

# FINANCIAL HEALTH

An essential component of whole person health and well-being



Personal financial situations can be a key cause of stress for employees, with the potential for considerable impact on physical and mental health. The recent Cigna 360 Well-being Survey found nearly a third of respondents worry about personal finance and quarter about family finance.<sup>1</sup> The economic repercussions of the pandemic will likely prolong these concerns. Ill health, in particular chronic conditions, can also reduce financial provision for individuals and their dependents. The following article examines the link between personal finances and health and outlines how Cigna can help support employees.

## Impact of the pandemic on financial stress

The COVID-19 pandemic has been stressful for most of the population and evidence finds that those on lower incomes or who have suffered financial loss are particularly vulnerable to lockdown-related stress.<sup>2,3</sup> Other demographics are not immune. In a sample of Canadian families with a middle- to high-income households, approximately one in five reported concerns about paying their mortgage, rent or other bills on time during the pandemic.<sup>4</sup>

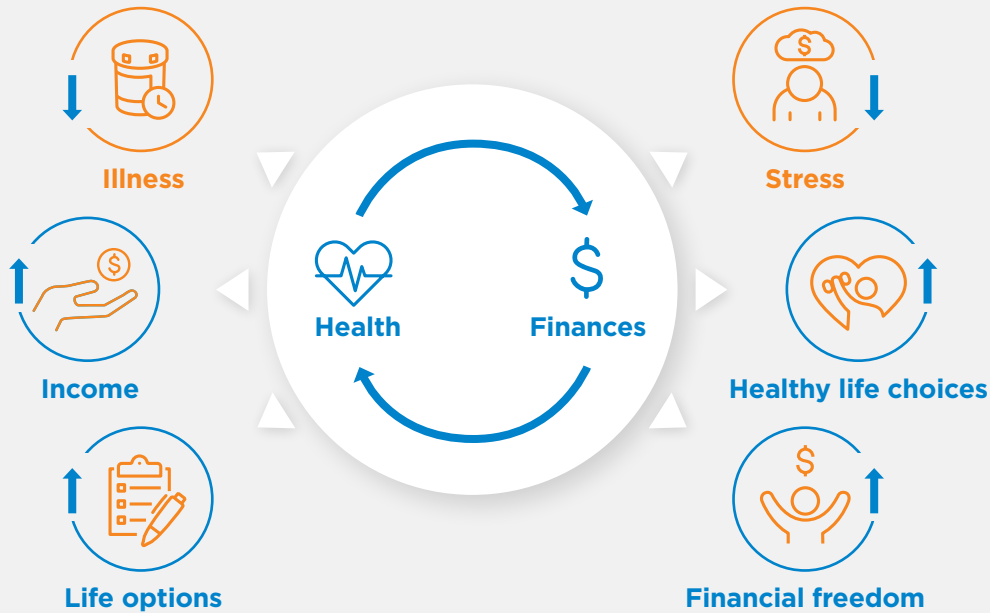
The economic impact of the pandemic is likely to have a lasting effect. A 2021 U.S. survey found that about half of working adults will now find it harder to achieve long-term financial goals. Among those who say their financial situation has worsened, 44% think it will take them three years or more to get back to where they were pre-pandemic, including one in 10 who do not think their finances will ever recover. Black and Hispanic populations, and younger adults aged under 35 were found to be struggling the most.<sup>5</sup>

The four components of personal financial well-being have been defined: those who are financially healthy have:<sup>6</sup>

- 1** **Control** of typical daily or monthly finances, covering expenses and bills on time.
- 2** **Capacity** to absorb a financial shock when unexpected situations occur.
- 3** **Goals** for their financial future and are on track to meet them.
- 4** **Flexibility** to make choices that allow them to enjoy life, such as dining out or family trips.



## The interlinked relationship between good health and personal finances



## The impact of personal finances on overall health

Financial health is a key factor in determining health potential. A person's ability to manage day-to-day spending, overcome unexpected financial shocks, maintain minimal debt and consolidate wealth underpins all aspects of daily life including quality of housing and diet.<sup>7</sup> Government figures from England show that in the least deprived areas people are expected to enjoy good general health up to over 70 years, yet in the most deprived areas it is only up to 52 years – a difference of nearly two decades.<sup>8</sup>

Poor financial health can prevent healthier lifestyles, and increase the likelihood of detrimental choices such as smoking, excessive alcohol intake, poor diet and insufficient exercise.<sup>9</sup> In the short term, employee financial stress might manifest as productivity loss, absenteeism, and turnover. Longer term poor financial health may lead to ill health at a younger age and early unplanned retirement.<sup>7,9</sup>



### Cigna can help

**Cigna's Employee Assistance Program (EAP)** provides confidential and independent financial support. In addition to financial information, EAP offers counseling and advice on a wide range of topics such as legal issues, emotional health, including relationships and family life and substance misuse.

