

Employee financial stress = greater stress for your clients



The daily stressors of pandemic lockdowns may be over. But the stress itself? That lives on. Loneliness, isolation, anxiety and lack of social connection at work are all more prevalent in American lives today than they were before the pandemic.¹

One area in particular stands out: financial stress. In 2021, 58% of Americans were anxious about their finances. By December 2022, that figure had risen to 64%.² In fact, North Americans are experiencing their highest levels of financial stress since the financial crisis of 2008.³

While the causes of financial stress are wide and varied—inflation, stagnant wage growth, rising costs of education and home ownership—medical debt remains a leading cause of financial stress. More than half of recorded debts in 2021 were for a medical bill, more than half of U.S. adults have gone into debt because of medical or dental bills in the past five years,⁴ and 1 in 6 adults have been contacted by a debt collector over a medical bill.⁵

Your clients' employees may be caught in the swirl. That means your clients' business can suffer, even if it looks like it's booming.

Employee financial stress doesn't stay at home

Financial stress may not be a mental illness—but it is a mental health issue, which makes it a factor in your clients' bottom line. It impacts employees on and off the clock, causing a ripple effect that can be difficult for businesses to manage.

Financial stress doesn't like to observe official visiting hours, showing up only when people peek at their bank accounts or pay bills. Instead, it creeps up when your clients need their employees' full attention: 86% of employees say financial stress impacts their productivity at work.⁶ It's also a time thief, contributing to presenteeism—employees spend a quarter of their workweek handling financial issues,⁶ and 32% spend at least 30 minutes of every workday thinking about their personal finances.⁷ And where presenteeism shows up, absenteeism does as well, with 15% of employees admitting that financial stress over the past year has had a major impact on their attendance at work.⁸

The connection between financial and physical health can also tally up to higher costs for employers. It may not even be something your clients can fix by upping wages, as financial health is a better predictor of physical health than income.⁹ Mental health plays a role here, too—financial stress is a factor among people with suicidal ideation¹⁰ and can have a hand in triggering depression¹¹ and other mental health issues, with women and some minorities suffering the most.¹² These physical and mental health issues can escalate into short- or long-term absences, potentially necessitating a productivity and financial toll upon your clients.



But even if employees manage to avoid serious mental health concerns or physical ailments, seats may empty out regardless: Financially stressed employees are more than twice as likely as other employees to be looking for a new job.⁸ And when those employees do find new jobs—which is likely in today’s tight labor market—your clients will absorb the costs. [This calculator](#) can help your clients determine their own turnover costs with more precision, but on average, turnover often costs organizations more than \$57,000.¹³

How you can help alleviate employee financial stress

You’re in a position to help your clients sidestep this spiral, adding value to your services without adding a hefty price tag for your clients. Remember, financial stress isn’t the same thing as having a low income, and therefore not truly solved by just raising salaries. Among the solutions you can help provide:

- **Financial wellness programs:** Money management, financial coaching, retirement fund seminars, financial literacy classes—financial wellness programs such as these have an ROI of up to \$3 for every \$1 spent.¹⁴ Their returns come in other forms, too: 91% of employers report being more competitive in the job market since offering a financial wellness benefit.¹⁵
- **Supplemental insurance:** Medical debt is particularly stressful, as it hits employees when they or their family members should be focused on health and recovery. Offering supplemental insurance can help your clients’ workforce absorb unexpected medical costs. (Or, for that matter, expected medical costs—health insurance was never intended to cover everything.) Employees are aware of the financial protection offered by supplemental insurance; 9 in 10 employees believe the need for supplemental insurance is increasing, and more than half of employees are interested in purchasing at least one type of supplemental coverage.¹⁶
- **Wellness benefits:** Offering wellness benefits that support holistic well-being, such as fitness programs, nutritional support and discounts on alternative therapies, can help financially stressed employees stay resilient. Some supplemental insurance policies also pay policyholders for regular health screenings and annual cancer screenings—helping employees stay on top of their health checks.
- **Direct savings plans:** Two-thirds of the American workforce has access to a retirement plan.¹⁷ But other forms of direct savings plans can help with financial wellness, too: student loan assistance, health savings accounts and flexible spending accounts help employees spend and save wisely. Depending on the program, they can have tax benefits for your clients, too.
- **Flexibility:** The workplace buzzword of 2020 (and beyond) is as relevant as ever. Supporting remote or hybrid work, encouraging PTO use, and deploying creative flextime solutions can help ease employee stress—and even alleviate some financial burden, such as flexible hours that help support child care needs.
- **Employee assistance programs:** Real-time, on-demand licensed professional counselors can help employees with short-term stressors and point them toward long-term help.
- **Digital mental health solutions:** There’s a current shortage of psychiatrists and other mental health professionals,¹⁸ but that doesn’t mean employees have to be adrift. Adding access to digital mental health platforms such as Calm, Ginger and Walmart Health Virtual Care can help give employees 24/7 access to mental health support.

