

Financial Wellness

In 2017, IBM Watson Health released a research brief “Quantifying the impact of stress on your employee population’s health” that evaluated the relationship between stress and resiliency on individuals’ healthcare costs and utilization. These findings indicated higher healthcare costs and utilization as well as higher prevalence of chronic diseases among employees reporting high levels of stress.

According to the American Psychological Association, money is the leading cause of stress in Americans, with 72% indicating feeling stressed about money at least some of the time.¹ Additionally, more than one in five consumers has forgone or reduced healthcare based on financial situations.²

Given these findings and the increasing questions being asked about the affordability of healthcare for the working population, IBM Watson Health set out to further explore the relationship between financial well-being and healthcare utilization.




Financial Stress was linked with:

- Lower productivity (120% more hours lost per employee)
- Higher absenteeism (Two more self-reported missed work days per employee)
- Greater incidence of short-term disability (69% more cases per 100 and 70% more days lost per 100)

¹ American Psychological Association, “Stress in America™: Paying With Our Health,” released February 2015, <http://www.apa.org/news/press/releases/stress/2014/stress-report.pdf>.

² Aon Hewitt, “2017 Consumer Health Mindset Survey®,” <http://www.aon.com/human-capital-consulting/thought-leadership/communication/2017-Consumer-Health-Mindset.jsp>.

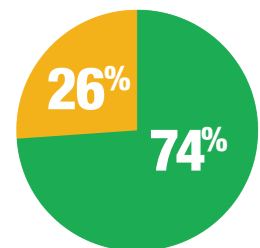
Three questions used to categorize employees as financially healthy or financially stressed. 207,550 employees met the criteria to be included in the study.

	Financially Healthy	Financially Stressed
 Do you have an emergency fund?	Yes	No
 How often do you feel stressed about money?	Rarely, Never	Sometimes, Often, Always
 Did you worry about money yesterday?	No	Yes

Employees by financial well-being - 207,550 employees met the criteria to be included in the study

Overall Results

- Financially well
- Financially stressed

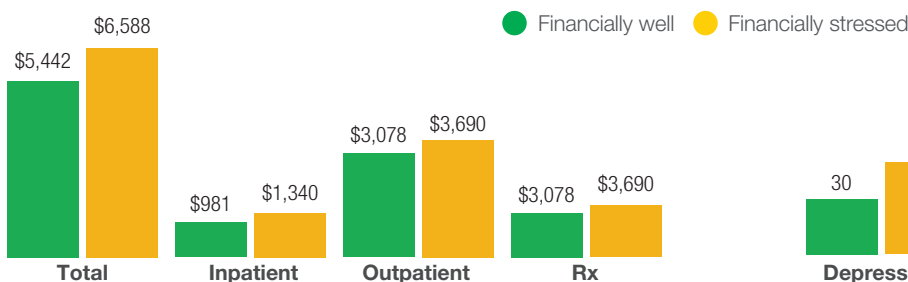


Key takeaways

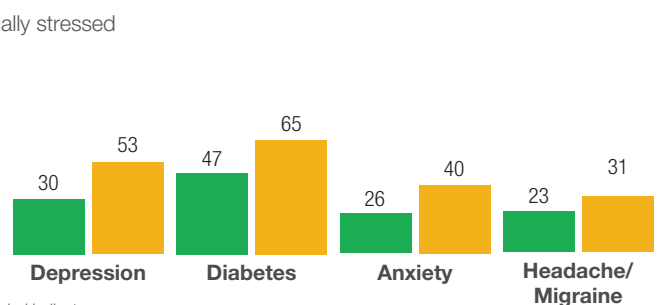
Compared to financially-well employees, financially-stressed employees had 21% higher medical and prescription drug costs, with higher costs across all places of service. Prevalence rates for a variety of conditions were higher

among the financially stressed population, with the exception of cancer. The largest differences were for depression (77% higher), anxiety (54% higher), diabetes (39% higher) and headache/migraine (39% higher).

Allowed amount per member per year (PMPY)*



Condition prevalence (patients per 1,000 members)*



*Adjusted for demographic differences, including age, gender, region, plan type, union indicator, employer, and salaried indicator



Potential Actions for Employers

- Evaluate root-causes of financial stress in your population to best target appropriate solutions
- Educate employees regarding the impact of financial stress and the importance of monitoring and managing their financial stress levels
- Offer financial well-being tools and programs to help alleviate stress related to finances
- Offer tools to ensure employees can optimize their benefits (including healthcare, retirement, etc.) and properly plan for expenses
- Communicate that preventive care is covered at no charge to employees and that it can prevent future healthcare costs
- Determine the sociodemographic factors of the financially-stressed employees in your population to pinpoint their specific needs and tailor your communication style to their preferences
- Ensure employees are informed about all their site-of-care options and how they may influence their point-of-service costs – including on-site clinics and telemedicine
- Evaluate affordability of healthcare coverage for all employees
- Alleviate barriers, including financial, to receiving appropriate mental health care
- Consider value-based benefits with reduced costs for high-value care

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