



Section 4

Competing for talent in a changing workforce

The workforce is redefining what makes an employer attractive

Benefits are becoming more important in how employees evaluate an employer, particularly among younger workers. Benefits satisfaction has reached a new high, and more employees say they would consider accepting lower pay for a stronger benefits package. At the same time, job-search intentions have risen, workplace stress remains widespread, and employees continue to weigh flexibility, growth, purpose and organizational values alongside compensation.

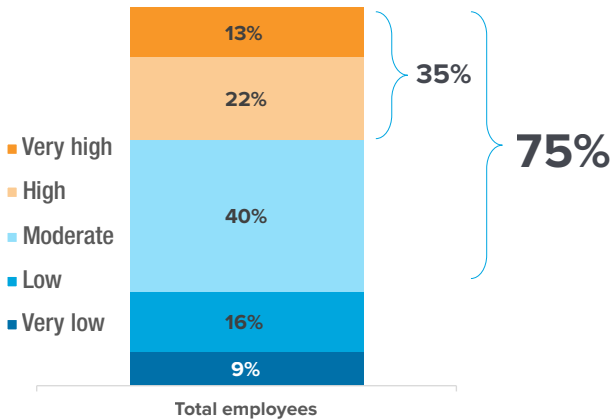
The competitive opportunity is not to expect benefits to carry the entire employee experience. It is to build an employee value proposition in which financial protection, clear guidance, flexibility and meaningful support reinforce one another. When employees can understand and use their benefits, see how the program responds to real financial risk and feel supported in the way work fits into their lives, the organization's investment becomes more tangible.



Employee well-being has become a broader workforce concern

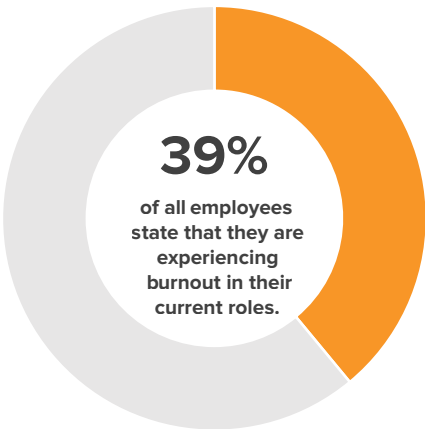
Workplace pressure is high and is not confined to a small group of employees or a single source. Stress and burnout are common across the workforce, reflecting demands that span the work itself, employees’ financial lives and responsibilities outside the job. In fact, among employees experiencing burnout, 83% reported having at least moderate burnout levels at work.

Three-quarters of employees experience at least moderate workplace stress.



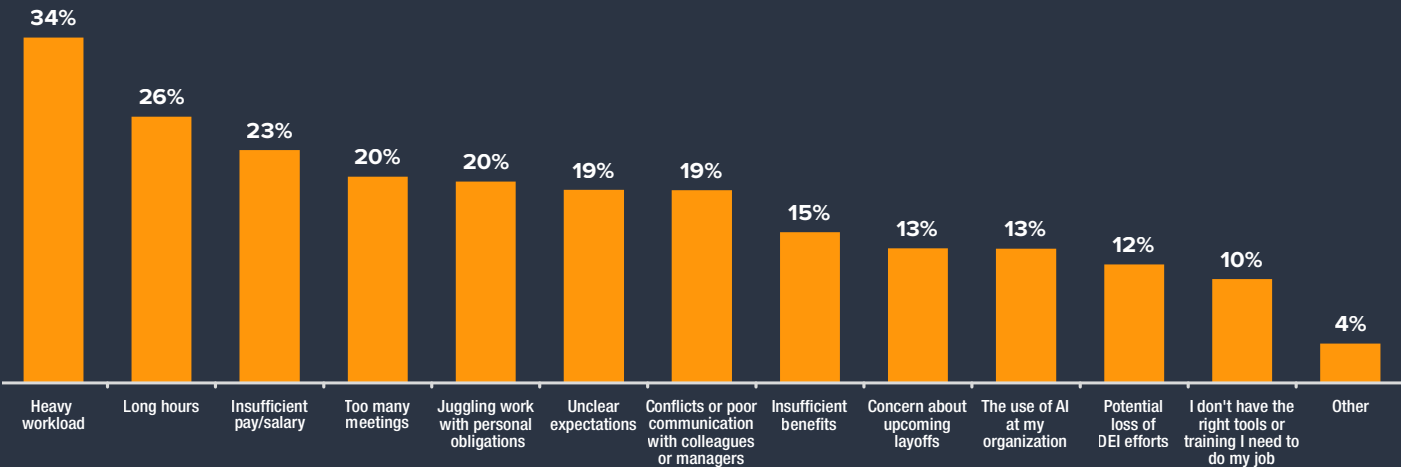
Question: How would you quantify the amount of workplace stress you experience?

Nearly 2 out of 5 employees (39%) say they are currently burned out.



Question: Chronic stress can lead to burnout, including depleted energy, exhaustion, negativity, cynicism, and reduced productivity. Are you currently feeling burned out at work?

Workload and long hours are the most commonly cited stressors, but employees are managing pressure from several directions.



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

The breadth of those pressures matters because it rules out a single-program response. Employers cannot treat burnout as a problem that begins and ends with a wellness resource. Work design, management, flexibility, benefits and financial security can each affect how manageable work feels, even though no one factor alone accounts for the full experience.

Workplace strain is not experienced uniformly across the workforce. Burnout is far more common among younger employees and among those working more than one job. Younger employees may be navigating the early stages of work, while multiple-job employees are managing a direct constraint on time, energy and financial security. What is clear is that employers should look beyond overall burnout rates to understand which groups are experiencing the greatest strain and may need more support.

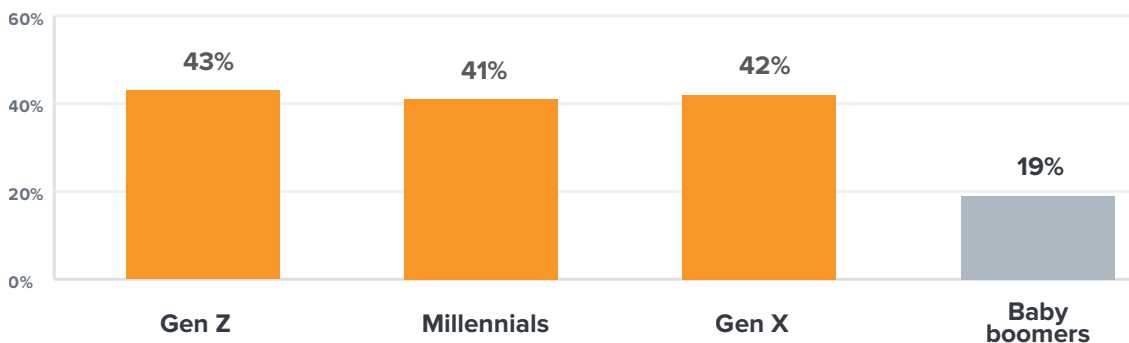
Younger workers are more than twice as likely as baby boomers to report currently feeling burned out at work (41%-43% vs. 19%) and, unsurprisingly, those working multiple jobs are more likely to be suffering from burnout (66% vs. 28%).

