

FINANCIAL STRESS

What is financial stress?

Financial stress refers to difficulty meeting basic financial commitments due to a shortage of money.¹ It may relate to current debts or to financial concerns about the future. While people on low incomes are more likely to report experiencing financial stress, many high-income families also report this experience.²

Financial pressure is a major cause of stress in Australia. According to a survey undertaken by the Australian Bureau of Statistics in 2010, 19% of adults had experienced financial problems in the previous year. In the same survey, many people said they were unable to pay bills (such as electricity, gas, telephone or car registration) within the time given to pay the bill.²

It is likely that there will be times when financial stress is affecting some of your employees. As an employer, it is in your interests to help your employees manage financial stress because, as with any form of stress, it can impact on their productivity while at work.

This fact sheet will guide you to resources so you can support your employees or assist them in seeking help for financial stress.



Signs that someone may need help

While it may be difficult to know if someone is suffering from financial stress, you may become aware that an employee is behaving differently or is exhibiting general signs of stress (see Stress and the workplace - information for employers fact sheet).

Specific signs of financial stress include:

- being often late paying bills or seeking extensions
- making only minimum payments on credit cards or missing payments
- spending less money on necessities such as food
- facing increasing debt from credit cards or loans
- facing legal action for debt recovery
- fear of eviction due to being behind in rent or loan repayments.³

You may not know this level of detail about your employees' financial situations, but being aware of these signs may help you guide your employees to appropriate help if they do seek your assistance, or if you become aware that they are in need of additional support.

How you can help

When someone is facing financial pressure, they may feel overwhelmed and not know where to turn. They may feel uncomfortable speaking up about their situation.

If an employee seeks your advice, there are ways you can help. How you do this will be guided by the employee and how much information they are willing to share. Some things you could do include:

- referring them to the Australian Government MoneySmart website www.moneysmart.com.au for some useful financial resources and information
- helping them develop a budget or guiding them to a budget template. The MoneySmart website mentioned above has a range of useful tools and templates available to download free of charge
- offering to set up regular transfers directly from their pay (such as rent payments, regular bills or credit card payments)
- directing them to the free Financial Counselling Service run by Anglicare on 8985 0000, or to a employee assistance program already operating in your workplace
- suggesting they contact people to whom they owe money to explain that they are having difficulty paying bills on time. You could suggest that they ask for some time, make a part-payment or seek their help.

While there are many causes of financial stress, financial problems can sometimes be caused by other issues that are not immediately obvious. The Financial Counselling Services (8985 0000) can refer employees to other sources of support if necessary

Where to go for more information

For more information on social and emotional wellbeing, read the below fact sheet.



FACT SHEET

**Where to go for more information -
Social and emotional wellbeing**



References

1. Nicol, A 2010, *The experience of financial stress in Australia: the role of life events and prior stress*, Department of Families, Housing, Community Services and Indigenous Affairs.
2. Australian Bureau of Statistics 2010, *Publication 4159.0 - General social survey: summary results, Australia*, www.abs.gov.au
3. Lifeline Australia, *Fact sheet: What is financial pressure*, www.lifeline.org.au