Maybe your clients want to help alleviate their employees’ financial stress out of empathy. Maybe they want to do so out of concern for their own bottom line. Most likely, it’s both. And you have the resources to help—relieving not just employee financial stress, but your clients’ stress as well.

Learn how you can help change the story around financial stress: Talk with your Aflac benefits representative today.

- ¹ Calm. "2023 Workplace Mental Health Trends Report: The Future of Work." Published 2023. [Accessed 4.4.2023.](#)
- ² American Psychiatric Association. "Americans Anticipate Higher Stress at the Start of 2023 and Grade Their Mental Health Worse." Published 12.21.2022. [Accessed 4.4.2023.](#)
- ³ CPA Practice Advisor. "61% of North American Workers Stress More Over Finances Than Last Year." Published 1.18.2023. [Accessed 4.4.2023.](#)
- ⁴ NPR. "Sick and struggling to pay, 100 million people in the U.S. live with medical debt." Published 6.16.2022. [Accessed 5.1.2023.](#)
- ⁵ National Consumer Law Center. "What States Can Do to Help Consumers: Medical Debt." Published 2022. [Accessed 4.17.2023.](#)
- ⁶ Employee Benefit News. "Employees spend 25% of their workday worrying about money." Published 4.11.2022. [Accessed 11.02.22.](#)
- ⁷ PR Newswire. "As Inflation Stresses Affect Workplace Productivity, Survey Finds Working Adults Want Financial Wellness Benefits." Published 11.1.2022. [Accessed 4.4.2023.](#)
- ⁸ PwC. "2022 PwC Employee Financial Wellness Survey." Published 2022. [Accessed 4.4.2023.](#)
- ⁹ Forbes. "The Intersection of Physical, Mental, and Financial Health: What the Fintech Journey Can Teach Us." Published 8.24.2022. [Accessed 4.4.2023.](#)
- ¹⁰ Front Public Health. "The Role of Unemployment, Financial Hardship, and Economic Recession on Suicidal Behaviors and Interventions to Mitigate Their Impact: A Review." Published 7.6.2022. [Accessed 4.6.2023.](#)
- ¹¹ PLoS One. "Financial stress and depression in adults: A systematic review." Published 2.22.2022. [Accessed 4.6.2023.](#)
- ¹² Journal of Family Economic Issues. "The Relationship Between Financial Worries and Psychological Distress Among U.S. Adults." Published 2.1.2022. [Accessed 4.6.2023.](#)
- ¹³ HR Dive. "Estimates say turnover costs more than \$57K annually—and is still rising." Published 12.2.2022. [Accessed 4.27.2023.](#)
- ¹⁴ Enrich. "Quantifying the ROI of an Employee Wellness Program: Questions to Ask." [Accessed 4.4.2023.](#)
- ¹⁵ KBI Benefits. "What Is Financial Wellness and How It Affects ROI for Businesses." Published 1.25.2023. [Accessed 4.4.2023.](#)
- ¹⁶ Aflac. "Workplace benefits trends: executive summary." Published 2022. [Accessed 4.17.2023.](#)
- ¹⁷ Bureau of Labor Statistics. "67 percent of private industry workers had access to retirement plans in 2020." Published 3.1.2021. [Accessed 4.26.2023.](#)
- ¹⁸ Association of American Medical Colleges. "A growing psychiatrist shortage and an enormous demand for mental health services." Published 8.9.2022. [Accessed 4.26.2023.](#)

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