Burnout varies across the workforce

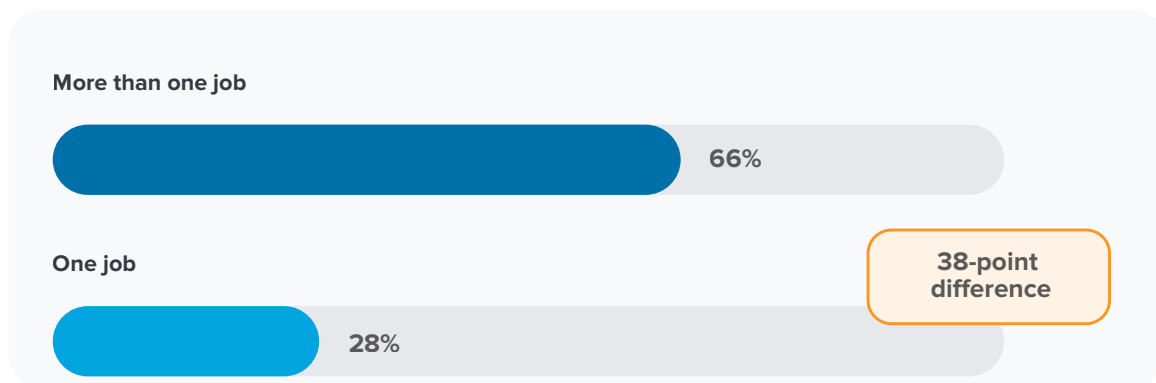
Percent of employees currently experiencing burnout

BY GENERATION

Total: 39%



BY NUMBER OF JOBS



Gen Z, millennials and Gen X are significantly higher than baby boomers.
Employees with more than one job are significantly higher than employees with one job.

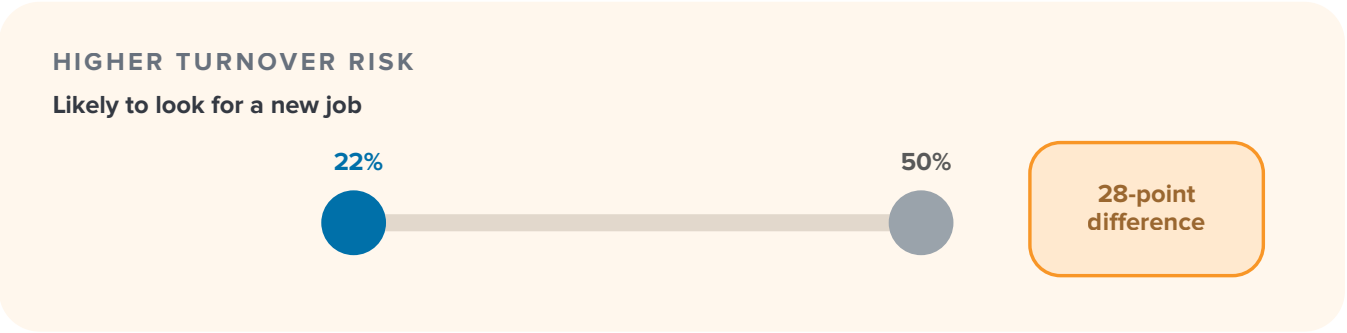
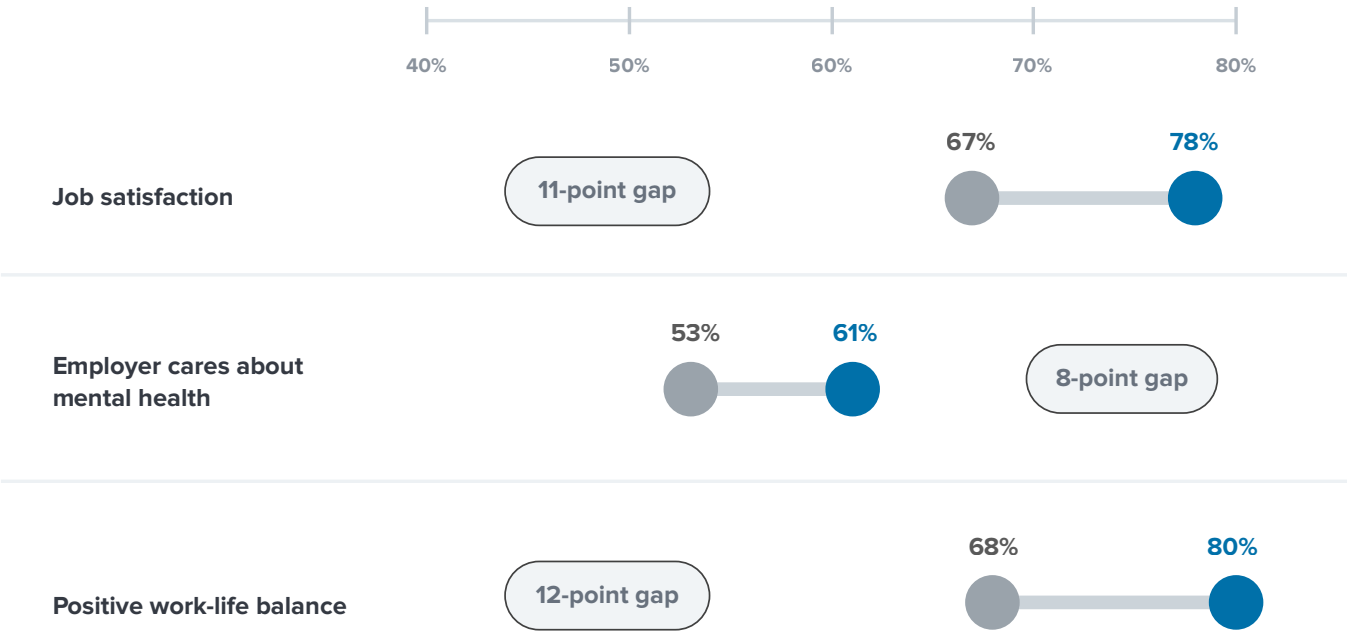
Question: Are you currently feeling burned out at work?

The consequences of burnout are significant and impact more than just the individual employee. Burned-out employees report lower job satisfaction, are less likely to believe their employer cares about their mental health and are substantially more likely to expect to look for another job. These relationships do not establish that burnout alone produces each outcome, but they show that burnout is embedded in employees’ broader experience of the workplace.

Burned-out employees are 28 percentage points more likely to look for another job and 8-12 points less positive about job satisfaction, employer care and work-life balance.

Burnout changes the workplace experience
Percent of employees selecting the top two response options

LOWER AMONG BURNED-OUT EMPLOYEES



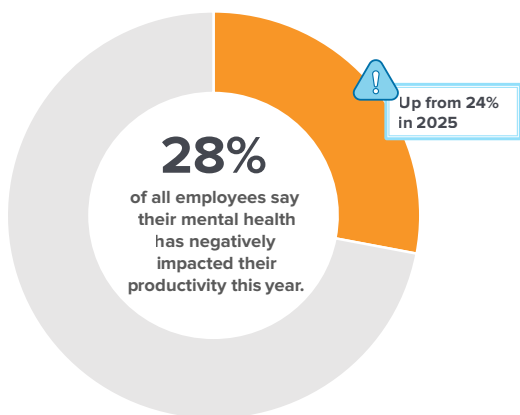
Burnout status is associated with these outcomes; the comparisons do not establish causation.

