



MONEY AND MENTAL HEALTH PROBLEMS: BREAKING THE LINK

A BEST PRACTICE CHECKLIST FOR EMPLOYERS

Two thirds of employees who are struggling financially report at least one sign of poor mental health that could affect their ability to function at work. These include loss of sleep, poor concentration, and reduced motivation. Employers have the power to improve both the financial and emotional wellbeing of their workforce, as well as their productivity, by introducing new processes or resources that build financial resilience, creating a culture of support and providing essential help once problems have set in. Money and Mental Health, the leading centre of expertise on financial and mental health problems, calls on employers to take the following seven steps:

Building financial resilience

1. Boost short term savings

A quarter of the UK workforce are experiencing some degree of financial insecurity, which can impact on their mental health and productivity at work. A key factor in a person's levels of financial resilience is whether they have adequate savings to meet unexpected expenses. **Employers should consider partnering with financial services providers to offer payroll savings schemes, making it easier for employees to save.**

2. Support access to affordable credit

Financial difficulties are often caused or worsened by a lack of access to affordable credit. Once a person is in financial difficulty, they find that only high-cost credit options are available to them. Many employers already provide payroll loans to help staff pay for work-related costs like a train season ticket or bicycle. **Employers should offer short term loans and make larger credit facilities available to staff through payroll, allowing a lower rate of interest to be offered and helping employees to avoid fees and charges.**

3. Money management

For many people experiencing mental health problems, additional help managing money, whether in the form of tools and apps or personal advice, could help to reduce the likelihood that money difficulties will make someone too unwell to work. For those whose income varies from month to month there are also tools that can help smooth income between months making it easier to budget. **Employers should offer money management tools and support as a staff benefit.**

Creating a culture of support

4. Tackle stigma

The culture of shame surrounding debt and financial difficulty can deter employees from seeking support. This can allow their debt to grow and, in some cases, lead to mental health problems.

Understanding of problem debt and financial difficulty should be included in professional development for all those managing employees. Resources to help managers support people with mental health problems, and with financial concerns, should be included in HR resources, and HR teams educated about the causes and consequences of financial difficulties.

5. Reduce the cost of employment

There are a number of unexpected costs that can accompany employment, including work-related expenses and staff social activities. These can be a source of anxiety for people experiencing financial difficulty, and leave them feeling excluded. **To avoid exacerbating this problem, employers should pay for work-related expenses up front and ensure that financial hardship would not exclude a colleague from participation in social activities.**

Helping once problems have set in

6. Access to advice and support

Debt advice is enormously effective in resolving financial difficulties, but at present, only one in five people in problem debt seeks advice. **Employers could be an authoritative source of information for their staff, proactively distributing literature around financial wellbeing and discreetly signposting to advice services where appropriate. Where employers know an employee is facing a substantial loss of income due to reduced hours or sickness absence, they should signpost to welfare advice or, where possible, offer support and advice with relevant benefit applications.**

This would help those in need to gain assistance more quickly and reduce the likelihood that mental health problems develop as a result of financial difficulties.

7. Ensure employees can afford to get better

Paid sick leave is vital to ensure that people experiencing any sort of illness have time and space to prioritise recovery. Anxiety about a reduction in income, such as from moving onto statutory sick pay, can act as a disincentive for taking time off. **When determining their sick pay policies, employers should consider what impact these may have on staff willingness to take sickness absence, and the relative costs of presenteeism and longer term absences. They should also proactively consider the benefits of group income protection policies in reducing the length of absences by minimising the financial stress of a period away from work.**

Money and Mental Health is keen to celebrate employers adopting these ideas, as well as to work with organisations to tailor our recommendations to specific environments. We work with thousands of people with experience of mental health problems whose input on service delivery and process can be invaluable. To work with us, or tell us how you've implemented our ideas, email contact@moneyandmentalhealth.org