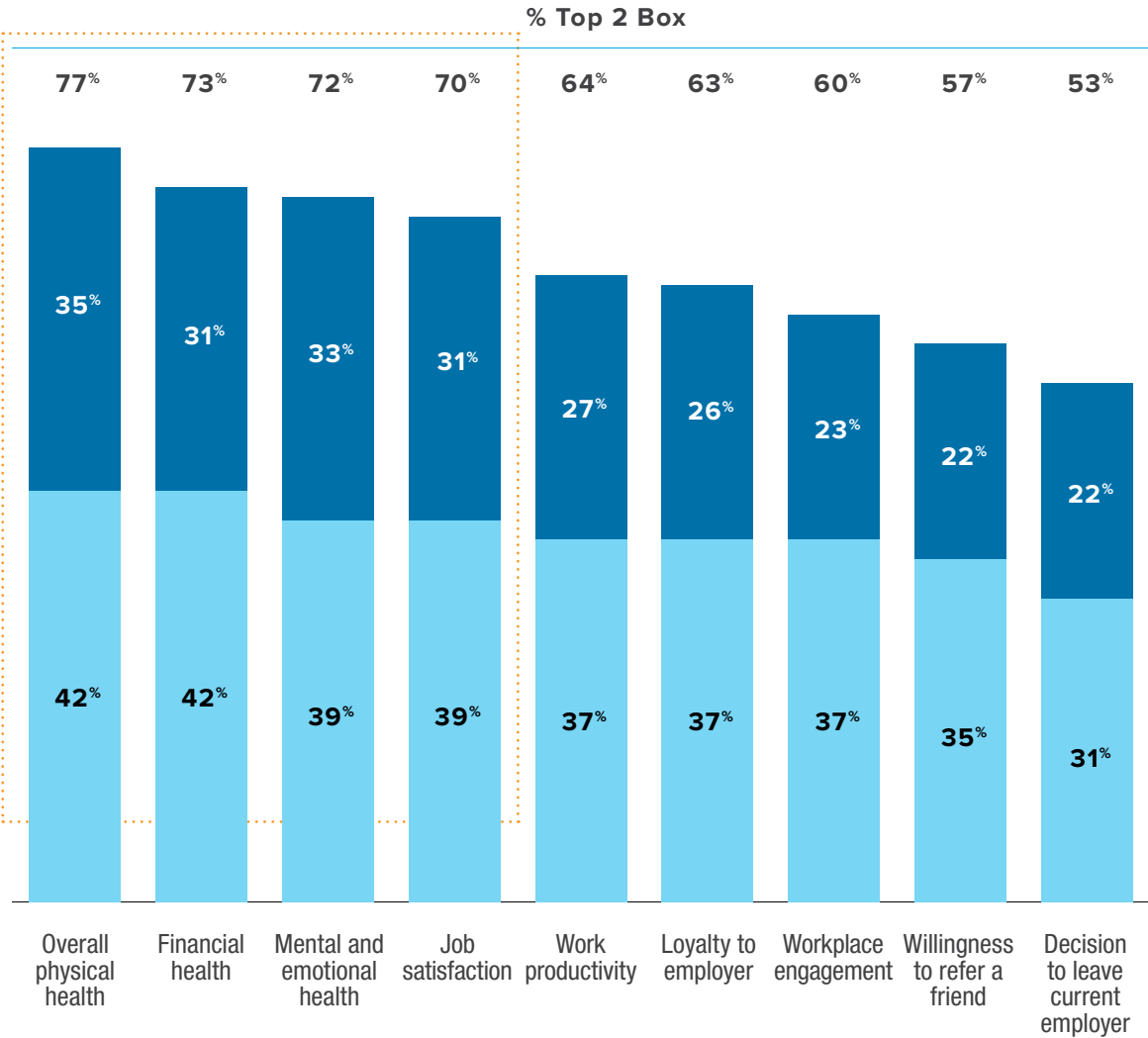
Question: How likely would you be to accept a job offer that included a slightly lower compensation but a more robust benefits package?



Impact on loyalty, engagement and ambassadorship reach all-time highs

Benefits continue to be critical to employee retention, in part because employees consider benefits packages to be important to their physical, financial and mental health. In fact, in 2024, the importance of benefits to overall loyalty, workplace engagement and willingness to refer a friend to their organization reached all-time highs. And 52% also say that quality of benefits could impact their decision to leave an employer.

Benefits are most important to overall physical, financial, mental and emotional health – and job satisfaction.

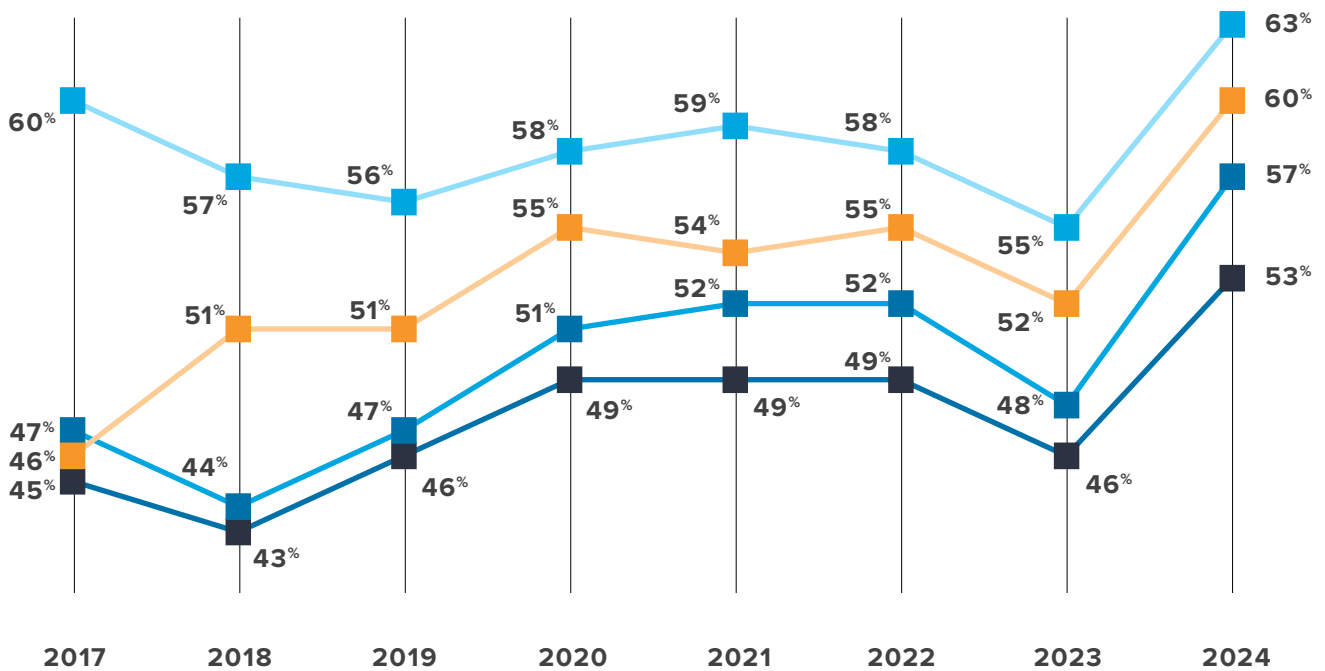


■ = Extremely important ■ = Very important

Question: How important is a benefits package offering to each of the following: [asked for each]



The importance of benefits for loyalty, engagement and referrals have grown in importance, reaching all-time highs in 2024.



- = Loyalty to employer ■ = Workplace engagement
- = Willingness to refer a friend ■ = Decision to leave current employer

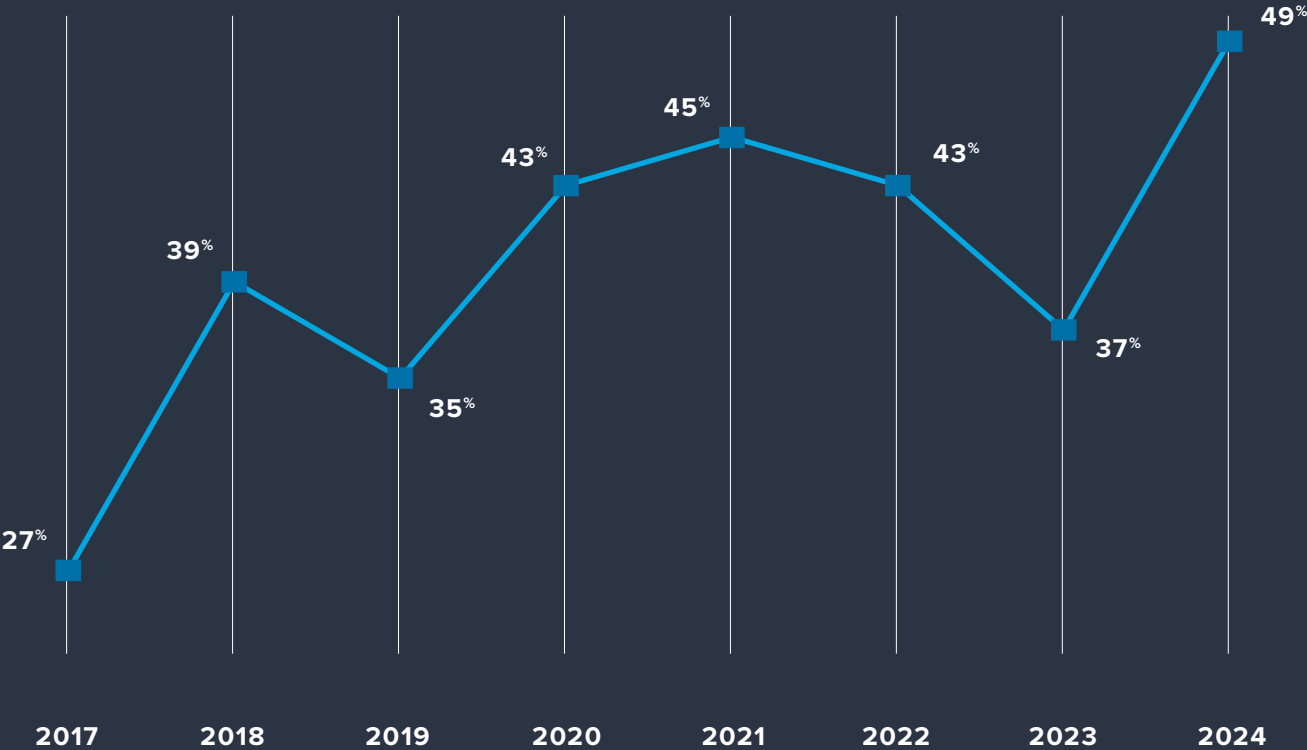
Question: How important is a benefits package offering to each of the following: [asked for each]

Nearly three-quarters of employees still want better benefits communication

A significant problem remains in the way employers and employees communicate around benefits packages. While employee understanding of benefits has improved, nearly half still don't fully understand their health insurance policies. Nearly three-quarters of employees say they want more information about benefits, and a concerning 49% of those who don't understand their policies report feeling they overpaid for health care expenses. Employers have an opportunity to improve communication and find new ways to support employees who are having trouble navigating their benefits.

While the number of employees who understand their benefits packages reached an all-time high in 2024, 51% say they still don't fully understand their policies.

"I understand everything about my current health insurance coverage."

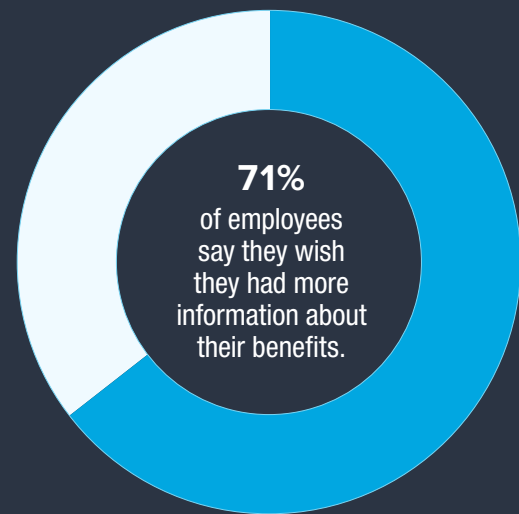


Question: Thinking about your current health insurance coverage, how well do you understand your overall policy, including things like deductibles, copays, providers in your network, etc.?

Nearly three-quarters of employees say they wish they had received more information about their health care benefits.

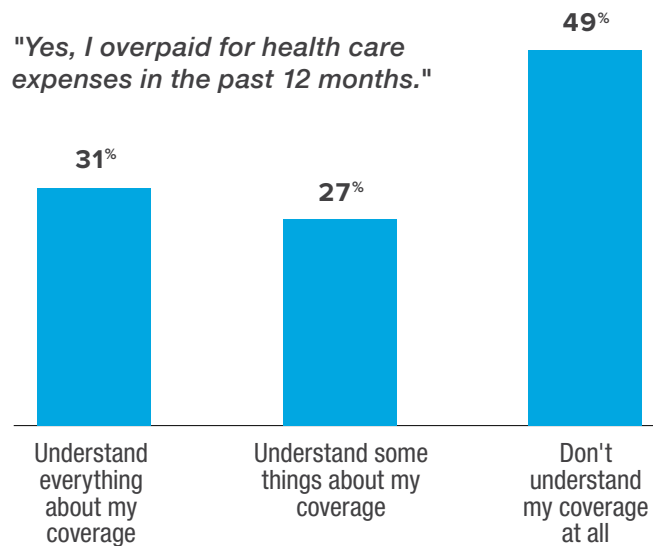
With the majority (57%) of employers only communicating about benefits in the weeks leading up to the enrollment period, there is an opportunity to more regularly and consistently provide information throughout the year.

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



An alarming number (29%) of employees believe they overpaid for health care expenses over the past year — a significant increase compared to 2023 (21%).

Unsurprisingly, even more of those who don't understand their coverage at all feel they overpaid for health care services.



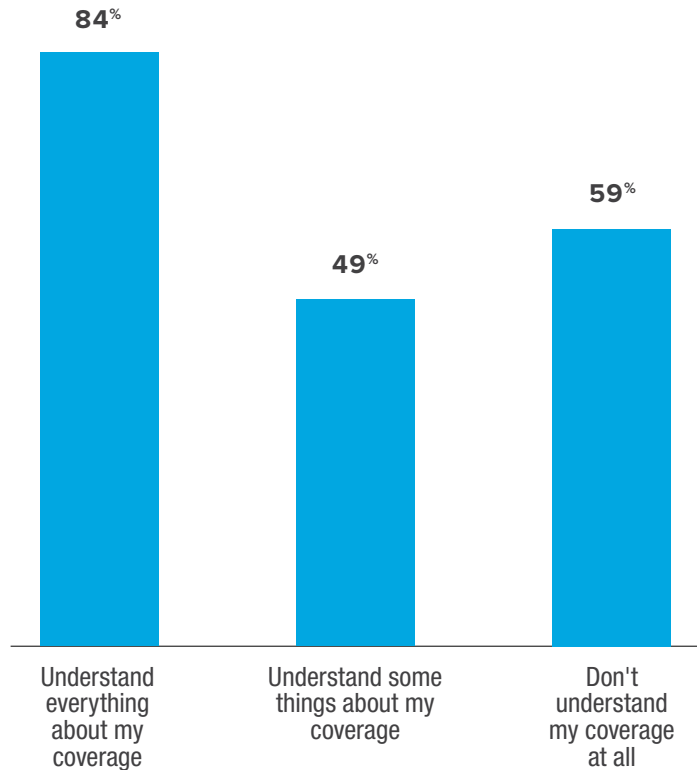
Question: To the best of your knowledge, did you overpay for any health care-related expenses in the past 12 months because you did not understand how your insurance works or what it covered at the time?

Improving employees' understanding of benefits helps employers create a stronger, more satisfied workforce. Employees who are better prepared when they seek health care are less likely to overpay for services. This makes them more likely to express a higher level of satisfaction with their benefits package, feel more engaged at work and report higher job satisfaction.



Knowledge is power: More than 4 in 5 employees who understand their benefits packages express high levels of satisfaction — far more than those who are less familiar with their coverage or health care plans.

% Very/extremely satisfied with benefits package



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



Pro tip: Don't wait to address a gap in communication. Many employees still struggle to understand their benefits. Rather than waiting for a stressful situation to arise — when an employee is undergoing a medical treatment, for example — look for ways to proactively provide clear, easily accessible information about benefits upfront and offer personalized assistance and education. Then regularly check in with employees to assess their benefits understanding and make advisors available to them to answer questions.



