EBRI Fast Facts
September 10, 2026, #563

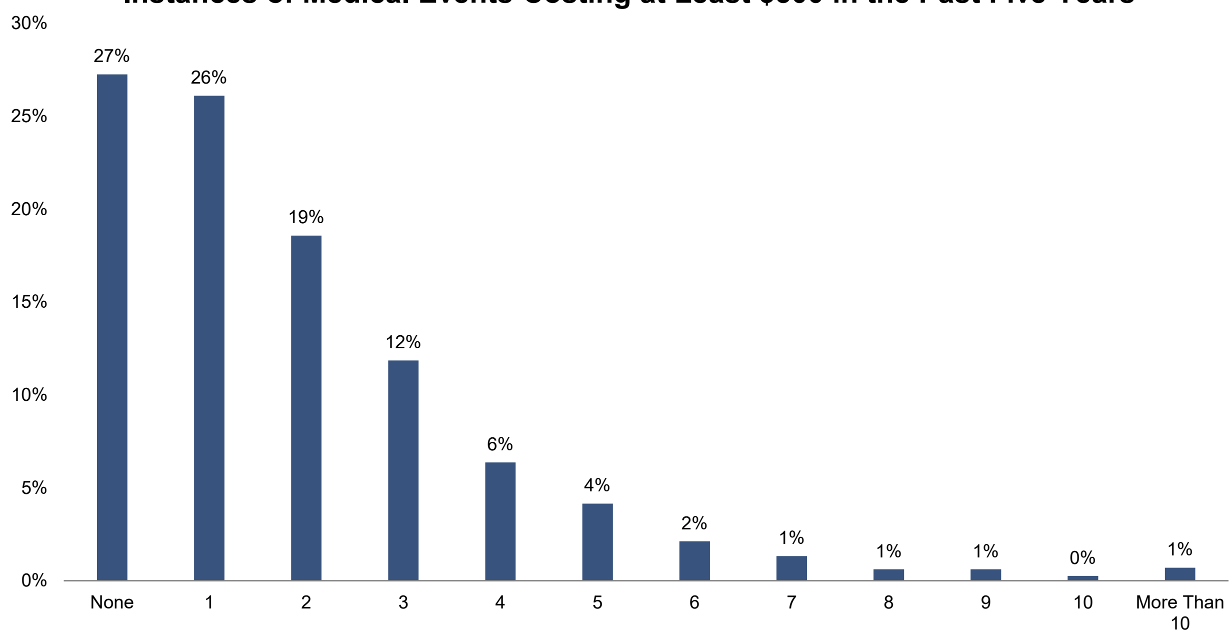
Who Feels Stress From Medical Expenses?

Many households express concern over medical expenses. EBRI's Workplace Wellness Survey (WWS) finds, for instance, that 35 percent of households are concerned over their level of medical debt. Additionally, employers frequently cite health care expenses as a reason for offering financial wellness benefits and as a top reason for offering benefits in general. A recent EBRI *Issue Brief* found that 73 percent of employers indicated that their benefits were designed to help workers address health care costs.

However, even if workers have health insurance coverage, they may still face steep out-of-pocket costs. An EBRI analysis of a commercial health care claims database indicates that the average deductible for employee-only coverage was $1,274, and the average deductible for family coverage was $2,270.[1] These costs may prove to be a hardship for a family that may not necessarily have the financial resources to cope with an unexpected expense.

As part of a research study on voluntary benefits conducted in collaboration with Lincoln Financial, EBRI surveyed workers about unexpected medical costs, as well as their immediate aftereffects. Seventy-three percent of workers reported having at least one medical event in the past five years that cost at least $500. An additional 10 percent reported experiencing five events or more. Experiencing an unexpected medical event was surprisingly common and, for some, distressingly frequent.

