

2026-2027

# Aflac WorkForces Report®

## Insights for small businesses

### THE BENEFITS BALANCING ACT: Employers hold the line on health benefits

Employees increasingly expect digital convenience, human guidance and clearer help choosing coverage that best fits their needs. As the competition for talent intensifies, organizations continue to expand their benefits programs despite absorbing higher costs in 2026. However, more financial responsibility has shifted to employees while employers try to meet growing expectations for easier access to benefits and more personalized support.

More than half (57%) of small-size employers said their benefits costs increased during the past year, while 40% reported a rise in claims. Among organizations reporting higher costs, nearly one-third of small businesses said the increase has constrained their ability to offer bonuses and higher-quality benefits. Others reported having less room to broaden their benefits offerings.

**Health insurance wasn't designed to help cover everything you may encounter during an illness or accident. The Aflac WorkForces Report reveals a growing demand for comprehensive health coverage and supplemental insurance as valuable components of a benefits package. These offerings can help with rising medical costs and provide employees with added peace of mind by helping to reduce financial stress when needed most.**

## HEALTH + WELLNESS + THE POWER OF BENEFITS

**26% of small-business employees** state their personal mental health negatively affected their job performance last year. **All company sizes: 28%.**

**70% of small-business employees** believe mental health coverage is just as important, if not more important, than physical health coverage. **All company sizes: 76%.**

**59% of employees** say they couldn't cover even $1,000 in out-of-pocket costs. **All company sizes: 47%.**

**73% of employers** believe their employees can financially meet their healthcare obligations. **All company sizes: 80%.**

**52% of small-business workers** have high anxiety about healthcare costs beyond what their insurance covers. **All company sizes: 56%.**

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## THE STATE OF WORKPLACE BENEFITS



**93% of employees** believe the need for supplemental insurance like dental, life and vision is increasing. **All company sizes: 93%.**



**76% of employers** who offer supplemental insurance believe these benefits help with recruitment. **All company sizes: 72%.**

**72% of employers** say they help with retention. **All company sizes: 73%.**



**92% of employees** say their supplemental insurance policy helps to protect their income. **All company sizes: 95%.**

## BENEFITS ENROLLMENT + THE INFORMED BENEFITS CONSUMER



**66% of small-business employers** think employees understand costs well. **All company sizes: 68%.**

**58% of employees** say they do. **All company sizes: 64%.**



**68% of the workforce** say it's important to have access to a benefits advisor. **All company sizes: 74%.**

- **52%** prefer in-person meetings. **All company sizes: 58%.**
- **51%** prefer speaking on the phone. **All company sizes: 53%.**



**51% of employees** say medical bill negotiation is stressful. **All company sizes: 51%.**

**51% of employees** say the same about trying to understand what insurance or benefits they need. **All company sizes: 49%.**



**49% of employees** believe their organizations care about their overall mental health at least a moderate amount. **All company sizes: 58%.**

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**About the study**

The 2026-2027 Aflac WorkForces Report is the 16th annual employee study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the employer survey took place online between April 20 and May 10, 2026, and the employee survey took place online between April 20 and May 29, 2026. Throughout this report, some percentages may not add up to 100% due to rounding. The surveys captured responses from 1,000 employers and 2,001 employees across the United States. For more information, visit Aflac.com/AWR. **Aflac includes American Family Life Assurance Company of Columbus and/or American Family Life Assurance Company of New York and/or Continental American Insurance Company and/or Continental American Life Insurance Company.**