● Currently burned out ● Not burned out

Question: Chronic stress can lead to burnout, including depleted energy, exhaustion, negativity, cynicism, and reduced productivity. Are you currently feeling burned out at work?

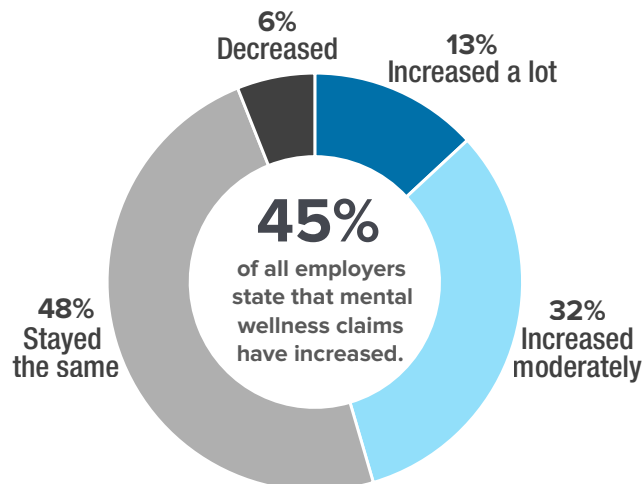
Mental health pressures are also affecting performance. Employees report an increasing impact on their ability to work, while employers are seeing greater use of mental wellness resources.

More than one-quarter of employees (28%) say their mental health negatively affected their productivity, up four percentage points from 2025.



Question: Has your personal mental health had a negative influence on your work or your ability to get work done over the last 12 months?

More than 2 in 5 employers (44%) report an increase in mental wellness claims.



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

AFLAC IN ACTION

Supporting mental health across prevention and recovery

Aflac's group life, absence and disability solutions can include an optional employee assistance program, while its partnership with NeuroFlow provides digital tools designed to support early mental health intervention and resilience. Certain Aflac plans also provide cash benefits to help with expenses associated with covered mental health conditions, helping address the financial consequences that may arise while managing a covered condition. These resources do not replace changes to workload, management or workplace culture, but they can broaden the support available when employees need care

No benefits program can compensate for unsustainable workloads or poor management. But flexibility, mental health resources, added financial protection and visible employer support can reduce specific sources of strain within an employer's reach. Well-being is therefore part of the broader employee value proposition, not simply an individual concern or a collection of optional programs.

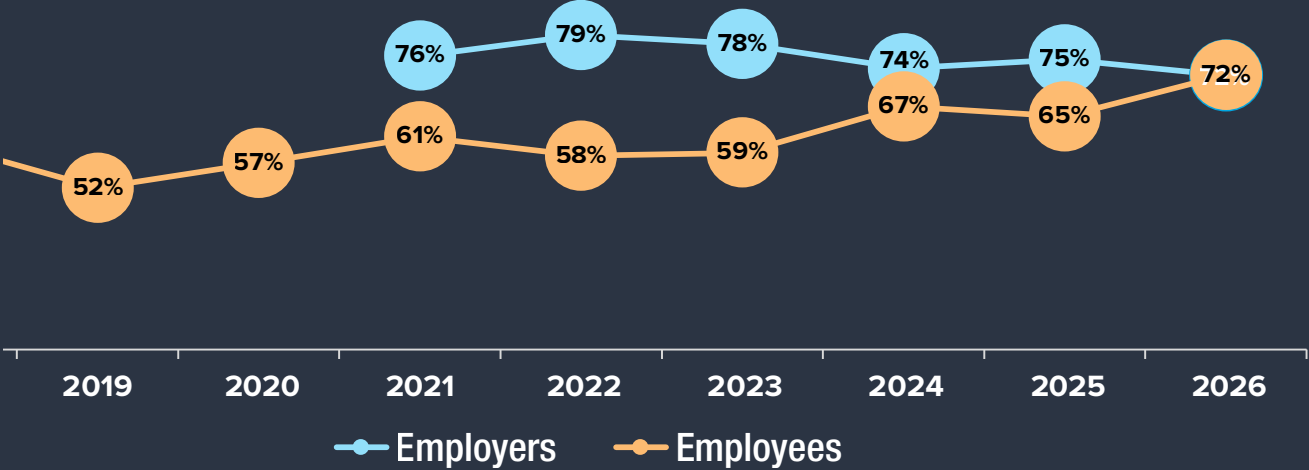
EMPLOYER TAKEAWAY

Tailor well-being strategies to the source of employee strain. Heavy workloads, financial pressure and limited flexibility all contribute to burnout, but they require different combinations of workplace changes, benefits and support.

Benefits satisfaction has reached a high point, but it doesn't guarantee employee retention

For the first time since the Aflac report began tracking the comparison, the long-standing gap between employee benefits satisfaction and employers' perceptions of that satisfaction has closed. Employers now appear to have a more accurate read on the overall benefits experience.

Employee benefits satisfaction rose seven percentage points year-over-year to 72%, matching employers' estimate for the first time.



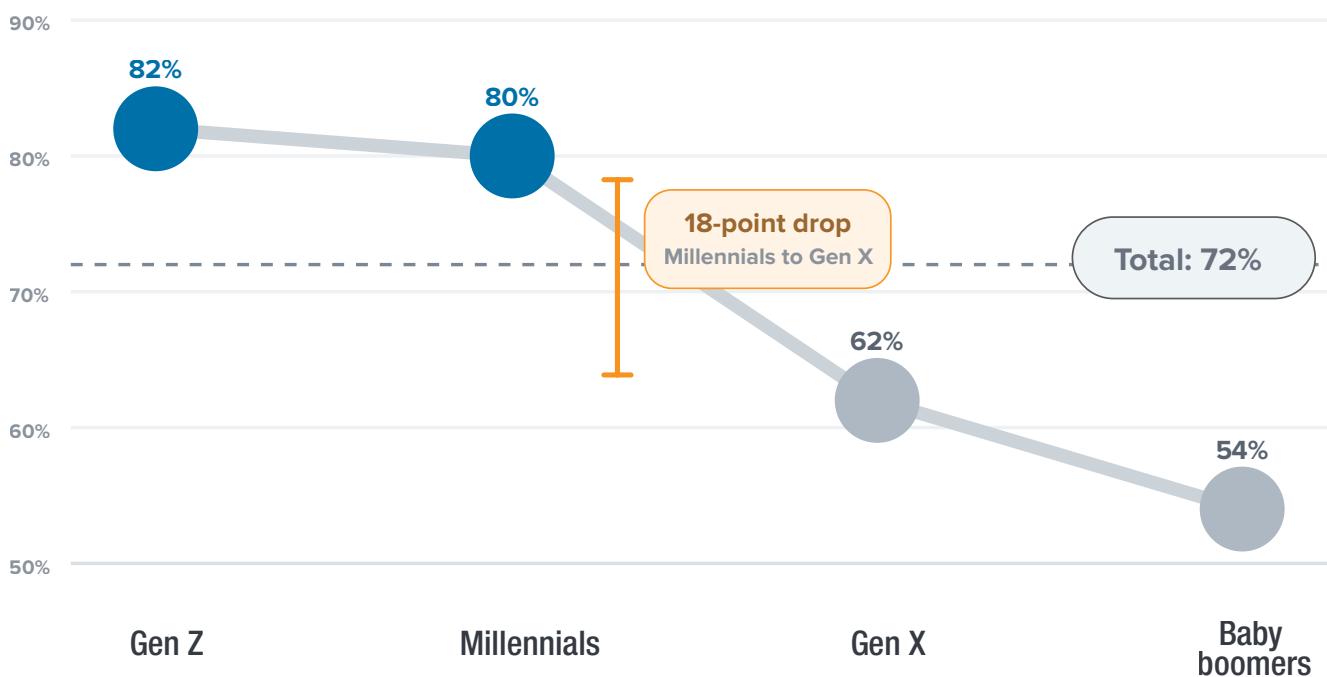
Employer question: How satisfied do you think your employees are with the overall benefits package your organization offers them at this time?