Section 2

Benefits enrollment + the role of emerging technologies



Pairing new technologies with personal touch: The new landscape of benefits enrollment and management

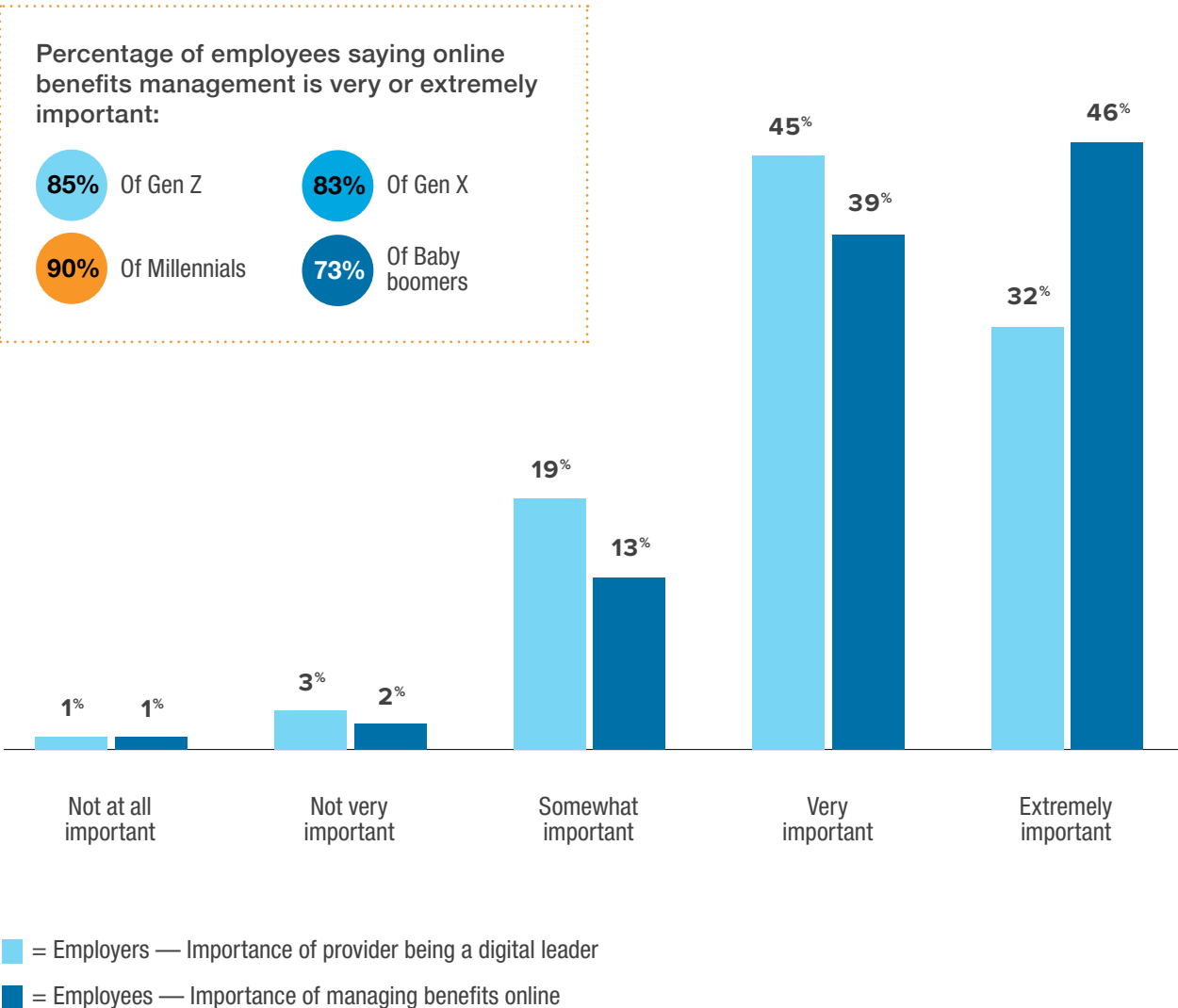
How employees choose and manage their benefits online is changing as new digital tools emerge and transform expectations. Despite a rebound in online enrollment, the need for personalized support remains strong, particularly among younger generations who value one-on-one interactions with advisors. Comfort with AI is growing, and there is a clear opportunity to integrate these tools into benefits administration — but striking the right balance between innovation and personal attention remains a challenge. Organizations that can bridge this gap successfully will stand out from the competition.



Digital technology is a growing factor in benefits enrollment

The study found that a majority of employers (77%) believe their provider needs to be a leader in digital technology. This sentiment is echoed by employees, with more than 85% saying the ability to manage benefits online is crucial. This demand for digital technologies is strongest among millennials, but also is gaining traction among baby boomers, whose preference for online management grew from 62% to 73% in the last year.

Three-quarters (77%) of employers seek a benefits provider that is a digital leader, and even more employees (85%) reinforce the importance of online benefits management — a sentiment that has grown among baby boomers.



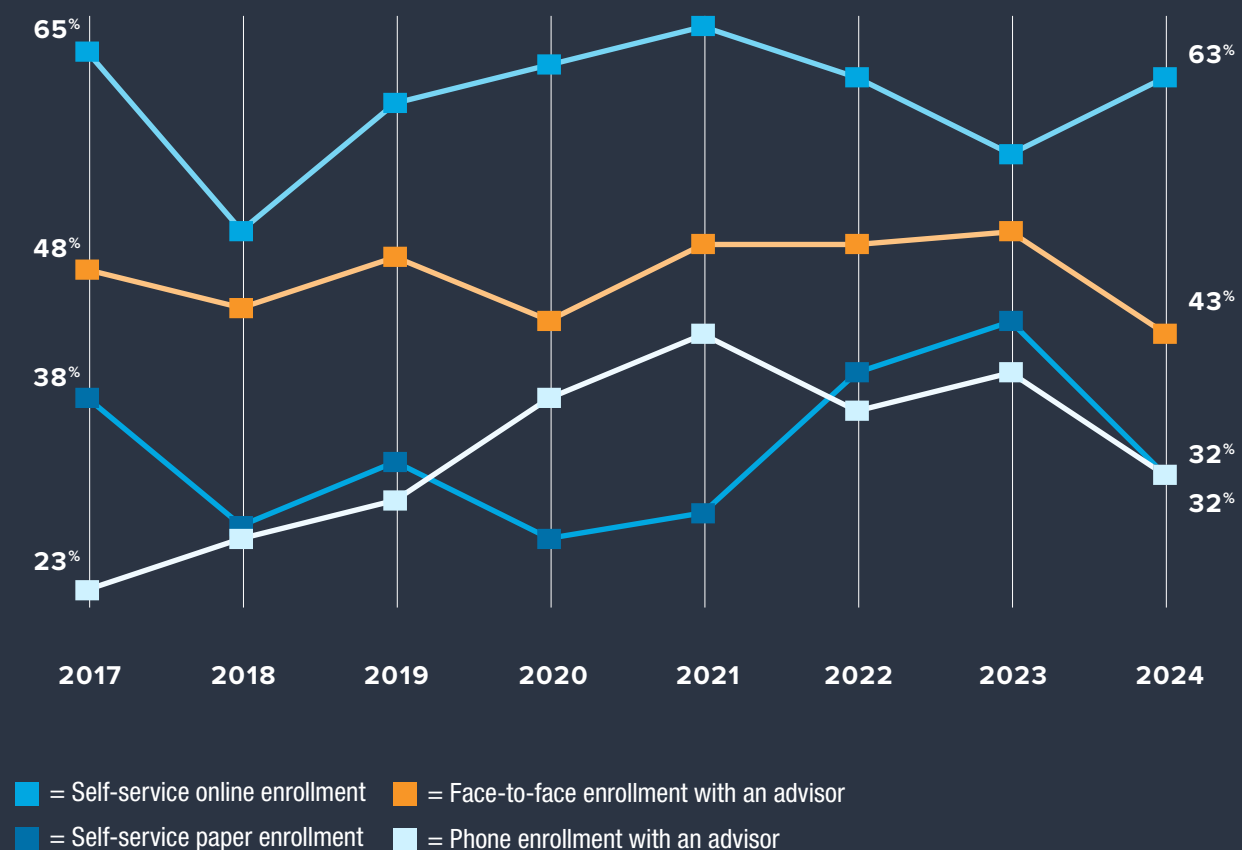
Employer Question: How important is it for your benefits provider to be innovative by leading in digital technologies?

Employee Question: How important is being able to manage your benefits online?

Online enrollment is rebounding, but challenges remain

After a period of decline in employers offering online benefits enrollment, 2024 sees a slight rebound, signaling a positive shift, given the importance employees place on digital management of their benefits, and their familiarity with technology. Despite this rebound, more than a third of employers still do not offer online enrollment as an option. This striking difference between what employees want and what employers offer underscores the need for employers to expand their digital offerings.

There is a positive shift in the ability for employees to enroll in their benefits online compared to 2023, yet organizations still have not reached 2017 levels. This leaves more than a third (37%) of all organizations not offering online enrollment.



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

Pro tip: Use digital technologies to help close the benefits communication gap. As employees increasingly expect online management of their benefits, stay informed on the latest tools so you can give them better user experiences. For example, AI is an area where new innovations could help employees better understand their benefits when they don't have access to a benefits advisor. Keep an eye on AI advancements for new ways to help enhance benefits administration and education.

Personalized benefits support keeps persistent value

While digital solutions are undeniably important, offering personalized benefits such as one-on-one time with benefits advisors remains indispensable. More than half (57%) of employees say they worked with a benefits advisor during the last open enrollment period. This trend is particularly strong among hybrid workers and is most valued by Gen Z and millennials. In-person consultations remain the preferred method of communication with benefits advisors, even more so than a year ago, indicating that employees still want direct, personalized guidance in addition to digital tools.

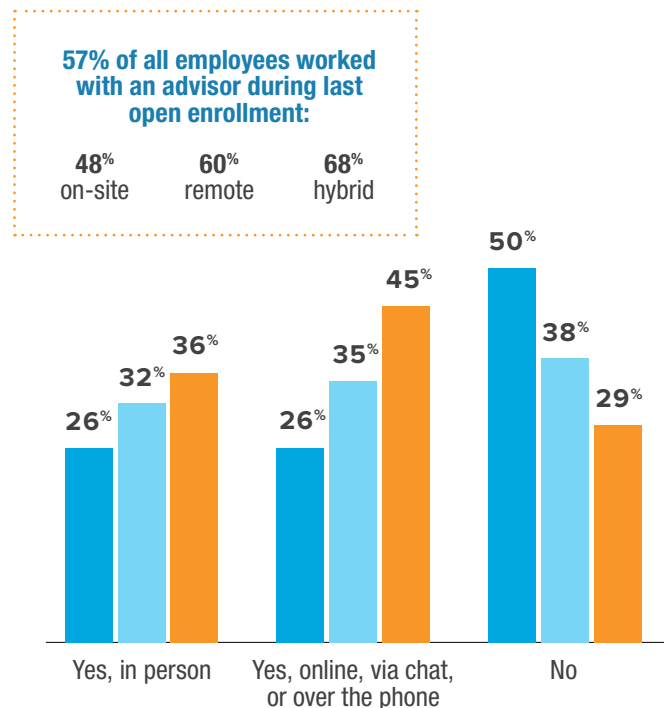
Nearly 3 in 5 employees worked with a benefits advisor during the most recent open enrollment, compared to 42% in 2023.

Hybrid workers are the most likely to have worked with a benefits advisor, whereas on-site workers are the least likely to have done so.

■ = On-site only ■ = Remote only ■ = Hybrid

Question: During last open enrollment season, did you work directly with a benefits consultant to determine your options?

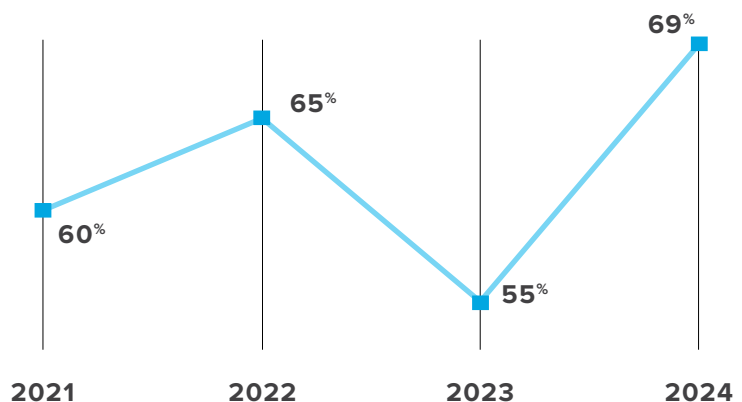
Question: Which of the following best describes your current working arrangement?



More than two-thirds (69%) of employees state that it is very or extremely important to be able to work with a benefits advisor — with 2024 representing an all-time high.

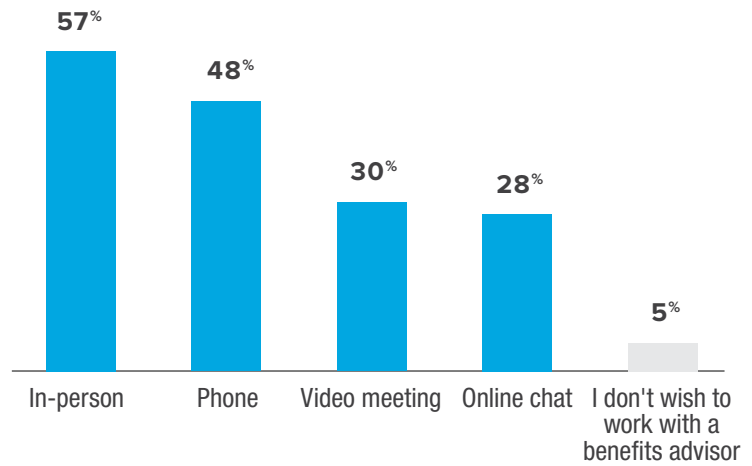
This sentiment is most common among Gen Z (78%) and millennials (81%).

Question: How important is it that you have access to a benefits advisor when making your benefits selections?



In-person remains the most preferred method of communication (57%) with a benefits advisor — and is even more important in 2024 than it was a year ago (50%).

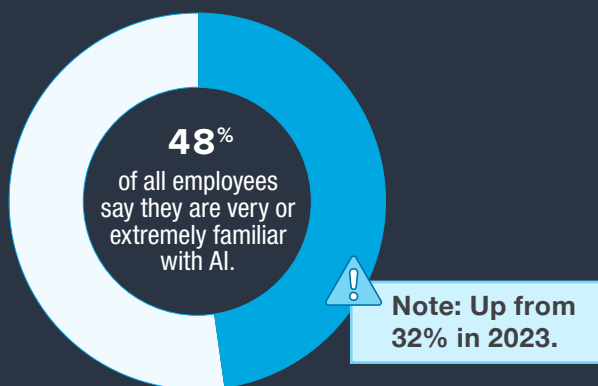
Question: How do you prefer to talk with a benefits advisor?



The future of benefits enrollment: Integrating AI and human expertise

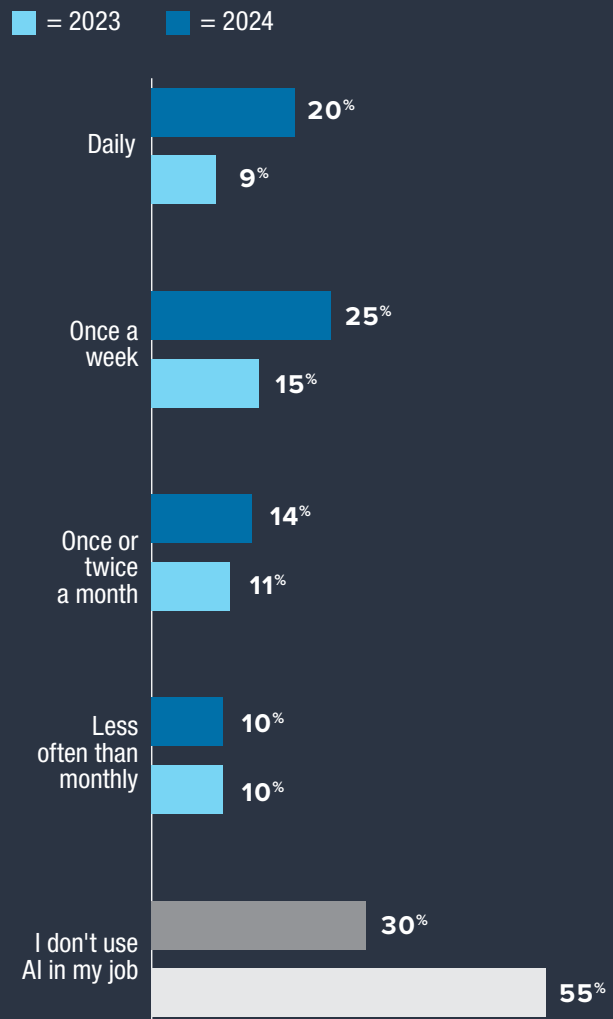
As demand for personal benefits consultation continues to rise, organizations will need to look for ways to make advisors available on multiple online platforms so they can meet their workforce where they are. Comfort with AI has increased notably among employees and extends to benefits administration, where both employers and employees are open to incorporating AI tools. But while AI can enhance efficiency and provide insights, it is clear that it won't replace the human element anytime soon. Employees are increasingly seeking one-on-one access to benefits consultants, whether in person or through live chat with a real person. The challenge moving forward will be how to integrate the benefits of AI technology into processes without losing the aspects of personalized support that employees value.

Employees are 1.5 times more familiar with AI than they were a year ago...



Question: How familiar would you say you are with artificial intelligence?