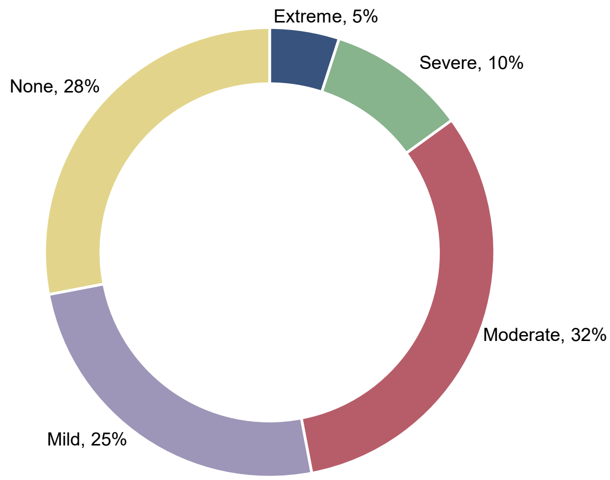
Figure 1
Instances of Medical Events Costing at Least $500 in the Past Five Years



[1] "Trends in Cost Sharing for Medical Services, 2013–2023," *EBRI Chartbook* (Employee Benefit Research Institute, April 2, 2026). Available at https://www.ebri.org/content/trends-in-cost-sharing-for-medical-services--2013-2023.

Next, we asked those workers who had experienced a medical event costing over $500 at some point in the previous five years whether they had experienced any subsequent financial difficulties. Workers described their level of financial difficulties, choosing from five different response options including none, mild, moderate, severe, and extreme.[2] Among workers experiencing such a medical event, nearly half reported their subsequent level of financial difficulty as moderate, severe, or extreme, shown below in Figure 2.

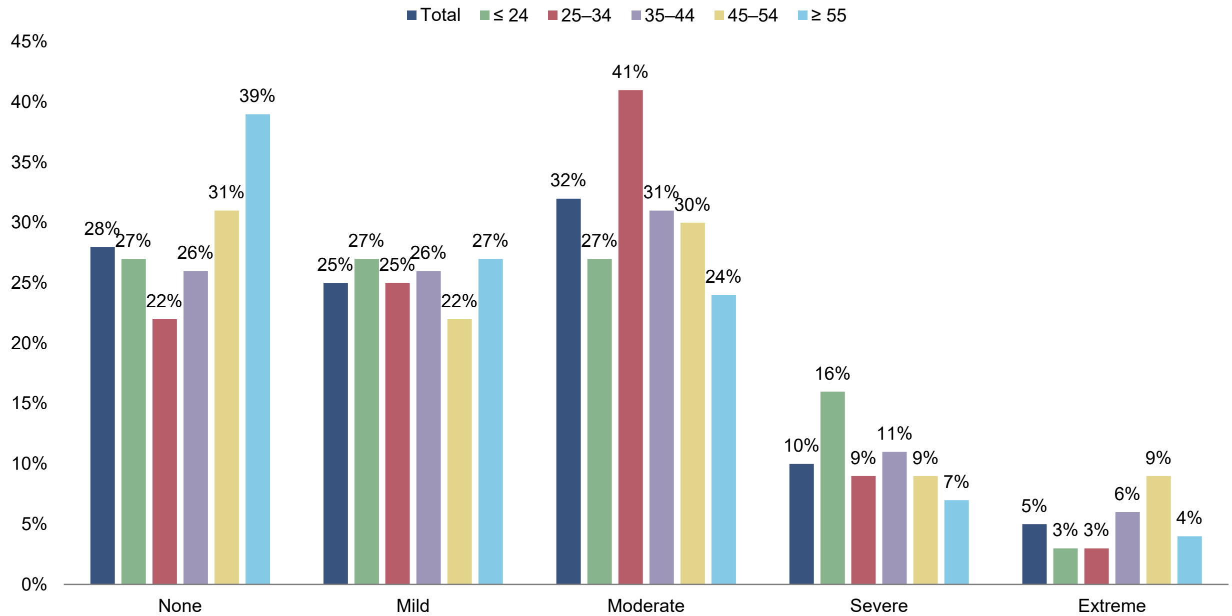
Figure 2
Self-Reported Level of Financial Difficulty After Experiencing Medical Event Costing at Least $500



