

News Release

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AICPA SURVEY: FINANCIAL EXECUTIVES CONCERNED ABOUT EMPLOYEE HEALTHCARE COSTS

Few Will Reduce Benefits, Yet Many Plan to Shift Costs to Employees

NEW YORK (July 24, 2007) – Ninety-nine percent of financial executives polled at a professional conference are concerned about rising employee healthcare costs. Eighty one percent of the respondents said their employee healthcare costs have risen in the past year, from as little as 5 percent to more than 20 percent.

While most of the executives said their organizations do not plan to reduce benefits, nearly a quarter indicated that employees would have to shoulder increased costs. Other tactics include offering high-deductible consumer driven plans and changing healthcare providers. Some will reduce the level of benefits.

The poll was conducted by the American Institute of Certified Public Accountants (AICPA) at its 2007 Summer Controllars Workshop in Las Vegas, which concluded on Friday. Approximately 460 financial executives - primarily certified public accountants (CPAs) representing private, public and not-for-profit organizations – attended the conference. More than half responded to the poll.

“In an effort to contain soaring health care costs, most organizations are trying a variety of strategies, including offering high-deductible consumer-driven plans, changing providers or reducing company contributions,” said John F. Morrow, CPA, AICPA Vice President - Business, Industry and Government. “The executives we polled all share concerns about the price of health care, whether they’re companies with less than 25 employees or more than a thousand.”

Of the survey respondents, 86 percent are either controllers or CFOs. Twenty percent serve companies with more than a billion dollars in annual revenues, and 29 percent are with companies that have between \$100 million and a billion dollars in yearly revenues. The remainder work for companies with less than \$50 million in annual revenues.

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Headquartered in New York, the AICPA also maintains offices in Washington, D.C.; Durham, N.C.; and Lewisville, TX.

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