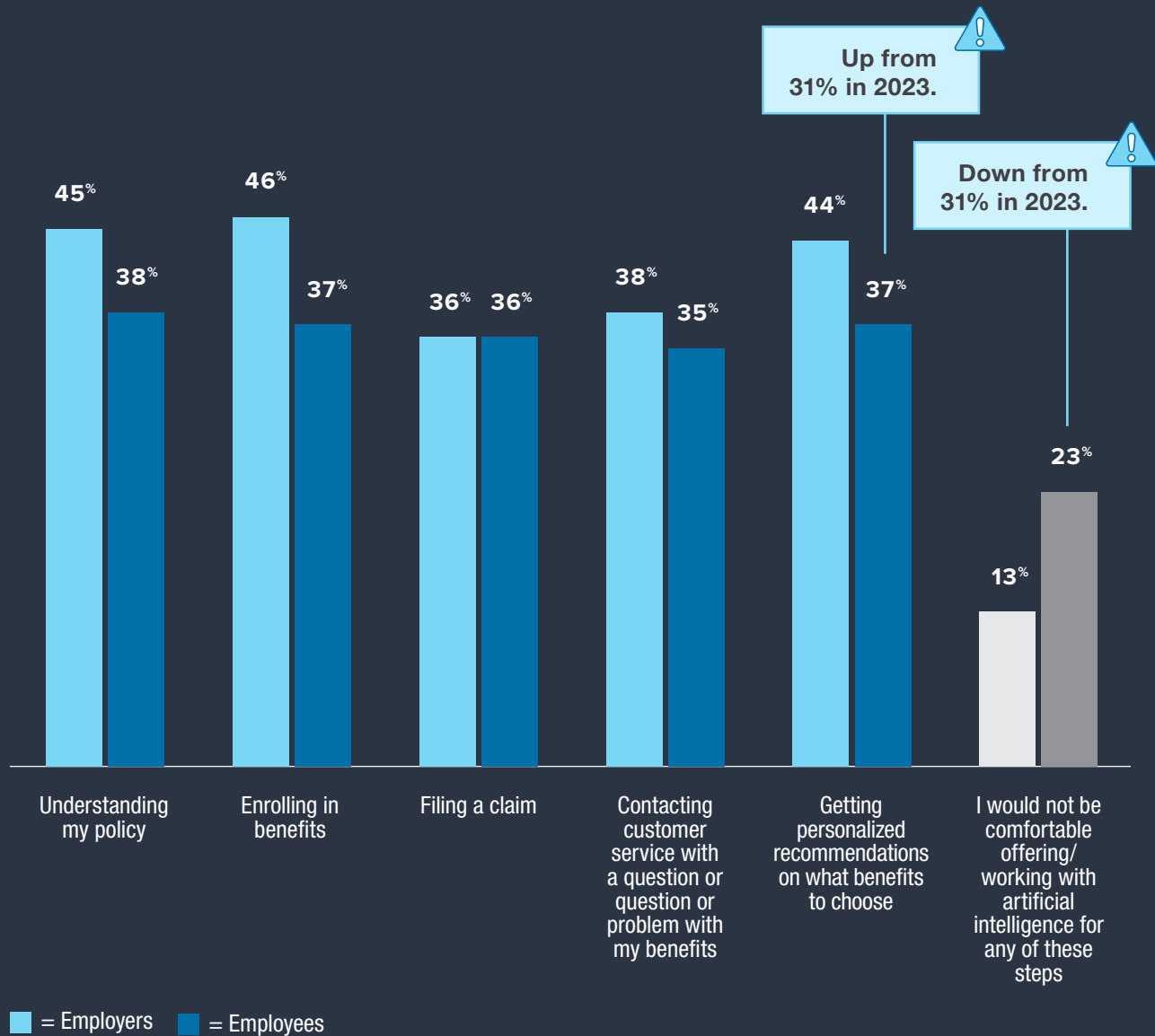
...and 1.5 times more likely to use AI at least weekly to support their work.



Question: How frequently, if at all, do you personally use artificial intelligence as part of your job?

Both employers and employees see a place for AI in benefits administration and management, and employees are more open to this idea than they were a year ago.

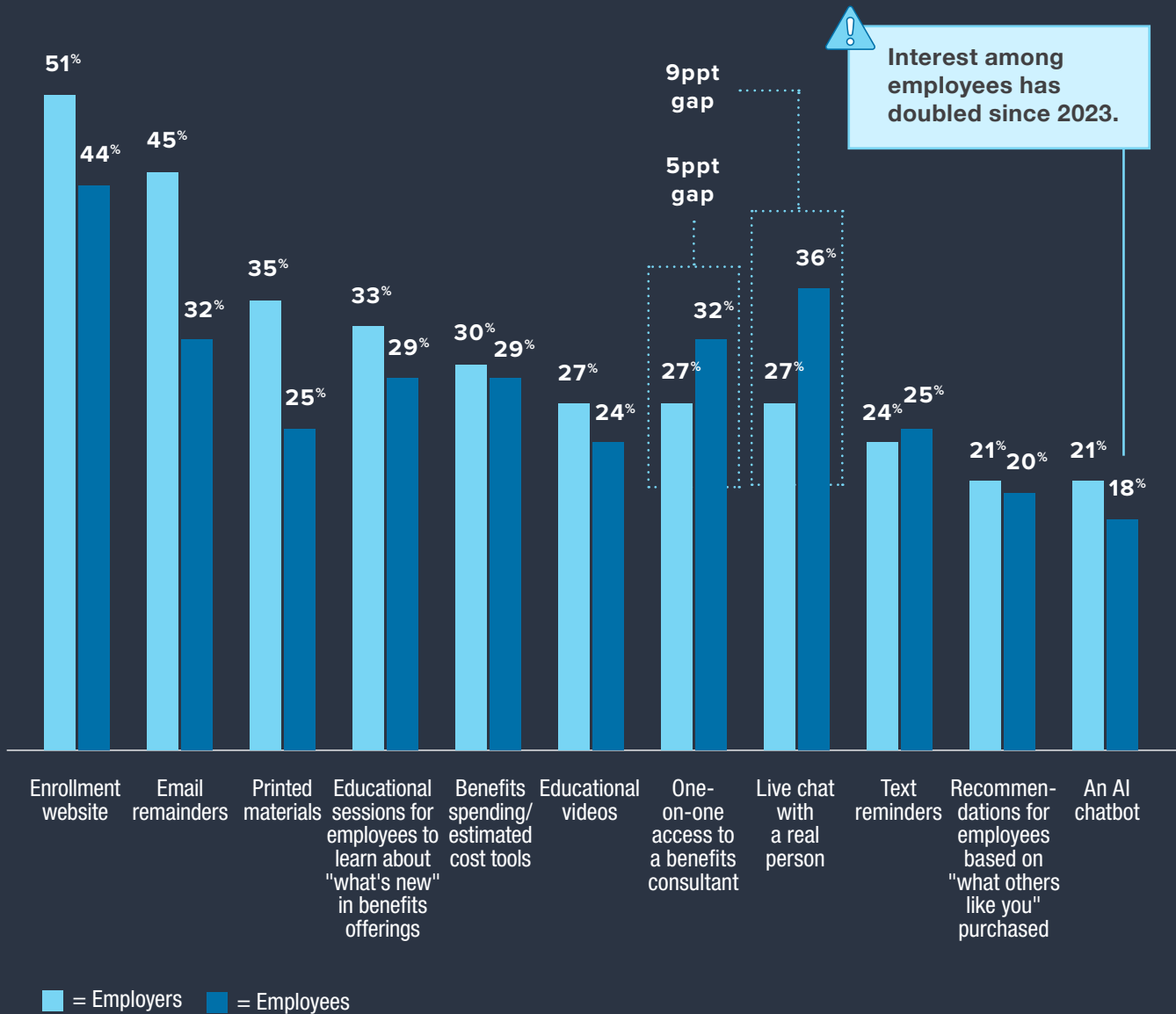
Almost 1 in 5 employees (18%) are interested in using an AI chatbot for benefits enrollment — doubled from 2023.



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?

While tech solutions such as enrollment websites and email reminders are important, employees still have an appetite for personalized support from an expert, whether that comes in the form of a live chat or one-on-one access to a benefits consultant — a need that is not currently being met by most employers.



Employer Question: Which tools and resources, if any, is your organization using for employee benefits enrollment?

Employee Question: Which tools and resources, if any, are you interested in using for your benefits enrollment?

Pro tip: Despite advances in technology, employees still want a personal touch. While digital tools for benefits management are becoming essential, demand for personalized support is still high. While you explore new digital technologies to help employees access benefits from their devices of choice, keep in mind the importance of benefits advisors. Always provide an option for one-on-one consultations with an advisor in addition to digital tools.



Section 3

Workplace trends + their relationship to employee satisfaction



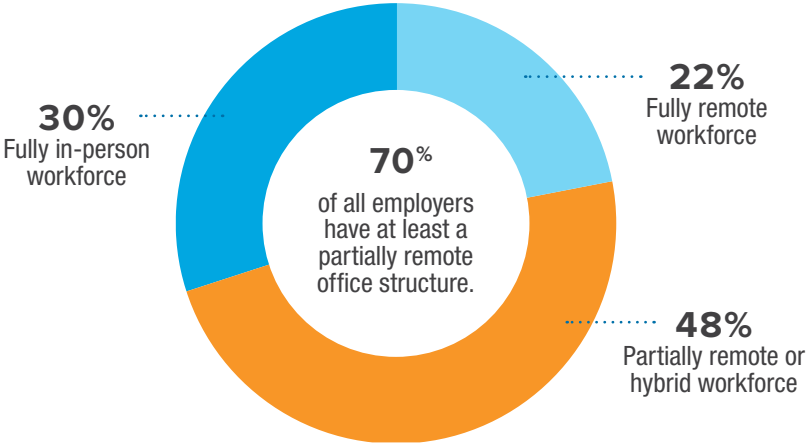
How remote, hybrid and on-site work impact employee satisfaction and behavior

As organizations continue to experiment with remote, hybrid and on-site work environments, significant differences in employee satisfaction are emerging in response to the three workplace models. While hybrid offers the highest levels of satisfaction, remote presents some unique challenges, including concerns in job satisfaction and a higher likelihood of counterproductive work behaviors. Understanding these dynamics is crucial to employers as they try to create work environments that will satisfy their employees and keep their performance at peak levels.

A look at the shift away from fully remote workplaces

The prevalence of fully remote workplaces has declined, with more employers requiring their employees to come into the office at least part of the time. In 2024, only 22% of workplaces are fully remote, down from 30% in 2023, while on-site work has increased from 25% to 30% over the same period.

Just over two-thirds (70%) of employers have at least some remote employees, a decline compared to 2023 (75%).



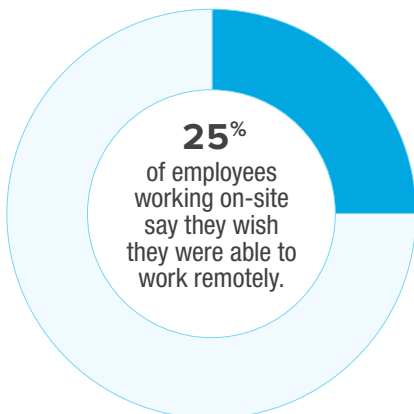
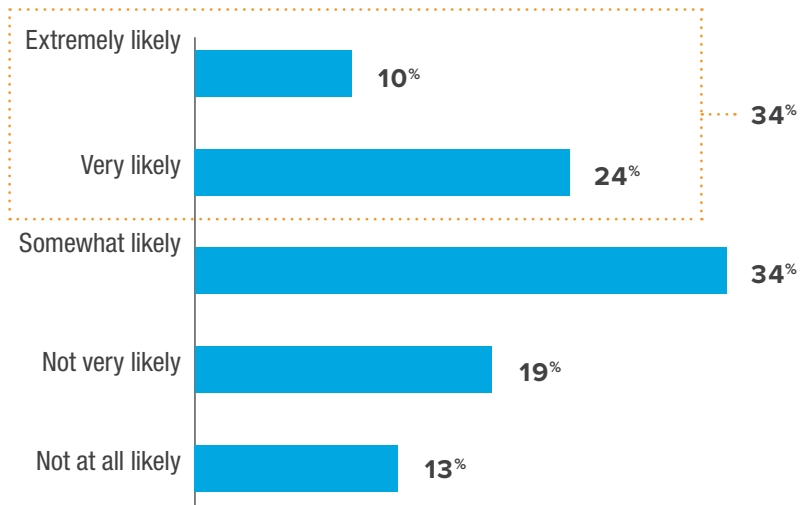
Question: Which of the following best describes your organization’s working arrangement over the last 12 months?

Despite this shift, employers with on-site work arrangements don’t appear to be concerned about losing employees to remote work opportunities. Interestingly, only a quarter of on-site employees wish they could work remotely, suggesting a level of contentment with their current arrangements.



Only a third of employers with an on-site workforce say their employees could leave for remote opportunities...

Question: How likely do you think your employees would be to leave your organization to take a job that allows them to work remotely at least part of the time?



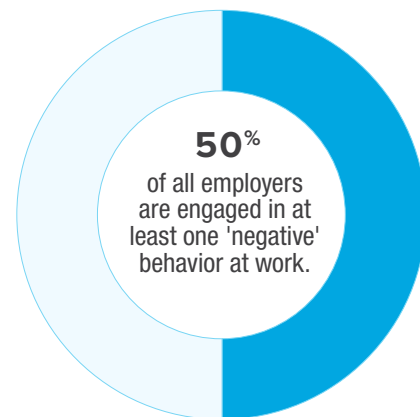
... and this minimal concern is supported by employees with only 25% saying they wish they could work remotely.

Question: Which, if any, of the following statements applies to you? // "I wish I had the opportunity to work remotely for my organization"

Counterproductive behaviors in the workplace: Remote employees lead the way

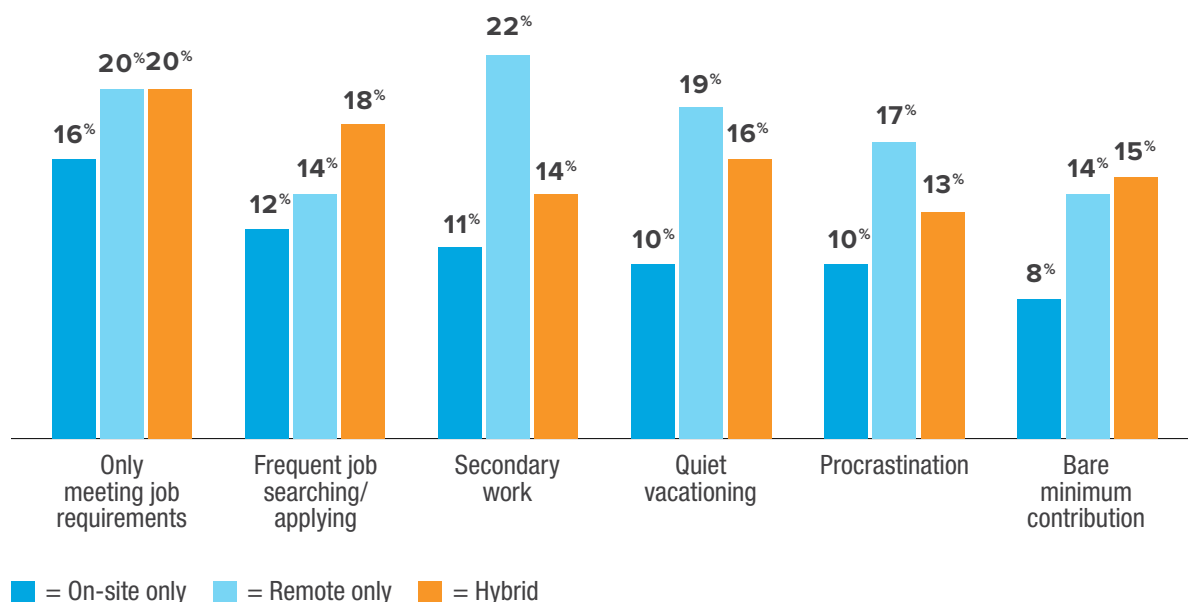
Despite the perception that remote work fosters increased focus and productivity, this report reveals that nearly half of all employees engage in behavior that could be detrimental to their performance or employer relations. Remote workers are more likely to engage in these counterproductive behaviors than either of their on-site or hybrid counterparts. The most prevalent counterproductive behavior across the three models is "quiet quitting," where employees do only what is required, without going beyond the responsibilities outlined in their job descriptions. For fully remote employees, another concerning trend is the tendency to take on additional work outside of their primary job without their employer's knowledge. This pattern suggests that while remote work offers flexibility, it also blurs the lines around what's expected of employees and makes it easier for some to disengage or seek opportunities outside their official jobs.

Half (50%) of all employees say they are engaged in at least one counterproductive behavior, with fully remote employees the most likely to do so (58%).



Question: Which, if any, of the following behaviors do you currently engage in at work?

Across all employees, "quiet quitting" is the most common behavior. Among fully remote employees, it is not uncommon to take on extra work without permission from an employer.



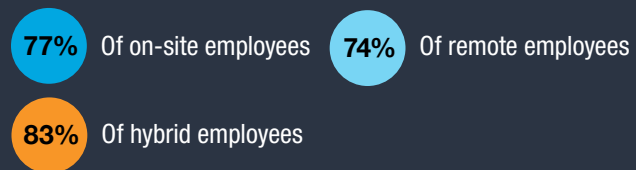
Question: Which, if any, of the following behaviors do you currently engage in at work?

