



# 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 nine steps:

### Building financial resilience

#### 1. 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.**

#### 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 may 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. 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 level 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.**

## 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. Employers should:

- **Ensure an understanding of problem debt and financial difficulty is included in mandatory training for all those managing employees.**
- **Provide resources to help managers support people with mental health problems and/or financial difficulties. HR teams should be educated about causes and consequences of financial difficulties.**
- **All employers of more than 250 people should sign up to the [Mental Health at Work Commitment](#) to prioritise mental health in the workplace.**

### 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 does not exclude a colleague from participating 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 should:

- **Be an authoritative source of information for their staff, proactively distributing literature around financial wellbeing and discreetly signposting to advice services where appropriate.**
- **Routinely signpost to welfare and debt advice services when employers know an employee is facing a substantial loss of income due to reduced hours or sickness absence.**

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 reducing contractual sick pay or moving onto statutory sick pay, can act as a disincentive for taking time off and encourage presenteeism. Employers should:

- **Consider what impact sick pay policies may have on staff willingness to take sickness absence, and the relative costs of presenteeism and longer term absences.**
- **Support people to attend to deteriorating mental health problems at the earliest opportunity by considering implementing a preventative part-time sick leave policy.**
- **Ensure that sick pay policies are transparent and accessible, supporting employees to make informed choices and plan more effectively.**

## 8. Flexibility as standard

Flexibility within the workplace allows for more people to contribute at work, and can be particularly beneficial to those who have taken time off due to ill-health. Employers should:

- **Ensure flexibility in recruitment, retention and progression practices, by advertising positions flexibly (e.g. job sharing, part-time or condensed hours).**
- **Actively develop a list of reasonable adjustments for the workplace and offer them to employees regularly.**

This could support employees who aren't sure of what sort of adjustments are available or which would be of benefit to them. Whilst a significant proportion of employees could benefit from these policies, it would be of particular help to those struggling with their mental health.

## 9. Growth and opportunity

Conscious and unconscious bias and discrimination can impact who is considered for recruitment and progression in organisations. This significantly impacts workers who are part-time and those who have mental health problems. One in five working-age people with a mental health problem report having been discriminated against in work due to their mental health. Employers should:

- **Actively encourage all employees to take up opportunities that would benefit them regardless of hours worked or sickness absence records.**
- **Seek to facilitate shadowing and secondment opportunities, as well as buddying and mentoring schemes.**

Not only would this allow employees to understand their own strengths, it encourages them to develop and progress.

Money and Mental Health is keen to celebrate employers adopting these ideas, as well as to work with firms to tailor our recommendations to each corporate environment. We work with thousands of people with experience of mental health problems whose input on service and product design can be invaluable. To work with us, or tell us how you've implemented our ideas, email [contact@moneyandmentalhealth.org](mailto:contact@moneyandmentalhealth.org)