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





Benefits satisfaction reaches 82% among Gen Z and 80% among millennials, compared with just 62% of Gen X and 54% of baby boomers.

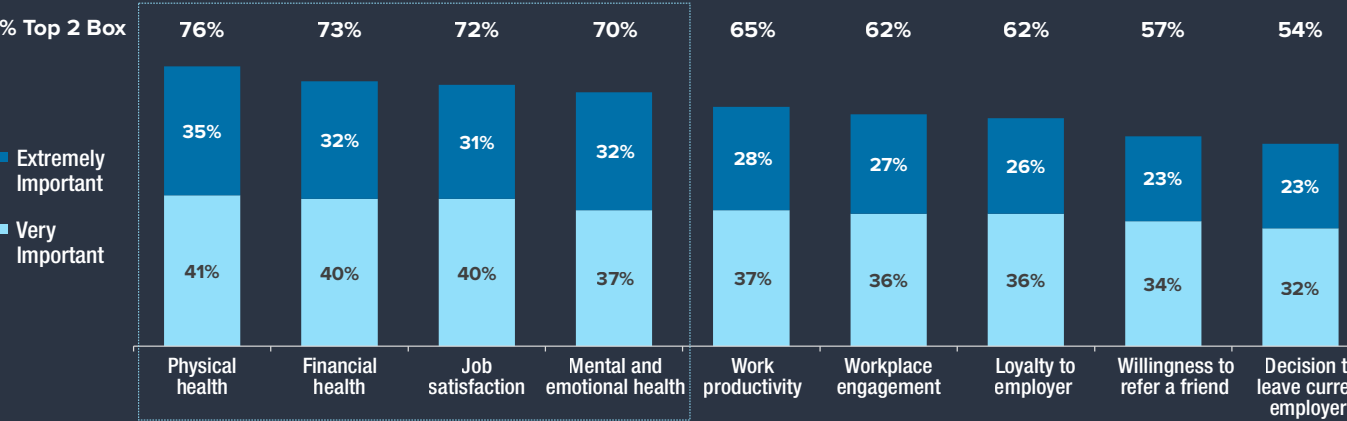


Question: How satisfied are you with the overall benefits package offered to you at this time? | % Top 2 Box summary by generation

This alignment is a meaningful sign of progress. After years of employers overestimating employee sentiment, organizations now appear to have a more accurate read on the benefits experience. Satisfaction is particularly high among Gen Z and millennials and lower among Gen X and baby boomers, demonstrating that the overall improvement is not landing equally with every generation.

Employees also see benefits as relevant to outcomes beyond their physical and financial health. These findings reflect the importance employees assign to benefits, not proof that benefits alone produce those outcomes. They nevertheless establish that employees view their benefits as a meaningful part of their workplace experience.

Nearly three-quarters say their benefits package is important to job satisfaction, while roughly 3 in 5 connect it with productivity, workplace engagement and loyalty.



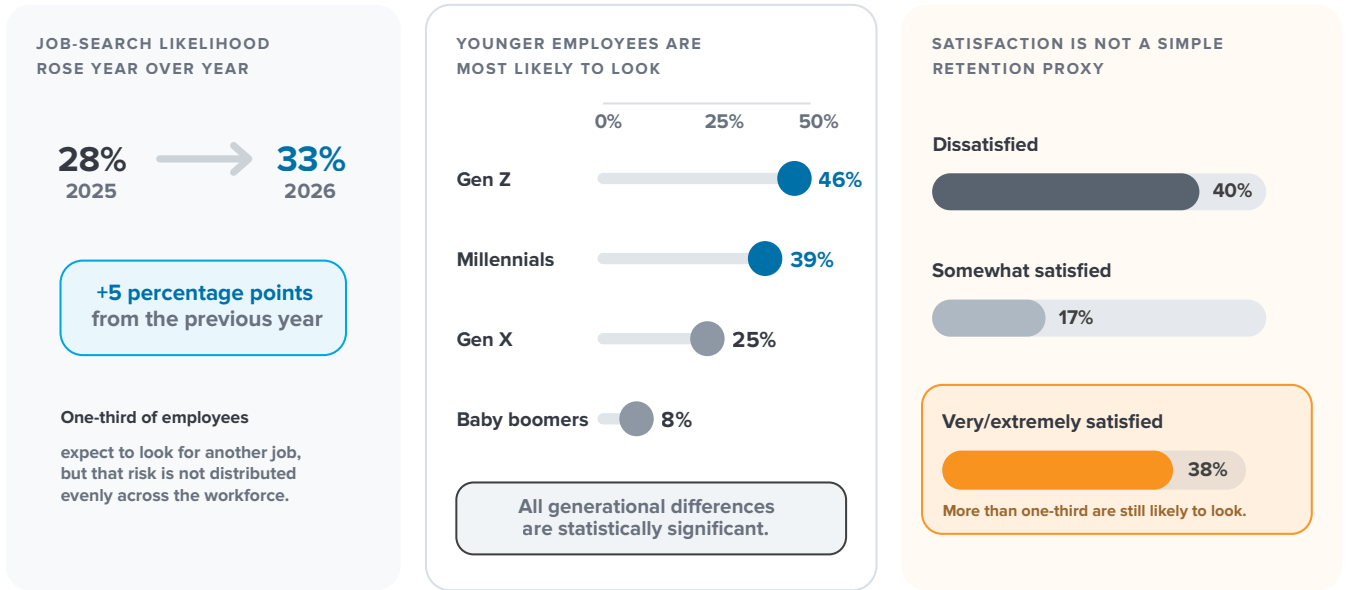
Question: How important is a benefits package offering to each of the following: [asked for each]



Benefits may contribute to a positive workplace experience, but satisfaction with them does not guarantee retention. One-third of employees expect to look for another job during the next year, up from 28% in 2025. Job search likelihood is highest among Gen Z and millennials, but mobility is not limited to employees who are unhappy with their benefits. Even some highly satisfied employees remain open to another opportunity.

