

# 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**

Inflation, economic instability and a lack of savings have an increasing number of Americans feeling financially stressed these days. Some 70% admit to being concerned about their personal finances with most Americans (58%) living paycheck to paycheck.<sup>1</sup>

And, high earners aren't immune as even those making \$100,000 or more are feeling the squeeze, with the majority (57%) saying they feel financially stressed and about a third saying they are living paycheck to paycheck.<sup>1</sup>

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

Financial stress can affect more than an employee's wallet, often having negative effects on physical and mental health. From a physical standpoint, high financial stress can lead to serious health issues such as headaches, migraines, a weakened immune system and high blood pressure.<sup>2</sup>

Furthermore, full-time employees wrestling with financial stress have experienced a decline in their sleep, mental health and self-esteem.<sup>3</sup> What does this mean for your business? This can lead to a decline in employee productivity.<sup>4</sup> As you can see, financial stress hurts employees and employers alike.

## **What causes financial stress?**

More than any other issue, about half of Americans say they have difficulty affording health care costs.<sup>5</sup> With health insurance not being designed to cover everything and over half of Americans not being financially prepared to cover an out-of-pocket expense of \$1,000, the financial impact that a medical event could have is undeniable.<sup>6</sup>

The link between financial stability and health care decisions is clear: Over 50% of American workers report their financial situation deteriorated due to high medical costs, and many have avoided medical care due to costs.<sup>6</sup> It should come as no surprise that about 21% of all employees have unpaid medical bills, and 66% say that their medical debt causes them to worry or stress.<sup>7</sup>

### How you can help ease financial stress

Relieving your employees' financial stress doesn't have to mean increasing their pay. 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 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).**

<sup>1</sup> CNBC. "70% of Americans are feeling financially stressed, new CNBC survey finds." Published 04.11.23. [Accessed 10.13.23.](#)

<sup>2</sup> WebMD. "How Can Financial Wellness Affect Your Health?" Published 10.18.22. [Accessed 10.13.23.](#)

<sup>3</sup> "PwC's 2023 Employee Financial Wellness Survey." Published 2023. [Accessed 10.13.23, 2023.](#)

<sup>4</sup> Harvard Business Publishing Corporate Learning. "Opening up About Mental Health at Work." Published 12.13.21. [Accessed 10.13.23.](#)

<sup>5</sup> KFF. "Americas' Challenges with Health Care Costs." Published 07.14.22. [Access 10.13.23.](#)

<sup>6</sup> Aflac. "WorkForces Report. Workplace Benefits Trends." Published November 2022. [Accessed 10.13.23.](#)

<sup>7</sup> SalaryFiance. "The backdrop and impacts: Inflation and healthcare costs." Published August 2023. [Accessed 10.13.23.](#)

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