Positive behaviors persist, but remote work may stifle some positives

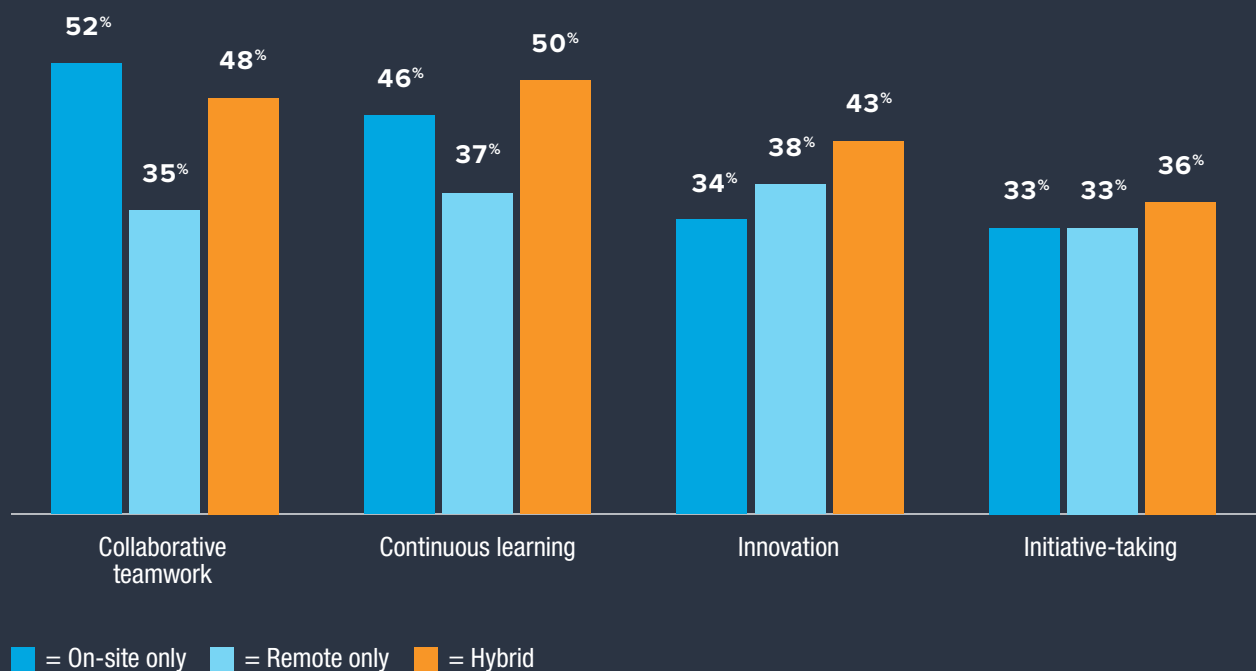
The complexities of each work arrangement allow for counterproductive and positive behaviors to coexist in sometimes surprising ways. While nearly half of all employees engage in counterproductive behavior, with fully remote employees taking the lead, the employers of fully remote teams report the highest satisfaction with productivity. This suggests that despite the counterproductive behavior, the autonomy of remote work may drive efficiency — and it may come at a cost. While more than three-quarters of employees participate in positive behaviors like collaboration and continuous learning, remote workers are the least engaged in these activities.

The majority of employees, despite exhibiting counterproductive behavior, also engage in productive work behaviors, though remote employees are the least likely to do so.

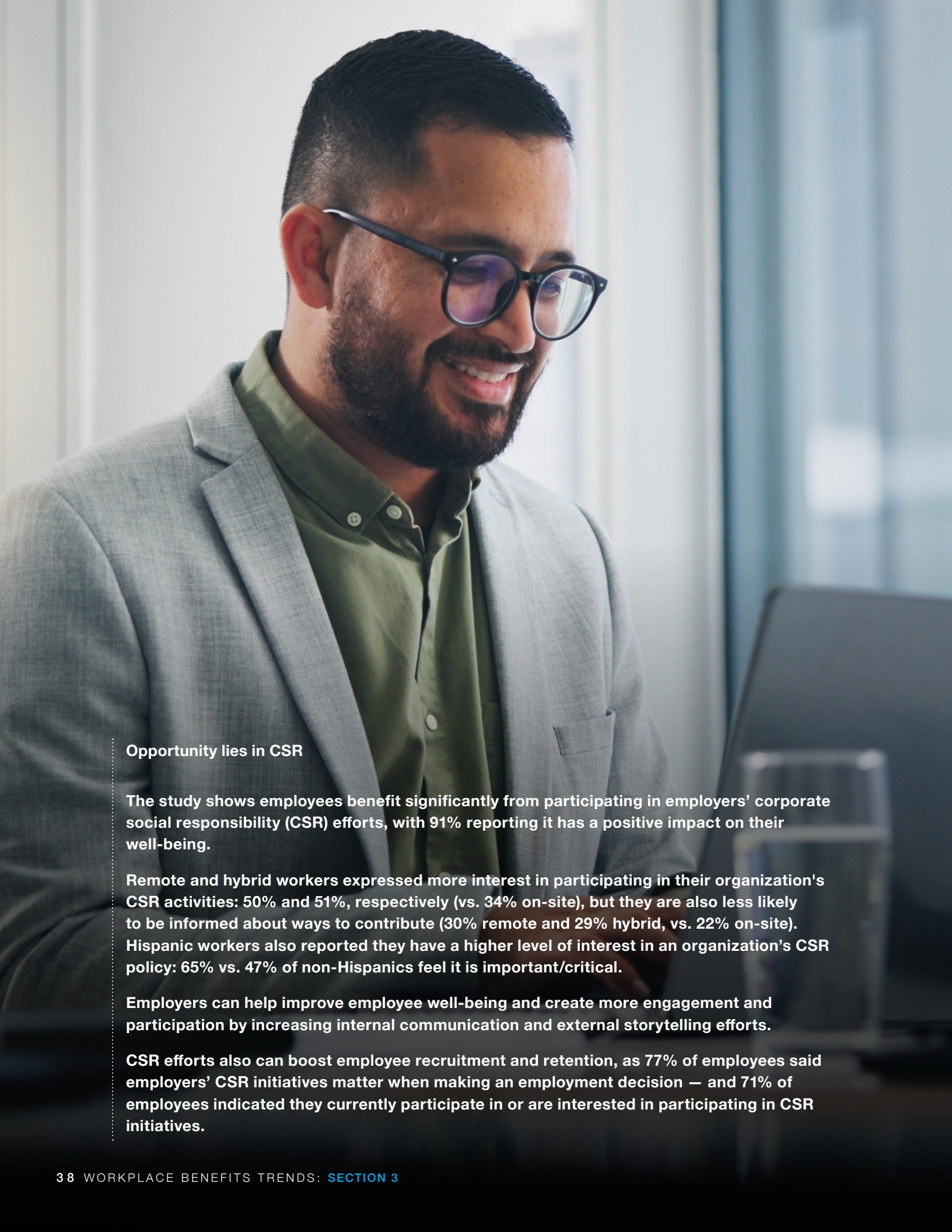
Question: Which, if any, of the following behaviors do you currently engage in at work?



Specifically, remote work appears to stifle collaborative teamwork and continuous learning.



Question: Which, if any, of the following behaviors do you currently engage in at work?



Opportunity lies in CSR

The study shows employees benefit significantly from participating in employers' corporate social responsibility (CSR) efforts, with 91% reporting it has a positive impact on their well-being.

Remote and hybrid workers expressed more interest in participating in their organization's CSR activities: 50% and 51%, respectively (vs. 34% on-site), but they are also less likely to be informed about ways to contribute (30% remote and 29% hybrid, vs. 22% on-site). Hispanic workers also reported they have a higher level of interest in an organization's CSR policy: 65% vs. 47% of non-Hispanics feel it is important/critical.

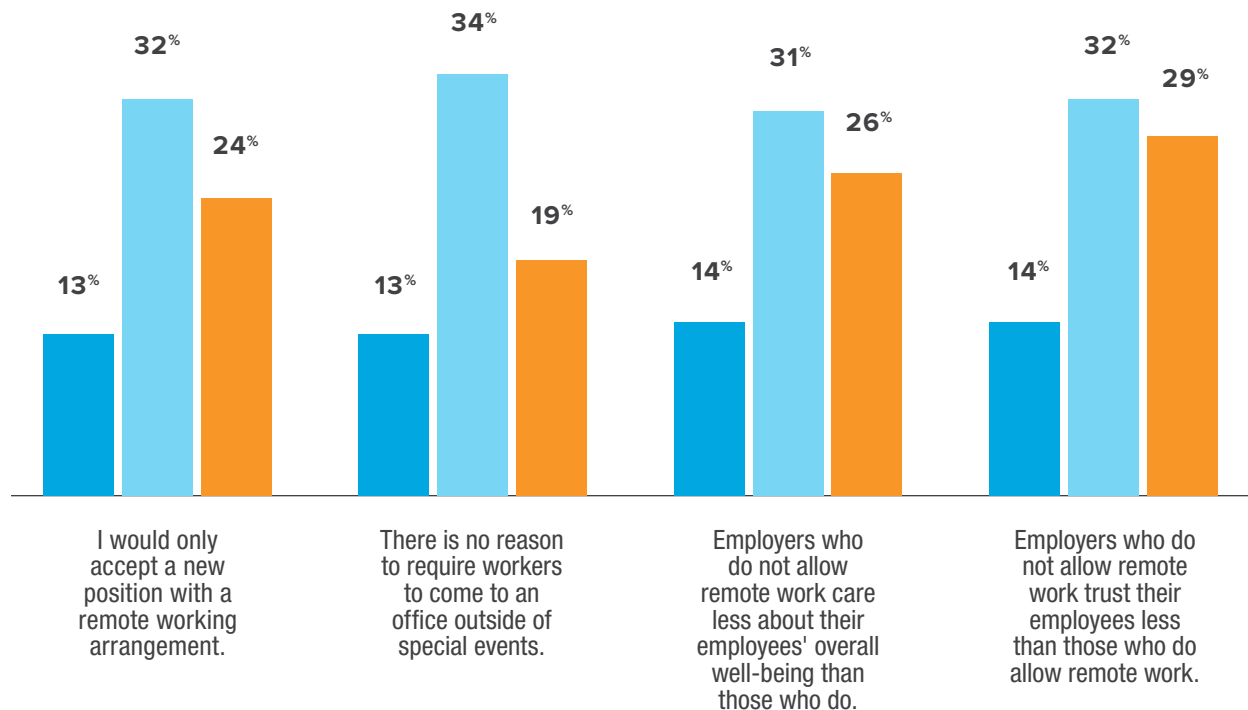
Employers can help improve employee well-being and create more engagement and participation by increasing internal communication and external storytelling efforts.

CSR efforts also can boost employee recruitment and retention, as 77% of employees said employers' CSR initiatives matter when making an employment decision — and 71% of employees indicated they currently participate in or are interested in participating in CSR initiatives.

We like things just the way they are

Employee perceptions of work are largely shaped by their current working arrangement. While remote workers tend to have negative views of employers who don't allow remote work and don't want to return to the office, on-site workers don't feel the same way. This trend could represent a significant divide in workplace preferences that employers should be aware of.

Remote employees — and to a lesser degree, hybrid employees — tend to have a negative perception of organizations that don't allow remote work, interpreting that decision as a lack of care for their employees' well-being and a lack of trust in their workforce. On-site employees, on the other hand, do not share these sentiments.

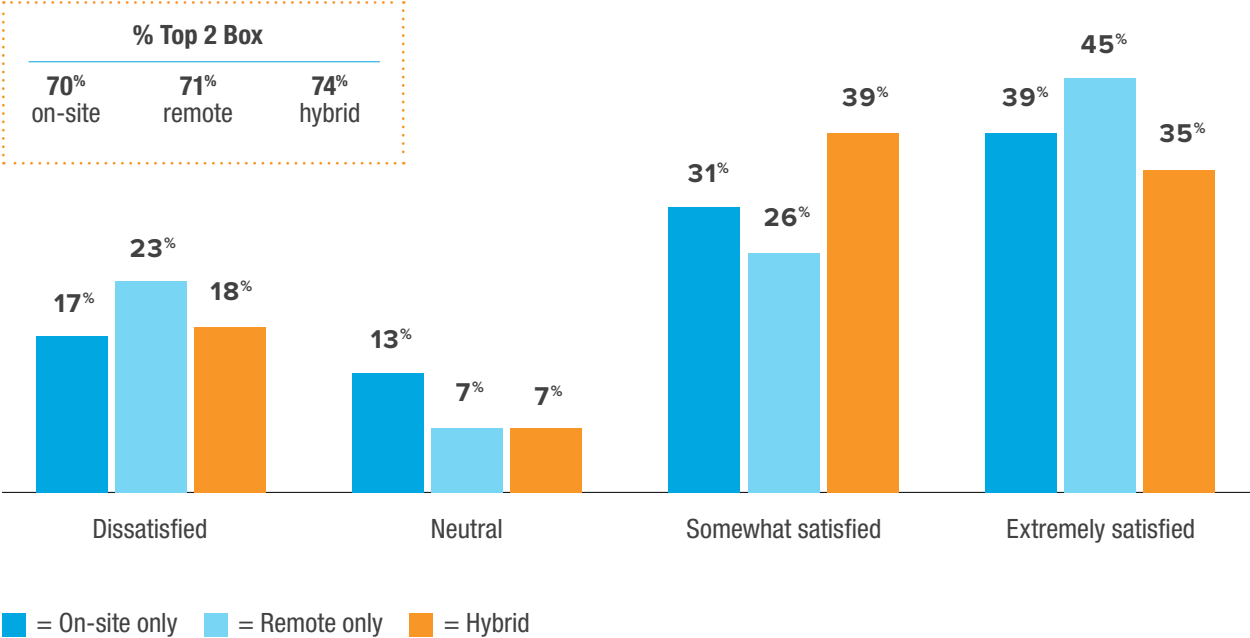


■ = On-site only ■ = Remote only ■ = Hybrid

Question: Which, if any, of the following statements applies to you?

As organizations adapt to the demands of remote work in various models, the hybrid approach seems to be striking the right balance for many employees. Hybrid offers more flexibility than on-site but without sacrificing on-site's social and collaborative benefits. Fully remote workers exhibit mixed feelings about their work setup: Some thrive in the autonomy it provides, while others report feeling disconnected. Hybrid workers appear to enjoy the best of both worlds and express the highest levels of satisfaction overall.

Remote workers show some ambivalence toward their work arrangement — as they're the most likely to indicate they are “extremely satisfied,” but also the most likely to express dissatisfaction. Overall, hybrid workers are the most content, with three-quarters saying they're “somewhat” or “extremely satisfied.”



Question: How satisfied are you with your current working arrangement?



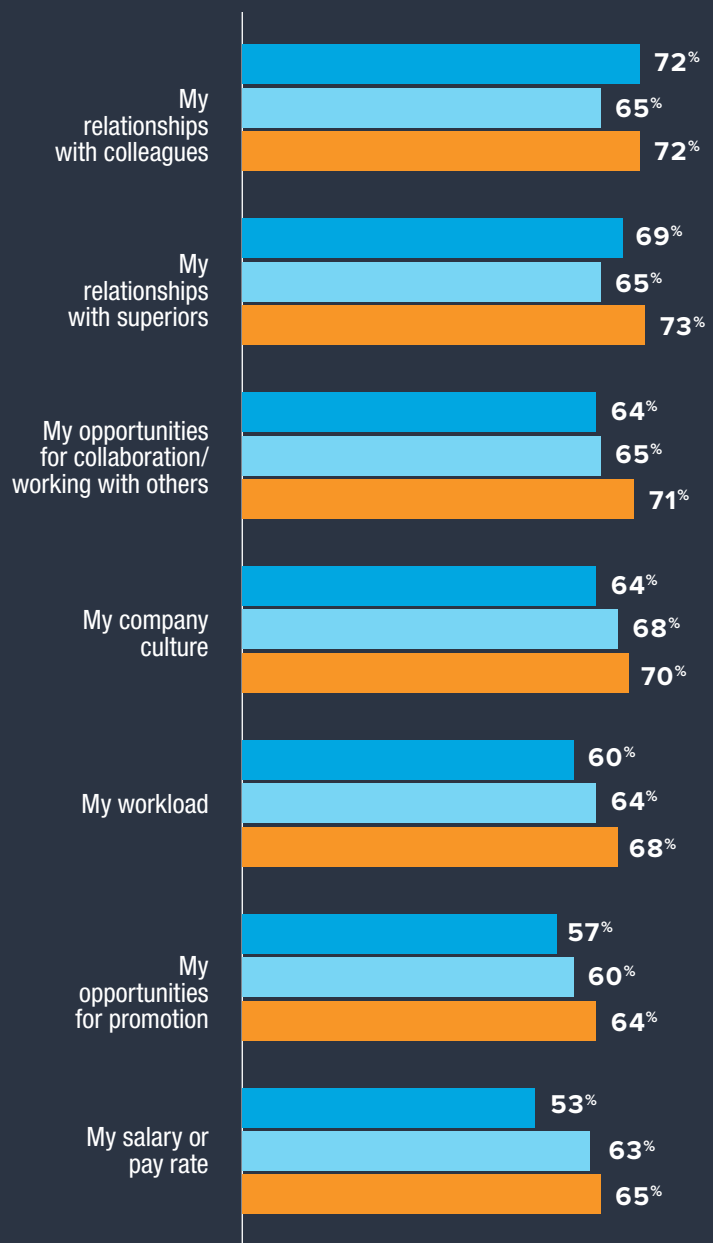
The satisfaction spectrum: Hybrid work takes the lead

Remote workers are feeling the relationship bug

Hybrid work appears to strike the right balance between the flexibility of remote work and the social and professional benefits of being on-site. Among the three models, it leads to higher satisfaction across key job components like relationships with colleagues and superiors, collaboration opportunities and workload management. While remote work allows for additional flexibility, remote workers don't have the same satisfaction with their relationships and visibility for promotion opportunities compared to their hybrid counterparts. On-site workers, while strong in maintaining relationships, fall short in other areas where hybrid work excels. Employers considering how to balance remote versus on-site work for employees should note that the hybrid model appears most effective at fostering a well-rounded and satisfying work experience.