Benefits satisfaction does not guarantee retention

Percent very or extremely likely to look for a new job in the next 12 months



Benefits satisfaction and job-search intent are associated measures; these comparisons do not establish that satisfaction causes employees to stay or leave.

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

This does not diminish the importance of benefits. Employees who are dissatisfied with their benefits are the most likely to look elsewhere, indicating that a weak benefits experience is associated with greater turnover risk. Strong benefits can remove one reason to leave. They cannot compensate for every other aspect of the employment relationship, including pay, advancement, management and the day-to-day work experience.

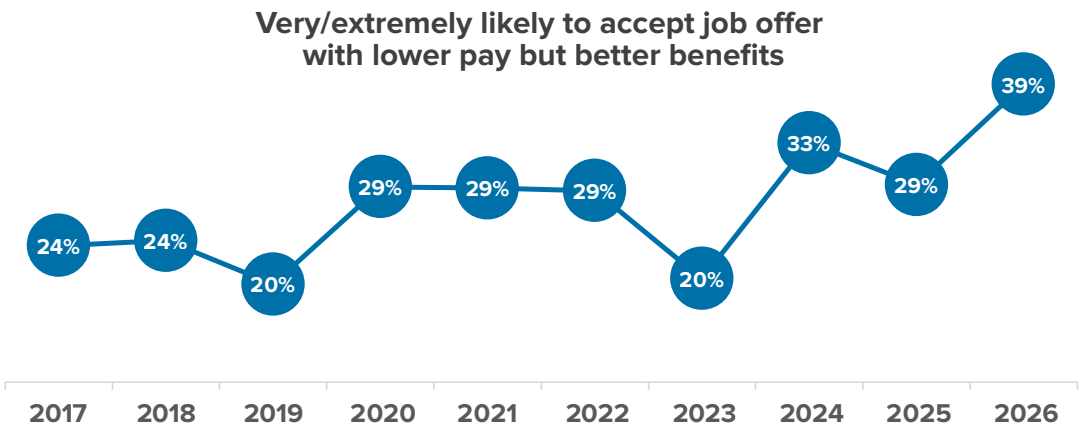
EMPLOYER TAKEAWAY

Treat benefits as a reinforcing part of a retention strategy. A strong benefits program can prevent benefits dissatisfaction from becoming a reason to leave, but it cannot function as a standalone shield against turnover.

Younger employees are broadening the value equation

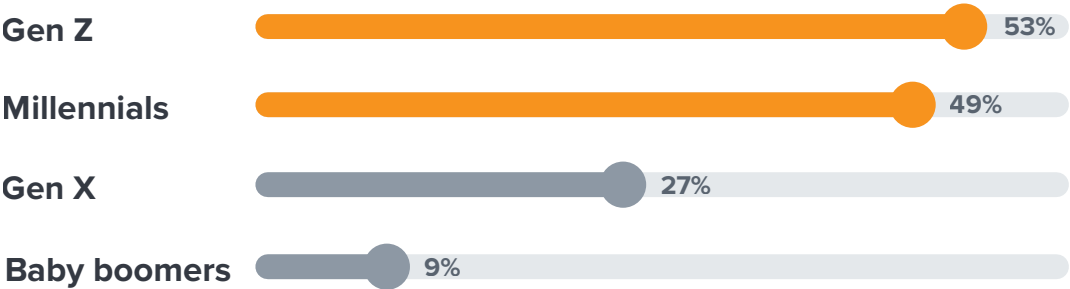
Compensation remains the leading factor in job decisions. At the same time, employees' willingness to trade some salary for stronger benefits has reached an all-time high. This shift is especially visible among younger employees, who are more open to considering a move foregoing some salary for meaningful benefits improvement.

Willingness to trade some salary for stronger benefits reached a record 39% in 2026, rising to 53% among Gen Z and 49% among millennials.



Job-search intent declines sharply across generations

Percent very/extremely likely to accept job offer with lower pay but better benefits



44-point difference between Gen Z and baby boomers

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

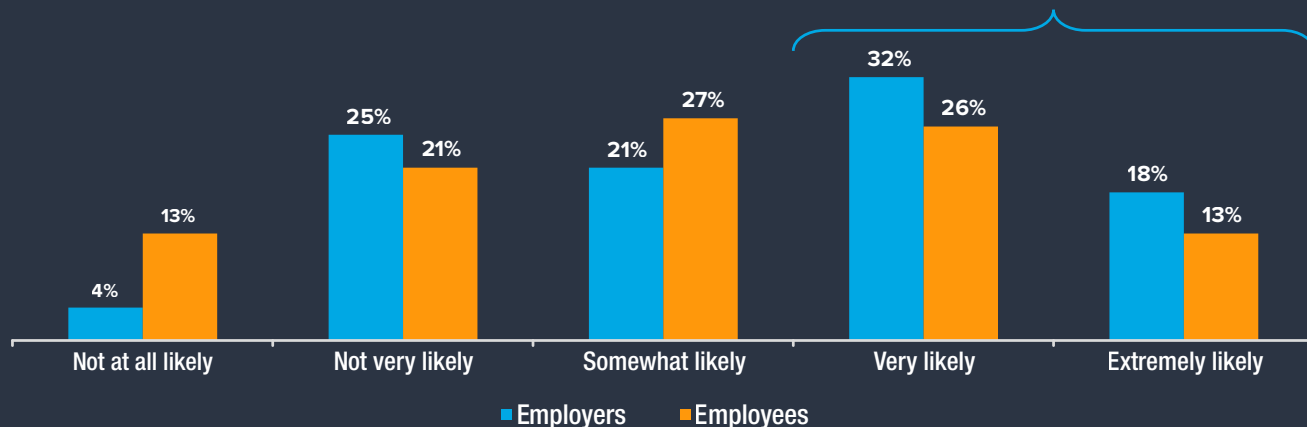


Employers are even more likely than employees to believe workers would accept lower pay for stronger benefits. The gap suggests that some employers may overestimate how much salary employees are willing to trade for a better benefits package. Although benefits are becoming a more influential part of job decisions, especially among younger employees, they are most likely to strengthen an already competitive offer, not compensate for pay that falls short.

Employers overestimate employees' willingness to trade salary for a stronger benefits package.

50% of employers think it is highly likely their employees may leave for a pay cut but better benefits

39% of employees state that they would be likely to leave for a pay cut but better benefits



Employer question: How likely do you think your employees would be to take a job with lower pay but more robust benefits?

