

Fast Facts from EBRI

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How Rising Health Care Costs Affect Household Finances

WASHINGTON—A majority of U.S. residents with health care coverage experienced cost increases in the past year, and many of those said health care costs affected their household finances.

These findings come from the 2005 Health Confidence Survey, sponsored by the nonpartisan Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates, a market research firm. The survey found that increased health care costs affected household finances in these ways: one-quarter (26 percent) reported they decreased their contributions to a retirement plan; almost half (45 percent) said they decreased their contributions to other savings; and one-quarter (24 percent) said they experienced difficulty paying for basic necessities, such as food, heat, and housing.

The survey provided these additional details:

	Total	Household Income		
		Less Than \$35,000	\$35,000–\$74,999	\$75,000 or More
Decrease your contributions to other savings	45%	52%	41%	38%
Have difficulty paying for other bills	34	51	25	18
Use up all or most of your savings	29	45	21	8
Decrease your contributions to a retirement plan, such as a 401(k), 403(b), or 457 plan, or an IRA	26	27	32	17
Have difficulty paying for basic necessities, like food, heat, and housing	24	38	15	7
Borrow money	18	29	13	6

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Health Confidence Survey.

The full 2005 Health Confidence Survey is published in the November *EBRI Notes*, and is available on the Web at www.ebri.org

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