Being on-site full time is not necessary for workers to maintain strong relationships with colleagues and superiors, but it may be beneficial to be on-site at least part time. Hybrid work fosters the highest levels of satisfaction when it comes to collaboration, workload and opportunities for promotion.

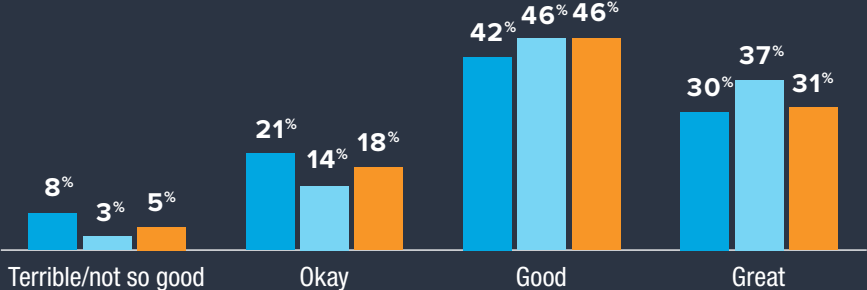
- = On-site only
- = Remote only
- = Hybrid



Question: How satisfied are you with each of the following individual components of your job? // % Very/Extremely Satisfied

Remote work does offer clear benefits in terms of perceived work-life balance, but each arrangement comes with its own set of challenges. Fully remote workers are the most likely to describe their work-life balance as “great,” with on-site workers the least satisfied with their ability to juggle their work and personal demands.

■ = On-site only ■ = Remote only ■ = Hybrid



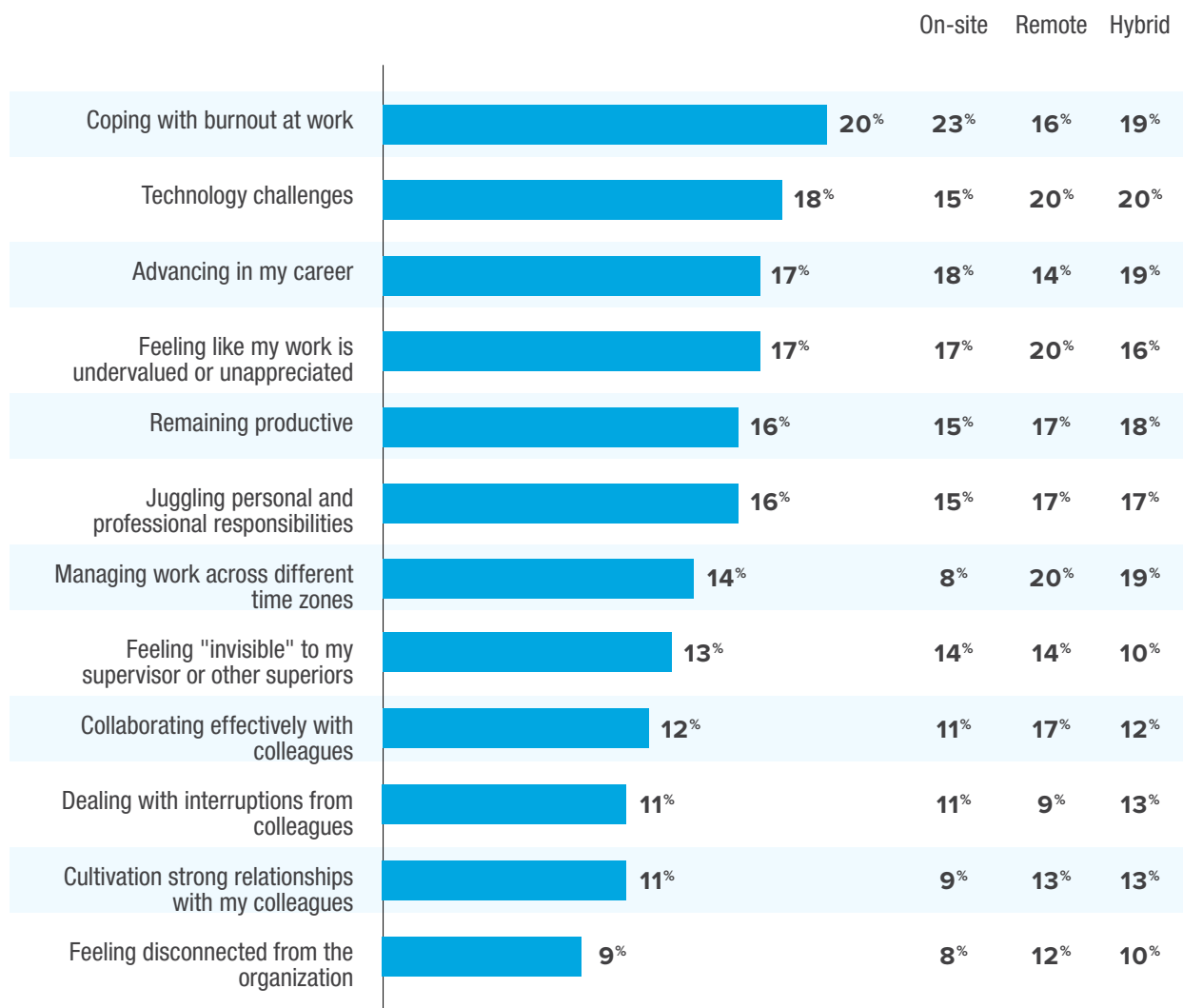
Question: How would you rate your work-life balance over the past 12 months?



Pro tip: Customize organizational support for different work arrangements. With the rise of remote and hybrid models, it is important to recognize that each setup comes with unique needs and challenges. Tailor your management approach to address these specific needs, and make sure your employees see you as a flexible partner, willing to try new approaches until they feel supported. This approach makes employees feel valued, regardless of their work setup — and increases loyalty and retention.

Workplace challenges: Burnout, tech issues and time zones

Each work arrangement — on-site, remote and hybrid — presents unique challenges that impact employee satisfaction and productivity in new ways. On-site workers report being most prone to burnout and feelings of invisibility to superiors, while remote workers struggle with technology issues, time zone management and feeling undervalued. Hybrid employees face a mix of these challenges, particularly in career advancement and managing the complexities of splitting time between different work environments. That said, a hybrid approach appears to present a unique opportunity for organizations willing to experiment by combining the aspects of remote and on-site work in a way that enhances employee satisfaction and retention.



Question: Which, if any, of the following challenges do you face at work currently?



Section 4

Employee financial fragility + the role of supplemental insurance

Rising costs, rising risks: How supplemental insurance provides added protection for many employees

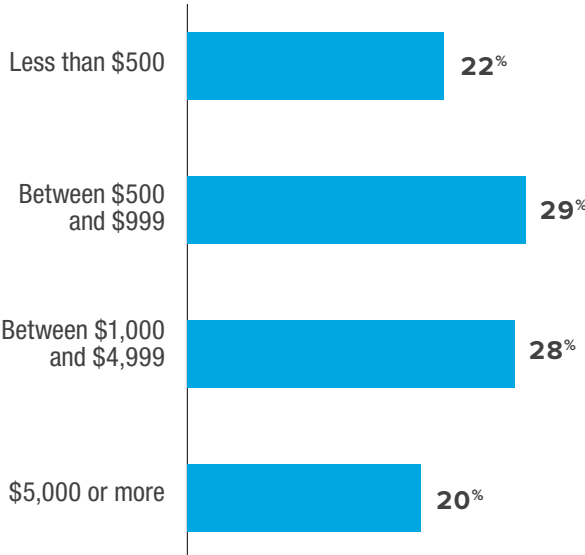
In our current economic climate, financial fragility is the norm. Supplemental insurance is quickly becoming a vital tool for both employees and employers to help combat the rising costs of health care. It offers assistance to many financially vulnerable employees, helping them mitigate the risk of an unexpected health event, such as a life-threatening illness or injury that requires expensive treatment. As businesses look for new ways to help support their workforces, supplemental insurance should not just be considered an option, but a crucial part.

Nearly half of all employees can't afford unexpected medical expenses

As health care costs continue to rise, employees face unprecedented financial challenges when it comes to dealing with unexpected medical expenses. More than half (51%) of employees report that they could not pay less than \$1,000 out-of-pocket in the event of an unexpected illness or injury. Nearly a quarter (22%) said they could not cover even \$500. This financial fragility is most pronounced among younger workers, women and those juggling multiple jobs. These groups are at the greatest risk when faced with a sudden, unexpected expense.

While many employees (42%) said they could leverage existing cash reserves or a credit card to pay for an unexpected medical expense, fewer said they are able to do so this year than in 2023 (51%). Also of note is an alarming increase among a small minority of employees who said they would borrow from retirement (24%), take out a second mortgage (13%) or set up a crowdfunding page (12%) to pay for such an expense.

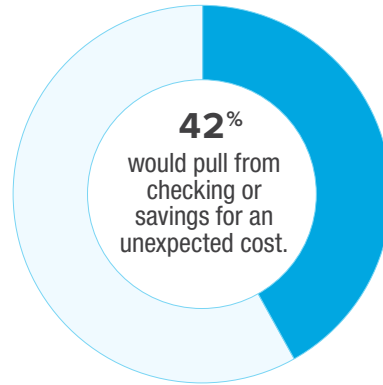
More than half of employees are unable to pay less than \$1,000 in out-of-pocket costs for an unexpected medical event; nearly one-quarter cannot afford a \$500 expense.



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



Only 2 in 5 employees say they would pull from a checking or savings account to cover unexpected medical bills — fewer than in 2023 (51%).

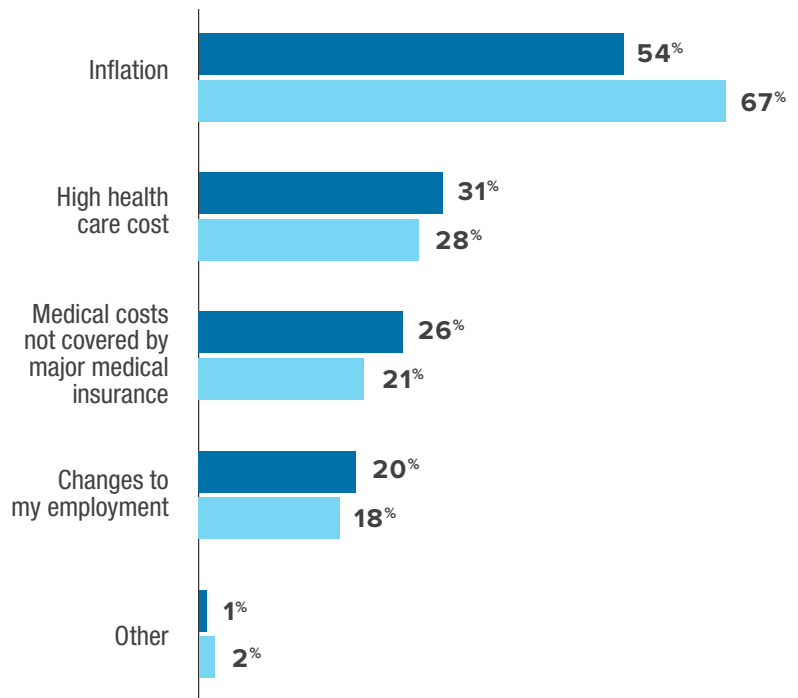


Question: How would you pay for high out-of-pocket expenses associated with an unexpected serious illness or accident?

More than half (54%) of all employees cite inflation as negatively impacting their finances over the past year — though this is a decline compared to last year.

Although inflation remains the primary culprit affecting workers' finances, health care costs are emerging as a growing burden.

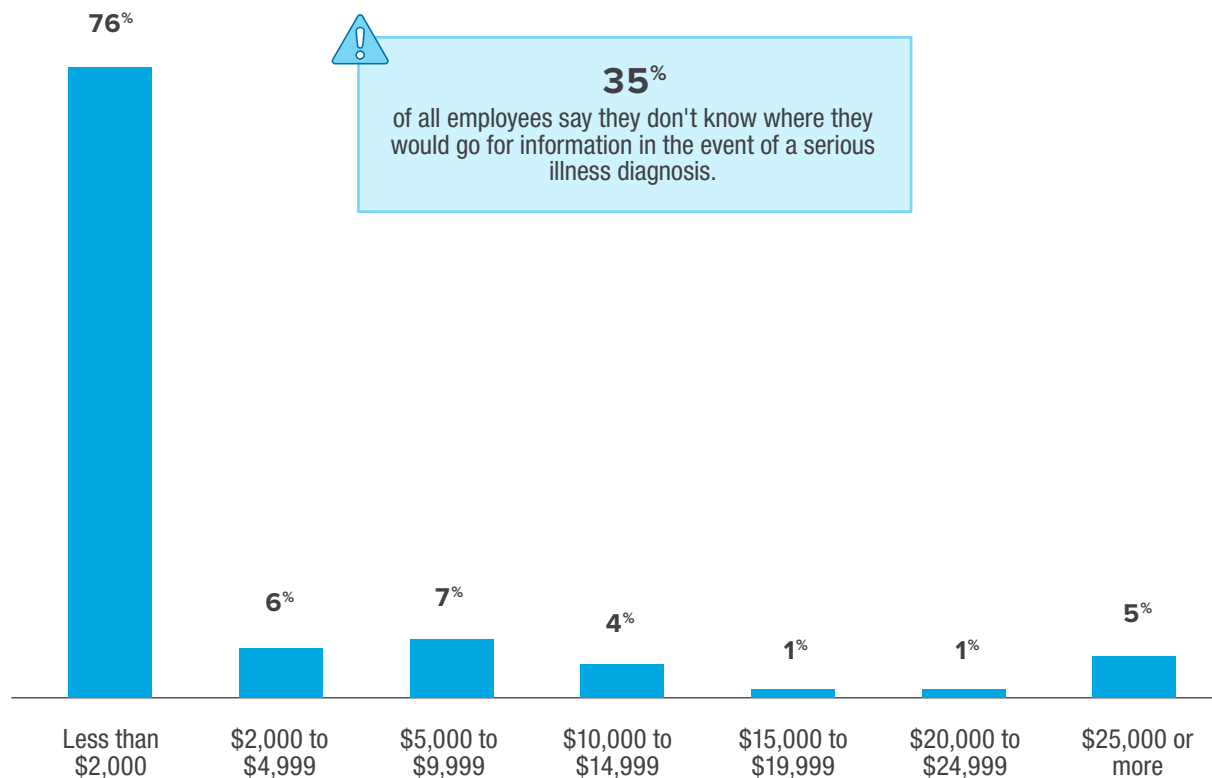
■ = 2023 ■ = 2024



Question: Which of the following have had the greatest negative effect on your finances?

Most employees aren't prepared to financially support themselves in the event of a serious medical diagnosis, and many don't understand how burdensome the costs associated with such a diagnosis can be. Most workers expect the out-of-pocket costs in the 12 months following a cancer diagnosis to be less than \$2,000, while the [National Cancer Institute estimates the total cost to be more than \\$40,000](#).

More than three-quarters (76%) of all employees expect that the out-of-pocket costs in the 12 months following a cancer diagnosis would be less than \$2,000 — and many would not know where to turn for support.



Question: To the best of your knowledge, how much do you think the average American with health insurance pays out of pocket for medical care and prescription medications for the 12 months following a cancer diagnosis?

Question: Do you know where to turn to for information and resources if you or a loved one were diagnosed with a serious illness such as cancer?

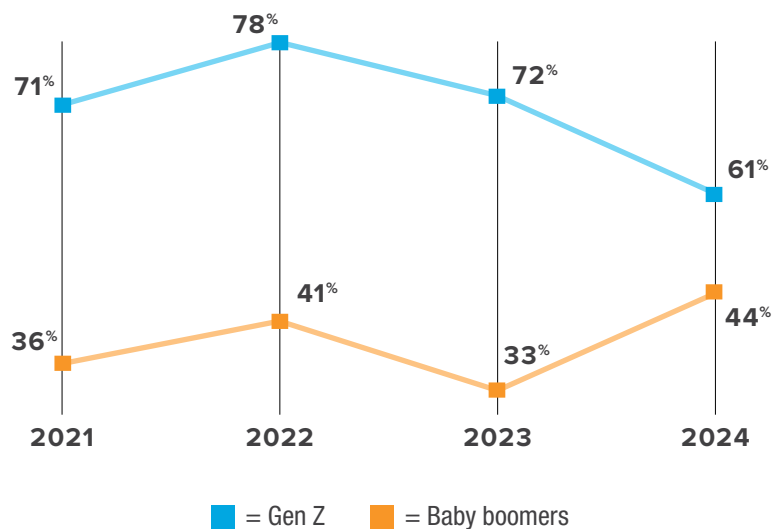
[The 2024 PricewaterhouseCoopers's Health Research Institute findings revealed health care costs are projected to rise between 7% and 8% in 2025.](#) While inflation continues to increase at lower rates, prices outpace wage growth — contributing drivers to employees' financial stress, which impact their productivity and overall well-being. It's important for employers to recognize how these incremental increases are affecting employees' wallets even if the economy rebounds or the global pandemic state of urgency subsides — giving Americans a false sense of security. Employers should offer supplemental insurance as part of employees' comprehensive benefits packages to help with rising costs while also helping close gaps in their coverage.