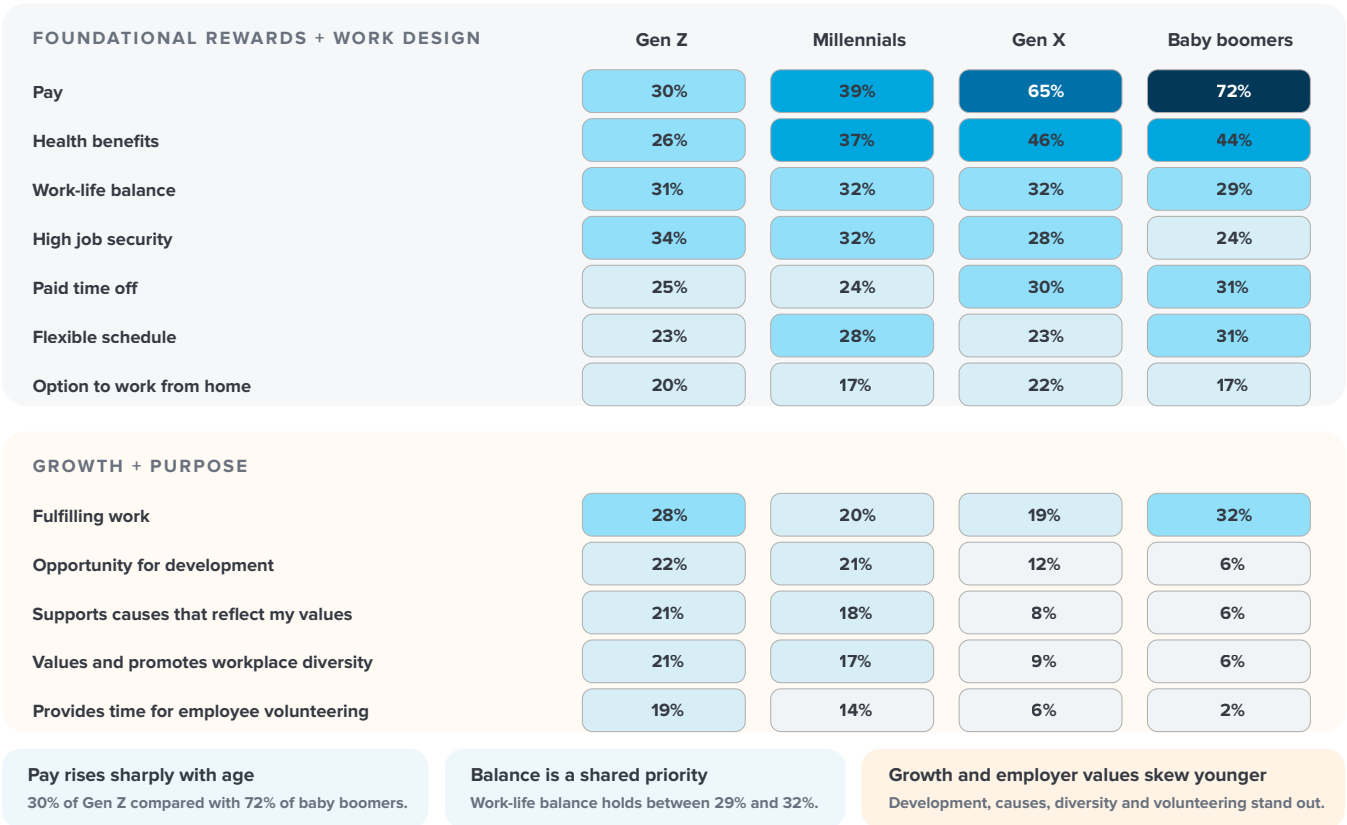
Employee question: How likely would you be to accept a job offer that included a slightly lower compensation but a more robust benefits package?

Younger employees make the expanding value equation especially visible. For the workforce overall, pay remains the clear first consideration. Among Gen Z, the hierarchy is flatter: Compensation sits alongside work-life balance, flexibility, growth, fulfilling work and organizational values. That does not mean younger employees care less about pay. Rather, it means they are evaluating more dimensions of the employment experience at the same time.

What employees prioritize when looking for a job

Share ranking each factor among their top three considerations, by generation

Darker shading = higher Top 3 share



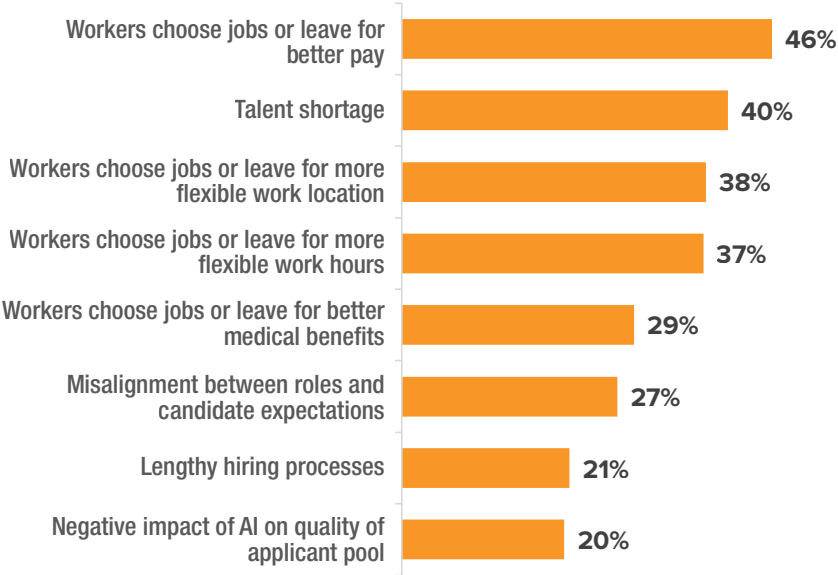
Employers are already feeling the effects of this expanded value equation. What may once have been framed primarily as a hiring market challenge now reflects a wider set of expectations about the employment experience.

Nearly two-thirds of employers say attracting and retaining top talent is harder than it was five years ago.



Question: Do you agree with the following statements? | It is more difficult to attract and retain top talent today than it was five years ago

Compensation and labor-market pressures lead the reasons impacting winning or losing the talent war, while flexibility and better medical benefits also influence talent decisions.



Question: You indicated that it's more difficult to attract and retain top talent today compared to five years ago. In your opinion, what are the reason(s) for this? *Asked among those who said it is more difficult to attract and retain top talent

The employee value proposition has expanded. Organizations are competing on pay and title, but also on how work fits into employees' lives, how financially secure employees feel and whether support is visible in everyday experience. A list of programs can strengthen that proposition only when employees understand what is available and believe they can use it.

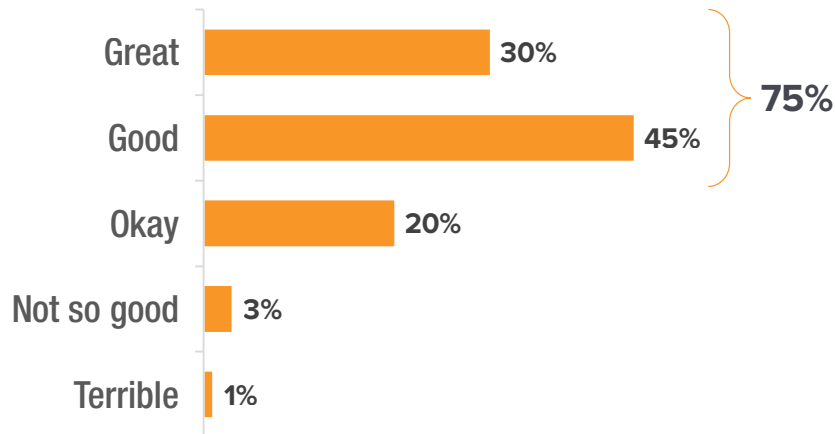
EMPLOYER TAKEAWAY

Make benefits highly visible within total compensation without implying that they replace competitive pay. Younger employees want meaningful work through comprehensive coverage, unmatched flexibility, clear growth paths and deeply aligned values.