However, not every worker experienced similar levels of financial difficulty after medical events. Digging deeper, our analysis finds that age and household income play a role in the aftereffects of a medical event. Workers ages 25–34 were more likely than both younger and older workers to report a moderate level of financial difficulty following a medical event, shown below in Figure 3. The oldest group of workers — those ages 55 and up — were more likely than younger workers to report having no financial difficulty, perhaps because they tend to have higher incomes or more money set aside specifically for medical expenditures. The youngest workers — those ages 24 and under — were disproportionately likely to report they encountered severe financial difficulties following a medical event, perhaps because a medical event may be a more unexpected financial strain. Additionally, both 35–44- and 45–54-year-old workers were disproportionately likely to report having an extreme level of financial difficulty following a medical event.

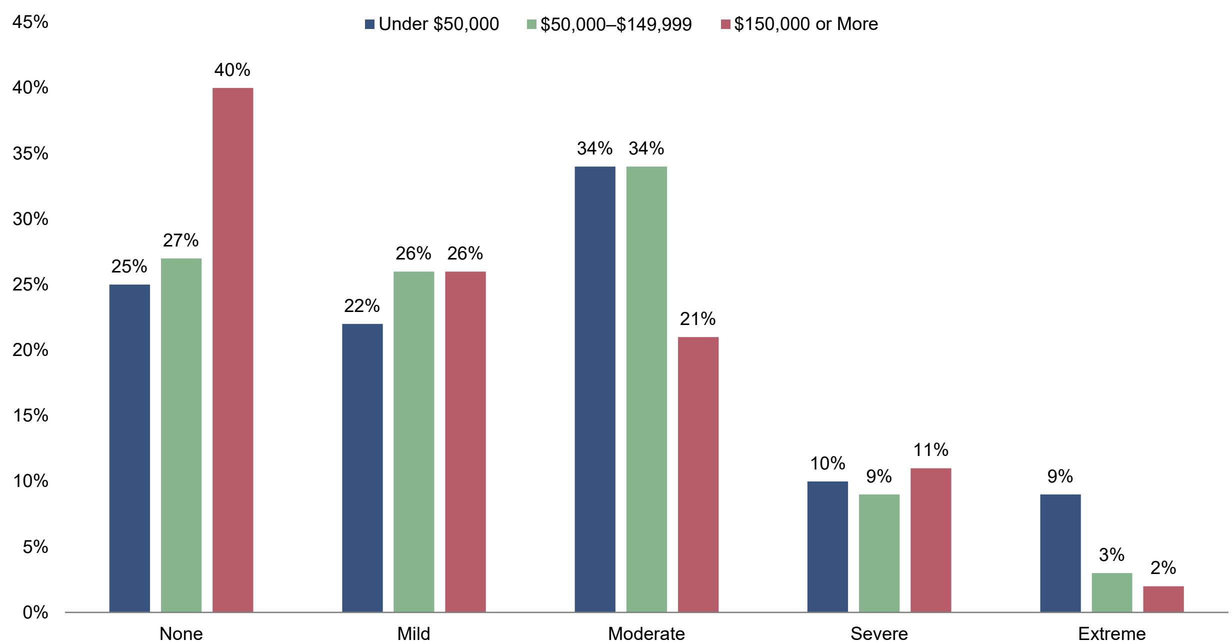
[2] The impact of response options was defined for survey respondents. For "none," no financial difficulty was experienced. For a "mild" impact, respondents easily managed without changing spending or savings. For a "moderate" impact, respondents required some adjustments to spending or savings. For a "severe" impact, respondents required major lifestyle or financial changes. For "extreme," respondents were unable to meet essential expenses or took on debt.