Gen Z's financial security improves slightly, while baby boomers' declines

Gen Z employees remain the most financially vulnerable and are the most likely not to be able to pay a \$1,000 medical bill. However, their financial resilience has improved somewhat over the last year. Meanwhile, baby boomers, who have historically been more financially stable, are experiencing a worrying decline in their ability to handle unanticipated expenses. Far more baby boomers are unable to handle a \$1,000 medical expense than in 2023. 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.

While Gen Z employees are still the most financially vulnerable, with 61% unable to handle a \$1,000 medical bill, their situation has slightly improved compared to last year when 72% reported the same concern. In contrast, more baby boomers this year say they can't manage a \$1,000 expense compared to last year.



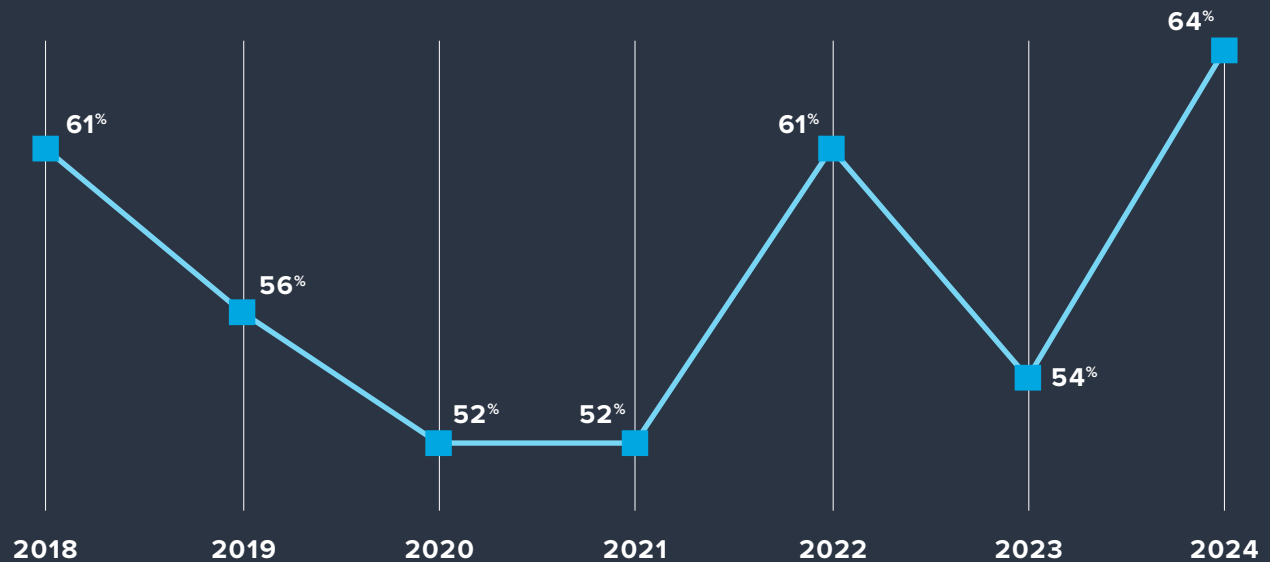


Employees living month to month reaches all-time high

The financial instability of employees is further emphasized by the rise in the number of employees who report that they would not be able to survive more than a month without a paycheck. This financial strain combined with inflation and other economic woes has driven more than a third of employees to make difficult health care decisions — delaying or avoiding critical medical care due to cost concerns. Organizations that prioritize employee well-being and satisfaction should find ways to address this financial need.

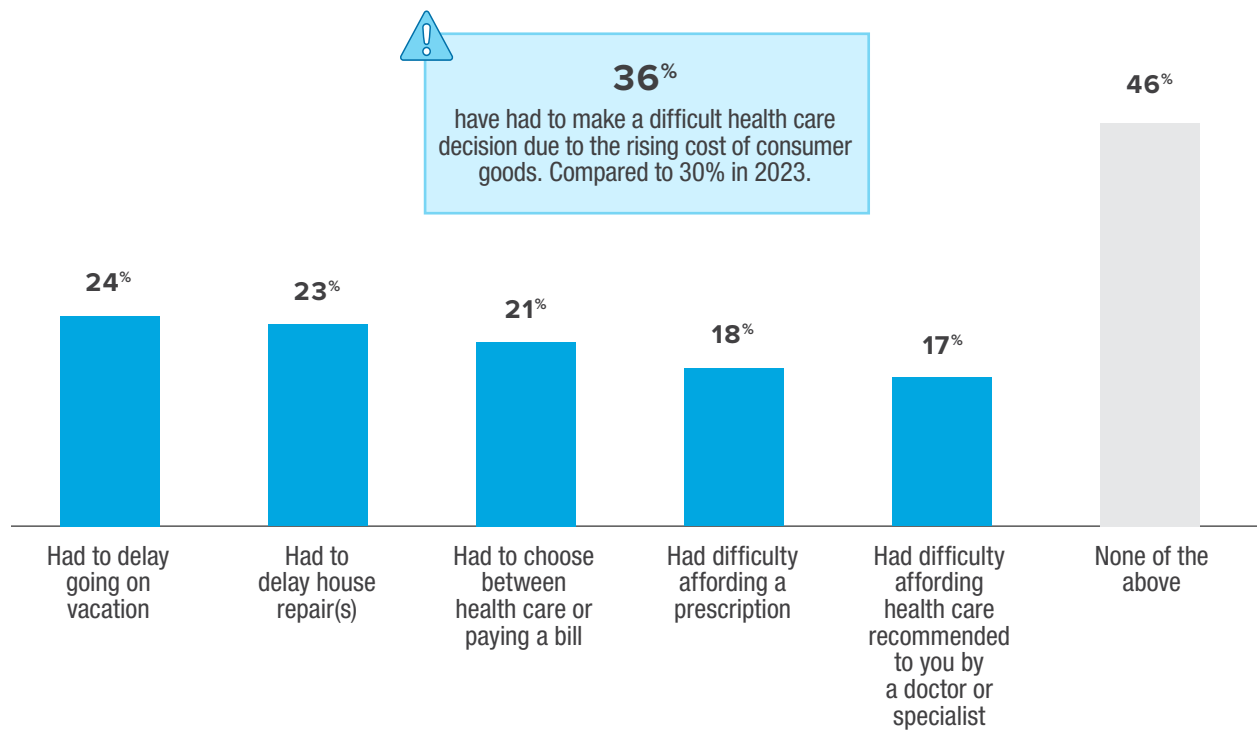
Nearly two-thirds (64%) of employees say they cannot go more than one month without a paycheck — a concerning all-time high and significant uptick compared to 2023 (54%).

Cannot go more than one month without a paycheck



Question: How long could you go without a paycheck?

Due to rising costs of consumer goods, more than a third (36%) of all employees have had to make a difficult health care decision in the past year — up from 30% reporting having done so in 2023.



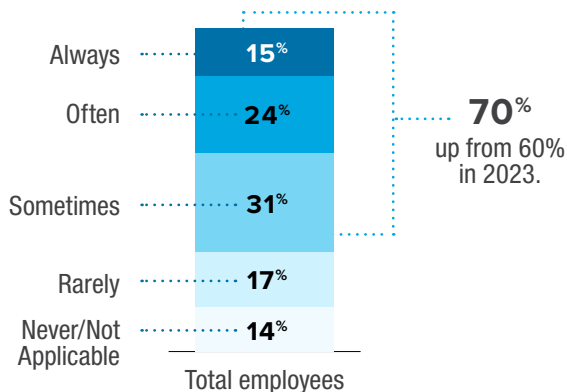
Question: In the past 12 months, have you experienced any of the following due to rising costs (groceries, gasoline, etc.)?



Rising anxiety about future medical care continues

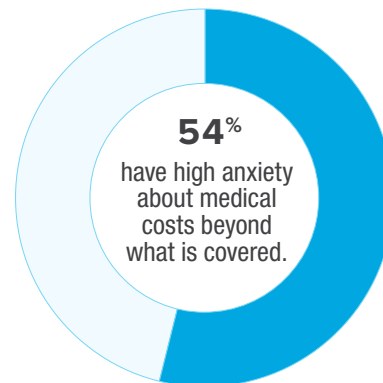
Anxiety about a serious medical diagnosis that may arise is growing. More than 2 in 3 employees (70%) now express concern about the possibility of facing a serious illness, like cancer. This number has jumped significantly from 60% last year, underscoring a growing sense of vulnerability and anxiety among workers over the financial impact of receiving a serious diagnosis.

About 70% of employees experience at least some anxiety about a serious medical diagnosis in the future — a significant uptick compared to 2023 (60%).



Question: How frequently, if at all, do you worry about whether you will be diagnosed with a serious illness, such as cancer?

More than half (54%) of all American workers have high anxiety about health care costs beyond what their insurance covers — also an uptick compared to 2023 (50%).



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



Supplemental insurance is in greater demand than ever before

The rising cost of living continues to take a toll on employees. During a time of heightened financial insecurity, supplemental insurance can play a critical role. As economic pressures mount, employees need commonsense solutions to help navigate the rising costs of health care. Supplemental insurance has moved from being an added perk to an essential component of any comprehensive benefits package. It can help provide financial well-being and added peace of mind for employees who are afraid of the costs associated with medical expenses.



Well over half (57%) of all American workers view supplemental benefits as a core component of a comprehensive benefits program — far more than in 2023 (42%).



More than 9 in 10 employees (93%) believe the need for supplemental insurance is increasing — an uptick from 2023 (89%).



Three-quarters (76%) of all employees enrolled in supplemental insurance have used it in the past year — up from 2023 (68%).



The overwhelming majority of enrolled employees say they would recommend that a friend or family member enroll in supplemental benefits (91%) and that their supplemental benefits helps protect their financial security (92%).



Only 37% of employers indicate that they offer supplemental insurance options to their employees.

“The voluntary health insurance benefit I used provided critical support during a family medical emergency, covering significant medical expenses and reducing our financial stress, allowing us to focus on recovery and well-being rather than worrying about the cost of care.”

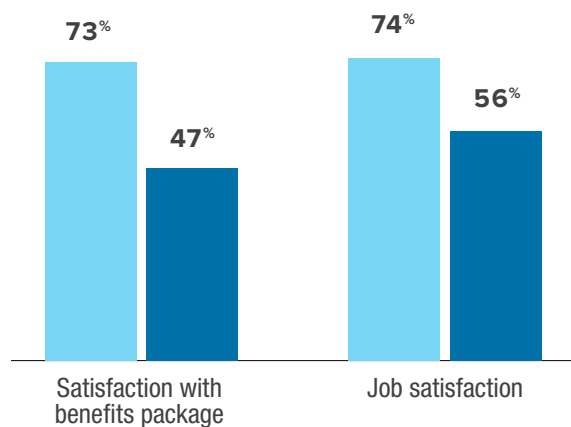
55-year-old male, California

Offering supplemental benefits can significantly enhance employee satisfaction and confidence. Employees with access to these benefits report much higher satisfaction with their overall benefits package as well as greater overall job satisfaction. They also are far more likely to believe that the benefits package they have meets their family's needs. Additionally, supplemental benefits instill greater confidence that a package will adequately protect an employee in the event of a serious illness. This data underscores the crucial role supplemental benefits play in improving employees' perception of their benefits, enhancing their overall job satisfaction and giving them a greater sense of security.



Three-quarters of those who are offered supplemental benefits report high satisfaction with both their benefits packages and their overall jobs — compared to just half of those who do not have access to these options.

■ = Offered supplemental benefits
 ■ = Not offered supplemental benefits

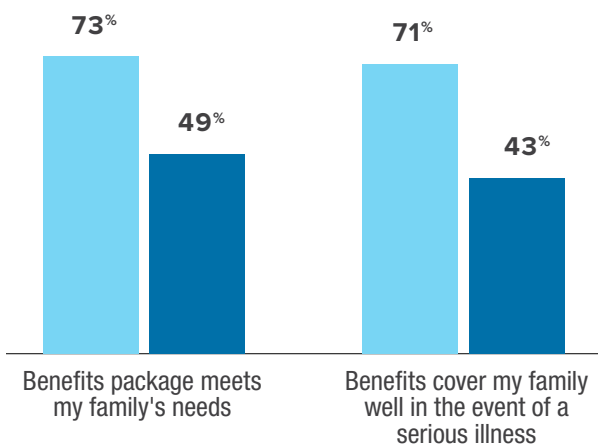


Question: How satisfied are you with the overall benefits package offered to you by your employer at this time?

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

Similarly, three-quarters of those who have access to supplemental benefits are confident their benefits meet their family’s needs and will cover them in the event of a serious illness — far more than those who do not have access to supplemental insurance.

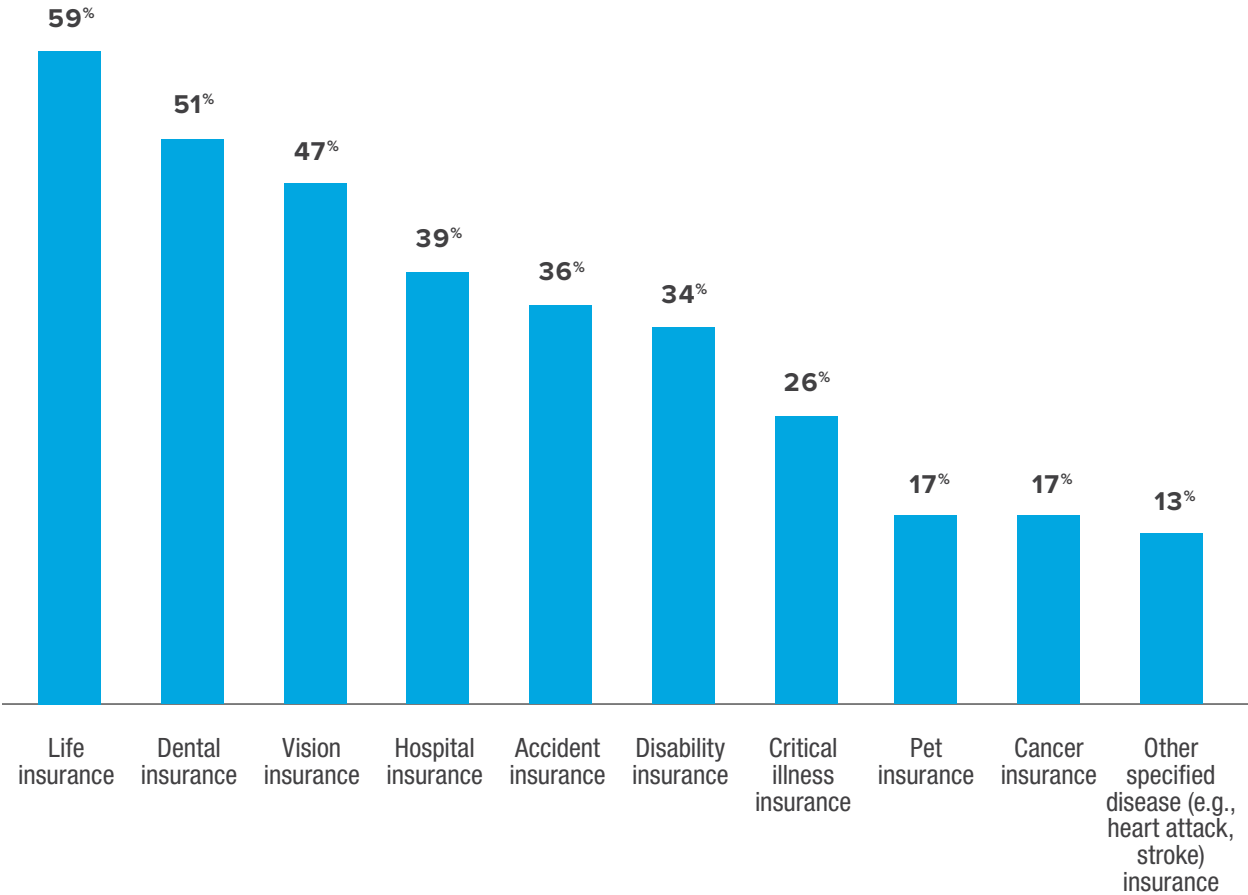
■ = Offered supplemental benefits
 ■ = Not offered supplemental benefits



Question: How well does the current benefits package offered by your employer meet your family’s needs?

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

Life, dental and vision insurance are the most selected supplemental benefits among employees.



Question: Which of the following voluntary benefits are you enrolled in through your employer?

