

The benefits of lowering financial stress for your employees.



Whatever industry you're in, you almost certainly have people in your workplace affected by the 'cost of living crisis', to varying degrees. The housing/rental market, and the increases in food/groceries, are just two factors having a profound impact on people's budgets in this current climate.

And when someone's financial wellbeing is affected, it can have a significant impact on many aspects of their life, in particular, their happiness and productivity — which obviously also impacts their work-life.

As a manager and leader, it's important to be mindful of what your employees might be going through. You can be more than an empathetic boss too, as there are practical tools and advice you can provide.

As a start, it's important to let them know you understand their circumstances and want to help where you can, because your workplace culture and staff performance hinge on the wellbeing of your people.

What do we mean by 'financial wellbeing'?

'Financial wellbeing' is when someone can manage their finances well, make informed decisions and maintain financial stability.

In the same way we maintain our mental or physical wellbeing, managing financial wellbeing is an ongoing process that requires some level of planning, knowledge and discipline.

According to [this report](#), two in three (66 per cent) working Australians are feeling financially stressed to 'some degree', with those aged 55 to 59 reporting the highest rates of 'moderate and severe stress' (almost 40 per cent) as they prepare for retirement.

It also shows that 88% of people 'moderately', or 'severely' financially stressed, say their finances affect work productivity. With 22% taking time out from work to consult with lenders, creditors or collection agencies.

Financial wellbeing can significantly reduce your employees' stress levels.



Why financial wellbeing is so important in the workplace.

Financial wellbeing can significantly reduce your employees' stress levels, which then leads to improved mental health and overall wellbeing.

Being financially secure makes people [less likely to experience](#) symptoms of anxiety and depression, which leads to increased productivity. Not stressing about money gives your employees more capacity to focus on their work and perform at their best.



Supporting your employees.

There are actions you can take to effectively support your workforce, so they feel more comfortable raising financial issues.

Identify the signs

Some common indicators that an employee might be struggling financially, are:

- they appear sad, exhausted, and defeated
- they seem overwhelmed or helpless
- they lack motivation
- they show a noticeable decline of self-care

Show your support

If you're open and approachable, and show you have compassion and empathy, your employees will be more comfortable sharing their experiences.

Encourage them to seek help

Offer reassurance that it's never too late (or too early) to find support and provide appropriate resources (see more below).



How you can promote financial wellbeing.

For a happier and more productive workplace, try some of these strategies to encourage and support your employees' financial wellbeing.

- **Run educational workshops** – that offer opportunities for your employees to learn about budgeting, saving, investing, and managing debt.
- **Financial Wellbeing Coaching via your EAP provider** - offer employment assistance programs that include financial wellbeing coaching services, to help staff address financial challenges and develop strategies for improvement.
- **Offer access to financial resources** - like financial planning tools and counselling services, to help employees make informed financial decisions.
- **Encourage super top-ups** - to add extra to their superannuation (if feasible).
- **Consider flexible work arrangements** - like remote work, so employees can save on commuting costs and improve work-life balance.
- **Organise financial wellness programs** - with finance companies, to provide programs focused on financial literacy.
- **Offer incentives** – like bonuses or profit-sharing programs to reward employees for their contributions and help them achieve their financial goals.

Being mindful of the financial issues your employees might be facing, and offering ways to support them, is crucial to creating a happier, healthier and more productive workplace.

The information contained in this article is for educational and informational purposes only and is not intended as health, medical, or financial advice. Always consult a qualified health provider or independent financial, taxation or legal advice specific to your circumstances and objectives.

Sources

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