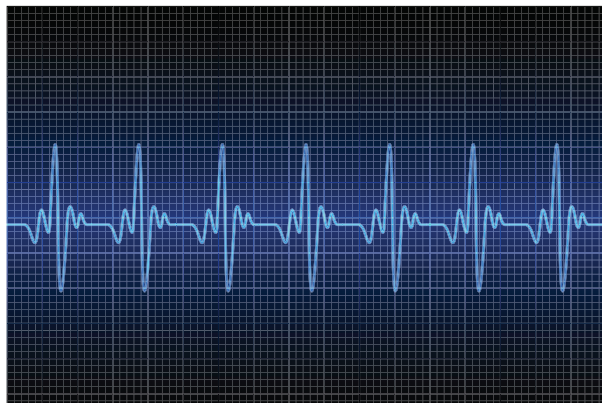


How Financial Stress Impacts Healthcare Costs

JULY 2017



**Chronic stress
can cause
serious medical
problems.**

The idea that stress causes health problems is not new. It has long been known stress causes high blood pressure, headaches and fatigue. However, new research indicates stress can have much more serious consequences.

No longer considered a secondary health issue, stress is now known to cause, contribute to or aggravate diabetes, asthma, insomnia, depression, lower immune response, high cholesterol, heart disease and substance abuse. In fact, stress may cause more health problems than any other single contributing factor.^{1, 2}

Not all stress is bad, of course. The normal physiological response to stress – a rush of adrenaline and cortisol – is designed to help people (in fact, all animals) deal with environmental threats. It's often called the "fight-or-flight" syndrome. The response causes an increased heart rate, pupil dilation, the release of sugars into the bloodstream and other changes that increase alertness and prepare the individual to mentally and physically cope with a dangerous situation.

But when stress becomes the rule rather than exception, it can have a negative impact on health.

How Chronic Stress Affects Health

While the physiological changes that stress causes can be critical to survival in high-risk situations, they are emergency measures. People are not designed to operate at “red alert” for long.



Indeed, chronic stress – continued stress over a long period of time – can have serious repercussions.

Unfortunately, many stressors in the modern world are ongoing. While we are less likely to be attacked by a wild animal (causing short-term stress), stressors like family, money and work problems typically go on for years.

The negative effects of stress are more than offset in a short fight-or-flight situation, but they add up quickly over time.

Stress affects people differently – genetics play a big part – but it is not difficult to see how sustained high blood pressure contributes to cardiovascular problems.

Similarly, elevated blood sugar levels can be dangerous for people with diabetes (and are closely associated with heart disease and strokes).

Beyond such obvious physical connections, however, chronic stress has also been linked to psychological problems like anxiety and depression.

This can devolve into a vicious cycle in which chronic stress causes anxiety, which in turn causes more stress.

In addition, chronic stress often leads to behavioral choices which make matters worse (poor diet, lack of exercise, alcohol or drug use, etc.).³

The healthcare costs resulting from stress are enormous. It is estimated that between 75 and 90 percent of all physician office visits are for stress-related ailments and complaints.⁴

Combined with the fact that the American Medical Association says stress is the basic cause of 60 percent of all human illnesses and diseases,² it becomes clear that the only way to significantly lower healthcare costs in America is to address the root cause of what keeps people up at night. Lower stress equals lower healthcare costs.

Money & Stress

Seven out of 10 Americans report that financial problems are their number one source of stress.⁶ Not surprising, given 63 percent of Americans do not have \$500 on hand.⁶

Financial stress is not a new phenomenon,



but it has reached new heights in the last few years. As a result of job losses, the 2008 housing crash and record-high credit card and student debt, most people today are stressed out by financial problems.

From a healthcare cost standpoint, financial stress is particularly troubling because it never goes away. From worrying about retirement to paying monthly bills, the stress is real and unrelenting.

In short, financial problems are the cause of most chronic stress in America today, and the stress that such problems create is causing serious health problems

How Employers Can Make a Difference

There is no magic bullet to eliminate financial stress, but employers can help their employees dial it down by providing resources that help them make better financial decisions.

A new definition of “well-being” must include financial well-being, and the new goal must be a more holistic view of employees’ lives.

In a 2016 AON survey, 89 percent of employers indicated they were very or moderately likely to expand their financial well-being programs.⁷

It is also becoming clear that the resources provided through 401(k) programs are simply not enough – the information and tools in such programs focus on investing.

The problem is most employees need to develop more basic personal finance skills: They need to learn how to build a budget and pay down debt.

Best Money Moves can help. Mobile, gamified and easy-to-use, Best Money Moves provides practical, unbiased help and live money coaches – so employees can make smarter financial decisions.

Once they get their finances under control, their stress levels will come down – and with lower stress levels, lower healthcare costs.

70%

of Americans
say financial problems are their
#1 source of stress.

SOURCES

1. Hartz-Seeley, D., [Chronic stress is linked to the six leading causes of death](#). Miami Herald, 2014.
2. [How Stress Affects the Body](#). Huffington Post, 2013.
3. Schneiderman, N., Ironson, G., Siegel, S. D. [Stress and Health: Psychological, Behavioral, and Biological Determinants](#). , Annual Review of Clinical Psychology, 2005.
4. [The Effects of Stress on Your Body](#). WebMD, 2016.
5. [Stress in America: Our Health at Risk](#). American Psychological Association, 2012.
6. [63% Of Americans Don't Have Enough Savings To Cover A \\$500 Emergency](#). Bankrate Survey.
7. [2016 Hot Topics in Retirement and Financial Well-Being](#). AON Report, 2017.



Best Money Moves®
money. career. life.

This white paper was produced by Best Money Moves.
It is available in digital format on our website at bestmoneymoves.com.
Contact us at info@bestmoneymoves.com or call (847) 242-0550.