Note: This question was asked of employees who indicate they have access to supplemental benefits at work. With just under 3 in 4 (73%) employees stating they have access to supplemental benefits, this translates to 43% of all employees enrolling in supplemental life, 37% enrolling in supplemental dental, and 34% enrolling in supplemental vision.

Pro tip: Educate employees on the real costs of medical care and how supplemental insurance can help. Many employees significantly underestimate the financial burden of a serious medical diagnosis. By providing clear, accessible information on how supplemental insurance can help cover these expenses, you empower your workforce to make informed decisions about their health and financial well-being. This knowledge gives employees peace of mind, knowing they are better prepared for life's unexpected events.





Section 5

**Mental health
+ employee
well-being**

How employers can better support employee well-being

More and more, organizations are discovering that mental health and well-being are key elements of job satisfaction and productivity. There has been some progress in how employers support these qualities in the workplace. More employees report feeling their organizations care this year than last; however, challenges like stress and burnout from work remain prevalent. It's essential for employers to consider ways to address these issues head-on, like offering flexible work hours, additional PTO and comprehensive mental health coverage as part of a comprehensive benefits package to attract and retain top talent. As the importance of mental health in the workplace continues to rise, employers might seek proactive ways to make employees feel supported both on and off the clock.

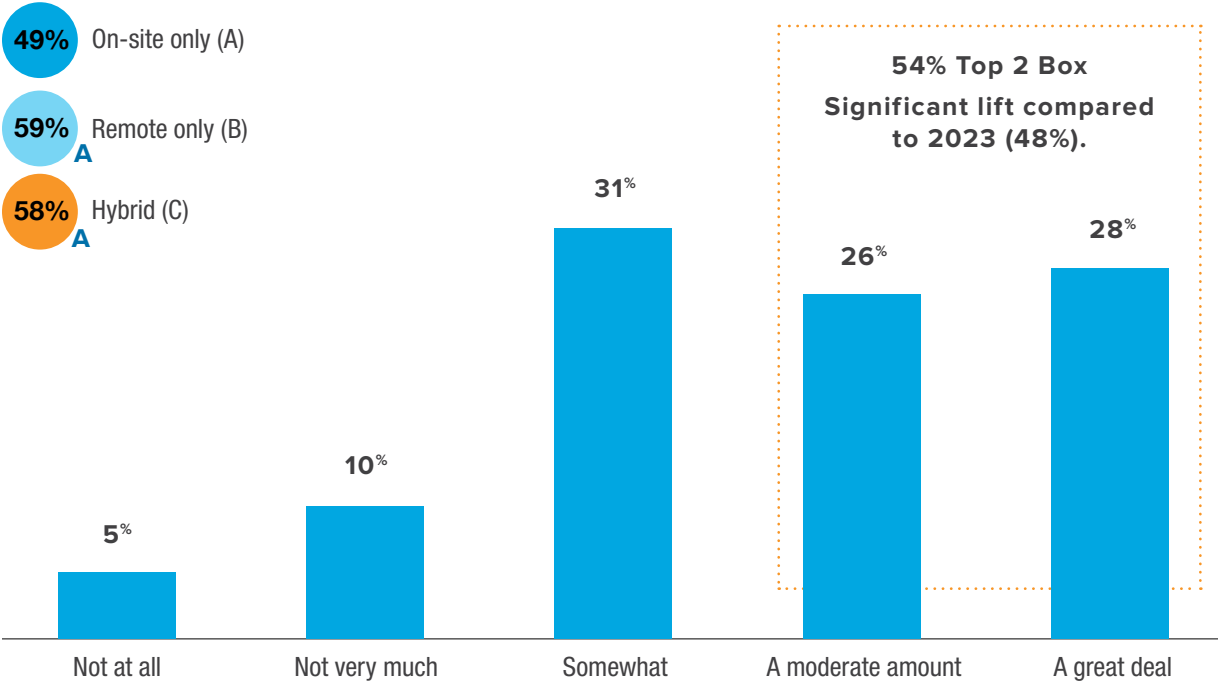


Organizations are making progress in addressing mental health concerns

Year over year, there has been a significant increase in employee confidence that employers care about their mental health. However, this feeling is less pronounced among on-site workers, highlighting one potential area for improvement. Also, despite this progress, 15% of employees still believe their employers don't care about their mental health, indicating there is plenty of work still to be done.

More than half (54%) of all employees are now confident that their employers care at least moderately about their mental health, with more than a quarter (28%) believing they care a great deal. This is an improvement over 2023, where only 48% believed their employers cared. However, there appears to be less confidence among those working fully on-site.

My employer cares about my mental health a moderate amount/a great deal:



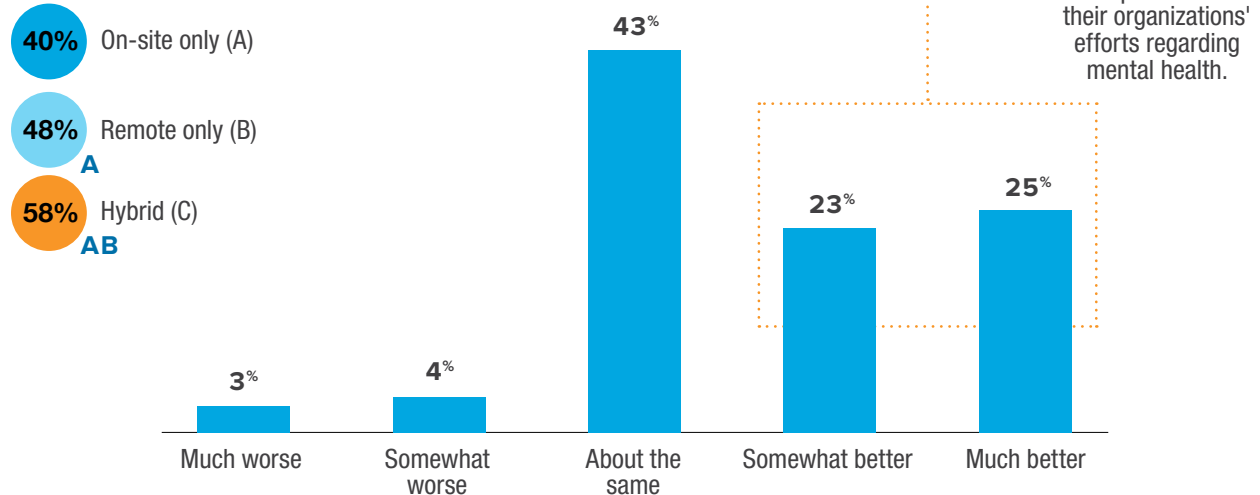
Question: How much do you believe your employer cares about your overall mental health?

A/B/C indicates sub-group is statistically significantly higher than corresponding sub-group at the 95% confidence level.

Nearly half of employees feel their organizations are doing a better job addressing mental health today than they were a year ago. This is a big step in the right direction, as a direct correlation can be drawn between employees feeling supported in their mental health and their overall job satisfaction. However, once again, this feeling isn't echoed as strongly among on-site employees, suggesting more resources and attention might need to be directed their way.

Nearly half (47%) of all employees believe their organizations have done a better job addressing mental health over the past year — and very few believe their companies have declined in their support.

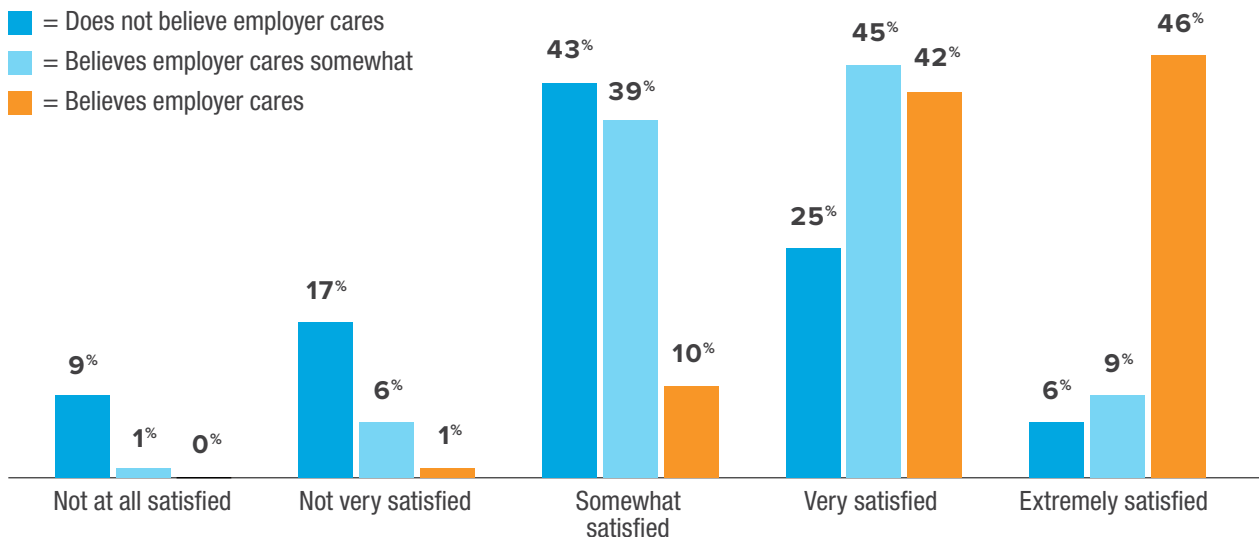
My employer's efforts regarding mental health are somewhat/much better than a year ago.



Question: Compared to a year ago, would you say your organization's efforts regarding mental health in the workplace are...

A/B/C indicates sub-group is statistically significantly higher than corresponding sub-group at a 95% confidence interval.

Unsurprisingly, employees who are confident that their employers care about their mental well-being are far more likely to express strong job satisfaction, with nearly half (46%) saying they are extremely satisfied and an additional 42% saying they are very satisfied.



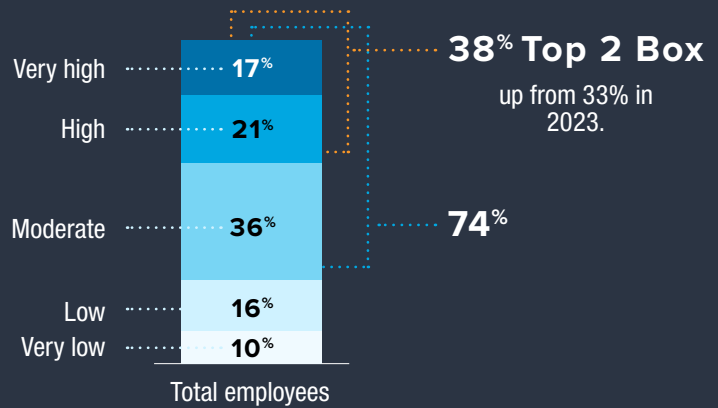
Question: Overall, how satisfied are you with your job?

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

Workplace stress remains a persistent challenge

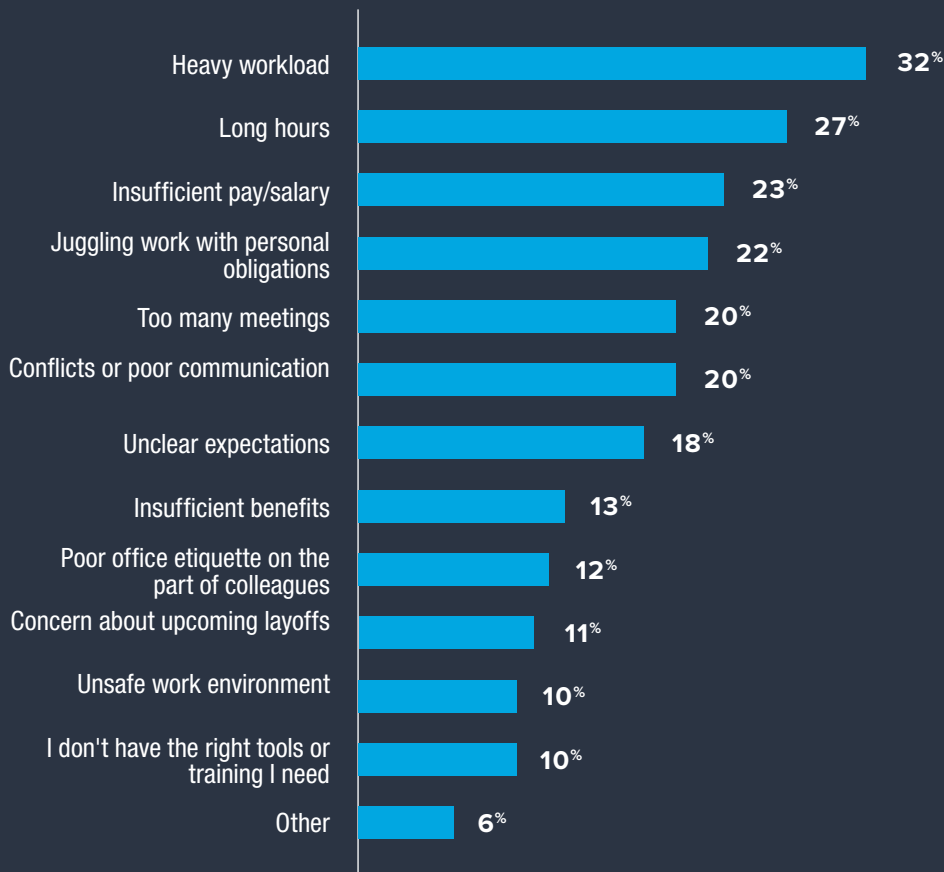
Despite improvements in support for mental health issues, employees continue to report high levels of workplace stress. This year, 3 in 4 employees reported at least a moderate level of stress at work. There also has been an increase in the number of employees experiencing high levels of stress rising to 38% from 33% in 2023. Heavy workloads are the primary driver, though other factors contribute.

Workplace stress is high among employees, with 74% reporting at least a moderate level of stress and a year-over-year increase in those reporting high levels of stress.



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

A third of all employees blame a heavy workload for their stress, though there are many other culprits.



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

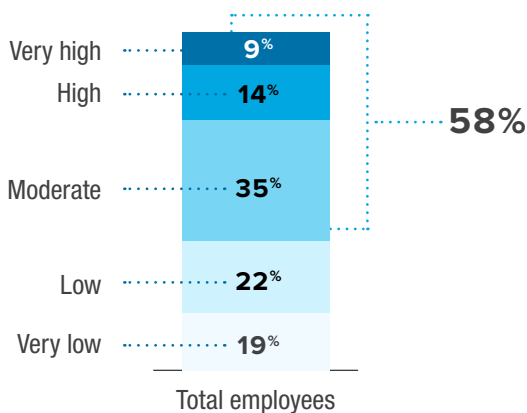


Burnout is prevalent, especially among millennials

Burnout is affecting a large portion of the workforce, with well over half (59%) of employees experiencing at least a moderate level of burnout. However, while burnout is prevalent, it is still less common than levels of stress described as "moderate." This could suggest that some employees are finding ways to manage their stress so they don't reach the point of burnout.

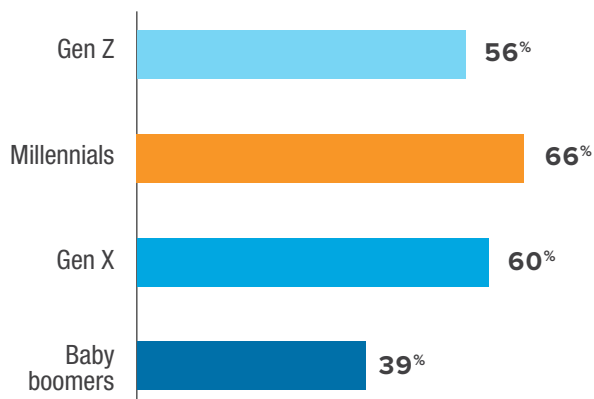
Millennials, in particular, are more affected by this issue than other age groups. Also, unlike in previous years, there is no significant gender gap in burnout rates among this group, suggesting that broader generational factors are at play. One possible explanation for the higher levels of burnout among millennials could be their unique career pressures and expectations: facing more demanding work environments than other generations — defined by constant connectivity, high performance expectations and a competitive job market. Beyond career challenges, many millennials are part of the "sandwich generation," managing the demands of young children while simultaneously caring for aging parents. This constant juggling act of managing career aspirations, familial duties and personal well-being may be pushing millennials into burnout faster than other age groups.

More than half (59%) of all employees are facing moderate or high burnout, with nearly a quarter (23%) facing high burnout.



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

Nearly two-thirds (66%) of all millennials say they are facing moderate or high burnout — far more than baby boomers (39%).



Question: How would you rate your current level of burnout? // % Moderate-Very high

Addressing burnout is key to helping prevent more severe mental health issues from taking hold

Tackling burnout is key to helping millennials — and other age groups — thrive. This report shows that people who experience high levels of burnout are much more likely to suffer from severe mental health issues such as anxiety, depression and post-traumatic stress — so the stakes couldn't be higher. Unfortunately, addressing these issues isn't simple or straightforward. Organizations that are serious about making mental health a priority must be willing to explore benefits like flexible work hours, additional PTO and other creative solutions as part of their comprehensive benefits package.