## Ill health can affect finances

People with chronic diseases or other serious medical conditions frequently find themselves struggling with their finances due to treatment-related costs – such as co-payments and transport – plus reduced earnings, which adds another concern to an already stressful situation. This can lead to patients not following treatment plans or forgoing therapy, ultimately leading to poorer health outcomes.<sup>10</sup>

In cancer patients, a systematic review found financial burden was linked with nearly twice the odds of non-adherence of medication.<sup>11</sup> With women, younger patients and ethnic minorities are known to be particularly vulnerable.<sup>10</sup> There is also a known link between mental health and financial concerns, those who are experiencing mental health issues can be three and a half times more likely to be in problem debt.<sup>12</sup>

By taking a whole health approach to well-being, employers can promote financial empowerment among their employees. A mutually beneficial scenario which can reduce financial stress among employees and promote security and trust in employers.



### Cigna can help

**Cigna provides case management for customers receiving care for chronic or complicated conditions, helping them to navigate the health system and avoid incorrect, therefore poor value, treatment choices. Financial guidance can also be provided as part of the continued support for customers undergoing treatment.**

## Together, all the way.®



1. Cigna 360 Well-being Survey. Cigna. September 2021.
2. Brooks SK, Webster RK, Smith LE, et al. The psychological impact of quarantine and how to reduce it: rapid review of the evidence. *Lancet*. 2020 Mar 14;395(10227):912-920. doi: 10.1016/S0140-6736(20)30460-8.
3. Pieh C, Budimir S, Probst T. The effect of age, gender, income, work, and physical activity on mental health during coronavirus disease (COVID-19) lockdown in Austria. *J Psychosom Res*. 2020 Sep;136:110186. doi: 10.1016/j.jpsychores.2020.110186.
4. Carroll N, Sadowski A, Laila A, et al. The Impact of COVID-19 on Health Behavior, Stress, Financial and Food Security among Middle to High Income Canadian Families with Young Children. *Nutrients*. 2020;12(8):2352. Published 2020 Aug 7. doi:10.3390/nu12082352.
5. A Year Into the Pandemic, Long-Term Financial Impact Weighs Heavily on Many Americans. Pew Research Center. Published March 5, 2021. Available: <https://www.pewresearch.org/social-trends/2021/03/05/a-year-into-the-pandemic-long-term-financial-impact-weighs-heavily-on-many-americans>.
6. 4 elements define personal financial well-being. Consumer Financial Protection Bureau. US Government. <https://www.consumerfinance.gov/about-us/blog/4-elements-define-personal-financial-well-being>. Accessed October 22, 2021.
7. Weida EB, Phojanakong P, Patel F, Chilton M. Financial health as a measurable social determinant of health. *PLoS One*. 2020;15(5):e0233359. Published 2020 May 18. doi:10.1371/journal.pone.0233359.
8. Health state life expectancies by national deprivation deciles, England: 2017 to 2019. Office of National Statistics. (UK Government). Released March 22, 2021. Available: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbyindexofmultipledeprivationimd/2017to2019#healthy-life-expectancy-at-birth-in-england-by-the-index-of-multiple-deprivation>.
9. White ND, Packard K, Kalkowski J. Financial Education and Coaching: A Lifestyle Medicine Approach to Addressing Financial Stress. *Am J Lifestyle Med*. 2019 Jul 29;13(6):540-543. doi: 10.1177/1559827619865439.
10. Coughlin SS, Moore JX, Cortes JE. Addressing financial toxicity in oncology care. *J Hosp Manag Health Policy*. 2021;5:32. doi:10.21037/jhmp-20-68.
11. Smith GL, Lopez-Olivo MA, Advani PG, et al. Financial Burdens of Cancer Treatment: A Systematic Review of Risk Factors and Outcomes. *J Natl Compr Canc Netw*. 2019 Oct 1;17(10):1184-1192. doi: 10.6004/jnccn.2019.7305.
12. Money and mental health. The Facts. Money and Mental Health Policy Institute. <https://www.moneyandmentalhealth.org/wp-content/uploads/2019/03/debt-mental-health-facts-2019.pdf>. Accessed October 22, 2021.

All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Cigna Life Insurance Company of Canada or service company subsidiaries. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc.

Products and services may not be available in all jurisdictions and are expressly excluded where prohibited by applicable law. Cigna Global Health Benefits' web-based tools, such as Cigna Envoy®, are available for informational purposes only. Cigna Global Health Benefits' web-based tools are not intended to be a substitute for proper medical care provided by a physician. All pictures are used for illustrative purposes only.