Employees are looking for support they can see and use

Overall, employees have positive impressions of their work-life balance. And, what supports that experience is less about any single perk than how work is structured and managed day-to-day. Work-life balance becomes tangible through organizational norms, manager behavior and the degree of autonomy employees have in navigating their responsibilities.

Three-quarters of employees rate their work-life balance positively.



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

Respect for personal time, flexible work and evaluation based on results rather than hours logged rank among the strongest supports for work-life balance.

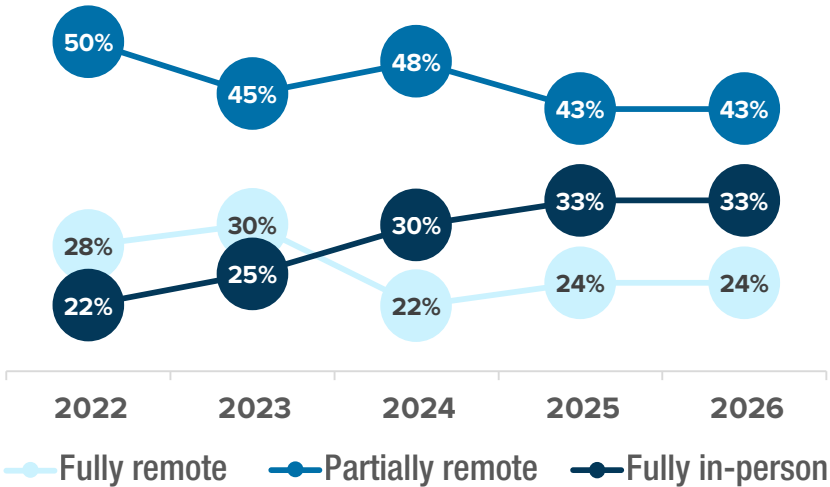


Question: There are many factors that could contribute to a positive work-life balance. In your opinion, what are the most important factors in achieving a positive work-life balance? | % Ranked 1-3

Working arrangements themselves appear to be stabilizing, and satisfaction is high across remote, hybrid and on-site employees. For employees, this means that the question is not about which working model universally wins. It is instead about whether employees experience genuine flexibility and support within the model the organization has chosen.

Employers report little year-over-year movement in how work is structured.

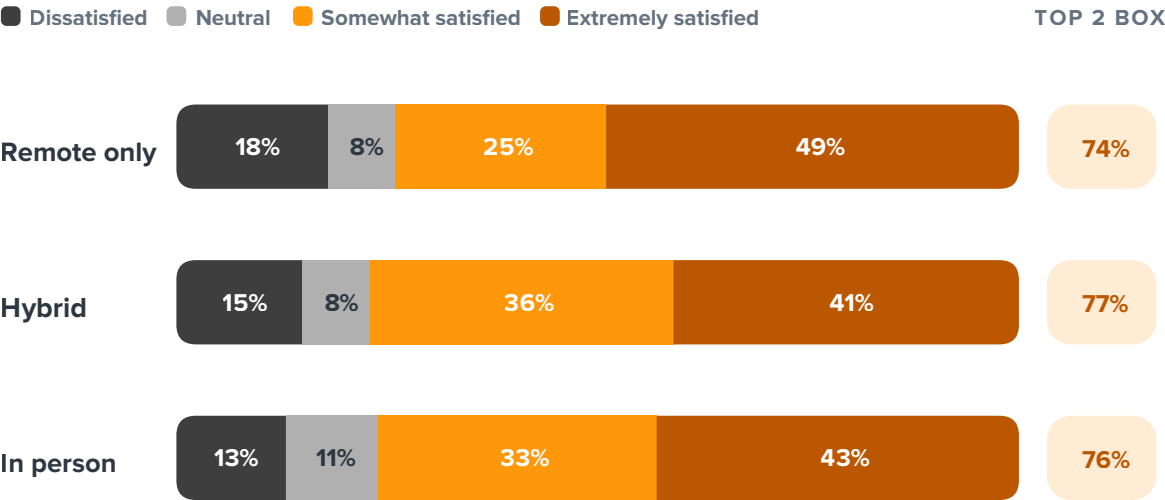
Employer question: Which of the following best describes your organization’s working arrangement over the last 12 months?



Among employees, satisfaction remains high across remote, hybrid and in-person arrangements, with no model clearly outperforming the others.

Job satisfaction is consistent across work arrangements

Distribution of employee job satisfaction



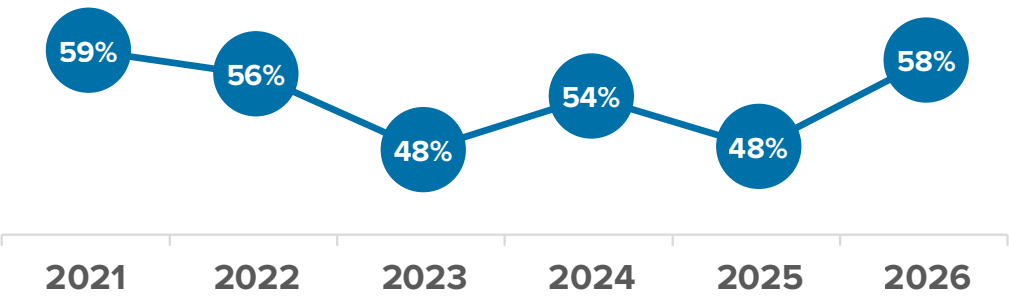
Remote-only employees show a somewhat more polarized experience

They are the most likely to be extremely satisfied (49%) and dissatisfied (18%), while overall satisfaction remains comparable across all three arrangements.

Employee question: How satisfied are you with your current working arrangement?