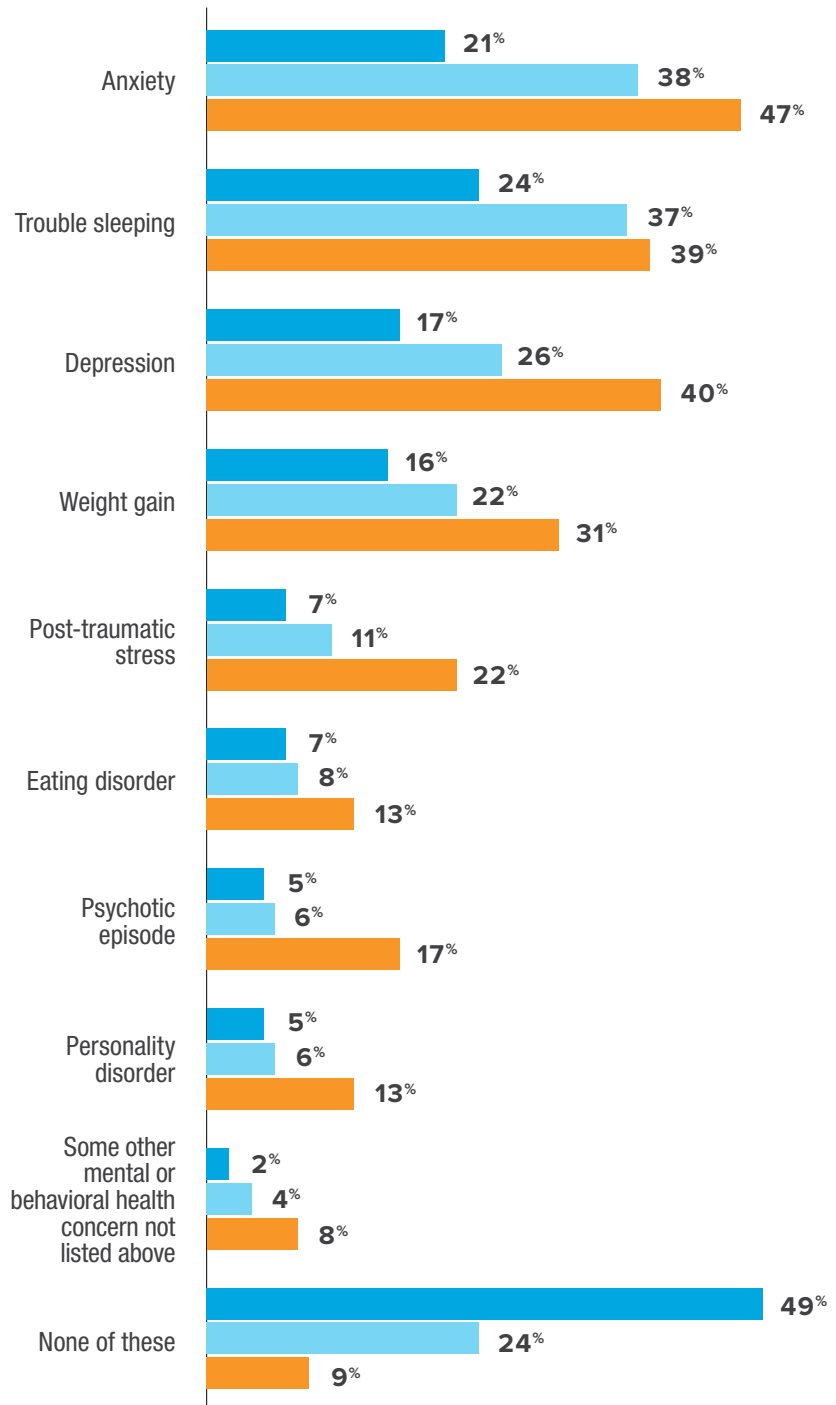
There are significantly higher instances of all mental health challenges among those experiencing high burnout than among those experiencing low or no burnout.

- = Low/no burnout
- = Moderate burnout
- = High burnout

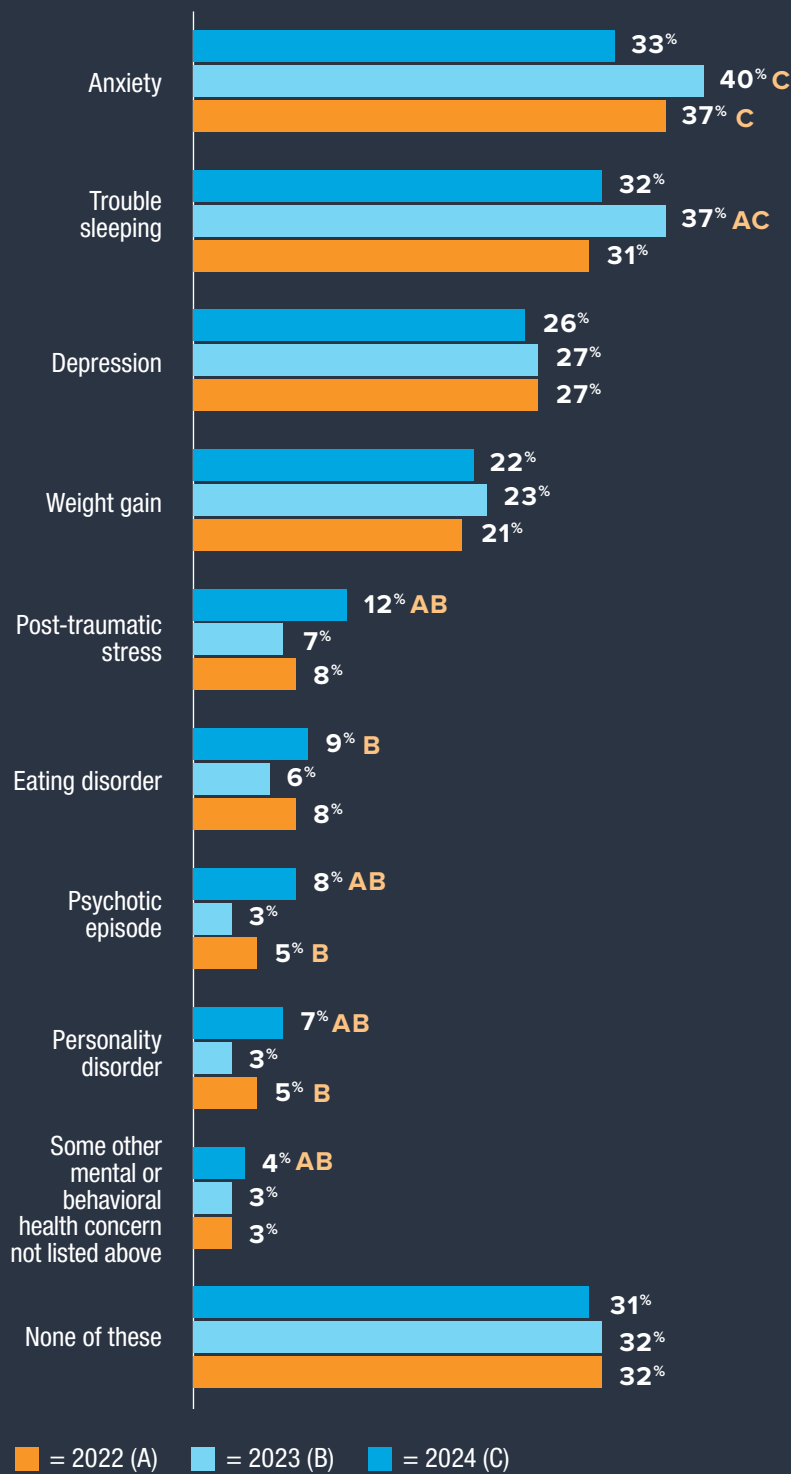
Question: Have you experienced any of the following in the past 12 months?

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

While reports of anxiety and trouble sleeping have declined since 2023, there has been an increase in more severe mental health concerns, including post-traumatic stress, eating disorders and psychotic episodes. Again, these more severe issues indicate that organizations should be willing to try new approaches to combatting mental health issues among employees. Organizations that are proactive in communicating with employees about mental health concerns — and who remain flexible in their approaches to addressing them — will likely set themselves apart from the competition.



In positive news, anxiety and trouble sleeping have declined compared to last year. However, more severe mental health concerns have increased — and depression and weight gain have remained flat.



Question: Have you experienced any of the following in the past 12 months?

A/B/C indicates sub-group is statistically significantly higher than corresponding sub-group at the 95% confidence level.

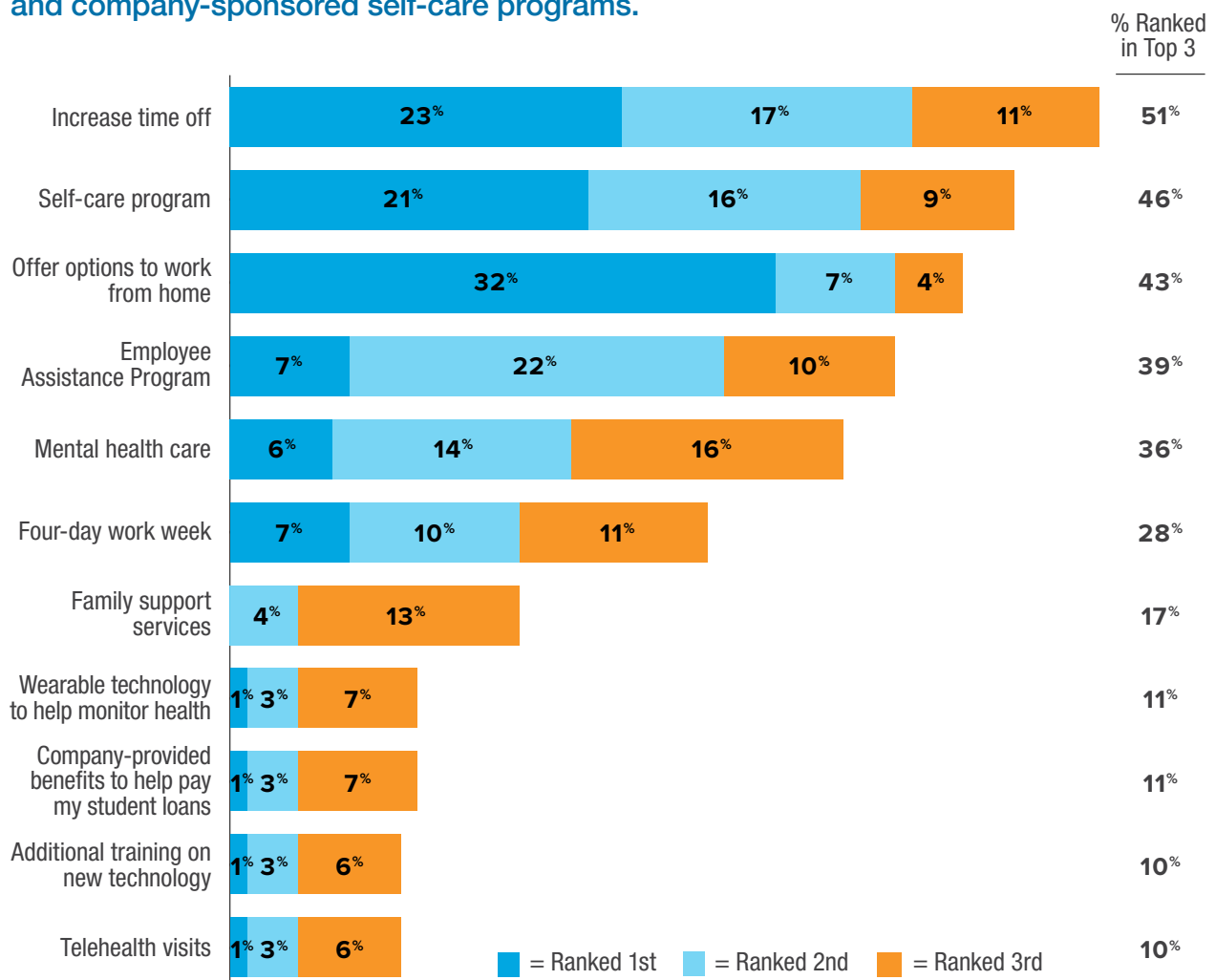


Flexible work options and PTO are key to combatting burnout

To address burnout, employees are seeking increased options to work from home, more PTO and company-sponsored self-care programs. Organizations that are willing to be flexible in their approach — like hybrid models and new mental health and well-being initiatives that allow employees to have input into their own care programs — will likely be set up for success. Interestingly, while a four-day work week is often discussed as a potential solution, it is not as highly regarded by employees — perhaps because they recognize that their heavy workloads couldn't realistically be managed in fewer days.



Nearly a third (32%) of those who have experienced burnout say the ability to work from home would be most effective for helping them cope, followed by increased PTO and company-sponsored self-care programs.

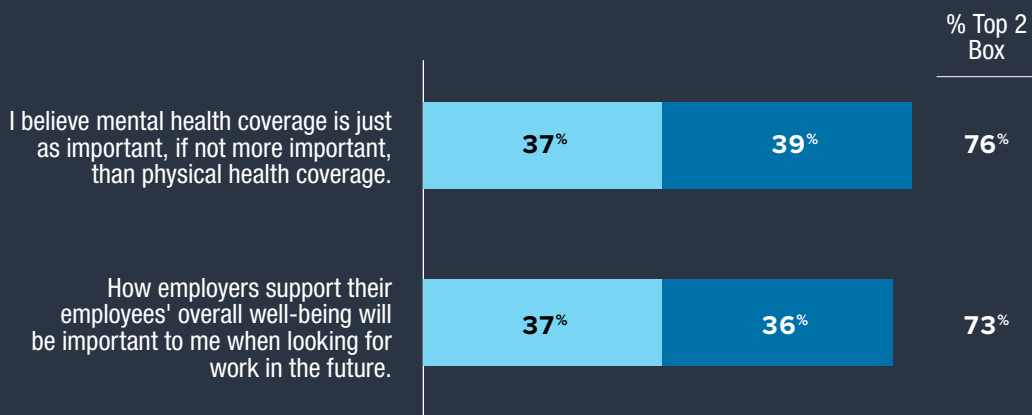


Question: Which of the following would be most useful with helping you deal with burnout or personal mental health concerns?

Mental health coverage is just as important as major medical

Employees are increasingly recognizing the importance of mental health coverage as part of their benefits plan, with 76% ranking it as “just as important” as major medical coverage. This new tendency is reflected in future job considerations as well, with nearly three-quarters (73%) planning to evaluate an employer’s mental health support when seeking new opportunities. Modern enterprises should see this as proof that supporting employees with mental health resources isn’t just a way of retaining top talent, but it also is a way of attracting it.

Three-quarters (76%) of employees say mental health coverage is just as important as physical health coverage, and a similar percentage (73%) say that how organizations manage employees’ overall well-being will be an important consideration for them when job-hunting in the future.



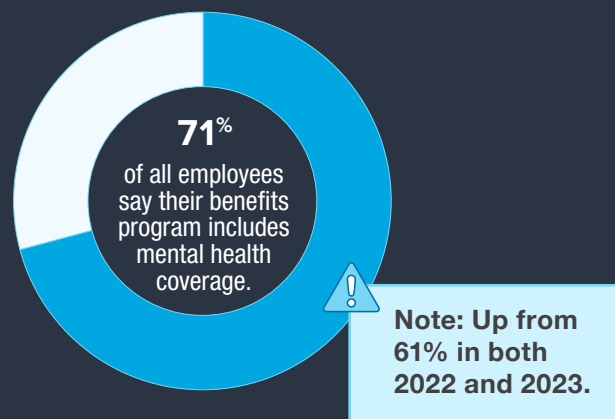
■ = Somewhat agree ■ = Strongly agree

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

In positive news, far more employees (71%) have access to mental health coverage than in previous years (61%).

However, this still leaves nearly a third (29%) without coverage.

Question: As part of your current insurance coverage, do you have coverage for mental health resources?



Employees who have access to mental health care as part of their benefits package are more likely to feel that their employers genuinely care about their mental well-being. Furthermore, these same employees report higher satisfaction with their benefits package and say they are more likely to believe that their benefits meet their family's needs. This underscores the critical role mental health support plays in overall employee satisfaction and the effectiveness of benefits programs.



Well over half (58%) of those who have mental health coverage believe their employers care about their mental well-being, compared to just 42% of those who do not have mental health coverage.



Those with mental health coverage are more satisfied with their benefits package than those who do not have mental health coverage (72% vs. 54%).



Similarly, those with mental health coverage are more likely to say their benefits package meets their family's needs than those who do not have mental health coverage (73% vs. 55%).

Pro tip: Make offering mental health support a priority. To align with employee expectations, ensure your benefits package includes robust mental health coverage and support. Consider expanding access to mental health resources, such as counseling, and offer discounts on popular self-care apps and resources. Companies can also experiment with flexible work options and increased PTO to address stress and burnout in the workplace. Employees report that when employers demonstrate a commitment to mental health, it can significantly boost their satisfaction with and confidence in their coverage.

About the study

The 2024-2025 Aflac WorkForces Report is the 14th annual Aflac employee study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the employer survey took place online between June 6 and June 21, 2024, and the employee survey took place online between June 6 and July 10, 2024. The surveys captured responses from 1,003 employers and 2,000 employees across the United States.

For more information, visit aflac.com/awr.

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