

MEDICAL DEBT'S IMPACT ON EMPLOYEES

When employees have financial stress, their mental, physical and social health can suffer, as can their job performance. This infographic explains why workers are struggling and how employers can help.

WHY ARE EMPLOYEES STRUGGLING?

Here are some of the primary reasons why U.S. employees are struggling with medical debt:



Rising health care costs—Health premiums have risen about 4.5% every year for the last five years, according to Investopedia.



Increased use of high-deductible plans—According to research from the Kaiser Family Foundation, the average deductible has more than doubled in the last decade, with more than half of U.S. workers enrolled in high deductible health plans in 2020.



Inflation and cost-of-living increases—Less than half of Americans have adequate savings to cover an unexpected \$1,000 expense—This means many Americans are only one health issue away from medical debt.



Inadequate health insurance coverage—Employer-sponsored health plans aren't always enough to keep workers from debt. In fact, nearly 26% of adults with employer-sponsored health plans are considered underinsured, according to the Financial Health Network.



Delayed or avoided preventive care—Underinsured workers are more likely to put off medical visits and avoid filling prescriptions; this can lead to more costly care down the road.

HOW DOES MEDICAL DEBT IMPACT WORKERS?

Consider the following ways employees' financial stress can impact the workplace:

A report by the Financial Health Network found **4 out of 5 employees** with medical debt say it distracts them from work.

In a 2023 Wellness Barometer Survey, **50% of workers** said financial stress negatively affected work engagement and 48% said it negatively impacted productivity.

50% of workers who say they're stressed about debt report spending at least **one hour a week at work** dealing with debt-related issues.

Researchers at Brightplan, a financial wellness company, estimated that workplace productivity lost because of financial stress costs U.S. employers nearly **\$200 billion every year**.

HOW CAN EMPLOYERS HELP?

Employers are uniquely qualified to help employees prevent and avoid medical debt. Here are some of the ways employers can help workers achieve financial wellness:



Survey employees' financial wellness needs and wants.



Help employees understand their individual risk for large health claims.



Educate employees on how they can save money by becoming better health care consumers.



Provide benefits, such as health reimbursement arrangements and contributions to health savings accounts.



Tailor benefits to meet employees' financial and health care needs.

Employers promoting financial wellness are likely to see heightened employee productivity, engagement, loyalty and satisfaction.

Contact us for more information.