Figure 3
Self-Reported Level of Financial Difficulty After Experiencing Medical Event Costing at Least $500, by Age



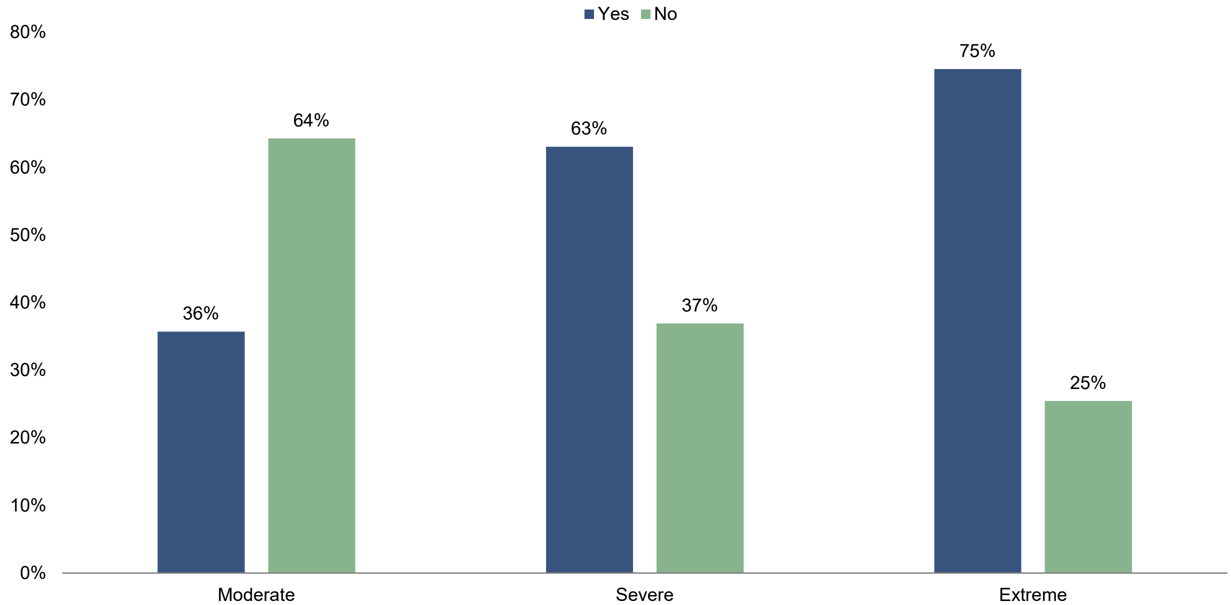
Indeed, household income does appear to play a role in financial difficulties following a medical event. Workers who had high household incomes — $150,000 and up — were more likely than lower-income households to report facing no financial difficulties following a medical event, shown below in Figure 4. The lowest-income households — those earning less than $50,000 — were more likely than higher-income households to report experiencing both a moderate amount of financial difficulty and an extreme level of financial difficulty. However, even among higher-income households, over a third reported at least moderate lasting impacts, reflecting the difficulty in coping with an unexpected medical expense.

Figure 4
Self-Reported Level of Financial Difficulty After Experiencing Medical Event Costing at Least $500, by Household Income



These medical events sometimes have a lasting impact on workers' personal finances. Three-quarters of workers reported that they had experienced a medical event costing over $500 in the past five years When asked whether they were still experiencing financial difficulties associated with a previous medical event, most workers who had experienced moderate difficulties were no longer feeling the aftereffects, shown below in Figure 5. However, financially recovering from a medical event was more difficult if the immediate impact on finances was more severe. Among workers who had experienced severe financial difficulties arising from a medical event, 63 percent were still experiencing financial difficulty, alongside 75 percent of workers who had experienced extreme financial difficulties.

Figure 5
Workers Still Experiencing Financial Difficulty After Medical Event, by Immediate Financial Impact



Unexpected medical events are, unfortunately, relatively common. In addition to these events being surprisingly common, many workers experience at least some financial difficulties in the aftermath of an unexpected medical event. These aftereffects matter, particularly to workers who are already feeling stressed by higher health care costs, inflation, and daily living costs.

Data for this *Fast Fact* were sourced from surveys conducted as part of a research program called Benefits in Focus: Supplemental Health, Dental, and Vision Perspectives. EBRI was able to fund the development of this research thanks to support from Lincoln Financial.

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