

Effectively supporting employees experiencing financial stress

Strategies, supports & resources

Cost of living pressures are having a significant impact on Australian employees' financial wellbeing. Research has shown that nearly one million workers in Australia are *severely financially distressed*.¹ A further two million employees are *moderately financially distressed*.¹

Financial stress can have a significant impact on employees' mental health. Recent research by Beyond Blue² has shown that:

- People experiencing financial stress are twice as likely to experience mental health challenges
- **83%** of Australians report that financial pressure is having a negative impact on their mental health
- **37%** of people cite cost of living pressure as having the biggest impact on their mental health
- **16%** of people experiencing financial stress indicate experiencing suicidal thoughts or behaviour.

Financial stress can also cause people to suffer shame, stigma, and embarrassment.

Employee financial stress is not good for business

Employee financial stress has a flow on impact to the workplace.

For example, research has shown that employees experiencing financial stress:

- Are less productive at work³
- Take an extra 2.4 sick days per year³
- Spend 1.4 work hours per week dealing with their financial matters at work³
- Are more likely to leave their job³

The good news is, there are actions employers can take to make a real difference for employees who are experiencing financial stress.



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Effective support strategies as an Employer or Manager

Three actions you can take to effectively support an employee experiencing financial stress:

- **Identify the signs** – Be aware of the common indicators that an employee might be struggling from financial and/or mental distress. An employee may appear to be²:
 - sad, worried, exhausted, and defeated
 - feeling overwhelmed or helpless
 - lacking motivation and have poor self-care.
- **Show support** – Be open and approachable, and listen with compassion and empathy, conveying respect and understanding. Remind your employee that there is no shame in experiencing financial or mental health challenges.
- **Encourage help-seeking** – Provide reassurance that it's never too early or too late to seek support. Connect your employee with appropriate financial and mental health resources and supports, listed below.

Supports & resources

Direct support

National Debt Helpline – 1800 007 007

<https://ndh.org.au/>

A not-for-profit service that helps people tackle their debt problems. Their professional financial counsellors offer a free, independent and confidential service.

Affordable SA – 1800 025 539

<https://www.affordablesa.com.au/>

Resource hub for addressing affordability challenges in South Australia.

Mob Strong Debt Helpline – 1800 808 488

Free nationwide legal advice and financial counselling service for Aboriginal and Torres Strait Islander people.

Employees experiencing mental distress (24/7 services)

Lifeline

13 11 14

<https://www.lifeline.org.au/crisis-chat/>

Beyond Blue

1300 224 636

<https://www.beyondblue.org.au/get-support/talk-to-a-counsellor/chat>

13 YARN

13 92 76

<https://www.13yarn.org.au/>

Resources:

Beyond Blue Services Guide for Financial & Mental Wellbeing:

A guide to helping people with financial and mental wellbeing challenges get back on track

<https://www.beyondblue.org.au/mental-health/financial-wellbeing>

Moneysmart.gov.au – Provides a range of financial tools, information, and resources to help people of all ages, backgrounds and incomes to be in control of their financial lives.

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Supports for small business owners and sole traders

Small Business Dept Helpline

1800 413 828

<https://sbdh.org.au>

The Small Business Debt Helpline helps small business owners and sole traders in financial difficulty. The financial counsellors provide free, independent and confidential advice.

NewAccess for Small Business Owners (Beyond Blue)

1300 945 301

<https://www.beyondblue.org.au/get-support/newaccess-mental-health-coaching/small-business-owners>

A free and confidential guided self-help mental health coaching program for small business owners (20 or less staff) and sole traders. Up to six sessions with a mental health coach, the service is available nationally by phone or video call. No GP referral is required.

ReturnToWorkSA's supports & resources specifically for employees with a work injury claim

ReCONNECT

(08) 8238 5959

reconnect@rtwsa.com

<https://www.rtwsa.com/claims/returning-to-work/reconnect>

Helping workers identify and navigate support services during a work injury. (Registered and Self-Insured employers)

Financial Preparation Service

<https://www.rtwsa.com/claims/recovery/scheme-supports>

1:1 financial coaching for injured workers to prepare for changes in financial circumstances. Referral by Claims Manager or ReCONNECT (Registered Employers only).

Low Intensity Mental Health Service

<https://www.rtwsa.com/claims/recovery/scheme-supports>

Up to eight sessions with a mental health coach, providing practical strategies to help workers (and their family members) manage mild to moderate anxiety, depression or stress. Referral via the worker's Claims Manager (Registered Employers only).



References

1. AMP (2022) Financial Wellness report. <https://www.amp.com.au/content/dam/amp-au/documents/financial-hub/Financial-Wellness-2022.pdf>
2. Beyond Blue (2023) *Services Guide for Financial & Mental Wellbeing: A guide to helping people with financial and mental wellbeing challenges get back on track.*
3. Woodward, A. (2022) *A rising tide of financial stress is drowning Australia's workers.* Human Resources Director.