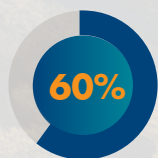


EMPLOYEE FINANCIAL PRESSURE: THE GROWING PROTECTION GAP

2026 Benefits and Employee Attitude Tracker (BEAT) Series



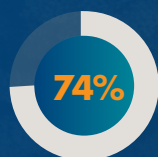
Financial Pressure Is Intensifying



60% of workers are **very or extremely** concerned about the cost of living and inflation, with 7 in 10 more concerned now than they were last year.

49% worry about healthcare costs and **42%** about saving for retirement.

Employees Face High Financial Risk



74% of employees say their households would struggle to cover living expenses immediately or within months if they lost income due to disability.

57% say their households would struggle if a breadwinner passed away unexpectedly.

55% could not cover a \$2,000 medical bill without taking on debt.



Insurance Coverage Doesn't Eliminate the Protection Gap



Workers with life or disability benefits feel **more prepared** to cope with a loss of income. However:

- 1 in 5** workers with life or disability coverage still expect to have immediate financial difficulty if their household lost a breadwinner's income.
- Fewer than 1 in 3** think they could cover living expenses well into the future.

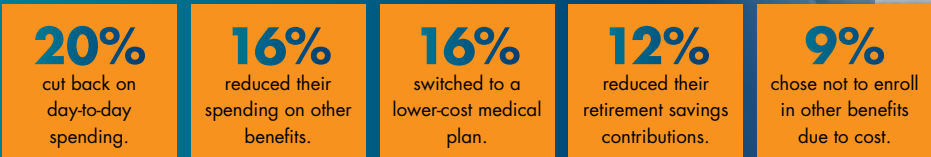
The implication: Workers either have insufficient amounts of insurance protection or don't understand the benefits they have.



Rising Costs Shape Benefit Decisions

Employees aim to spend an average of **\$254 per month** out-of-pocket on benefits — essentially unchanged from last year. Yet benefit costs are rising.

More than three-quarters of workers saw their medical insurance premiums increase in 2026, and **half** of affected employees made changes in response:



Medical cost growth is crowding out other products — widening the protection gap.



Priorities for Success: What This Means for Benefits Providers



High financial stress + flat budgets = growing protection gap.



Expanded access to nonmedical and supplemental benefits can address financial vulnerability.



Employees need benefits more than ever — but can afford them less than ever.



Improved communication strategies can help make the case for more wallet share.



Carriers must help employers deliver cost-conscious and flexible protection strategies.