

Managing financial stress: How financial planning can help



Financial planning is necessary for everyone — businesses, nonprofits, individuals, families, you name it. That doesn't mean everybody does it. But as a business leader, you know that financial planning is a necessity — and you're in a position to help your employees get it done.

Personal finance statistics hint at financial stress being more prevalent than you may imagine

As a result, more than half of Americans have dipped into their savings since the pandemic. It should come as no surprise that about 6% of adults in the U.S. owe more than \$1,000 in medical debt.¹ Now, only 16% of Americans report being very comfortable with their emergency savings² 40% have less than \$300 in savings,³ and a jarring 25% of Americans have no emergency savings at all.⁴

It's easy to think of a lack of savings as being about a lack of income. And that's part of the equation. But this problem isn't limited to low-wage employees. In fact, some of your better-paid workers might be struggling more than you realize. Nearly 40% of those earning more than \$100,000 per year live paycheck to paycheck.⁵ And the fallout of minimal savings has another major consequence for employees, regardless of income: financial stress.

Financial stress symptoms leave your employees (and your business) susceptible

The 42% of Americans wrestling with financial stress are 11 times more likely to have sleepless nights, seven times more likely to be suffering from depression and six times more likely to struggle with anxiety. And their work productivity suffers as a result. These same employees are 10 times more likely to be unable to finish their daily tasks, nine times more likely to have problematic relationships with co-workers and twice as likely to be searching for a new job. Additionally, as they may lose three hours per week on monetary worries, these employees can lose up to 39 productive days a year — collectively costing employers like you an estimated 13%-18% of annual salary costs.⁶

What causes financial stress?

More than any other issue, about half of Americans say they have difficulty affording health care costs.⁷ Yet it's not the only problem. Lack of savings and job issues combine with medical expenses to make up three of the most common causes of financial stress.⁸

So, financial stress hurts employees and employers alike. But that means the flip side can be true too.



How you can help ease financial stress

Relieving your employees' financial stress doesn't have to mean increasing their pay. In fact, roughly 40% of those who earn a six-figure salary are still considered financially unstable with little to no savings, even as many Americans who earn less have ample savings and even pay off houses.⁹ Financial stress isn't just about income; it's also about mismanagement, making the solution something you can help with: financial planning.

By offering [Aflac's supplemental insurance coverage options](#) to your employees, you're helping them do just that—plan for unexpected expenses that major medical health insurance was never designed to cover, whether it's out-of-pocket copayments and deductibles or services simply not covered by their health insurance. Offering Aflac is an approach that can help employees of all income levels feel secure ... regardless of what's in their savings.

Take the first step toward helping your employees plan for health emergencies: Contact your Aflac benefits advisor or visit [Aflac.com/business](https://www.aflac.com/business).

¹ Bankrate. "Medical debt consolidation: What it is and how to do it" Published 06.13.2022. [Accessed 9.27.2022](#).

² Bankrate. "Survey: Nearly 3 times as many Americans say they have less emergency savings versus more since pandemic." Published 8.20.2020. [Accessed 8.6.2021](#).

³ Go Banking Rates. "Americans' Savings Drop to Lowest Point in Years." Updated 5.21.2021. [Accessed 8.17.2021](#).

⁴ Bankrate. "Survey: More than half of Americans couldn't cover three months of expenses with an emergency fund." Published 7.21.2021. [Accessed 8.6.2021](#).

⁵ PR Newswire. "Nearly 40% of Americans with Annual Incomes over \$100,000 Live Paycheck-to-Paycheck." Published 6.15.2021. [Accessed 8.17.2021](#).

⁶ Salary Finance. "Inside the Wallets of Working Americans: The 2nd Annual Salary Finance Report." Published 2020. [Accessed 8.6.2021](#).

⁷ KFF. "Americans' Challenges with Health Care Costs." Published 06.14.22. [Accessed 10.04.22](#).

⁸ North American Mental Health Professional Advice Council. "10 Most Common Causes of Financial Stress." Published 5.25.2020. [Accessed 8.6.2021](#).

⁹ Insightlink. "Why Your Employees' Financial Problems Are Your Problems." Published 2.16.2021. [Accessed 8.17.2021](#).