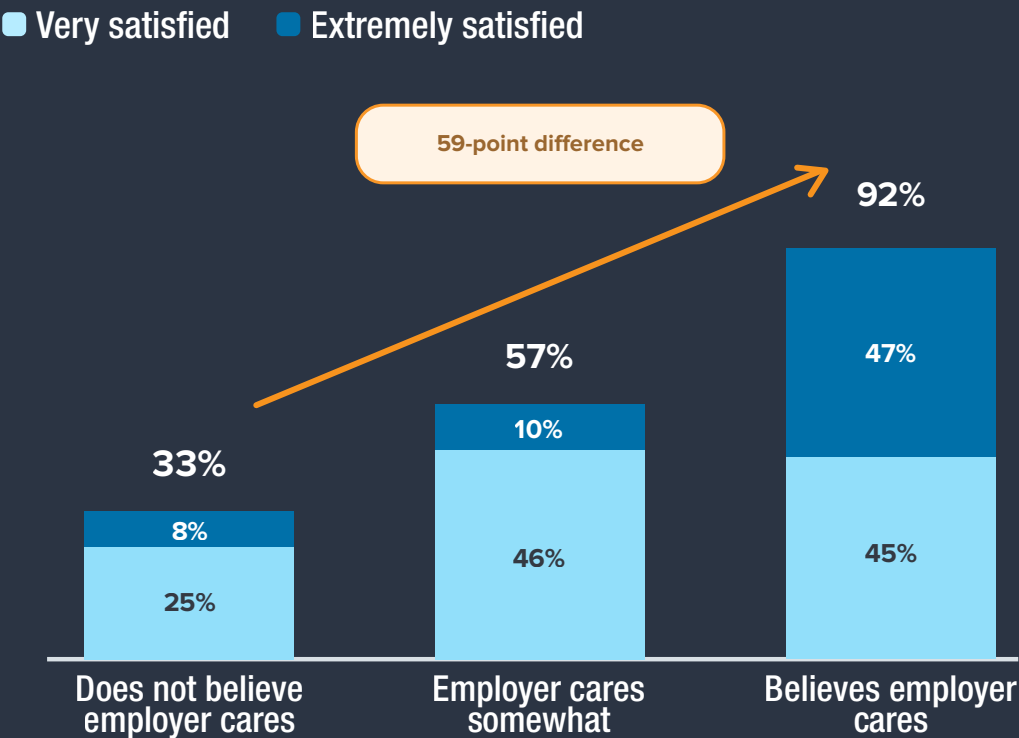
Visible employer care reinforces that experience. Fifty-eight percent of employees believe their employer cares a moderate amount or a great deal about their mental health, up from 48% in 2025. Employees who feel supported report substantially higher job satisfaction, showing how closely perceived care is tied to their broader relationship with the organization.

Belief that employers care about employees' mental health rose 10 percentage points year-over-year to 58%



Question: How much do you believe your employer cares about your overall mental health? | % Top 2 Box summary

Job satisfaction rises from 33% among employees who do not believe their employer cares to 92% among those who do.



Question: Overall, how satisfied are you with your job? | % Top 2 Box summary

A sense of belonging adds another dimension to the employee experience. Seventy percent of employees say it is important to work for an organization where they feel that they belong, and 73% personally feel a sense of belonging at their current organization. Employers are more confident in what they are delivering, with 88% saying their organization does an excellent job fostering belonging. These results suggest that employer confidence may outpace what some employees experience.

WHY BELONGING MATTERS

70%

say it is important to work for an organization where they feel that they belong.

EMPLOYEE EXPERIENCE VS. EMPLOYER ASSESSMENT



Most employees feel they belong, but employers see an even stronger result.
The opportunity is to understand where organizational intent is not fully reaching employees.

Employee Question: To what extent do you agree or disagree with the following statements? | I feel a sense of belonging at my organization

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."

These findings are especially relevant as employers compete for younger talent. Gen Z weighs mental health support, flexibility, work-life balance, fulfilling work and organizational values alongside compensation and benefits. Support becomes credible when employees can see and use it, spanning such factors as the flexibility managers permit, the benefits employees can navigate and the way leaders respond when work or life becomes difficult.

EMPLOYER TAKEAWAY

Make flexibility and mental health support easy to access and use, not merely available. Give managers clear expectations for applying policies consistently, communicate available resources throughout the year and check whether employees know how to access them.

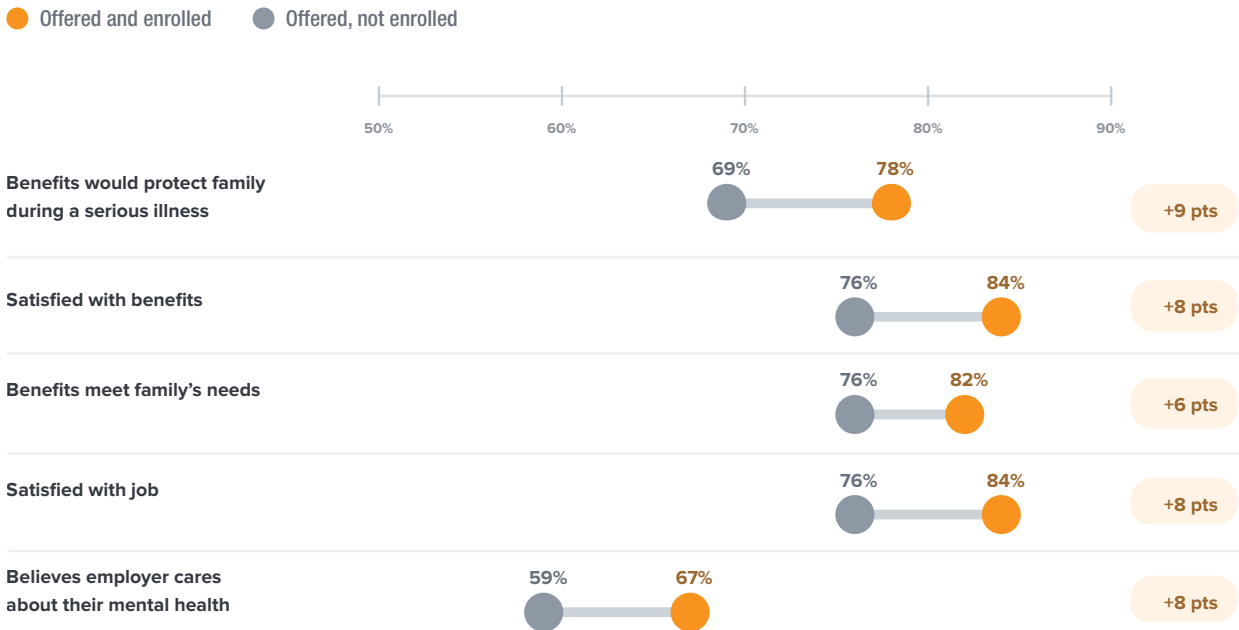
Supplemental insurance is associated with a stronger benefits experience

Offering supplemental insurance gives employees an additional coverage option to help address expenses that major medical coverage may not fully absorb. Among employees with access to supplemental benefits, those who enroll are more confident that their coverage would help protect their family during a serious illness: 78% feel well protected, compared with 69% of employees who were offered the coverage but did not enroll.

Enrollees also report greater satisfaction with their benefits program overall (84% vs. 76%) and are more likely to say their benefits meet their family's needs (82% vs. 76%). That more positive experience extends to how they view the workplace: Enrollees report higher job satisfaction (84% vs. 76%) and are more likely to believe their employer cares about their overall mental health (67% vs. 59%).

Supplemental enrollees feel better protected and more positive about their benefits

Among employees offered supplemental coverage



Question: Does your employer offer any voluntary benefits?

Question: Which benefits are you enrolled in through your employer?

The role of supplemental coverage should remain specific. Supplemental insurance can help strengthen employees' sense of added financial protection and the value they see in their benefits. For employers, offering coverage is only part of the opportunity. Employees also need a clear explanation of how supplemental insurance works alongside major medical coverage and which costs or disruptions it is designed to address. Connecting the coverage to realistic household needs can help employees decide whether it adds meaningful protection for them.